

28th April 2023

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

ACTIVITIES REPORT FOR THE QUARTER ENDED**31 March 2023****HIGHLIGHTS****Bowdens Silver Project, New South Wales**

- Bowdens Silver Project obtains final development approval from the Independent Planning Commission of New South Wales.
- The Project has received approvals to proceed to development and production subject to conditions of consent.

Updated Mineral Resource Estimate for Bowdens Silver Deposit

- The Bowdens Silver Deposit Mineral Resource estimate for all categories has been upgraded to:

200 million tonnes @ 62g/t silver equivalent ('Ag Eq')¹

(29g/t Ag, 0.37% Zn, 0.26% Pb, 0.07g/t Au) for:

396 million ounces Ag Eq at a 30g/t Ag Eq cut off.

- Compared to the 2017 Mineral Resource estimate this resource represents a:
 - 56% increase in total tonnes
 - 44% increase in total silver equivalent ounces
- Measured and Indicated Mineral Resource categories are 79% of total Mineral Resource estimate tonnage.
- The updated Mineral Resource estimate will be used to optimise open-cut mine studies and drive Mineral Resource to Ore Reserve conversion.
- The Mineral Resource estimate includes 19 million tonnes @ 0.31 g/t gold for 190,000 ounces of gold (at a 0.2g/t gold cut-off).

Bowdens Silver Project Exploration

- Footprint of gold mineralisation in the Southern Gold Zone now over 450 metres in strike, ~250 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 currently outside the planned open-cut pit.
- Latest drilling results include:
 - **384 metres @ 62g/t silver equivalent** (10g/t silver, 0.61% zinc, 0.39% lead and 0.09g/t gold) from 77 metres in BD22046, including;
 - **7 metres @ 157g/t silver equivalent** (19g/t silver, 1.60% zinc, 0.88% lead and 0.34g/t gold) from 238 metres.
 - **167 metres @ 73g/t silver equivalent** (11g/t silver, 0.53% zinc, 0.54% lead and 0.20g/t gold) from 145 metres in BD22044, including;
 - **12 metres @ 189g/t silver equivalent** (30g/t silver, 1.20% zinc, 1.87% lead and 0.43g/t gold) from 192 metres, and
 - **10 metres @ 170g/t silver equivalent** (20g/t silver, 1.09% zinc, 0.95% lead and 0.79g/t gold) from 213 metres.
- Further assaying of historic drill samples for gold in the Southern Gold Zone:
 - 21 metres @ 0.89g/t gold from 105 metres in BRC17075,
 - 23 metres @ 0.38g/t gold from 85 metres in BRC17076 and
 - 14 metres @ 0.44g/t gold from 154 metres in BRC12081.
- Exploration drilling continues with two diamond drill rigs on site.

¹ Bowdens silver equivalent: $\text{Ag Eq (g/t)} = \text{Ag (g/t)} + 33.48 * \text{Pb (\%)} + 49.61 * \text{Zn (\%)} + 80 * \text{Au (g/t)}$ 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, 82% zinc and 83% lead, 85% gold estimated from test work commissioned by Silver Mines Limited.

Bowdens Silver Project Development Approval

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.

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 referred the Project to the Independent Planning Commission of New South Wales ("IPC") for final determination.

Subsequent to the end of the March 2023 quarter, on 3 April 2023, the IPC approved the Bowdens Silver Project allowing the Project to proceed to development and production subject to conditions of consent.

Silver Mines continues an extensive program of consultation with relevant Government departments, local communities, and other interested stakeholders. Consultation processes focus on the current mine development area and the wider area where the Company is commencing or undertaking exploration programs.

The Company is advanced in an optimisation program for the updating of the Bowdens Silver Feasibility Study completed in 2018. The update program is examining all aspects of the development including Ore Reserves, mine design, metallurgy, process design and economic and market considerations. The optimisation program is scheduled for completion by the end of calendar 2024 or soon after.

The Company has also been undertaking a Scoping Study for potential underground mining scenarios. The study considers potential underground mining scenarios beneath the planned approved open-pit development. This underground study has been placed on hold given the prioritised Feasibility Study optimisation program.

Mineral Resource Update

During the March 2023 quarter, the Company provided an update Mineral Resources for the Bowdens Silver Project. The Bowdens Mineral Resource Estimate has been updated by H&S Consultants using both Multiple Indicator Kriging, Ordinary Kriging and the reporting is compliant with the 2012 JORC Code and Guidelines. Please refer to Tables 1, 2 and 3, and Appendix 1 for further details.

Table 1 – Bowdens Silver Deposit Mineral Resource Estimate as at March 2023 (at a 30 g/t Ag Eq cut-off)								
Category	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Million Ounces Silver	Million Ounces Silver Eq.
Measured	107	68	40	0.36	0.25	0.03	137	235
Indicated	50	55	20	0.38	0.26	0.09	33	88
M & I	157	64	33	0.36	0.25	0.05	169	323
Inferred	43	54	14	0.39	0.29	0.13	19	73
Total	200	62	29	0.37	0.26	0.07	189	396

Table 2 – Bowdens Silver Deposit Mineral Resource Estimate for Gold as at March 2023 (at a 0.2 g/t Au cut-off) and contained within the overall Resource Estimate in Table 1								
Category	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Thousand Ounces Gold	Million Ounces Silver Eq.
Measured	3.5	76	18	0.46	0.30	0.31	35	9
Indicated	6.0	71	12	0.46	0.31	0.31	61	14
Inferred	9.5	75	11	0.50	0.41	0.31	96	23
Total	19.0	74	13	0.48	0.36	0.31	190	45

Notes:

1. Refer to Appendix 1 for full details.
2. Bowdens silver equivalent: Ag Eq (g/t) = Ag (g/t) + 33.48*Pb (%) + 49.61*Zn (%) + 80*Au (g/t) 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, 82% zinc and 83% lead, 85% gold estimated from test work commissioned by Silver Mines Limited.
3. Bowdens Silver Mineral Resource Estimate reported to a 30g/t Ag Eq cut off extends from surface and is trimmed to above 300 metres RL, approximately 320 metres below surface, representing a potential target volume for future open-pit mining and expansion.
4. In the Company's opinion, the silver, zinc, gold and lead included in the metal equivalent calculations have a reasonable potential to be recovered and sold.
5. Stated Mineral Resources are partially inclusive of areas of the total Underground Mineral Resource Estimate at 150 g/t Silver Equivalent (Ag Eq) Cut-off Grade above 300mRL. See ASX announcement dated 5th September 2022.
6. Variability of summation may occur due to rounding.

Table 3 – Bowdens Silver Deposit Grade-Tonnage Data for Estimation Results as at March 2023								
Cut off g/t Ag Eq.	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Million Ounces Silver	Million Ounces Silver Eq.
0	663	26	12	0.16	0.11	0.03	258	555
10	403	40	19	0.24	0.17	0.05	243	521
20	287	50	24	0.30	0.22	0.06	218	466
30	200	62	29	0.37	0.26	0.07	189	396
35	167	68	32	0.40	0.29	0.07	174	362
40	140	73	36	0.43	0.31	0.07	161	330
50	100	85	43	0.49	0.35	0.08	137	272
60	71	97	51	0.53	0.38	0.08	117	222
70	51	110	61	0.57	0.42	0.08	100	180
80	37	123	72	0.59	0.45	0.08	85	146
90	27	136	84	0.61	0.47	0.08	74	120
100	21	150	96	0.63	0.49	0.08	64	100
120	13	175	119	0.66	0.52	0.06	49	72
150	7	210	153	0.70	0.57	0.05	34	47
200	3	265	200	0.80	0.66	0.04	19	25

The updated Mineral Resource is the result of additional drilling conducted by Silver Mines (132 drill holes for 53,190 metres) over the past five and a half years. This additional information comprises 123 diamond core holes for 49,150 metres, 8 reverse circulation drill holes with diamond tails for 3,867 metres and one reverse circulation drill hole for 173 metres.

Comparison with Previous estimates

In comparison to the 2017 Mineral Resource estimate, the updated Mineral Resource estimate is a 56% increase in tonnes, a 16% increase in silver ounces and a 44% increase in silver equivalent ounces, with an 8% decrease in silver equivalent grade. This decrease in silver equivalent grade is a result of significant tonnages that contain lower grade silver but include gold and increases in base metals (zinc and lead) in the deposit below the existing proposed pit design.

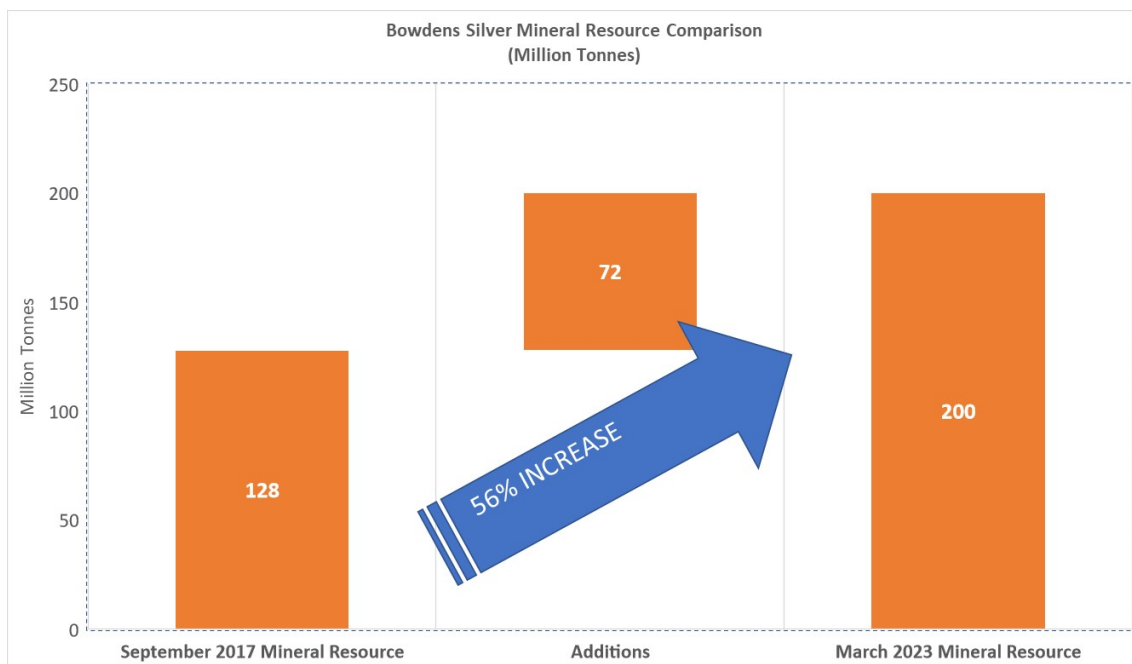


Figure 1. Tonnage comparison to the 2017 Resource estimate resulting in a 56% increase in tonnage.

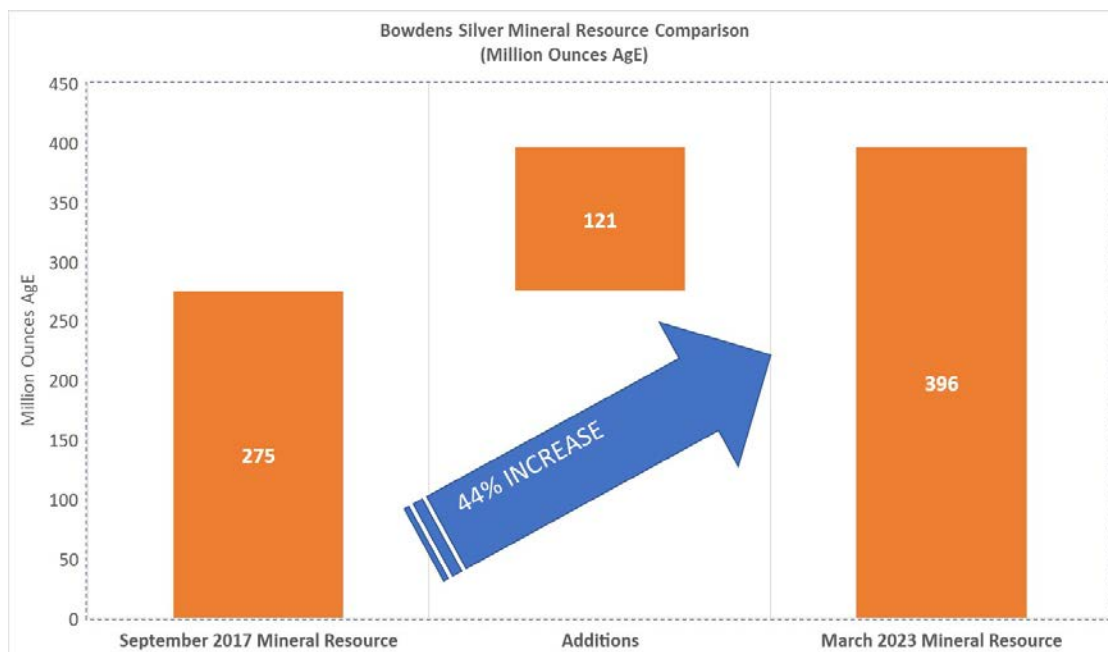


Figure 2. Contained metal comparison to the 2017 Resource estimate resulting in a 44% increase silver equivalent.²

² Silver Equivalent now contains Au, metal pricing in equivalents is held constant between estimates. Optimisation study to revise metal prices.

Table 4 – Bowdens Silver Deposit Mineral Resource Comparison March 2023 compared with previous September 2017 Estimates (at a 30 g/t Ag Eq cut-off)								
Category	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Million Ounces Silver	Million Ounces Silver Eq.
Measured 2017	76	72	45.5	0.37	0.25		111	175
Measured 2023	107	68.2	39.6	0.36	0.25	0.03	137	235
Indicated 2017	29	58.8	31.4	0.38	0.25		29	55
Indicated 2023	50	54.7	20.4	0.38	0.26	0.09	33	88
Inferred 2017	23	59.9	30.6	0.40	0.28		23	45
Inferred 2023	43	53.5	14.1	0.39	0.29	0.13	19	73
Total 2017	128	66.8	39.6	0.38	0.26		163	275
Total 2023	200	61.7	29.4	0.37	0.26	0.07	189	396

Reported at a 30 g/t silver equivalent cut off, the Bowdens Silver Mineral Resource extends from surface and is trimmed to approximately 320 metres below surface. It is the opinion of the Company that this represents a potential target volume for future open-pit mining. Table 3, Figure 3 and Figure 4 demonstrate that the Bowdens Silver Deposit contains significant higher-grade portions within the Mineral Resource estimate.

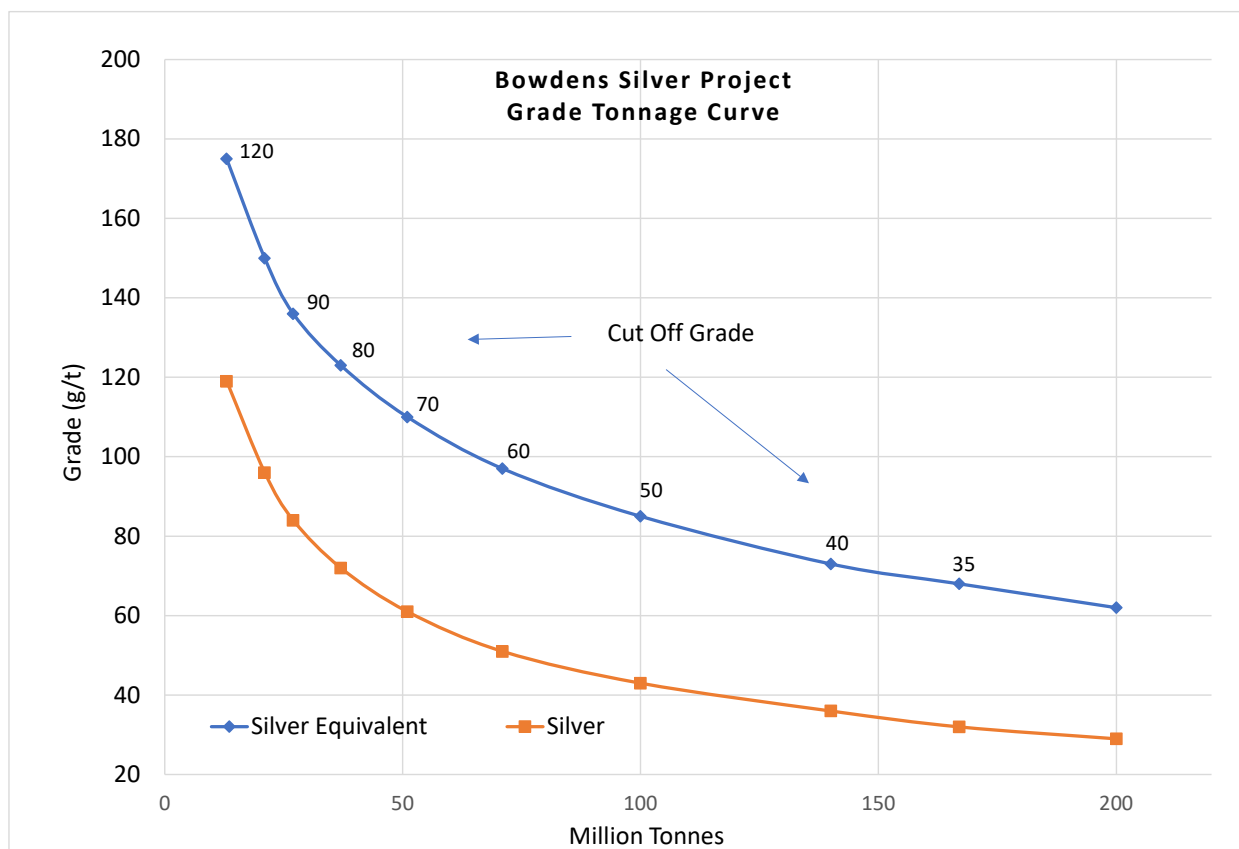


Figure 3. Grade-tonnage curve for the updated Bowdens Silver Deposit.

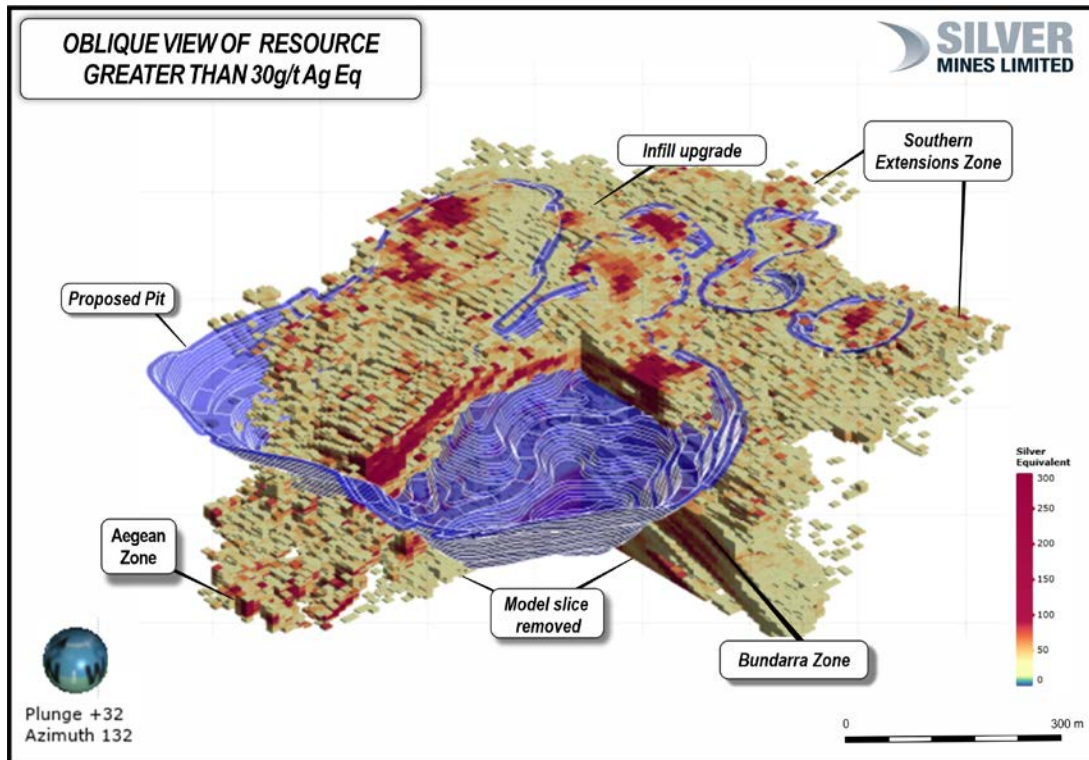


Figure 4. Oblique view of Resource block model @30g/t Silver equivalent cut off, clipped in north and west to show pit content, with proposed open-cut pit based on 2017 resource estimate.

Much of the increase in Mineral Resource is in the shallower, southern portion of the deposit and within the basement Coomber Formation below this, in addition to areas peripheral to the north and northwest of the currently proposed open-cut pit (to be updated with optimisation studies).

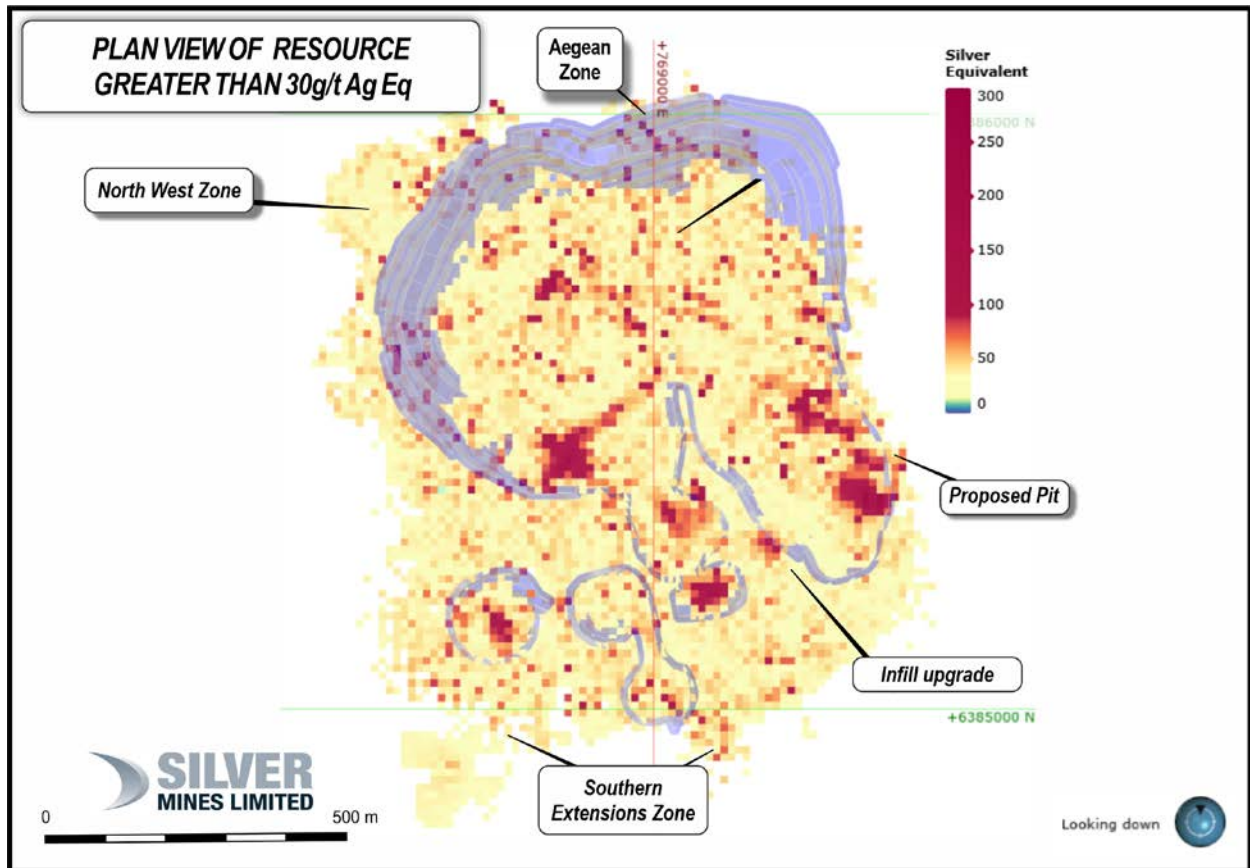


Figure 5. Plan view of the Mineral Resource block model @30g/t Ag Eq cut off, with the original proposed open-cut pit based on the 2017 resource.

Gold Estimate

Gold contained within this Mineral Resource estimate extends from near surface in the south, to depth in the Northwest zone and is situated dominantly along the Rylstone Volcanics and Coomber Formation basement contact. When considered, using a gold cut off of 0.2g/t, this part of the Mineral Resource estimate contains a total (all categories) of **19 million tonnes @ 0.31 g/t gold for 190,000 ounces of gold** (see Table 2). Figure 6 depicts the system zonation exhibited and the spatial separation observed, between silver and gold at the Bowdens Silver Deposit within the Mineral Resource estimate. Table 5 presents the Grade-Tonnage Data using a range of gold cut-off grades.

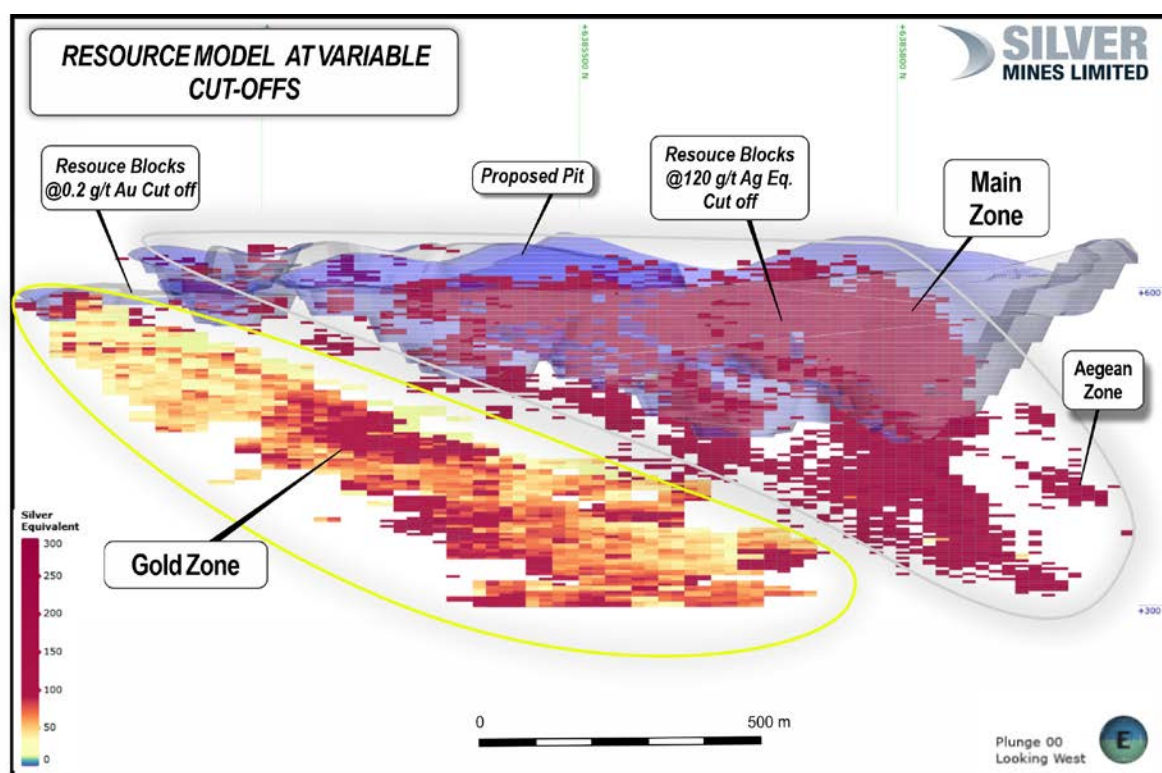


Figure 6. Resource model looking west showing the resource blocks at a 120g/t Ag Eq cut off (right side) and blocks using a 0.2g/t Au cut off (left side).

Cut off g/t Au	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Thousands Ounces Gold	Million Ounces Silver Eq.
0.10	48	62	12	0.46	0.32	0.21	328	97
0.15	32	68	12	0.47	0.34	0.26	262	69
0.20	19	74	13	0.48	0.36	0.31	191	45
0.25	12	78	13	0.46	0.36	0.37	139	29
0.30	7.4	82	14	0.45	0.36	0.43	101	20
0.35	4.9	87	15	0.44	0.35	0.48	76	14
0.40	3.4	91	16	0.44	0.35	0.52	58	10
0.45	2.4	95	16	0.44	0.36	0.57	44	7
0.50	1.6	104	17	0.49	0.40	0.62	31	5

The Bowdens Silver Deposit remains open in the north in the Main, Aegean and Northwest Zones and areas identified from recent seismic surveying to the south and west of the deposit present exciting exploration targets, in particular for gold.

The updated Mineral Resource estimate will serve as a foundation for updating the 2018 Feasibility Study including definition of updated Ore Reserves and the further engineering design of the Bowdens Silver Project mine site layout. GR Engineering Services Ltd will lead

the overall Feasibility Study optimisation and Entech Pty Ltd have been engaged to conduct open-cut pit optimisation studies, considering updated geotechnical, metallurgical and economic considerations. The objective is to maximise the conversion of the Mineral Resource to Ore Reserve. The Company is confident that these efforts will yield positive results and further enhance the value of the Bowdens Silver Project.

For further information refer to ASX release of 31st March 2023.

Bowdens Project Exploration

During the March 2023 quarter, Silver Mines provided an update on exploration drilling activities and recent assay results from the Bowdens Silver Project.

Exploration drilling during the second half of 2022 tested for extensions to mineralisation outside the current planned open-cut pit design and 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 at the Southern Gold Zone.³ This release provides an update on assays as part of the current drilling program and assaying of historic drill pulps (refer to Figure 7, Figure 8, Figure 9, Figure 10 and Figure 11).

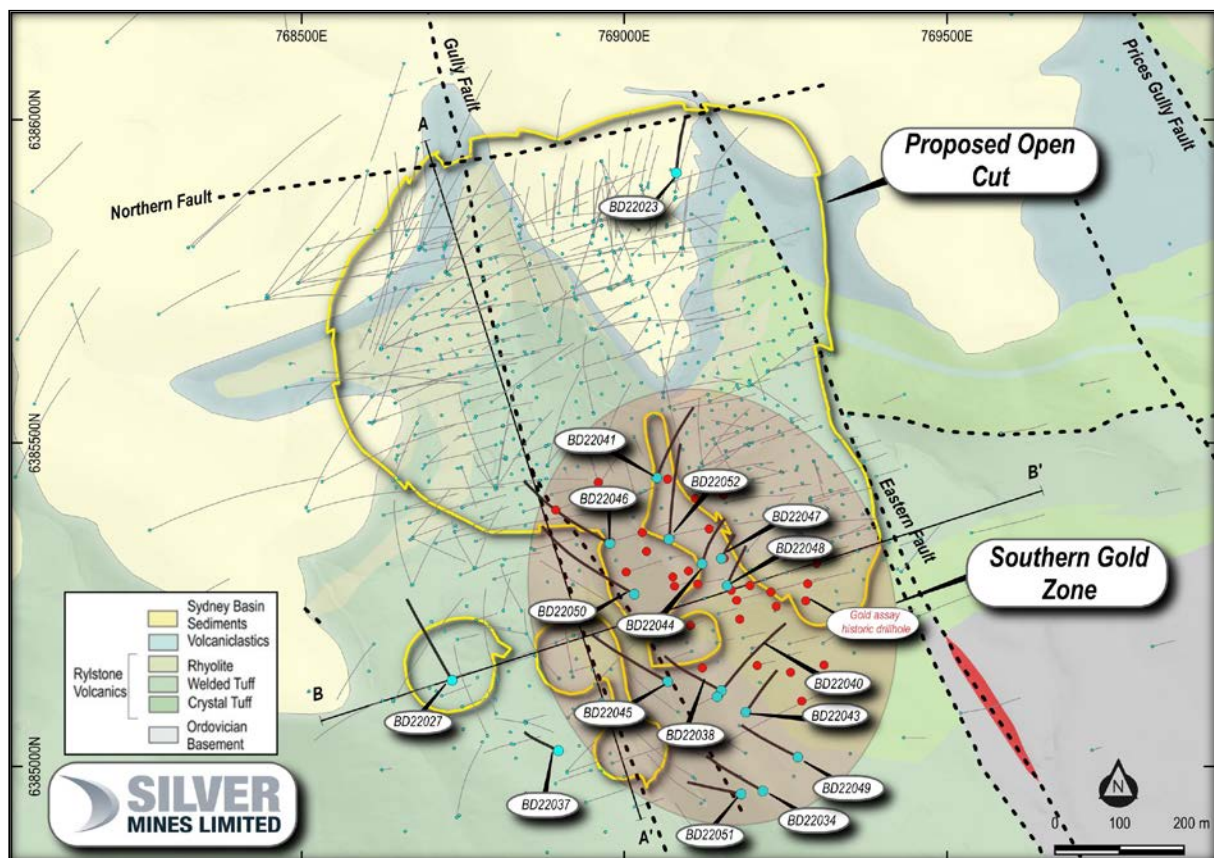


Figure 7. Reported drillhole locations and Southern Gold Zone at the Bowdens Silver Project.

Southern Gold Zone

Gold has been predominantly identified (previously) within the Bundarra Zone which is directly underneath the planned open-cut pit and potentially to be targeted with underground mining methods. Gold was also recognised in 2021 at shallow depths in the south and adjoining the Bowdens Silver Deposit, along with high grades of silver mineralisation. This area has become

³ Silver Mines Limited (ASX:SVL) release "Further Underground Resource Drilling Success at Bowdens" dated 26 October 2021.

an additional target for gold and silver exploration drilling during 2022 and is named the Southern Gold Zone.

Results have been received from the remaining diamond drillholes drilled within the Southern Gold Zone during the second half of 2022. The Southern Gold Zone is characterised by 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). Recent results include very wide intersections towards the northern extent of the zone:

- **384 metres @ 62g/t silver equivalent** (10g/t silver, 0.61% zinc, 0.39% lead and 0.09g/t gold) from 77 metres in BD22046, including;
 - o **7 metres @ 157g/t silver equivalent** (19g/t silver, 1.60% zinc, 0.88% lead and 0.34g/t gold) from 238 metres.
- **167 metres @ 73g/t silver equivalent** (11g/t silver, 0.53% zinc, 0.54% lead and 0.20g/t gold) from 145 metres in BD22044, including;
 - o **12 metres @ 189g/t silver equivalent** (30g/t silver, 1.20% zinc, 1.87% lead and 0.43g/t gold) from 192 metres, and
 - o **10 metres @ 170g/t silver equivalent** (20g/t silver, 1.09% zinc, 0.95% lead and 0.79g/t gold) from 213 metres.

Results have also been received from the second round of gold assays on historic drill samples where samples taken by previous operators in this area have had limited assaying for gold. Results using a 0.2g/t gold cut off include (see Figure 8, Figure 10 and Figure 11):

- **21 metres @ 0.89g/t gold** from 105 metres in BRC17075,
- **23 metres @ 0.38g/t gold** from 85 metres in BRC17076,
- **14 metres @ 0.44g/t gold** from 154 metres in BRC12081.

The Southern Gold Zone is now defined at over 450 metres in strike, ~250 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 presenting the possibility for future open-pit design extensions. The Southern Gold Zone remains open to the southeast and east where exploration drilling will continue to test for extensions.

Gold is associated with an increase in silver, zinc, lead 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) and is the last phase of mineralisation to occur at the Bowdens Silver Project.

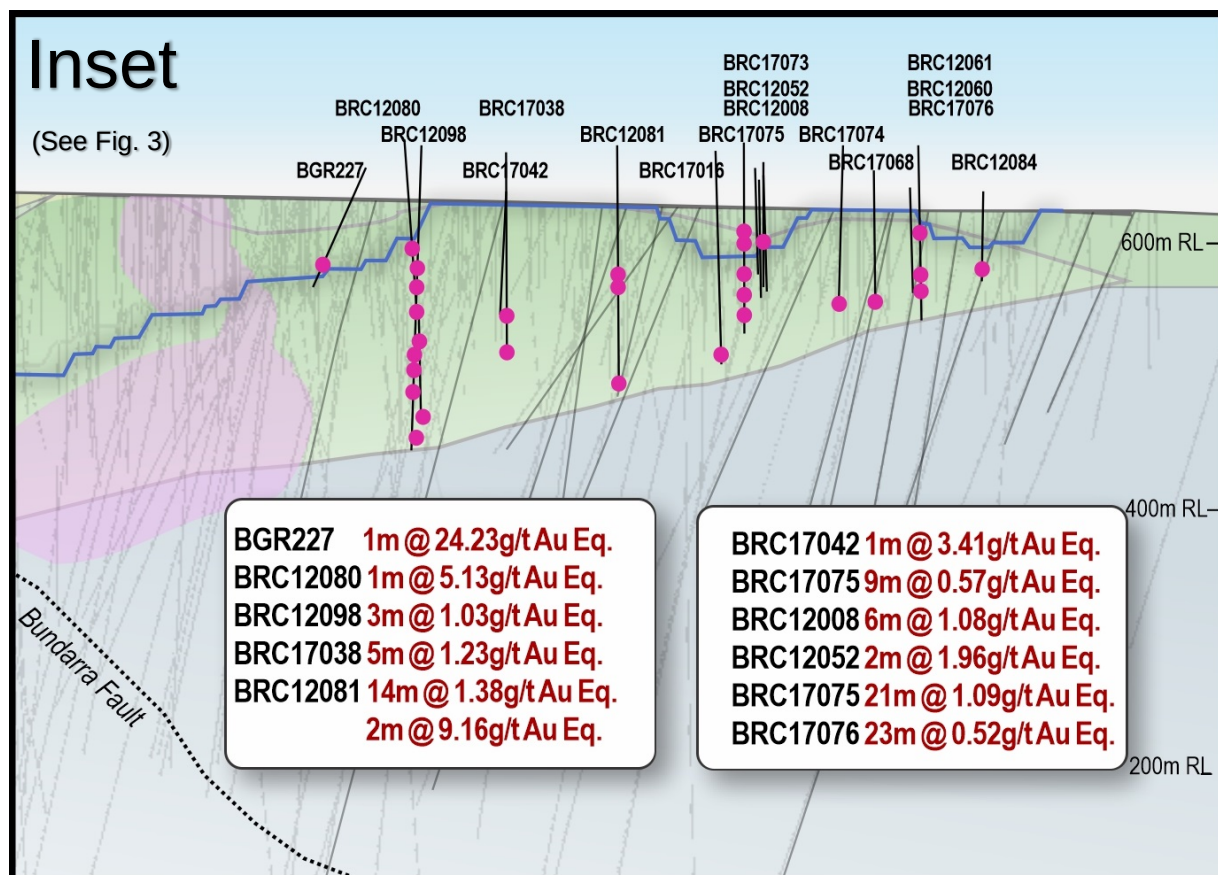


Figure 10. Long Section inset showing gold assays on historic drillholes in the Southern Gold Zone.

Bowdens Silver Pit and Extensional Drilling

Drilling has focused on adding zones where there is potential to increase tonnages of higher-grade mineralisation within the current Ore Reserve envelope and to explore for extensions to mineralisation outside of the planned open-cut pit, refer to Figure 7. Results from holes drilled in the southwest of Bowdens testing for extensions around the southern planned open-cut pits have returned significant intercepts including:

- **70.3 metres @ 109g/t silver equivalent** (73g/t silver, 0.61% zinc & 0.15% lead) from surface in BD22027, including
 - o **13.4 metres @ 173g/t silver equivalent** (159g/t silver, 0.19% zinc and 0.11% lead) from 0.6 metres, and
 - o **15 metres @ 169g/t silver equivalent** (105g/t silver, 1.09% zinc and 0.28% lead) from 21 metres.
- **19 metres @ 92g/t silver equivalent** (81g/t silver, 0.16% zinc and 0.06% lead) from 28 metres in BD22037.

Several holes within the central area of the planned open-cut pit, above the Southern Gold Zone, have returned significant results including:

- **81 metres @ 55g/t silver equivalent** (15g/t silver, 0.46% zinc and 0.49% lead) from 2 metres in BD22041,
- **147 metres @ 40g/t silver equivalent** (10g/t silver, 0.38% zinc and 0.27% lead) from surface in BD22052, and
- **91 metres @ 58g/t silver equivalent** (30g/t silver, 0.33% zinc and 0.25% lead) from 1 metre in BD22048.

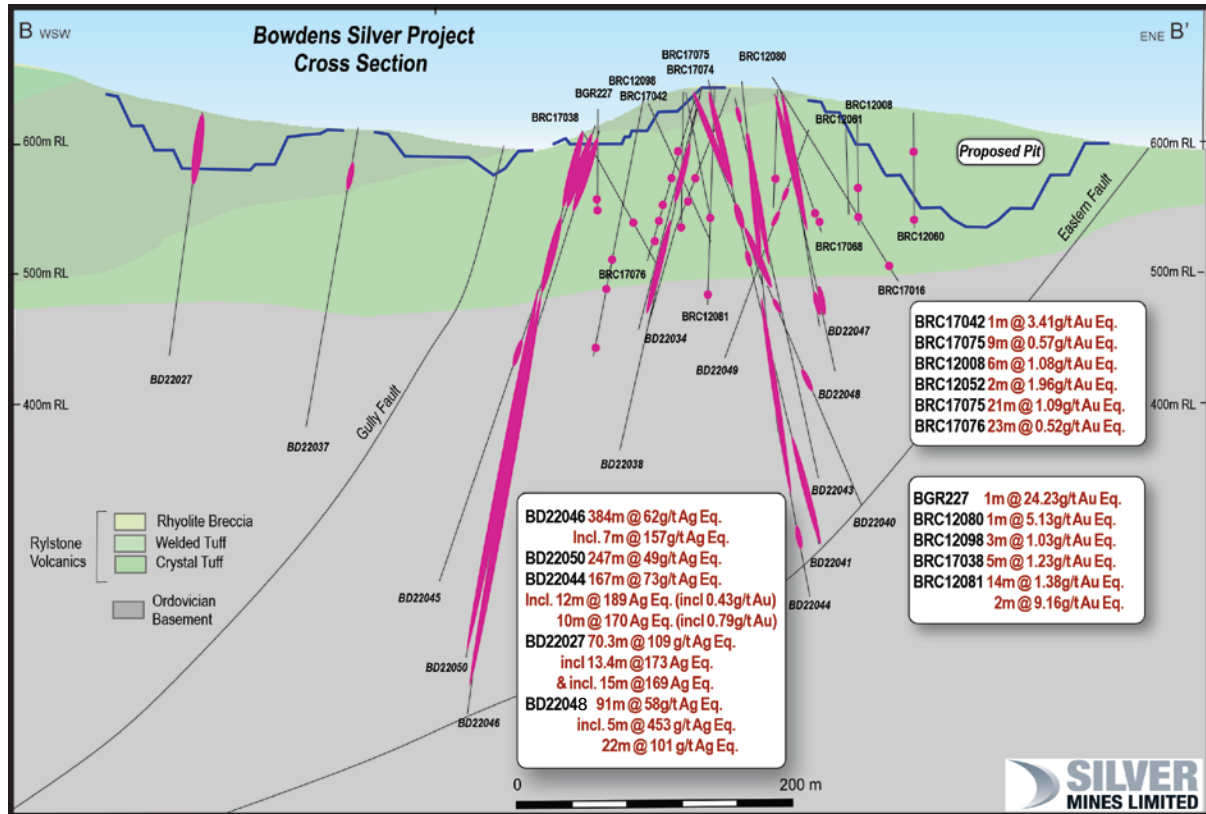


Figure 11. Cross Section through the Southern Gold Zone showing recent drilling results.

Drilling continues at the Bowdens Silver Project with two diamond drill rigs on site. Targets prioritised for exploration drilling include extensions to high-grade zones including the Southern Gold Zone, Aegean and Northwest Zones, and conceptual stratigraphic targets generated under research and development (R&D) activity. This includes the 2022 seismic survey and the testing of broader exploration targets within proximity to the Bowdens Silver Deposit.

Planning is also advanced for the completion of further R&D seismic surveying across the broader Rylstone Volcanics to test the Bowdens Caldera structure and to highlight areas of interest along the caldera structure.

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.

The initial diamond program at Barabolar (Mt Laut and Crossroads prospects) has been completed with seven holes drilled for 3,341 metres and with fewer than 1,000 assays still pending. Across the area from Crossroad to Mt Laut drilling encountered moderately to intensely altered rhyolitic to dacitic composition tuffs and some rhyolite lavas. Alteration consists of initial illite and muscovite which is 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.

On-going Research & Development (R&D)

The Company is continuing its commitment to R&D projects, including a project focused on 3D machine learning technologies for predicting geometallurgical properties within the deposit and to understand extensions. The Company is engaged with several research providers, as well as internal staff, to provide cutting edge technologies and processes that may have a positive impact on future economic development and discovery.

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 12). 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.

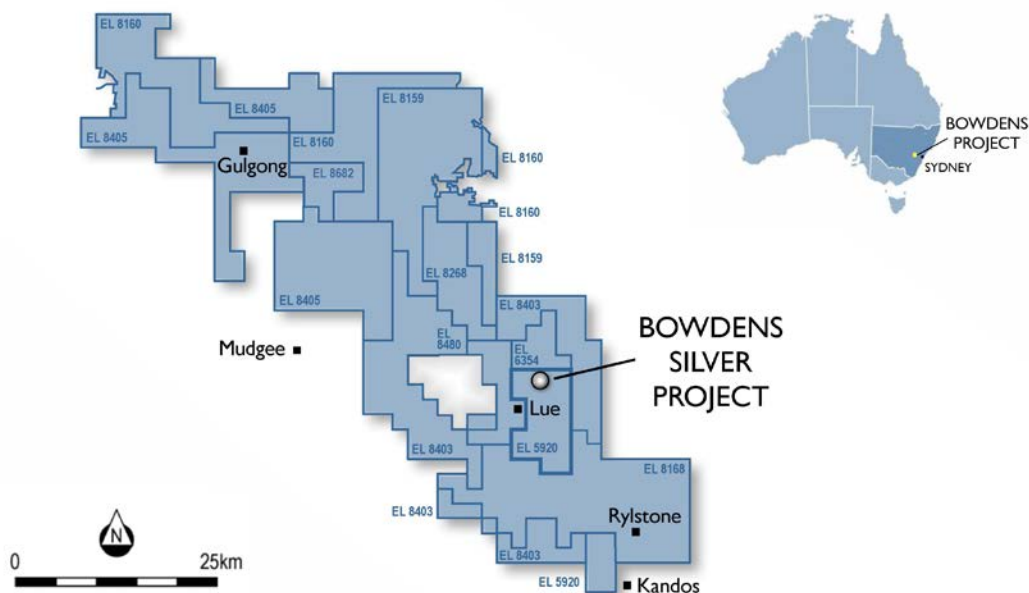


Figure 12. Silver Mines Limited tenement holdings in the Mudgee district.

Tuena Gold Project

The Tuena Gold Project is located 80 kilometres south of the city of Orange in New South Wales (refer to Figure 13).

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 Peaks 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 Copperhannia 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.

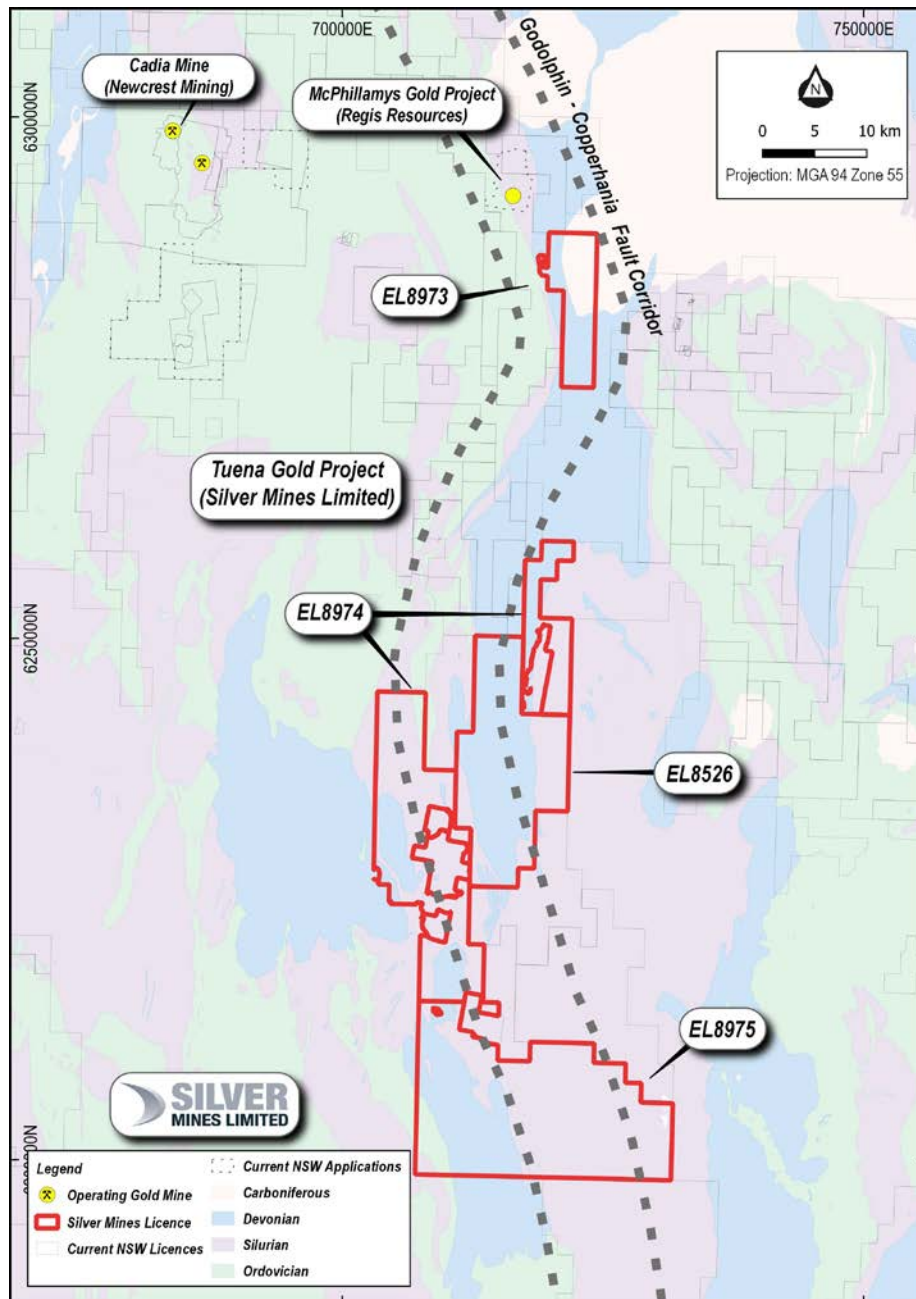


Figure 13: Tuena Gold Project regional setting.

About the Tuena Gold Project

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

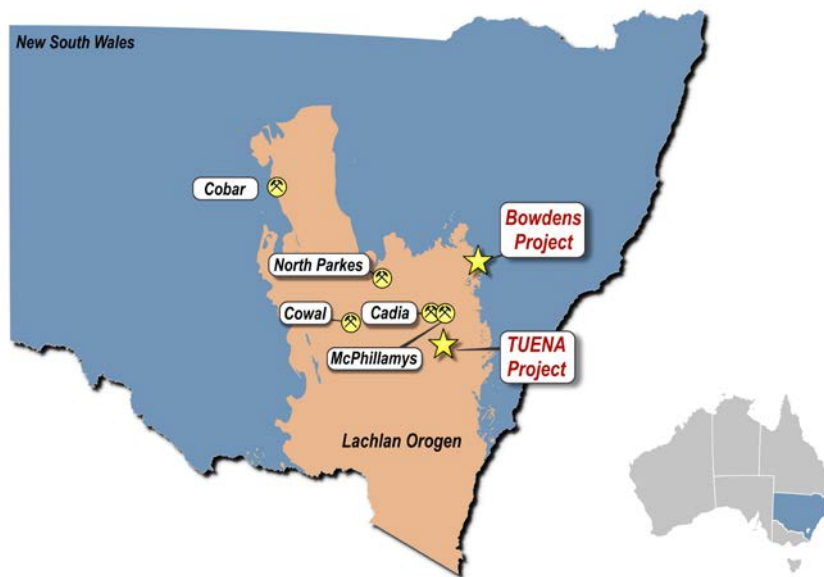


Figure 14. Silver Mines Limited project in the Lachlan Orogen.

Corporate

Placement

On 10 February 2023, the Company announced that it had successfully completed a capital raising of A\$18 million (before costs) ("Placement") to institutional, professional and sophisticated investors resulting in the issue of 112,500,000 fully paid ordinary shares at an issue price of \$0.16 per share. Details of the shares issued are as below:

- (a) 112,187,500 shares were issued using the Company's capacity under ASX Listing Rule 7.1; and
- (b) 312,500 shares issued to directors of the Company or their nominees, approval of which was obtained at an extraordinary general meeting of shareholders held on 17 April 2023.

Canaccord Genuity acted as the Sole Lead Manager to the Placement.

After capital raising costs, the funds raised will be used primarily for progression of and pre-development expenses including exploration associated with the Company's flagship Bowdens Silver Project. Funding will also be made available for exploration activities at the Company's other projects and for corporate and general working capital purposes.

Appointment of General Manager

During the reporting period the Company announced the appointment of Mr Joel Ray as General Manager of its wholly owned Bowdens Silver Project.

Mr Ray is a highly experienced metalliferous mine and minerals processing manager with a successful track record in precious and base metals mines in Australia and overseas.

Mr Ray's 30 years of experience includes as General Manager of Ravenswood Gold Operations in Queensland under Resolute Mining Limited including managing underground and open cut mining operations along with minerals processing facilities. Mr Ray's postings include companies such as LionOre Australia, Barrick Australia, Homestake Australia, Rand Mines and Gold Fields of South Africa. Apart from nine years at the Ravenswood Gold Operations (QLD), senior positions in operations in Australia have included Mt Gordon Copper Mine (QLD), Northeastern Goldfields (including Waterloo Nickel and Thunderbox Gold (WA)) and Lawlers Gold Mine (WA).

Mr Ray graduated with a Bachelor of Science (Mining Engineering) from the University of Alabama. Mr Ray holds citizenships in the United States of America and Australia.

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:

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- 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 March 2023 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\$3.255 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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Managing Director

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Account Director

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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 by maximising leverage to an accretive silver price.

Competent Persons Statement

The information in this report that relates to Mineral Resources is based on work compiled by Mr Arnold van der Heyden who is a Director of H & S Consultants Pty Ltd. Mr van der Heyden is a member and Chartered Professional (Geology) of the Australian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC code). Mr van der Heyden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to mineral exploration from the Bowdens Silver Project 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 Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) 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 31st March 2023

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%	-
ELA6610	Bowdens Silver	NSW	application	-
EL 8526	Tuena	NSW	100%	-
EL 8973	Tuena	NSW	100%	-
EL 8974	Tuena	NSW	100%	-
EL 8975	Tuena	NSW	100%	-

Table 6. Drill collar locations for new diamond results.

Target	Hole ID	GDA94 East	GDA94 North	RL (m)	Dip	Azimuth (grid)	Depth (m)	Drill Type	Comment
Out of Pit & Aegean	BD22023	769081	6385918	638	-75	10	358.4	Core	Assays returned
Out of Pit	BD22027	768733	6385133	625	-55	330	242.6	Core	Partial Assays
Out of Pit Southern Au	BD22034	769215	6384962	627	-60	301	201.4	Core	Assays returned
Out of Pit	BD22037	768898	6385024	611	-75	295	240.9	Core	Partial Assays
Out of Pit Southern Au	BD22038	769150	6385117	640	-70	300	300.4	Core	Assays returned
Out of Pit Southern Au	BD22040	769144	6385107	640	-65	35	360.4	Core	Assays returned
Out of Pit	BD22041	769051	6385446	642	-70	20	375.9	Core	Assays returned
Out of Pit Southern Au	BD22043	769189	6385084	627	-75	35	300.4	Core	Assays returned
Out of Pit Southern Au	BD22044	769120	6385313	636	-80	20	396.4	Core	Assays returned
Out of Pit Southern Au	BD22045	769067	6385131	624	-60	300	282	Core	Assays returned
Out of Pit Southern Au	BD22046	768978	6385345	611	-70	300	521.9	Core	Assays returned
Out of Pit Southern Au	BD22047	769151	6385321	632	-77	25	180.4	Core	Partial Assays
Out of Pit Southern Au	BD22048	769160	6385279	639	-72	20	228.2	Core	Assays returned
Out of Pit Southern Au	BD22049	769269	6385014	611	-60	300	204.4	Core	Assays returned
Out of Pit Southern Au	BD22050	769016	6385266	615	-65	300	453.9	Core	Assays returned
Out of Pit Southern Au	BD22051	769181	6384957	623	-65	285	204.4	Core	Partial Assays
Out of Pit Southern Au	BD22052	769069	6385351	644	-65	10	360.4	Core	Partial Assays

Table 7. 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)
BD22023	157	175	18	41	0.05	0.08	-	-	46 ¹
	157	169	12	37	0.06	0.09	-	-	43 ¹
	239	240	1	146	0.05	0.17	-	-	154 ²
BD22027	0.1	70.4	70.3	73	0.61	0.15	-	-	109¹
<i>including</i>	0.6	14	13.4	159	0.19	0.11	-	-	173²
<i>& including</i>	21	36	15	105	1.09	0.28	-	-	169²
BD22034	32	47	15	13	0.05	0.02	0.04	-	19 ¹
	61	102	41	11	0.09	0.04	0.06	0.01	23 ¹
	186	187	1	128	0.06	0.08	0.01	0.01	135 ²
BD22037	28	47	19	81	0.16	0.06	0.02	-	92¹
<i>including</i>	39	47	8	179	0.18	0.10	0.02	-	194²
BD22038	3	91.9	88.9	23	0.12	0.05	0.04	-	34 ¹
	71	72	1	354	3.32	0.89	0.91	0.02	624²
	105	186	81	7	0.24	0.16	0.20	0.01	43 ¹
	113	118	5	20	0.37	0.42	1.01	0.02	135²
	124	126	2	18	0.79	0.52	1.74	0.04	217²
BD22040	6	71	65	35	0.08	0.04	0.04	-	44 ¹
	36	41	5	131	0.29	0.12	0.03	0.01	152²
	60	64	4	98	0.23	0.11	0.31	-	138²
	112	168	56	8	0.23	0.18	0.32	0.01	53 ¹
	118	123	5	17	0.62	0.54	1.07	0.01	152²
	148	150	2	6	0.10	0.10	3.05	0.02	261²
	158	159	1	55	2.20	2.41	1.25	0.06	352²
	180	190	10	50	0.63	0.60	0.07	0.01	109 ¹
	187	190	3	152	1.66	1.49	0.13	0.02	297²
	248	250	2	27	1.41	0.46	0.45	0.04	151 ²
BD22041	2	83	81	15	0.46	0.49	0.02	-	55 ¹
	51	61	10	33	0.45	1.46	0.05	0.01	109²
	98	121	23	14	0.05	0.28	0.03	0.01	28 ¹
	138	145	7	10	-	0.58	0.02	-	32 ¹
	157	163	6	9	0.01	0.08	0.05	0.02	18 ¹
	290	294	4	11	0.74	0.47	1.36	0.03	175 ²
	298	299	1	7	0.56	0.23	0.72	0.02	102 ²
	308	316	8	8	0.55	0.39	0.12	0.01	59 ²
	346	347	1	25	0.91	0.49	0.06	0.06	98 ²

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Copper (%)	Silver Eq (g/t)
	354	357	3	11	0.77	0.59	1.11	0.02	160 ²
	362	375.9	13.9	20	0.82	0.56	0.35	0.02	109 ²
BD22043	0	9	9	55	-	0.02	0.03	-	58 ¹
including	1	3	2	151	0.01	0.03	0.09	-	159 ²
	69	121	52	10	0.17	0.14	0.19	0.01	39 ¹
including	88	89	1	81	2.01	2.62	0.78	0.04	335 ²
	193	194	1	30	0.32	0.29	0.94	0.02	133 ²
BD22044	25	132	107	6	0.42	0.22	0.02	-	36 ¹
	145	312	167	11	0.53	0.54	0.20	0.01	73 ¹
including	170	176	6	25	0.77	1.05	0.33	0.03	128 ²
& including	185	188	3	12	1.78	0.66	0.12	0.02	135 ²
& including	192	204	12	30	1.20	1.87	0.43	0.02	189 ²
& including	208	209	1	28	1.43	0.98	1.27	0.02	235 ²
& including	213	223	10	20	1.09	0.95	0.79	0.02	170 ²
& including	231	232	1	14	1.22	0.97	0.43	0.01	142 ²
& including	236	244	8	24	1.30	1.44	0.44	0.02	174 ²
& including	265	266	1	10	0.52	0.36	0.91	0.01	122 ²
& including	270	273	3	12	1.01	0.62	0.36	0.02	114 ²
& including	278	279	1	23	1.06	1.19	0.41	0.03	151 ²
& including	287	288	1	12	1.12	0.75	0.53	0.01	137 ²
& including	303	304	1	22	1.53	1.65	0.16	0.03	168 ²
	328	329	1	14	0.21	0.16	0.88	0.02	103 ²
	347	349	2	25	0.51	0.82	0.38	0.03	111 ²
BD22045	29.3	90	60.7	20	0.12	0.04	0.09	-	35 ¹
	111	170	59	8	0.22	0.13	0.43	0.01	59 ¹
including	131	133	2	22	1.08	0.60	2.46	0.03	296 ²
& including	145	153	8	16	0.68	0.31	0.47	0.03	101 ²
	245	246	1	26	0.83	0.81	0.06	0.06	106 ²
BD22046	0	65	65	28	0.35	0.16	0.02	-	52 ¹
including	49	51	2	206	1.20	0.49	0.33	0.02	310 ²
	77	461	384	10	0.61	0.39	0.09	0.01	62 ¹
Including	77	85	8	49	1.13	0.75	0.07	0.01	137 ²
& Including	93	97	4	30	0.83	1.71	0.18	0.01	143 ²
& Including	122	127	5	21	1.54	0.72	0.15	0.01	134 ²
& Including	165	172	7	11	0.58	0.59	0.86	0.02	130 ²
& including	182	189	7	18	1.29	0.99	0.25	0.03	138 ²

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Copper (%)	Silver Eq (g/t)
& including	206	217	11	8	1.21	0.28	0.17	0.02	94 ²
	227	232	5	9	0.87	0.46	0.03	0.02	73 ²
& including	238	245	7	19	1.60	0.88	0.34	0.02	157 ²
& including	251	252	1	249	1.50	1.67	0.44	0.04	419 ²
& including	256	260	4	25	0.88	0.51	0.05	0.02	92 ²
& including	264	265	1	32	1.41	1.52	0.04	0.06	162 ²
& including	273	283	10	13	1.06	0.76	0.06	0.01	97 ²
& including	290	291	1	14	1.27	0.42	0.01	0.02	94 ²
& including	300	301	1	58	2.98	4.89	0.02	0.04	376 ²
& including	315	324	9	10	1.15	1.03	0.04	0.01	106 ²
& including	330	337	7	14	1.53	1.37	0.08	0.01	144 ²
& including	354	355	1	9	1.26	0.59	0.02	0.02	94 ²
& including	361	365	4	23	1.49	1.28	0.04	0.03	147 ²
& including	383	384	1	12	1.23	0.70	0.01	0.02	100 ²
& including	406	409	3	10	1.45	0.49	0.21	0.02	117 ²
& including	414	416	2	19	2.84	0.55	0.02	0.02	182 ²
& including	424	425	1	12	1.52	0.06	0.11	0.03	102 ²
& including	433	434	1	14	2.07	0.14	0.01	0.03	126 ²
& including	438	439	1	51	3.07	2.86	0.04	0.09	313 ²
& including	443	444	1	13	1.09	0.73	0.01	0.02	95 ²
& including	460	461	1	11	1.62	0.35	0.02	0.02	106 ²
& including	500	502	2	27	4.29	1.54	0.04	0.04	298 ²
BD22047	1	20.6	19.6	14	0.36	0.17	-	-	38 ¹
BD22048	1	92	91	30	0.33	0.25	0.04	-	58¹
including	24	29	5	301	1.97	1.40	0.09	0.01	453²
& including	40	42	2	74	1.13	0.62	0.11	0.01	161²
including	159	181	22	18	0.90	0.69	0.15	0.02	101 ¹
	162	176	14	22	1.24	0.94	0.18	0.02	132²
BD22049	54	60	6	13	0.07	0.04	0.25	-	38 ¹
	73	86	13	17	0.14	0.11	0.30	0.01	52 ¹
	102	107	5	17	0.11	0.05	0.08	0.01	32 ¹
BD22050	7	71	64	23	0.23	0.11	0.01	-	39 ¹
	83	137	54	4	0.24	0.19	0.03	-	25 ¹
	159	406	247	7	0.44	0.33	0.09	0.01	49¹
Including	168	171	3	17	0.81	0.50	0.87	0.03	148²
	193	197	4	17	2.04	0.70	0.60	0.02	193²

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Copper (%)	Silver Eq (g/t)
& including	203	206	3	18	1.19	0.76	1.32	0.02	210 ²
& including	209.9	222	12.1	24	1.23	0.62	0.18	0.02	122 ²
& including	228	229	1	33	1.86	1.66	0.11	0.07	198 ²
& including	241	246	5	13	1.23	0.79	0.03	0.03	106 ²
& including	262	263	1	13	1.48	0.48	0.04	0.04	110 ²
& including	298	299	1	13	0.97	0.71	0.04	0.02	91 ²
& including	320	322	2	22	1.19	2.16	0.11	0.01	164 ²
& including	341	345.4	4.4	11	1.00	0.81	0.02	0.02	91 ²
& including	353	354	1	15	1.32	1.46	0.02	0.02	133 ²
& including	360	361	1	26	0.86	2.29	0.13	0.01	158 ²
& including	371	372	1	35	3.74	2.21	0.04	0.06	305 ²
& including	377	378	1	15	0.28	1.75	0.08	0.01	95 ²
& including	388	389	1	10	1.11	0.97	0.02	0.03	102 ²
& including	394	399	5	7	0.63	0.55	0.02	0.02	61 ²
& including	434	436	2	16	1.20	1.15	0.03	0.01	118 ²
BD22051	36	42	6	21	-	-	0.04	-	25 ¹
BD22052	0	147	147	10	0.38	0.27	0.02	0.01	40 ¹
Including	2	9	7	36	0.53	0.62	-	0.01	84 ²
& including	73	74	1	85	3.00	0.56	0.09	0.02	261 ²

Table 8. 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	BGR173	769281	6385256	620	-87.5	249.66	75	Pulp/RC	reassayed
Southern Au	BGR208	768894	6385396	598	-62	69.66	100	Pulp/RC	reassayed - no significant intersection
Southern Au	BGR227	768960	6385439	627	-69	342.66	90	Pulp/RC	reassayed
Southern Au	BRC12006	769075	6385293	643	-90	0	84	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12007	769155	6385321	633	-90	0	100	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12008	769236	6385247	625	-90	0	90	Pulp/RC	reassayed
Southern Au	BRC12012	769154	6385419	624	-90	0	80	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12033	769110	6385414	630	-90	194.16	90	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12052	769179	6385227	628	-90	261.46	78	Pulp/RC	reassayed
Southern Au	BRC12056	769034	6385332	631	-90	167.06	78	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12060	769309	6385156	603	-90	150.46	70	Pulp/RC	reassayed
Southern Au	BRC12061	769258	6385145	611	-90	96.76	70	Pulp/RC	reassayed
Southern Au	BRC12080	769067	6385444	644	-70	240.36	198	Pulp/RC	reassayed

Southern Au	BRC12081	769100	6385302	643	-90	293.66	168	Pulp/RC	reassayed
Southern Au	BRC12083	769132	6385367	628	-90	241.06	60	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12084	769275	6385101	607	-90	164.36	60	Pulp/RC	reassayed
Southern Au	BRC12085	769166	6385272	638	-90	164.36	60	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12098	769005	6385415	640	-80	261.66	210	Pulp/RC	reassayed
Southern Au	BRC17012	769298	6385314	622	-65	72.16	102	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC17014	769284	6385282	623	-65	72.16	144	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC17015	769227	6385270	629	-65	72.16	150	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC17016	769174	6385257	634	-65	72.16	168	Pulp/RC	reassayed
Southern Au	BRC17017	769195	6385279	634	-65	72.16	162	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC17037	769003	6385300	613	-70	72	114	Pulp/RC	photon assay - no significant intersection
Southern Au	BRC17038	768979	6385347	611	-70	72	126	Pulp/RC	photon assay
Southern Au	BRC17040	769114	6385282	645	-70	72	102	Pulp/RC	photon assay - no significant intersection
Southern Au	BRC17041	769078	6385278	642	-70	72	96	Pulp/RC	photon assay - no significant intersection
Southern Au	BRC17042	769028	6385361	634	-70	72	120	Pulp/RC	photon assay
Southern Au	BRC17068	769206	6385156	623	-75	72.1	97	Pulp/RC	photon assay
Southern Au	BRC17073	769102	6385218	642	-80	72.1	114	Pulp/RC	photon assay
Southern Au	BRC17074	769121	6385152	641	-90	72.5	114	Pulp/RC	photon assay
Southern Au	BRC17075	769102	6385218	642	-80	252.5	132	Pulp/RC	photon assay
Southern Au	BRC17076	769146	6385109	640	-70	251.6	126	Pulp/RC	photon assay

Table 9. 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) ⁴	Gold Eq (g/t) ³
BGR173	25	26	1	18	0.41	0.07	0.25	41	0.51
BGR227	75	76	1	694	6.05	28.20	0.29	1938	24.23
BRC12008	58	59	1	90	0.09	0.05	0.31	122	1.52
	78	84	6	52	0.15	0.11	0.29	87	1.08
BRC12052	54	56	2	49	0.24	0.77	0.86	157	1.96
BRC12060	60	63	3	13	0.49	0.18	0.36	73	0.92
BRC12061	45	46	1	32	0.10	0.03	0.2	54	0.67
BRC12080	74	75	1	311	1.11	0.54	0.29	411	5.13
	93	95	2	24	0.14	0.50	0.42	83	1.04
	196	198	2	4	0.01	0.01	0.28	27	0.33
BRC12081	90	94	4	10	0.69	0.36	0.2	73	0.92
	99	101	2	89	8.53	3.00	1.33	733	9.16
	114	115	1	7	0.18	0.20	0.4	54	0.67

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Silver Eq (g/t) ⁴	Gold Eq (g/t) ³
	128	129	1	6	0.64	0.41	0.21	68	0.85
	139	140	1	2	0.01	0.01	0.41	36	0.45
	146	147	1	3	0.01	0.01	0.21	21	0.26
	154	168	14	14	0.79	0.63	0.44	110	1.38
BRC12084	55	58	3	24	0.56	0.26	0.21	78	0.98
BRC12098	123	124	1	34	1.09	0.32	0.46	149	1.86
	146	147	1	31	2.02	1.00	0.38	196	2.45
	154	157	3	11	0.43	0.38	0.46	82	1.03
	175	181	6	2	0.01	0.02	0.17	17	0.22
	187	191	4	5	0.03	0.03	0.2	24	0.30
	195	209	14	8	0.55	0.36	0.3	73	0.91
BRC17016	150	154	4	10	0.12	0.06	0.4	51	0.63
BRC17038	79	84	5	15	1.20	0.37	0.14	98	1.23
BRC17042	99	100	1	22	3.96	0.87	0.29	272	3.41
BRC17068	84	96	12	2	0.07	0.07	0.21	22	0.28
BRC17073	85	86	1	9	0.11	0.13	0.2	19	0.23
BRC17074	100	101	1	0	0.02	0.02	0.36	30	0.38
	106	114	8	9	0.12	0.12	0.41	52	0.65
BRC17075	61	62	1	91	0.39	0.11	0.74	174	2.17
	67	68	1	25	0.04	0.07	0.22	29	0.37
	84	85	1	44	0.11	0.09	0.25	52	0.66
	91	100	9	16	0.32	0.16	0.24	46	0.57
	105	126	21	12	0.24	0.19	0.89	87	1.09
	131	132	1	4	0.03	0.01	0.39	38	0.47
BRC17076	65	69	4	58	0.15	0.09	0.14	69	0.86
	85	108	23	11	0.17	0.13	0.38	41	0.52
	117	118	1	4	0.25	0.11	0.4	54	0.67

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.

Silver Mines Limited

ABN: 45 107 452 942

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	- 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. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - 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.') 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.	- 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	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).	- 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.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - 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.	- 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	- 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. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- 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	- If core, whether cut or sawn and whether quarter, half or all core were taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	- 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

Criteria	JORC Code explanation	Commentary
sample preparation	- For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - 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. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- 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	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - 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. - Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	- 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. - 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	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	- 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	- 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. - Specification of the grid system used. - Quality and adequacy of topographic control.	- 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	- Data spacing for reporting of Exploration Results. - 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. - Whether sample compositing has been applied.	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 geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	- 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
Sample security	The measures taken to ensure sample security.	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	The results of any audits or reviews of sampling techniques and data.	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	- 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. - 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.	- 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	Acknowledgment and appraisal of exploration by other parties.	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	Deposit type, geological setting and style of mineralisation.	- 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 within tuff and ignimbrite rocks, and semi massive veins, breccias and fracture fill in siltstone, shale and sandstone. - 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	- 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: - easting and northing of the drill hole collar; - elevation or RL (Reduced Level elevation above sea level in metres) of the drill hole collar;	All information is included in Table 1 and Table 3 of this report above.

Criteria	JORC Code explanation	Commentary
	- o dip and azimuth of the hole; - o down hole length and interception depth; and - o hole length. • 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.	
Data aggregation methods	• 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. • 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• 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.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • 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').	• 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	• 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.	• Maps and cross sections provided in the body of this report.
Balanced reporting	• 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.	• All results received and compiled to date are reported in this release. Drilling is on-going with further results expected.
Other substantive exploration data	• 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.	• This report relates to drill data reported from this program.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• 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.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in the preceding sections also apply to this section.)

Criteria and Explanation	Deposit Specific Information
Database integrity - Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. - Data validation procedures used.	All geological data is stored electronically with limited automatic validation prior to upload into the secure DataShed database, managed in the on-site office by Geological Data Scientist. The master drill hole database is located on an SQL server, which is backed up on a daily basis. Basic checks were performed prior to this resource estimate to ensure data consistency, including checks for FROM_TO interval errors, missing or duplicate collar surveys, excessive down hole deviation, and extreme or unusual assay values. All data errors/issues were reported to the Geological Data Scientist to be corrected or flagged in the primary DataShed database.
Site visits - Comment on any site visits undertaken by the Competent Person and the outcome of those visits. - If no site visits have been undertaken indicate why this is the case.	The Competent Person has visited the Bowdens project site on two occasions: for 2 days in late January 2022 and over a 2 week period in late July and early August 2017. During these visits, core samples and outcrops were examined, and discussion were held with SVL personnel about the geology and mineralisation of the deposit. The Competent Person concludes that data collection and management were being performed in a professional manner.
Geological interpretation - Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. - Nature of the data used and of any assumptions made. - The effect, if any, of alternative interpretations on Mineral Resource estimation. - The use of geology in guiding and controlling Mineral Resource estimation. - The factors affecting continuity both of grade and geology.	SVL has developed a comprehensive geological interpretation of the Bowdens deposit based on geological logging and chemical assays. SVL personnel have a good understanding of the geology of the Bowdens deposit, and this is reflected in the wireframe models they prepared, which form a solid framework for Mineral Resource estimation. SVL had previously interpreted a series of thin higher-grade mineralised horizons or lenses in the Rylstone Volcanics and the underlying Coomber Formation, which have an average intersection length of 2.90m in the Rylstone and 6.25m in the Coomber. The Rylstone Mineralised Horizons (RMHs) are typically silver-rich, while the Bundarra lenses in the Coomber Formation are primarily base metal (lead-zinc) dominant. The seven RMHs are thought to represent paleo-boiling horizons and can be quite discontinuous with numerous gaps and embayments. The six Bundarra lenses cut across stratigraphy and appear reasonably continuous spatially. The higher-grade lenses have variable orientation, with dominant directions of 12°>330° for the RMHs and 15°>180° for the Bundarra lenses. These thin higher-grade mineralised horizons or lenses were used to guide the overall orientation of the lower-grade mineralisation locally and divide the deposit into a number of different orientation domains. The Rylstone Volcanics are divided into five separate domains, while the Coomber Formation is split into three domains. The eastern edge of mineralisation is controlled but not constrained by the Eastern Fault, which forms a separate domain in each stratigraphic unit. Surfaces for base of complete oxidation and top of fresh rock were also interpreted, based on geological logging. Only a small proportion of mineralisation occurs within the relatively thin oxide zone, and there is no obvious evidence of depletion or enrichment of silver due to oxidation. There is some scope for alternative geological interpretations of the deposit, principally in the correlation of intersections that comprise the different mineralised horizons or lenses. While this could affect estimates locally, it appears unlikely to have a significant impact on the global Mineral Resource estimate. Geology guides and controls Mineral Resource estimation by using the local orientation of the higher-grade horizons or lenses to guide the overall orientation of the lower-grade mineralisation and divide the deposit into a number of different

	orientation domains. The eastern edge of mineralisation is effectively truncated by the Eastern Fault, which forms a separate domain in each stratigraphic unit. The continuity of geology at Bowdens is controlled by stratigraphy and faulting. Continuity of grade has a weak stratigraphic control and is primarily controlled by local fracturing; faulting also appears to act as a broad control on localising mineralisation.
Dimensions The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The open-pit Mineral Resources at Bowdens have an approximate extent of: 1,050m east-west, 1,250m north-south, - From surface to 340m below surface.
Estimation and modelling techniques - The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters, maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. - The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. - The assumptions made regarding recovery of by-products. - Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). - In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. - Any assumptions behind modelling of selective mining units. - Any assumptions about correlation between variables. - Description of how the geological interpretation was used to control the resource estimates. - Discussion of basis for using or not using grade cutting or capping. - The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	Samples were composited to nominal 2.0m intervals within each unit for data analysis and resource estimation, reflecting the scale of open-pit mining envisioned by SVL. The resource model uses a parent block size of 25x25x5m, while drill hole spacing is nominally 25x25m in the better drilled areas of the deposit. So, the parent block size is identical to the hole spacing, which is considered appropriate for MIK (multiple indicator kriging) estimation. Sub-blocks of 12.5 x 12.5 x 2.5m were used for ordinary kriging (OK) estimates, which is half the parent block dimensions in each direction and is considered appropriate. The resource model uses the GDA94 (Geocentric Datum of Australia) grid, zone 56. Silver was initially estimated by recoverable MIK into 25 x 25 x 5.0m panels. These estimates were then localised by discretising the metal distribution into sub-blocks with the dimensions of the selective mining unit (SMU) of 12.5 x 12.5 x 2.5m. The order of assigning the metal distribution to sub-blocks was based on an (OK) estimate for silver into the sub-blocks. Gold was estimated by MIK, using the e-type or average block grade at the scale of the panels; this coarser resolution reflects the substantial under-assaying of gold compared to silver in the Rylstone Volcanics. All other attributes were estimated by OK, including Pb, Zn, Cu, S, As, Sb, Cd, Mn, Fe, Ca, K, Na, V, Mg, P and dry bulk density. OK is considered appropriate because the coefficients of variation (CV=SD/mean) are generally low to moderate, and the grades are reasonably well structured spatially. Recoverable MIK was chosen for Ag primarily because it allows better mining selectivity than OK. MIK estimates were generated using GS3 software, while OK estimates were produced in Datamine software. Each of the major stratigraphic units (Rylstone, Coomber, Shoalhaven) were estimated separately, with each unit subdivided into domains based on changes in mineralisation orientation. A four pass search strategy was used for the OK grade estimates: 35x35x12.5m search, 16-32 samples, minimum of 4 octants informed 52.5x52.5x12.5m search, 16-32 samples, minimum of 4 octants informed 105x105x25m search, 16-32 samples, minimum of 4 octants informed 105x105x25m search, 8-32 samples, minimum of 2 octants informed An additional larger pass was used for some elements with fewer assays to ensure estimates in all blocks that had an estimated silver value. The MIK estimates used 16-48 samples; search radii and octant constraints were identical to the OK estimates.

The oxide zone was estimated using a dynamic search parallel to topography.

The maximum extrapolation distance will be somewhat less than the maximum search radius due to the octants constraints requiring at least 2 drill holes. Maximum extrapolation distance is around 90m.

It is assumed that a Ag-Pb-Zn sulphide concentrate will be produced. All elements have been estimated independently for each domain.

No assumptions were made regarding the correlation of variables during estimation because each element was estimated independently. Some elements do show moderate to strong correlation in the drill hole samples, and the similarity in variogram models effectively guarantees that this correlation will be preserved in the estimates.

A number of potentially deleterious elements have been estimated, including As, Sb and S.

Dry bulk density was estimated directly into the model from the drill hole samples, using a similar methodology to the other elements; fewer samples were required, reflecting the wider distribution of density measurements.

The geological interpretation controls the Mineral Resource estimates through the use of the major stratigraphic boundaries, which were used as hard boundaries during estimation. The Eastern Fault also controls the Mineral Resource estimates locally, with mineralisation parallel to this structure.

No grade cutting was applied to any of the grade estimates because none of the grade distributions are strongly skewed. Sensitivity analysis on Ag estimates indicated that grade cutting has minimal impact on the grade estimates.

The new model was validated in a number of ways – visual comparison of block and drill hole grades, statistical analysis, examination of grade-tonnage data, and comparison with previous models. All the validation checks indicate that the grade estimates are reasonable when compared to the composite grades, allowing for data clustering.

The new Mineral Resource estimate is broadly comparable to the previous 2017 version. The new model has higher tonnage and metal content, but similar grades at the same cut-off grade as the old model. Differences are mostly attributed the substantial quantity of new drilling: ~18% more holes and ~37% more assays for silver. This indicates that the new Mineral Resource estimate takes appropriate account of this previous estimate.

The deposit remains unmined so there is no reconciliation data.

Moisture

- Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.

Tonnages are estimated on a dry weight basis. Moisture content has been determined for some of the density samples, by comparing sample weights before and after oven drying.

Cut-off parameters

- The basis of the adopted cut-off grade(s) or quality parameters applied.

The cut-off grade is an equivalent Ag (EqAg) value, based on grades and recoveries for Ag, Pb, Zn and Au as shown below. The equivalent silver formula is: $EqAg = Ag + Pb \times 33.48 + Zn \times 49.61 + Au \times 80.0$

Metal	Price/Unit	Recovery
Ag	US\$ 20/oz	85%
Pb	US\$ 1.0/lb	83%
Zn	US\$ 1.5/lb	82%
Au	US\$1,600/oz	85%

The cut-off grade of 30 g/t Eq Ag is considered likely to be economic for the mining method and scale of operation envisioned for Bowdens, based on preliminary mining studies.

Mining factors or assumptions Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It may not always be possible to make assumptions regarding mining methods and parameters when estimating Mineral Resources. Where no assumptions have been made, this should be reported.	Surface mining by open pit method is currently planned for Bowdens. The recoverable MIK method implicitly incorporates internal mining dilution at the scale of the assumed SMU. No specific assumptions were made about external mining dilution in the Mineral Resource estimates.
Metallurgical factors or assumptions The basis for assumptions or predictions regarding metallurgical amenability. It may not always be possible to make assumptions regarding metallurgical treatment processes and parameters when reporting Mineral Resources. Where no assumptions have been made, this should be reported.	The recoveries for each metal are based on available metallurgical test work. It is assumed that sulphide ore will be treated by conventional froth flotation to produce a bulk Ag-Pb-Zn concentrate. Gold may also be recovered by gravity concentration.
Environmental factors or assumptions - Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	It is currently assumed that all process residue and waste rock disposal will take place on site in purpose built and licensed facilities. All waste rock and process residue disposal will be done in a responsible manner and in accordance with any mining license conditions.
Bulk density Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	Dry bulk density is measured on-site using an immersion in water method (Archimedes principle) on selected core intervals for nominal 10cm samples. The Bowdens database contains 5,347 of these measurements in 192 drill holes. There are also a number of density measurements derived from weighing trays of core – this information confirms the immersion method results. Samples are weighed before and after oven drying overnight at 110°C to determine dry weight and moisture content.
Classification - The basis for the classification of the Mineral Resources into varying confidence categories. - Whether appropriate account has been taken of all relevant factors (i.e., relative confidence in tonnage/grade estimations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). - Whether the result appropriately reflects the Competent Person's view of the deposit.	The classification scheme is based on the estimation search pass for Ag; Pass 1 = Measured, Pass 2 = Indicated and Pass 3 = Inferred. Pass 4 is not classified as part of the Mineral Resource Estimate but could be considered as a potential Exploration Target. This scheme is considered to take appropriate account of all relevant factors, including the relative confidence in tonnage and grade estimates, confidence in the continuity of geology and metal values, and the quality, quantity and distribution of the data. The classification appropriately reflects the Competent Person's view of the deposit.
Audits or reviews The results of any audits or reviews of Mineral Resource estimates.	This Mineral Resource Estimate has been reviewed by SVL and HSC personnel and no material issues were identified.

Discussion of relative accuracy/ confidence

- *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*
- *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*
- *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*

The relative accuracy and confidence level in the Mineral Resource estimates are considered to be in line with the generally accepted accuracy and confidence of the nominated JORC Mineral Resource categories. This has been determined on a qualitative, rather than quantitative, basis, and is based on the estimator's experience with a number of similar deposits elsewhere. The main factor that affects the relative accuracy and confidence of the Mineral Resource estimate is drill hole spacing, because there are no strong geological controls on the primary mineralisation.

The estimates are local, in the sense that they are localised to model blocks of a size considered appropriate for local grade estimation. The tonnages relevant to technical and economic analysis are those classified as Measured and Indicated Mineral Resources.

No production data is available because this deposit has not been previously mined.

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 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	22	217
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(373)	(804)
	(e) administration and corporate costs	(484)	(1,273)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	27	49
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)	(52)	(334)
1.9	Net cash from / (used in) operating activities	(858)	(2,144)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(12)	(117)
	(d) exploration & evaluation	(3,255)	(10,362)
	(e) intangible	(20)	(240)
	(f) Land and Building	-	(3,835)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	(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	(3,287)	(14,855)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	17,119	17,119
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	(1,080)	(1,080)
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	16,039	16,039

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,036	16,890
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(858)	(2,144)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,287)	(14,855)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	16,039	16,039

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	15,930	15,930

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	15,930	4,036
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)	15,930	4,036

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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)	5,284	
7.4 Total financing facilities	5,284	-
7.5 Unused financing facilities available at quarter end		5,284
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)	(858)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,255)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(4,113)
8.4 Cash and cash equivalents at quarter end (item 4.6)	15,930
8.5 Unused finance facilities available at quarter end (item 7.5)	5,284
8.6 Total available funding (item 8.4 + item 8.5)	21,215
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.16
<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	

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.

28 April 2023

Date:

Trent Franklin (Company Secretary)



Authorised by:
(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.