SILVER MINES LIMITED

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Silver Mines Limited Introduction

- Largest undeveloped silver deposit in Australia
- Feasibility Study almost complete - fast track to development
- Successful drill campaign underway
  - Confirmed significant extensions to mineralisation
  - Discovered new high-grade zones at depth
  - Discovered gold at depth
  - Concurrent exploration outside of existing deposit
- Regional land position covering 1600 km^2 (408,000 acres)
- Experienced board and management
- Safe jurisdiction

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.

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

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

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

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

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

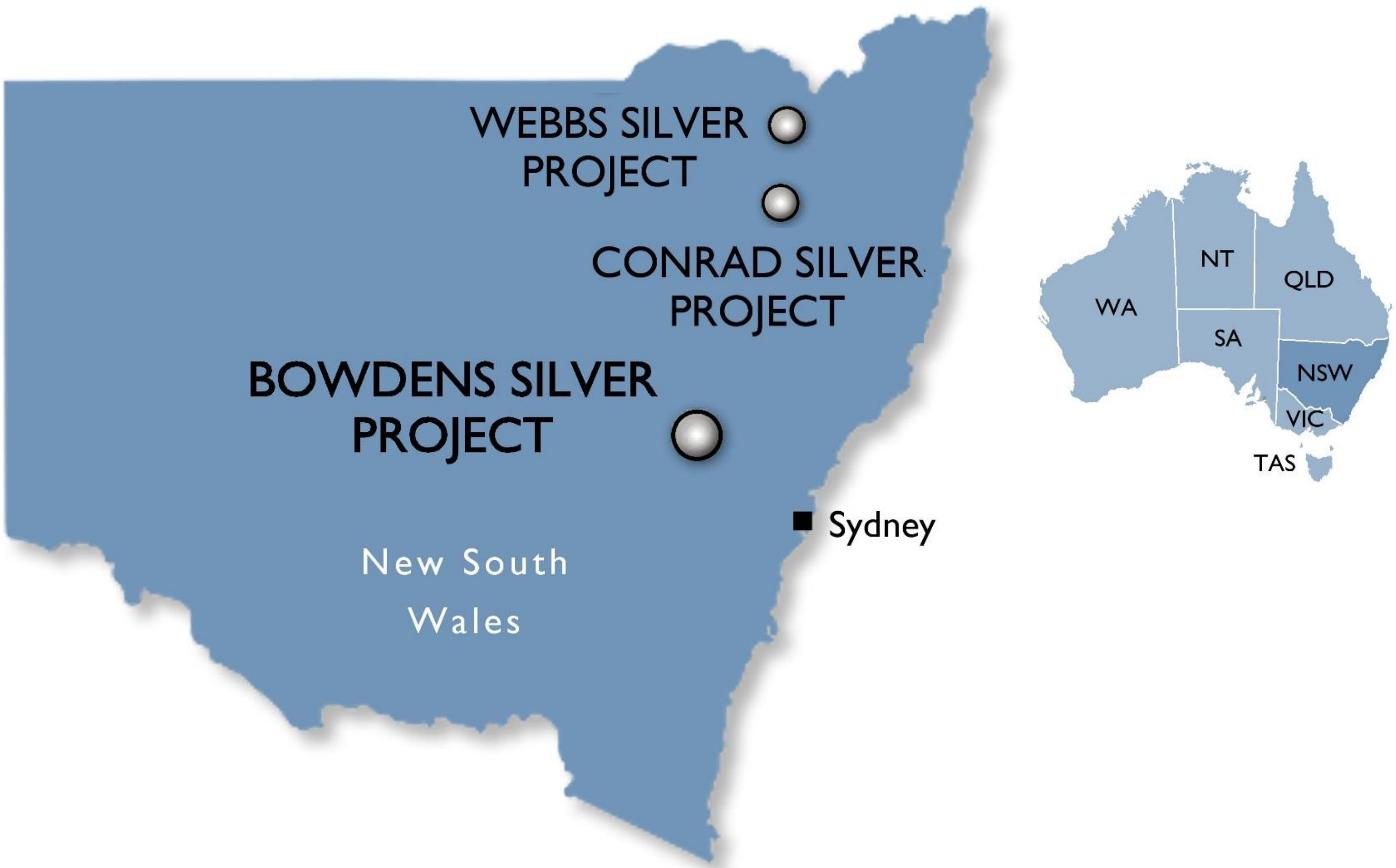
Until recently, Mr Battershill was the Global Mining Strategist (Executive Director) with the UBS investment bank in London and is currently the Principal of JJB Advisory Limited, a private advisory and consulting firm based in the UK.

Silver Mines Limited Structure

Shares on Issue	390.9m
Current Share Price	A$0.135
Undiluted Market Capitalisation	A$52.7m
Cash as at end March 2017	A$4.1m*
Options	
Oct 2017 @ $0.30	23.4m
Jun 2018 @ $0.30	10.7m
Jun 2019 @ $0.30	8.0m

*** In addition, capital raising of $3.0m before costs completed April 2017**

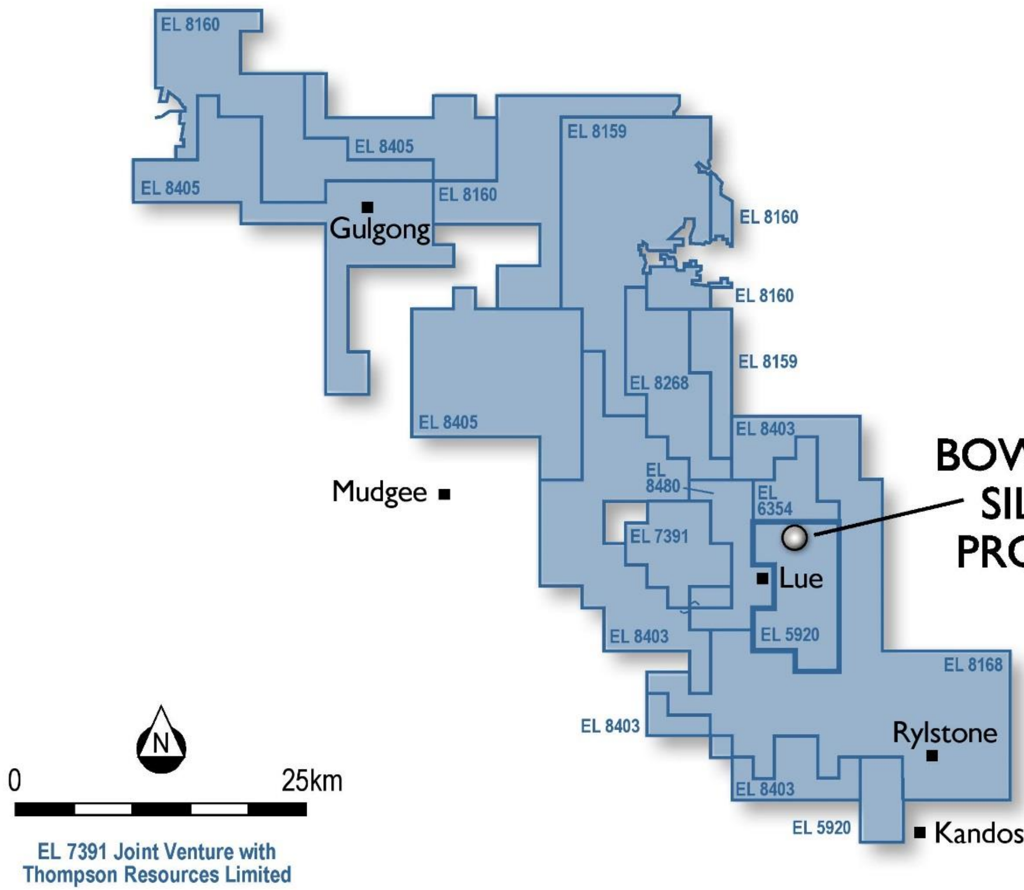
New South Wales Silver Consolidation

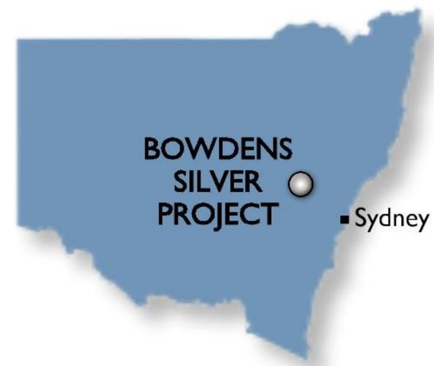


Bowdens Silver Project – Brief History

- Originally discovered by CRA, and drilled by Silver Standard
- Purchased by Silver Mines in June 2016 from Kingsgate
- The largest undeveloped silver deposit in Australia and one of the largest globally
- Approximately A$60 million spent on the project to date
- Freehold land surrounding mine mostly purchased
- Consolidated 80kms of strike of the highly mineralised Rylstone Volcanics (1,654 km^2 = 408,000 acres)
- Project de-risked with almost 90,000 metres of drilling completed to date

Bowdens Silver Project Location and Title Package





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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 end-2017
- Fast track to mine development

2. Aggressively explore surrounding exploration package

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

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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 Silver*	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 resource estimation conducted in 2012 MPR Geological Consultants for Kingsgate Consolidated. Silver Mines resource estimation scheduled for completion in Aug/Sept 2017.**

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Bowdens Silver

Fast Track through Feasibility and Permitting

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

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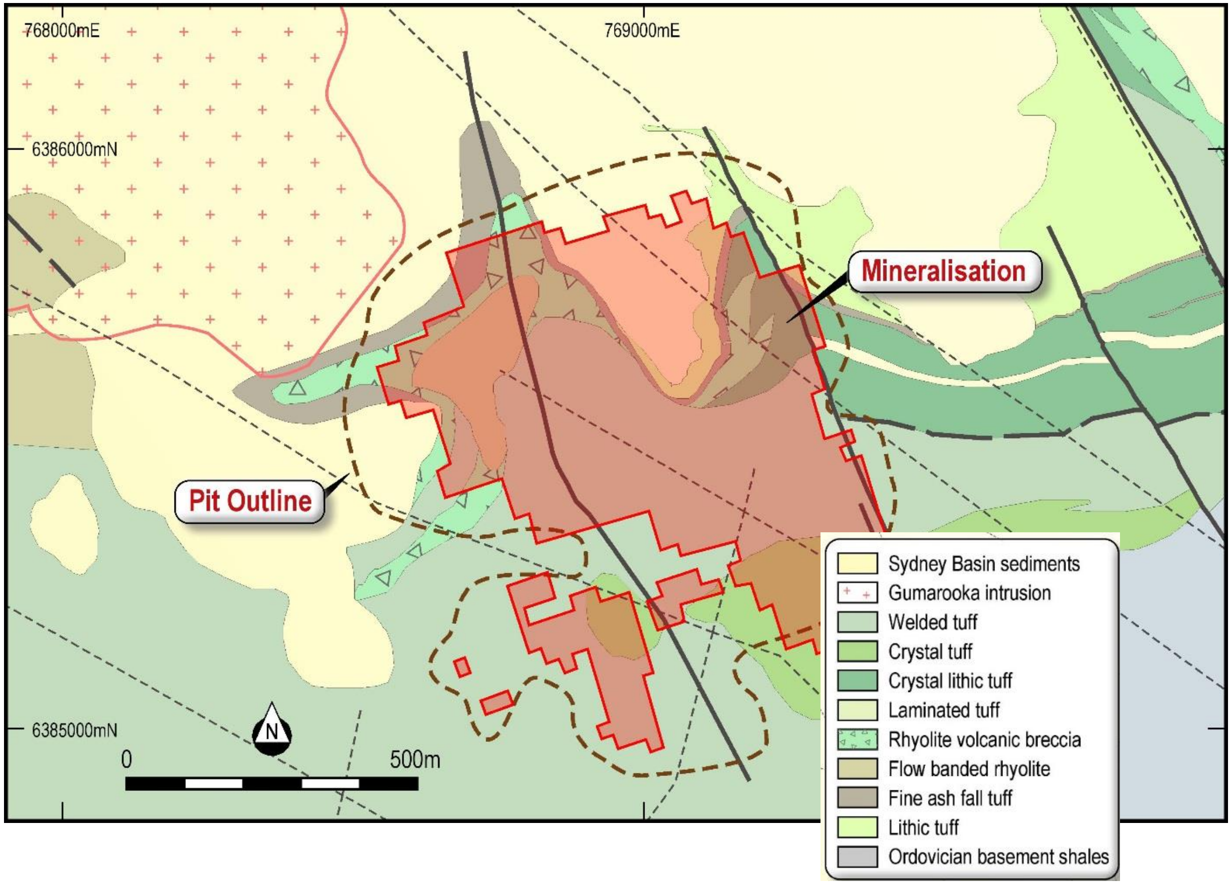
Bowdens Silver Project



- **Resource of 134 Moz of silver (182 Moz of silver equivalent)**
- **Feasibility Study complete end-2017**
- **Environmental Impact Statement complete end-2017**
- **Flat lying deposit at surface – easy to mine and very low strip ratio**
- **Classified as "State Significant Development" in New South Wales**

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

- Kingsgate resource based on 63,000 metres drilling (from CRA, Silver Standard, Golden Shamrock and Kingsgate)

What's new?

- *Identified structurally controlled high-grade zones along the eastern flank*
- *Extensions beneath existing resource estimation*
- *Massive sulphide zones*
- *Gold discovered below existing resource*
- *Silver Mines is focussed on initial high-grade open pit mining inventory*
- *Identified metal zonation at depth towards source beneath the western margin*

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**

NEW BOWDENS SILVER RESOURCE MODEL SCHEDULED FOR COMPLETION IN AUG/SEPT 2017

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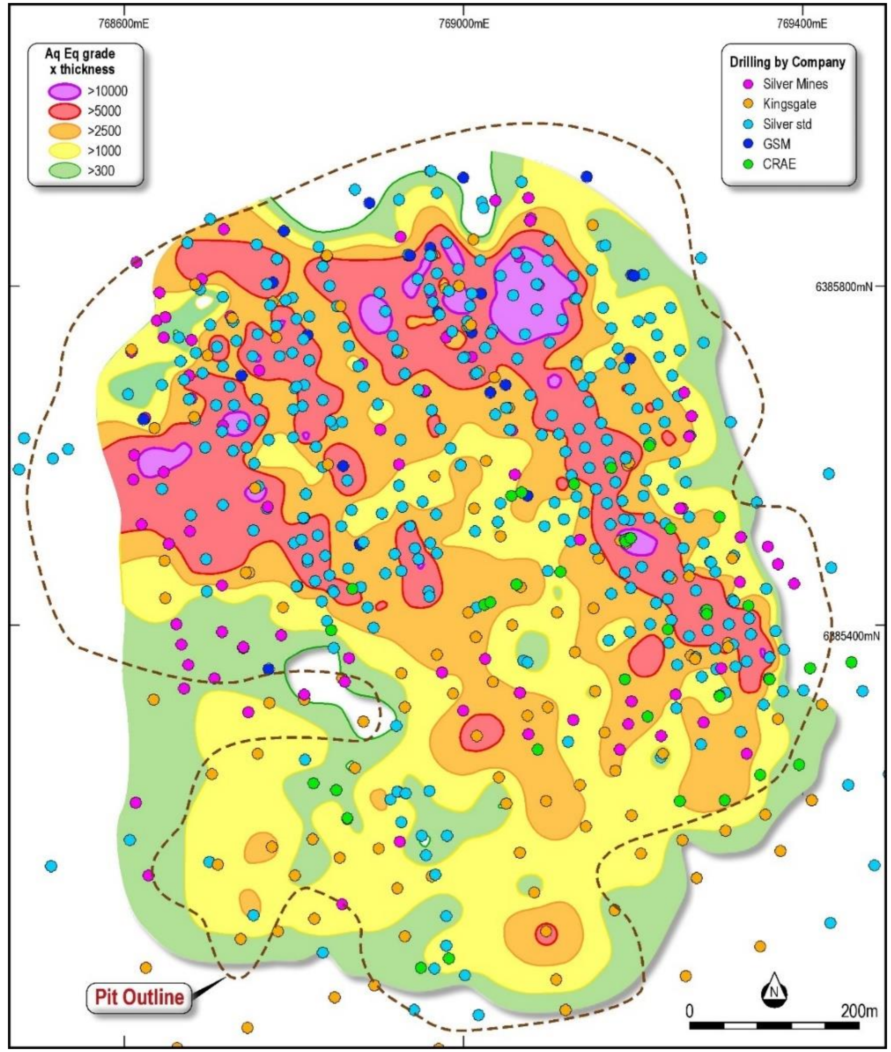
Drilling by Company

Silver Mines drilling has focused on:

- **both infill and extensions**
- **more diamond core holes – enabling a structural interpretation of high-grade zones**
- **more holes intersecting basement Ordovician rocks resulting in new discoveries at depth**
- **Drilling on-going with three rigs active**

Company	DD	RC	Total
CRA, Silver Std, Golden Shamrock	8,764	40,965	49,729
Kingsgate	6,146	12,785	18,931
Silver Mines	11,738	8,319	20,057

Total drilling on the project



Grade thickness map based on previous resource.

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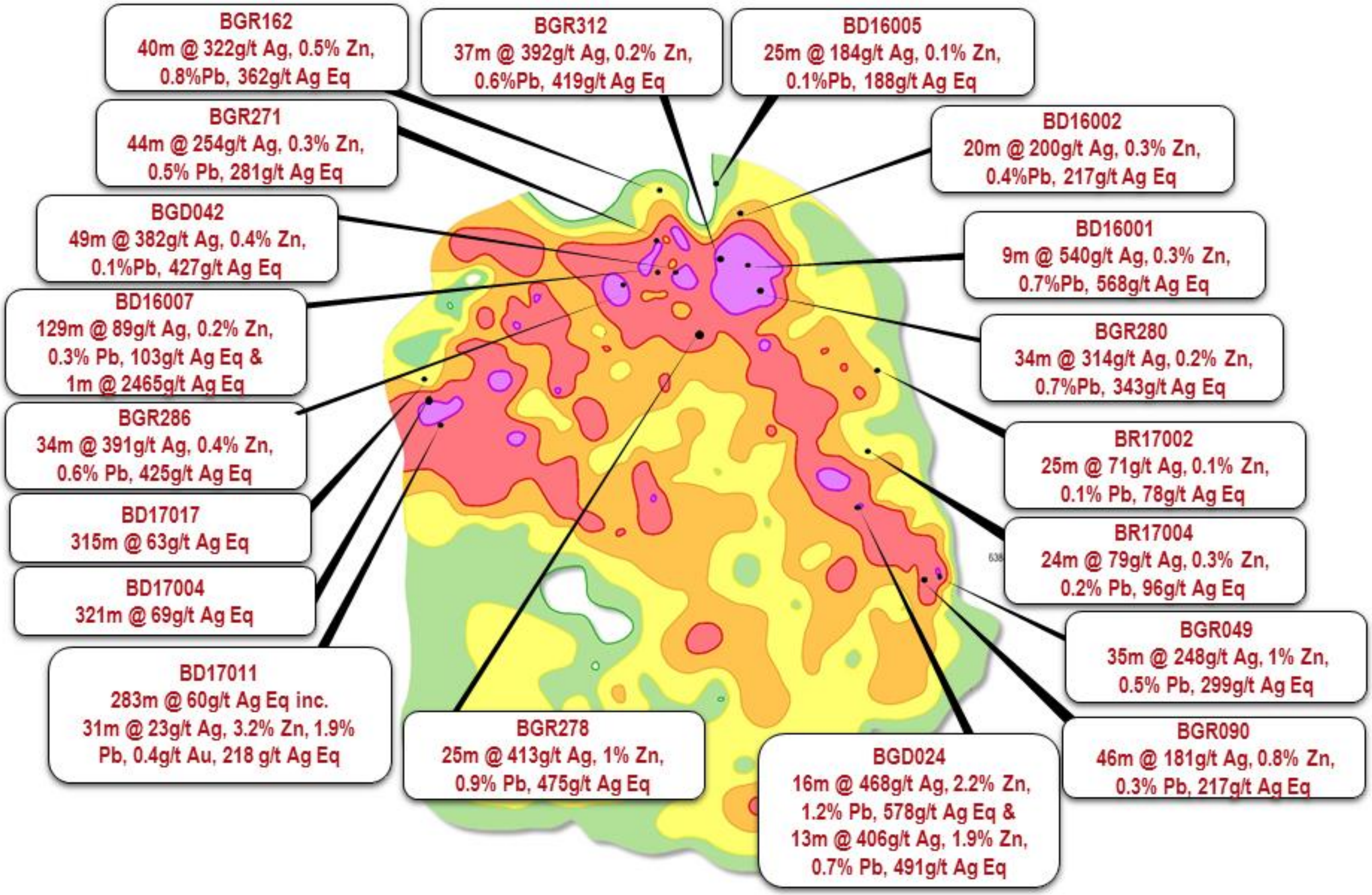
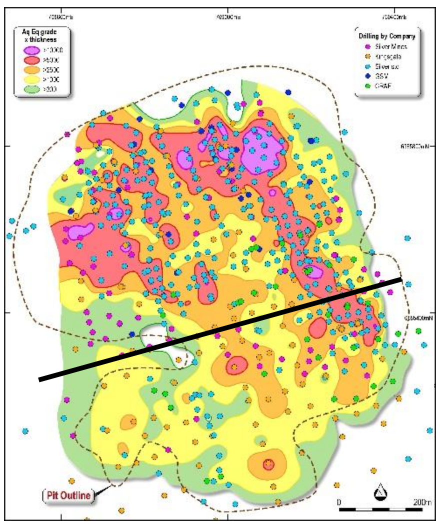
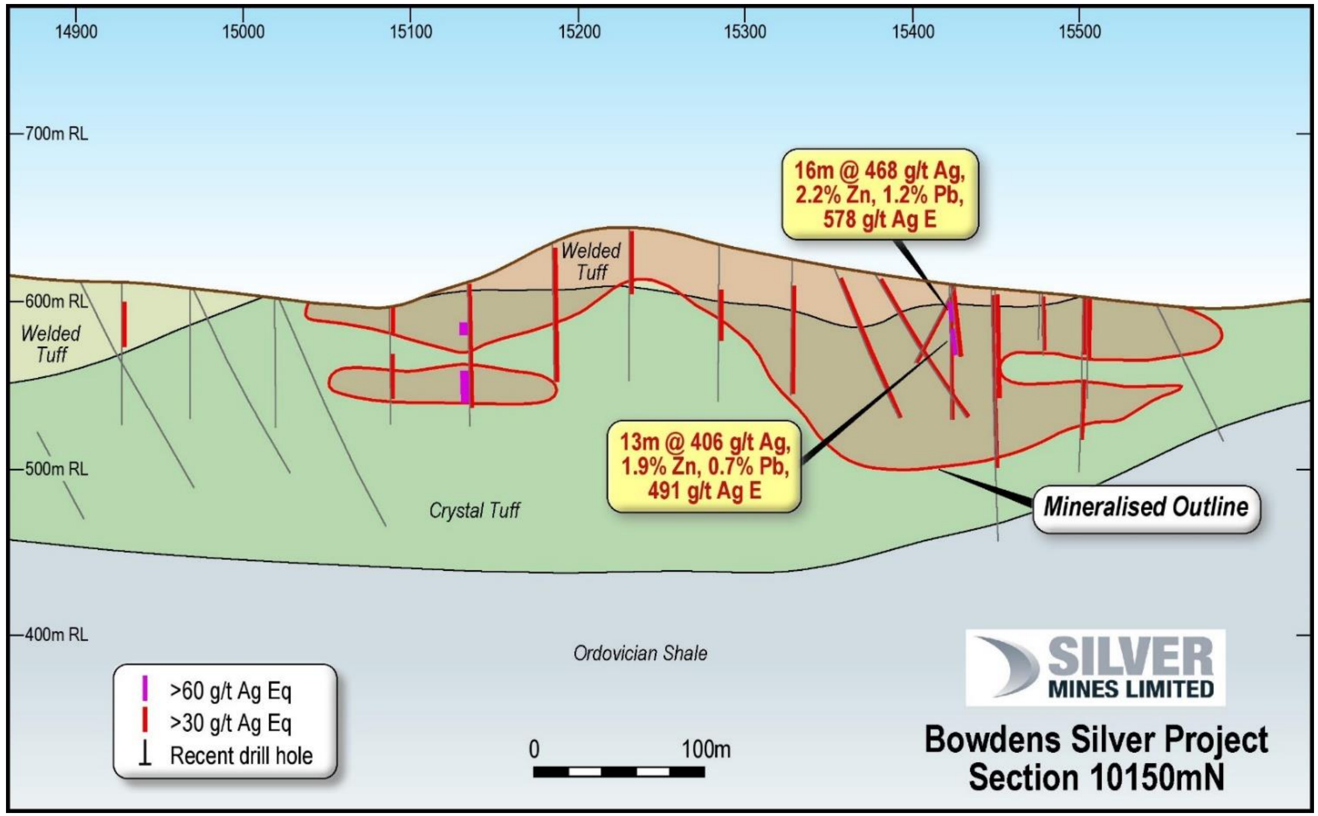
Drilling: high-grade zones



Bowdens Silver Project: southern section

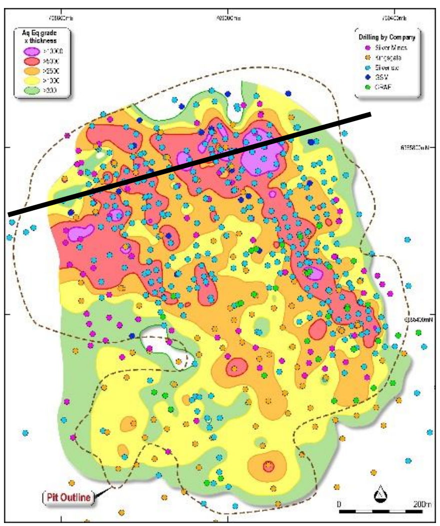
- **High-grade zone on the eastern 'Main Zone'**

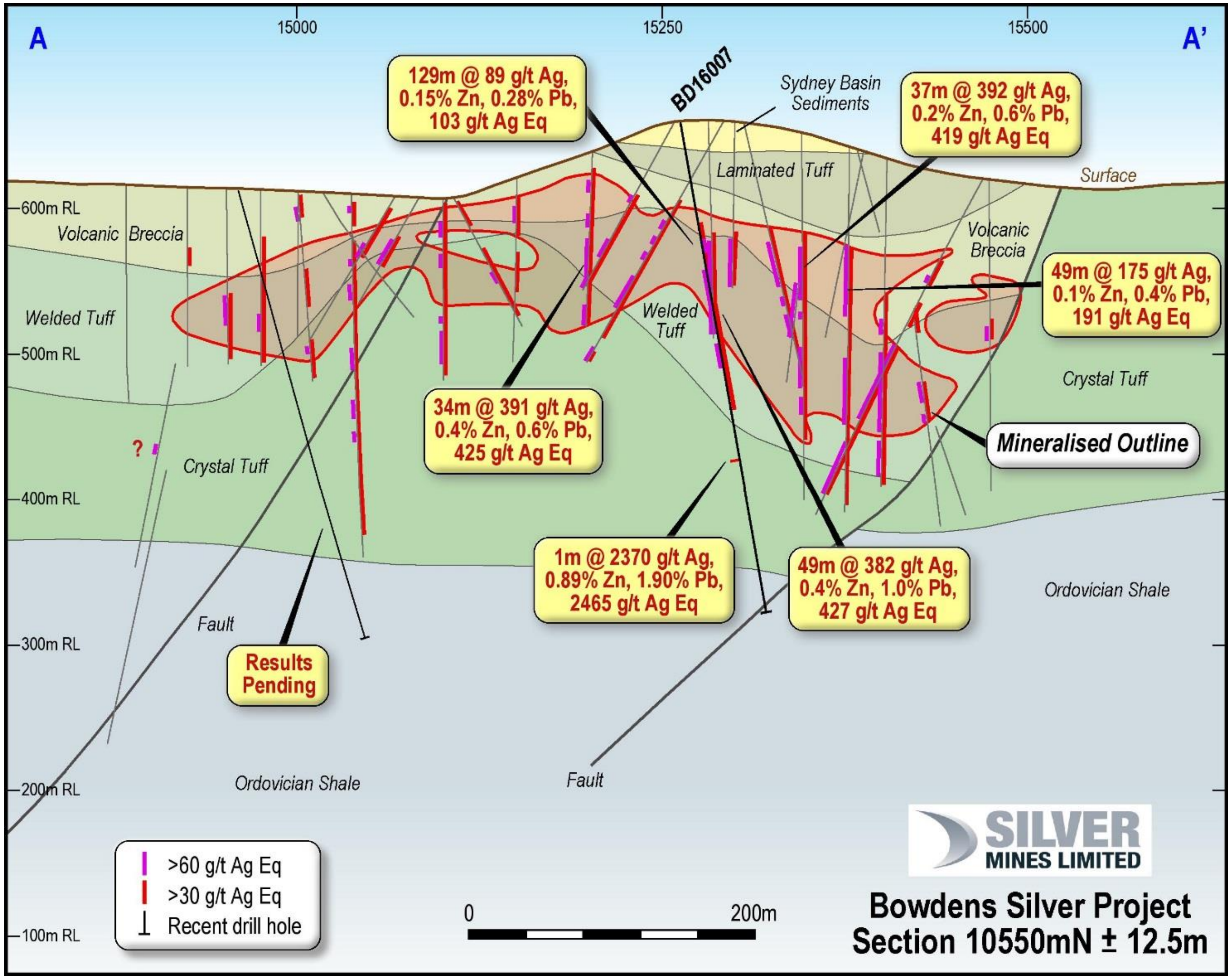




Bowdens Silver Project: northern section

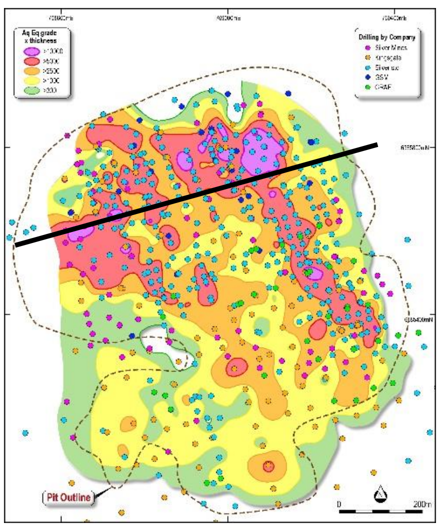
- **Highest grade zone at the northern end of the deposit**

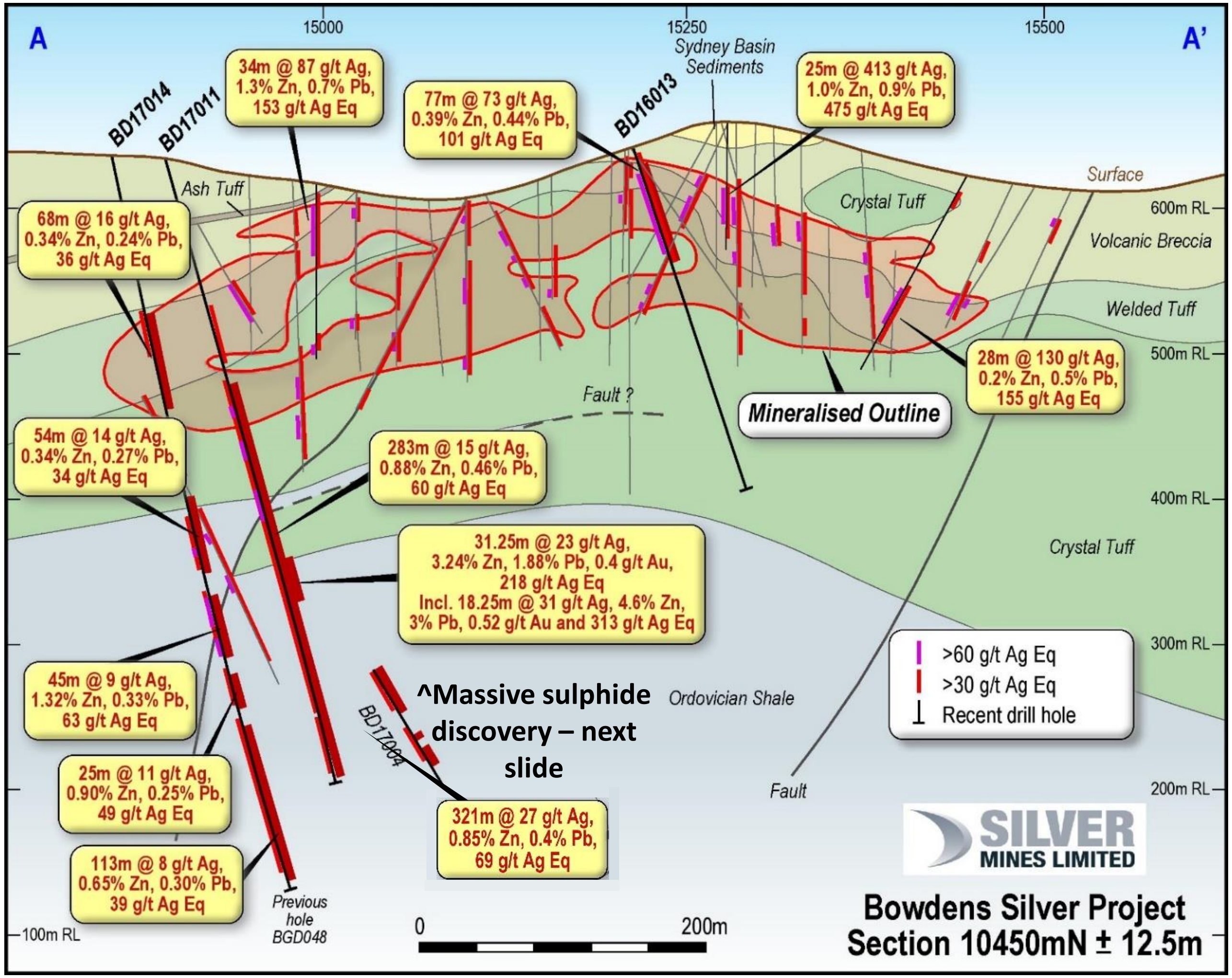




Bowdens Silver Project: central section

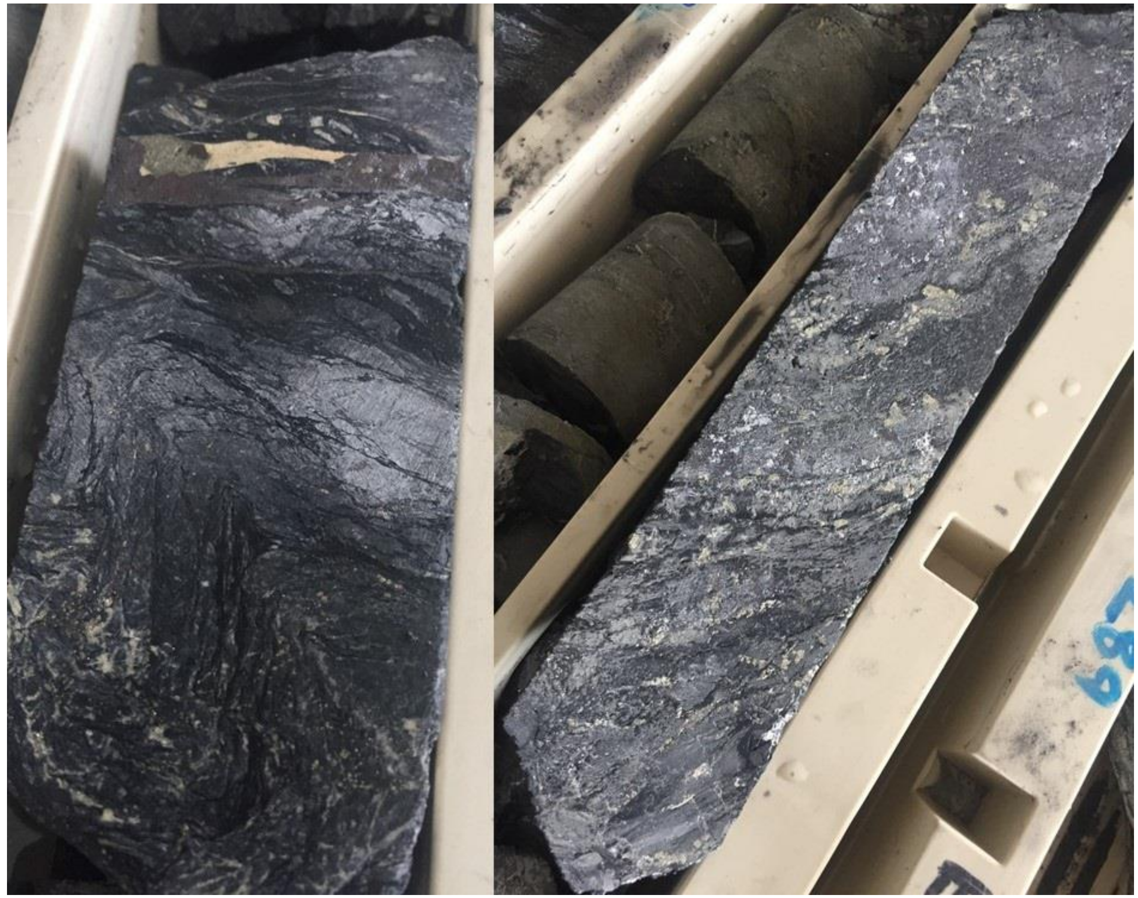
- **New depth extensions on the western 'Bundarra Zone'**
- **New massive sulphide zone**





New Massive Sulphide Discovery

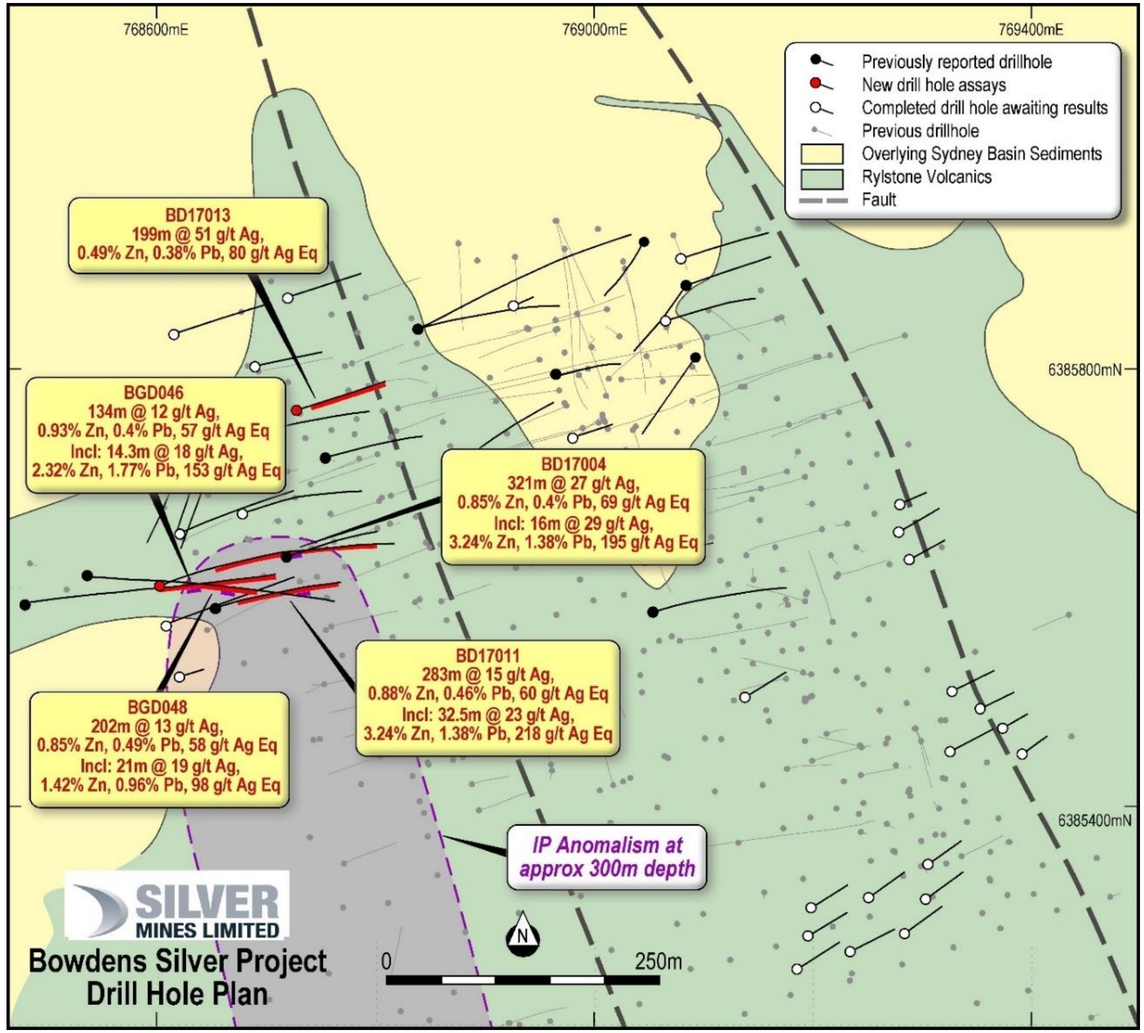
- Massive to semi-massive sulphide discovery made in Feb/Mar 2017
- ~ 100 metres below the existing resource.
- Significant gold content
- Results include 31.25m @ 23g/t Ag, 3.24% Zn, 1.88% Pb 0.3g/t Au (218g/t AgEq)
- Massive sulphide zone within a significant interval of lower grade mineralisation



New Massive Sulphide Discovery

What is next for the deep sulphide zone:

- Integration of deep electrical geophysics data (e.g. IP / EM)
- Extensions likely to the south
- Build a geological model based on metal zonation and structural geology
- Target extensions and more high-grade base and precious metal zonation.



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Bowdens Silver Current Programs to Development

- Project de-risked with ~90,000m drilling complete
- Focus on fast-tracking feasibility and permitting
- Significant work underway
    - Outstanding elements of Feasibility Study
    - Focus on capital cost-effective development and enhanced project economics
- Robust project economics at current prices with focussing on high-grade zones for initial mine plan
- Community and Government programs advanced

Bowdens Silver Development

- Primary Feasibility Study works by GR Engineering, AMC, ATC Williams and Jacobs.
- Smaller, more robust lower impact development planned.
- 2.0 million tonnes per annum ore.
- Circa 34 million tonnes of ore and strip ratio of approximately 1.7:1.
- Mine life minimum 17 years (likely to be much longer).
- Development capital investment circa A$150-$200 million.
- Water capture and sourcing onsite, external sourcing as backup.
- Production of silver/lead concentrate and zinc concentrate for sale and treatment off-site.
- Feasibility Study to be complete end-2017

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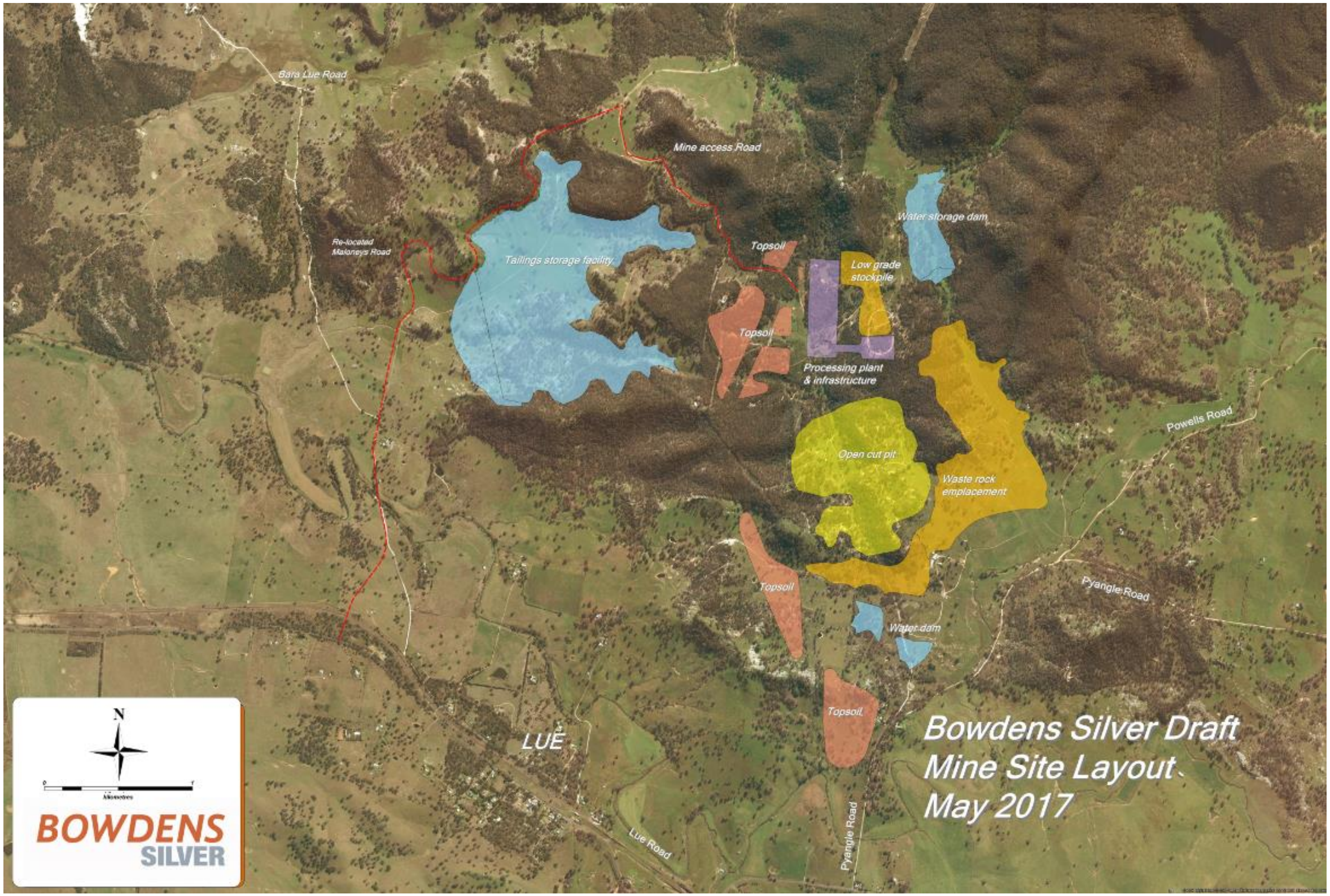
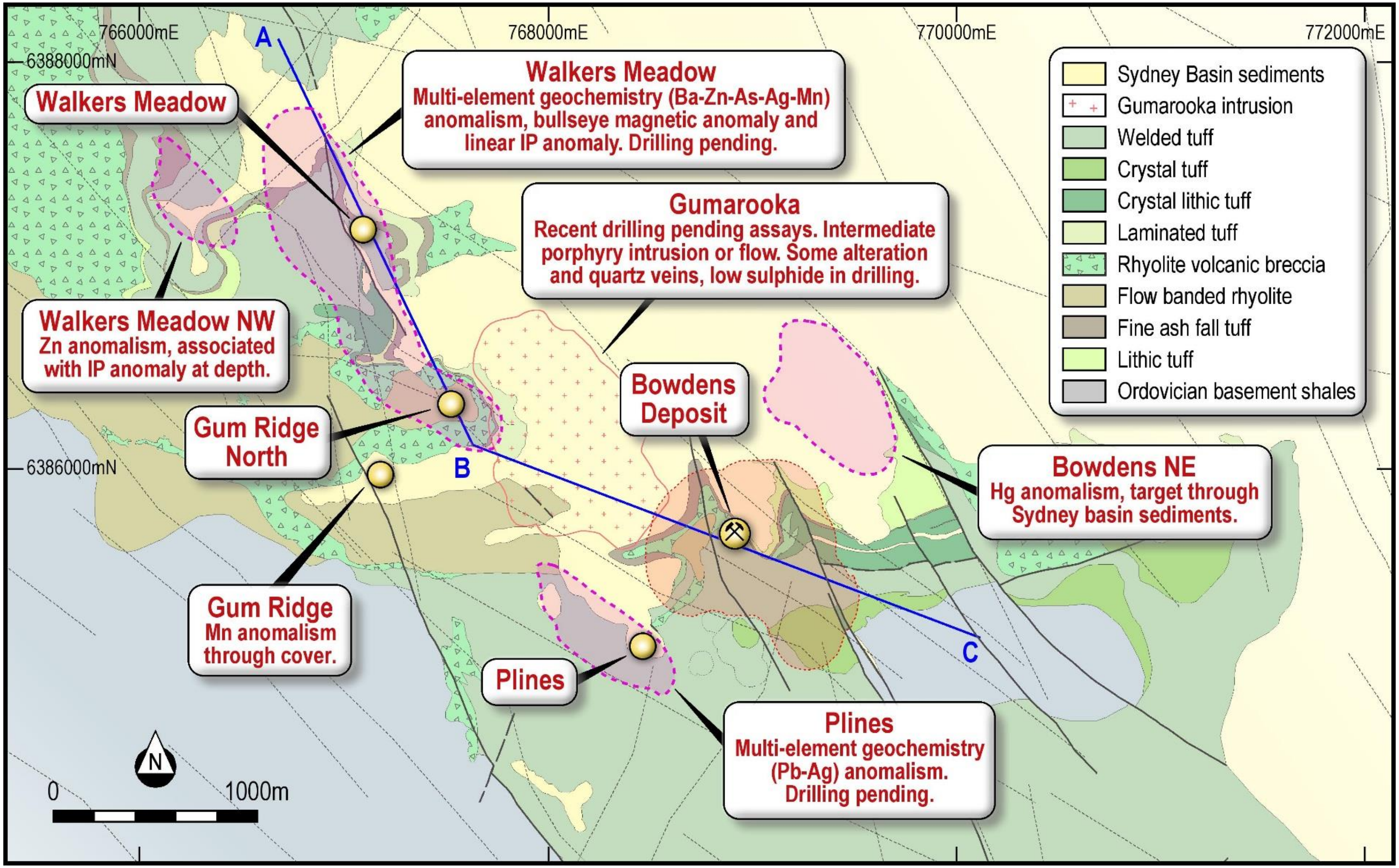
Bowdens Silver Development



Bowdens Silver – Extensional Exploration

Bowdens Silver Exploration Upside



Extensional geology map and targets

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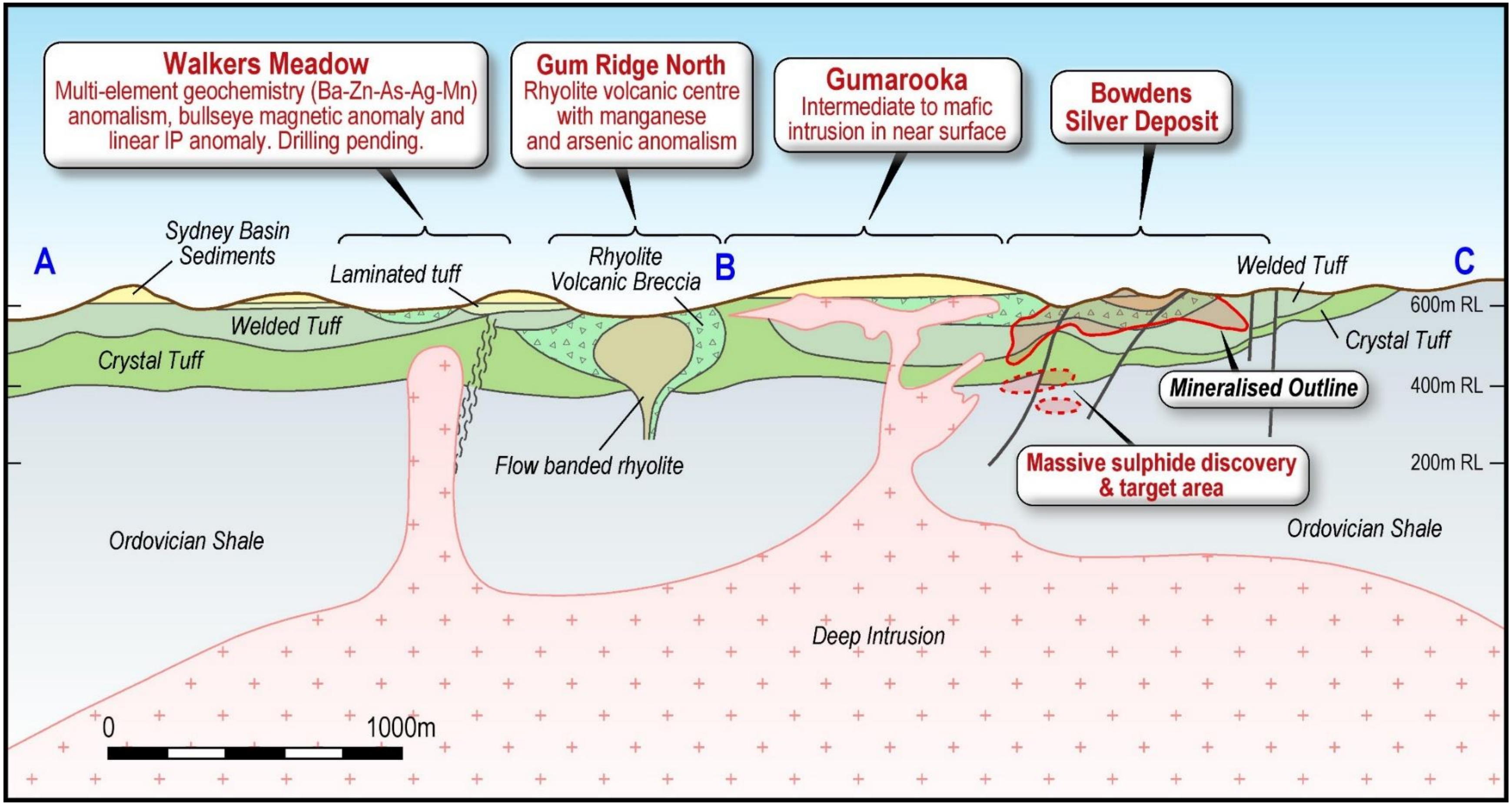
Bowdens Silver Exploration Upside



Schematic Cross-section A-B-C

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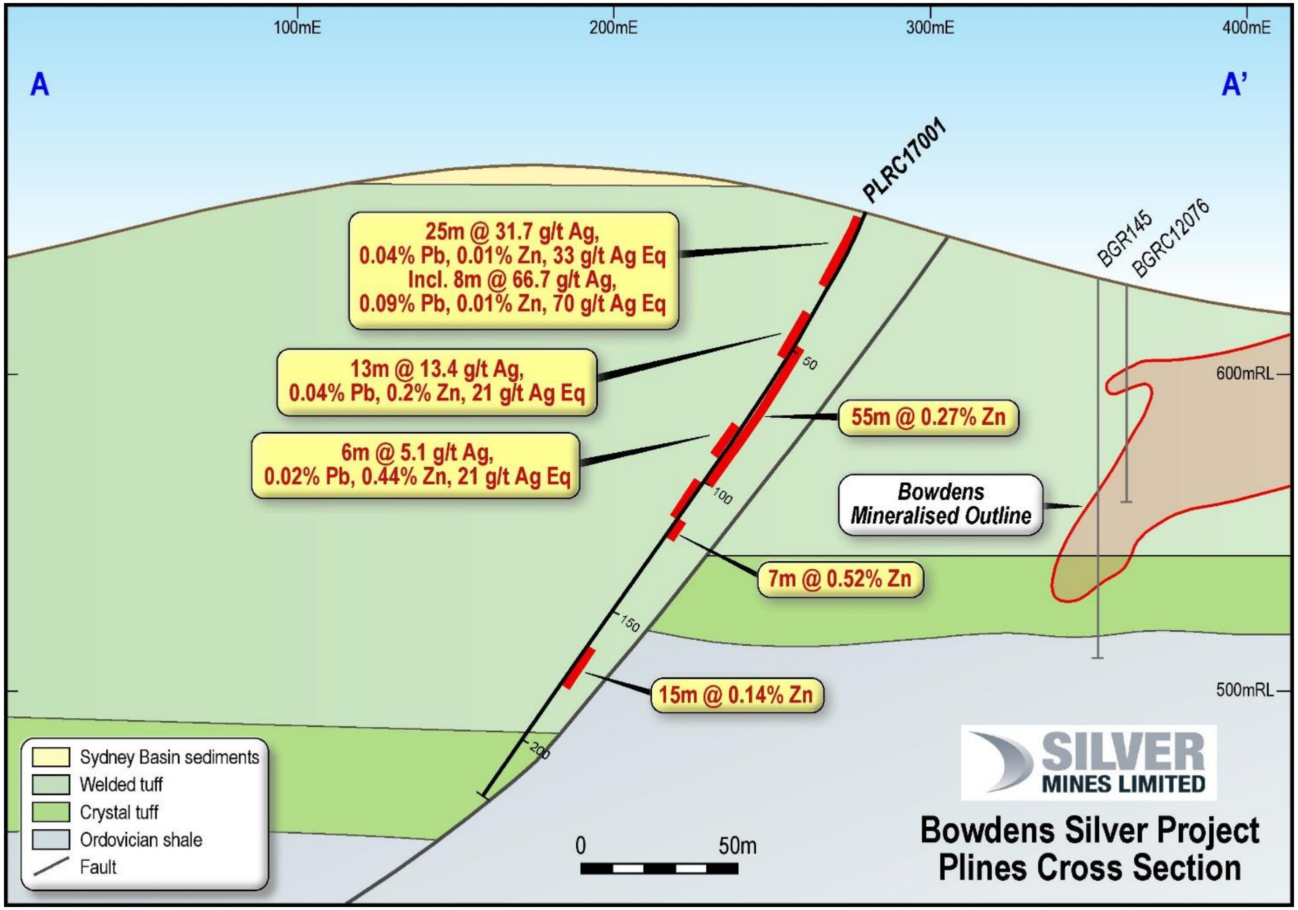
Bowdens Silver Exploration Upside: Plines

800 x 600m geochemistry anomaly

Extensional to Bowdens

First drill results:

- high-grade assays up to 190g/t Ag
- Broad anomalous zones of zinc mineralisation
- Drilling on-going.



< On excavating drill pads, a hydrothermal breccia discovered with silver, lead and zinc mineralisation

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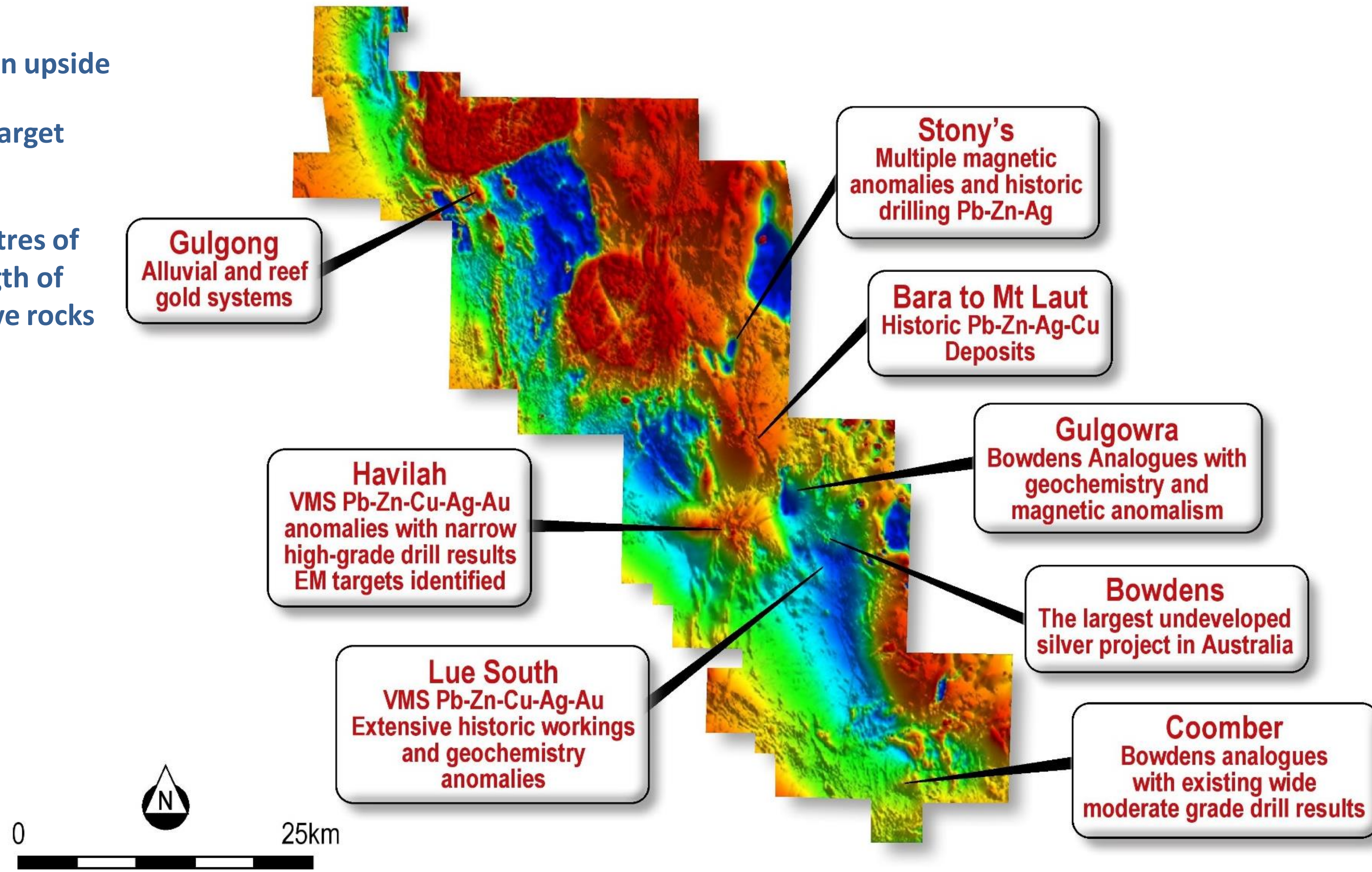
Bowdens Silver Exploration Upside: Regional

- Regional exploration upside
- Multiple target types
- 60 kilometres of strike length of prospective rocks identified



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Bowdens Silver Exploration Upside - Coomber

Coomber Prospect Drill Results			
From (metres)	To (metres)	Interval (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 2,645 metres**
- **Drilling by CRA in early 1990's, yet to be followed up**
- **Circa 10kms from Bowdens Silver**
- **Mineralisation from surface and analogous to Bowdens Silver**

Upcoming News Flow

- Three drill rigs operational on site
    - Continued drill results from Bowdens in-fill and exploration
    - Continued drill results from massive sulphide discovery
    - Continued assessment of gold discovery under current resource
    - Exploration results from near-mine targets
- Resource estimation Aug-Sept 2017
- Feasibility Study results end-2017
- Environmental Impact Assessment submission end-2017

Since June 2016

<u>Corporate</u>

- Acquisition of 100% of Bowdens Silver Project
- New Board of Directors and Management
- ~A$40 million capital raised for acquisition and working capital

<u>Project</u>

- Feasibility Study commenced for completion end-2017
- Environmental Impact Statement commenced for completion end-2017
- 20,000 metes of drilling completed (including exploration)
- Infill drilling almost complete in preparation for Aug-Sept 2017 resource estimates
- Government and Community Processes well advanced

<u>Exploration</u>

- Exploration strategy commenced with immediate and substantial drilling success
- 20,000 kilometres of aerial geophysics completed
- Confirmed that resource is open at depth and extends for 100-150 metres below current resource
- Semi-massive and massive and sulphide zone discovered below existing resource
- Gold discovered below existing resource

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Summary

- ✓ Largest undeveloped silver deposit in Australia and one of the largest globally
- ✓ Latest drilling shows extensions to mineralisation
- ✓ Pending resource update with focus on high-grade
- ✓ Exemplary geometry for low-strip ratio open pit
- ✓ Development strategy focussing on high-grade / near surface zones
- ✓ New high-grade massive sulphide discovery beneath existing deposit
- ✓ Excellent exploration potential
- ✓ Experienced management with history of wealth creation
- ✓ Timing 'sweet spot' with macroeconomic trends

"Building the largest pure silver company in the Southern Hemisphere"

For further information please contact: Anthony McClure, Managing Director

ASX:SVL Corporate Presentation June 2017

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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.

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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.

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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.

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Appendix 4 – Company Announcements

Refer to Company Announcements for full JORC details for drill results announced

Date	Headline
07/06/2017	Impressive drill results from Bowdens Silver continue
30/05/2017	Expiry of unlisted options
16/05/2017	Silver Mines Presentation May 2017
15/05/2017	Appointment of Director
12/05/2017	Correction to Announcement
12/05/2017	Base Metals Rich Semi-Massive Sulphide Zones Extended
28/04/2017	Quarterly Activities & Cashflow Report
27/04/2017	Results of Minimum Shareholding Buy-Back
26/04/2017	Update on Bowdens Silver Drilling Program
11/04/2017	Extension of Semi-Massive and Massive Sulphide Discovery
07/04/2017	Appendix 3B
07/04/2017	Share Purchase Plan Results
27/03/2017	Drilling Commencing At Gumarooka Porphyry Intrusion Target
23/03/2017	Drilling confirms high-grade silver below current resource
15/03/2017	Half Year Accounts
15/03/2017	Semi-Massive and Massive Sulphide Discovery
08/03/2017	Buy-Back
08/03/2017	Share Purchase Plan
07/03/2017	Cleansing Notice
06/03/2017	Share Purchase Plan & Minimum Shareholding Buy-Back
02/03/2017	Change in substantial holding
02/02/2017	Drilling Results
31/01/2017	Quarterly Activities & Cashflow Report

Date	Headline
28/12/2016	KCN: Chatree Gold Mine Now Debt Free
23/12/2016	Ceasing to be a substantial holder
21/12/2016	Cleansing Prospectus
21/12/2016	Appendix 3B
16/12/2016	Capital Raising and Update
14/12/2016	Trading Halt
13/12/2016	Geophysics – Possible Porphyry Source of Mineralisation
09/12/2016	Drilling Results
29/11/2016	Results of Meeting
29/11/2016	Annual General Meeting Presentation
22/11/2016	Drilling Results
21/11/2016	Trading Halt
18/11/2016	Appendix 3B
11/11/2016	Becoming a substantial holder
04/11/2016	Conference Presentation Zurich
31/10/2016	Quarterly Activity & Cashflow Report
28/10/2016	Notice of Annual General Meeting/Proxy Form
05/10/2016	Bowdens Silver Update

Competent Persons Statements

Bowdens Silver 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 Silver Exploration and Drill Results

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

SILVER MINES LIMITED