

31 July 2024

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

**ACTIVITIES REPORT FOR THE QUARTER ENDED
30 June 2024 ("Quarter")**

HIGHLIGHTS

Bowdens Silver Project, New South Wales

- Infill drilling demonstrates improved grade continuity leading into pit optimisation.
- Results from seismic surveying identify potential new calderas within the Bowdens district.
- Subsequent to the Quarter, appointment of Robert Dennis as Non – Executive Director.
- Subsequent to the Quarter, the Company secured A\$30.2 million convertible debenture funding from Bromma Asset Management, Rick Rule and MMCAP.

Project Exploration

- Significant grades and thicknesses of mineralisation returned from continued drilling, extending high grade areas of the Bowdens Silver Deposit.
- Extensions of up to 80 metres vertically and 130 metres laterally made to high grade mineralisation from the base of the planned open pit in the south of Main Zone, which are likely to simplify future pit designs and lower the strip ratio.
- The Bowdens Silver Mineral Resource Estimate is being updated ahead of an updated Ore Reserve statement, both expected in 2024.
- Drilling extended the Southern Gold Zone east (40 to 80 metres) and up dip (170 metres) into the open pit area.
- Exploration and controls on mineralisation in the Bowdens district has been significantly enhanced with the completion of a major seismic surveying program.
- Interpretation of the 2D seismic survey has highlighted multiple new calderas within the Rylstone Volcanics, analogous to that which hosts the 396Moz Ag Eq¹ Bowdens Silver deposit.
- Exploration activities will now focus on the five separate calderas modelled – three within the Bowdens Caldera² (Bowdens Volcanic Complex), and two calderas within the Coomber Volcanic Complex (including the Coomber Prospect and to the north of Rylstone).

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%.

² Silver Mines Limited (ASX:SVL) release "Seismic Survey Highlights Significant New Drill Targets" dated 15 August 2022.

Bowdens Silver Project Development Approval

The Bowdens Silver Project is the largest known undeveloped silver deposit in Australia and lies within Exploration License 5920, which is 100% held by Silver Mines Limited (“Silver Mines” or 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 December 2022, the Company was 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. On 3 April 2023, the IPC announced the approval of the Bowdens Silver Project allowing the Project to proceed to development and production subject to conditions of consent.

Silver Mines continues extensive 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 continues a detailed optimisation program for the updating of the Bowdens Silver Feasibility Study completed in 2018. The optimisation 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 during 2024.

Judicial Proceedings

As announced on 28 June 2023, the Bingman Catchment Landcare Group Incorporated (“Bingman”) commenced proceedings in the Land and Environment Court of New South Wales (“Proceedings”) challenging the development consent for the Bowdens Silver Project approved by the IPC on 3 April 2023 (“Development Consent”).

These Proceedings did not challenge any of the environmental or other impacts of the operations associated with the Project. The Proceedings challenged whether the IPC adequately considered matters relating to the construction and location of a powerline which may be required to power the mine site.

On 14 March 2024, the Company announced that Bowdens Silver had successfully defended the Proceedings with the Land and Environment Court of New South Wales ("Court") dismissing the Proceedings. The Court upheld the decision of the IPC with respect to the grant of the Development Consent. The Development Consent approved by the IPC stands unchanged.

During the Quarter, Bingman filed an appeal in the NSW Supreme Court, Court of Appeal ("Court of Appeal"). The appeal seeks to challenge the decision by the Land and Environment Court to dismiss the Proceedings. The Company's consistent position has been that the legal claim by Bingman is without merit. The Company is vigorously defending the appeal, and a hearing was held in the Court of Appeal after the Quarter on 22 July 2024.

The Company will update the market once the Court of Appeal hands down a decision in relation to the appeal.

Project Exploration

During the Quarter Silver Mines provided an update on exploration activities and results from the Bowdens Silver Project.

Diamond drilling during 2024 was designed to infill zones of expected silver mineralisation in under sampled areas of the Bowdens Silver 2023 Mineral Resource Estimate ("MRE"). These areas specifically targeted zones within and surrounding the Proposed Open Cut (Figure 1). A total of 14 holes for 2,228.4 metres were completed between March and May 2024.

This report also contains results from deep drilling from late 2023 to February 2024 completed at the Bowdens Silver Project (Figure 2). The deep drilling was designed to target key parts of the exploration model. The drilling tested seismic features at depth and extensions to the mineral system nearly 700 metres down dip from the extent of the 2023 MRE.

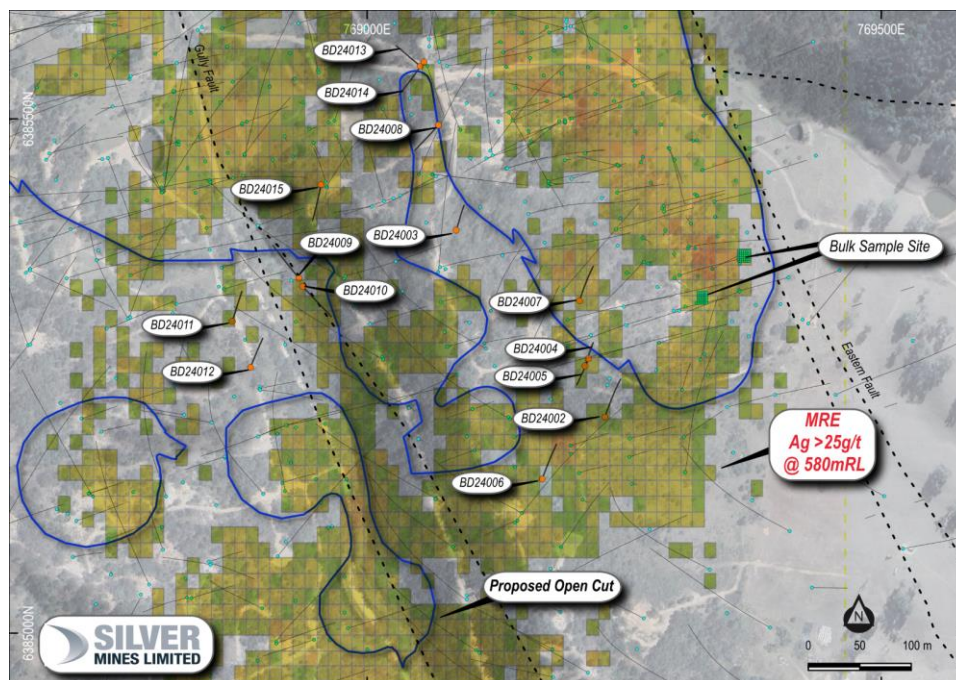


Figure 1: Location of infill drill holes reported in this release (see Figure 2 for collar names of deep drill holes) overlaid on MRE blocks for Ag greater than 25g/t cut at 580m RL.

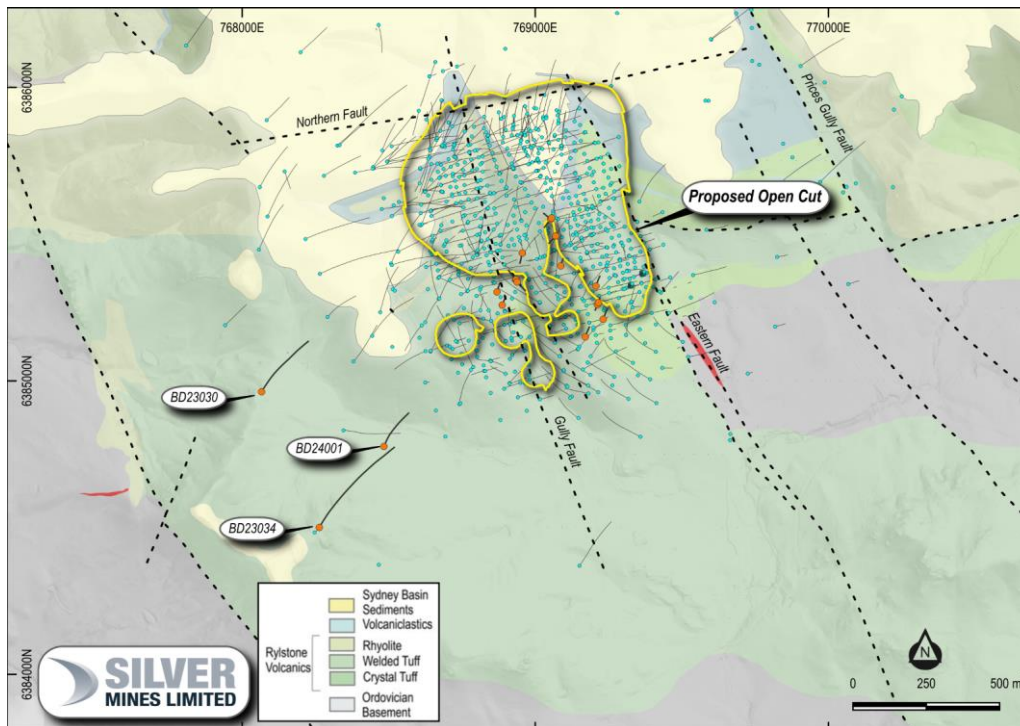


Figure 2: Location of deep drill holes reported in this release.

Infill diamond drilling

Infill diamond drill was completed within the MRE envelope between March and May 2024. This was conducted particularly in areas where any continuity of high-grade mineralisation could be better defined thus improving mining efficiencies and future Resource to Reserve conversion. This is evident by assays returned from **BD23026 (12m @ 122g/t Ag Eq and 10m @ 129g/t Ag Eq)** and **BD23032 (45m @ 126g/t Ag Eq and 2m @ 491g/t Ag Eq)**² showing significant intersections of mineralisation just outside the current planned open cut pit design. These areas are where Mineral Resources are estimated to contain greater than 60g/t Ag yet fall outside of the current Ore Reserve. Several such areas were identified for drilling to refine estimates and improve Resource conversion and confidence from diamond drilling.

A primary target of drilling was the “nose” of the deposit, which straddles the west of Main Zone and is above the Southern Gold Zone, which is pyrite (iron sulphide) rich. The zone had high-temperature hydrothermal fluids emplace the mineralisation altering the surrounding rock. Significant results were received in several drillholes, particular in the north (BD24013 and BD24014) and south (BD24002, BD24005, BD24007 and BD24006) of the “nose”.

A secondary target of this drilling was an area which is situated above the Southern Gold Zone, which has historically been under drilled because of a perceived lack of continuity of mineralisation and logistical challenges. Smaller open cut pits are planned using the existing MRE to the south and southwest of the area targeted, however, these zones likely have high-grade linking structures targeted in this work

Significant results include (Figure 3 and Figure 4):

- **BD24005: 14m @ 105g/t Ag Eq (59g/t Ag, 0.71% Zn & 0.26% Pb) from 11 metres,**

- **BD24002: 70m @ 68g/t Ag Eq** (18g/t Ag, 0.2g/t Au, 0.44% Zn & 0.32% Pb) from 98 metres, *including*
 - **13m @ 153g/t Ag Eq** (31g/t Ag, 0.31g/t Au, 1.30% Zn & 0.94% Pb) from 128 metres, and
 - **3m @ 127g/t Ag Eq** (85g/t Ag, 0.42g/t Au, 0.11% Zn & 0.08% Pb) from 99 metres,
- **BD24014: 71m @ 47g/t Ag Eq** (25g/t Ag, 0.06g/t Au, 0.11% Zn & 0.33% Pb) from 28 metres, *including*
 - **13m @ 157g/t Ag Eq** (73g/t Ag, 0.19g/t Au, 0.31% Zn & 1.48% Pb) from 28 metres, and *including*
 - **3m @ 450g/t Ag Eq** (24g/t Ag, 5.15g/t Au, 0.24% Zn & 0.04% Pb) from 114 metres.
- **BD24006: 51m @ 84g/t Ag Eq** (9g/t Ag, 0.63g/t Au, 0.30% Zn & 0.25% Pb) from 103 metres, *including*
 - **1m @ 1,701g/t Ag Eq** (47g/t Ag, **17.95g/t Au**, 2.59% Zn & 2.63% Pb) from 146 metres.
- **BD24007: 179m @ 53g/t Ag Eq** (12g/t Ag, 0.1g/t Au, 0.46% Zn & 0.28% Pb) from 5 metres, *including*
 - **5m @ 367g/t Ag Eq** (60g/t Ag, 1.27g/t Au, 2.93% Zn & 1.63% Pb) from 169 metres.
- **BD24013: 61.7m @ 43g/t Ag Eq** (25g/t Ag, 0.1g/t Au, 0.05% Zn & 0.21% Pb) from 59 metres, *including*
 - **2m @ 185g/t Ag Eq** (145g/t Ag, 0.44g/t Au, 0.07% Zn & 0.04% Pb) from 73 metres.

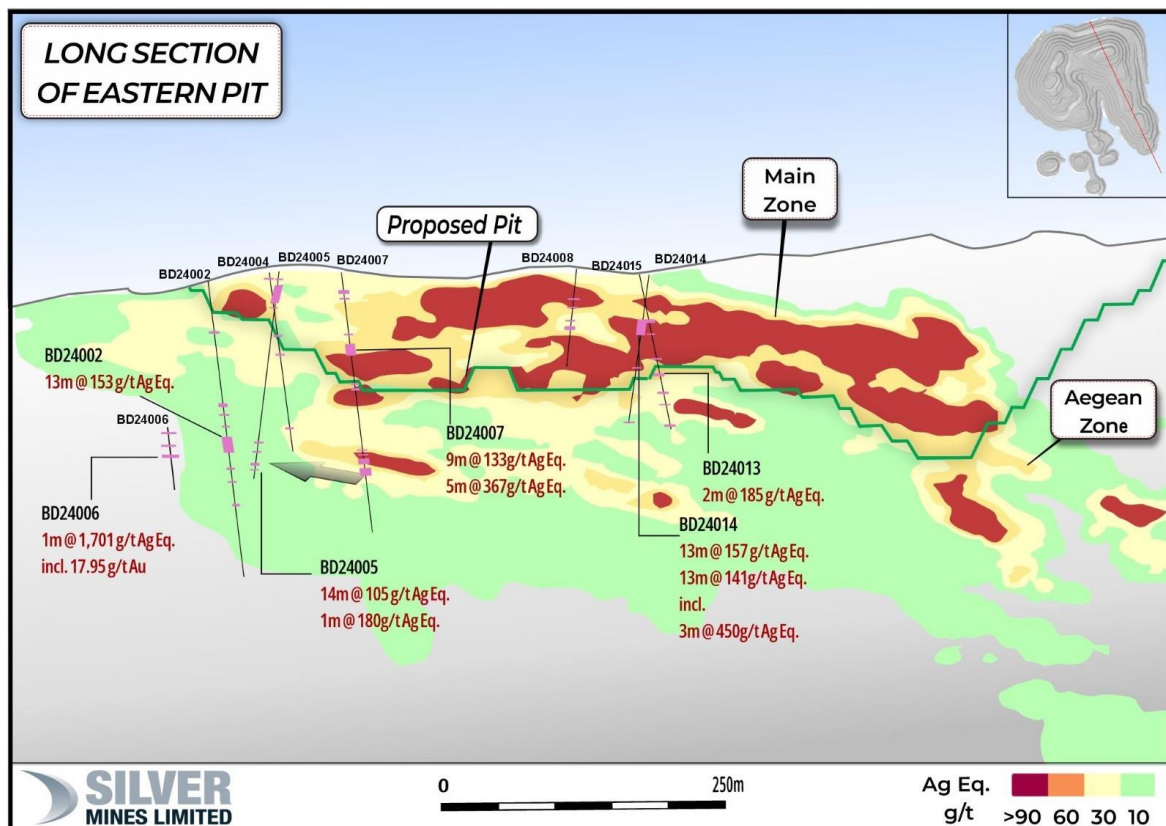


Figure 3: Long section of eastern planned pit showing infill drilling results.

Broad intercepts were returned in BD24010 and BD24015 which includes localised higher-grade zones:

- **BD24010: 108.9m @ 35g/t Ag Eq** (16g/t Ag, 0.03g/t Au, 0.26% Zn & 0.13% Pb) from 3.1 metres, *including*
 - **2.9m @ 144g/t Ag Eq** (112g/t Ag, 0.45% Zn & 0.27% Pb) from 3.1 metres, *and*
 - **2m @ 132g/t Ag Eq** (111g/t Ag, 0.30% Zn & 0.14% Pb) from 24 metres.
- **BD24015: 101m @ 49g/t Ag Eq** (16g/t Ag, 0.47% Zn & 0.22% Pb) from 1 metre, *including*
 - **6m @ 105g/t Ag Eq** (70g/t Ag, 0.41% Zn & 0.41% Pb) from 5 metres, *and*
 - **2m @ 237g/t Ag Eq** (23g/t Ag, 3.60% Zn & 0.91% Pb) from 80 metres.

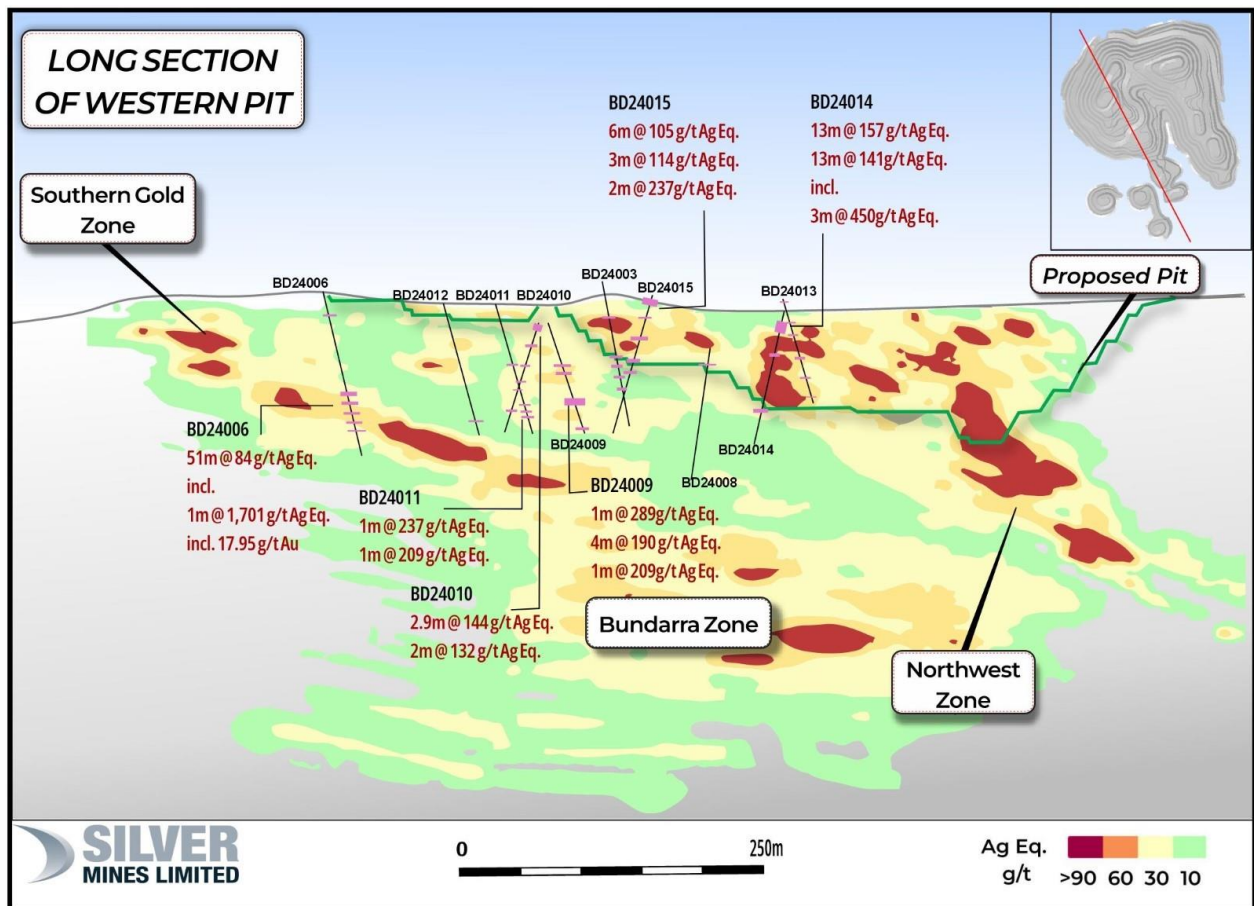


Figure 4: Long section of western planned pit showing infill drilling results.

Deep drilling

In Q4 2023 and Q1 2024 deep drilling continued at the Bowdens Silver Deposit to test for down dip extensions to the mineralised system and to test the bulk-properties 3D model being developed under the Company's R&D programs (refer below). Three holes (*BD23030*, *BD23034* and *BD24001*) were completed for ~3,012 metres (Figure 2). The three deep drill holes critically refine understanding of the mineral system, locating the hottest mineral assemblages yet and define the mineral assemblage's seismic response at depth. This drilling identified key exploration vectors to further mineralisation at depth and potential analogues nearer to surface in the surrounding Rylstone.

Results show that mineralisation extends over **1.5 kilometres** down dip from the base of the planned open cut. Mineralisation at depth is sphalerite (zinc sulphide) dominant with lower grades of gold, silver and lead. The first observations of pyrrhotite (iron sulphide) have been made, which is a sulphide that is deposited at much hotter temperatures than the dominant sulphides observed within the Bowdens Silver Deposit.

Alteration assemblages increase in temperature to muscovite–silica–epidote and show hornfels ‘spotting’, which is indicative of being proximal to an intrusion. Mineralisation at depth is also introduced by narrow pegmatite veins instead of typical quartz veins (at higher levels), which also suggests a closer proximity to intrusions. The increasing inferred temperature of mineralisation and the potential of an intrusive source is important in targeting gold and/or copper mineralisation at depth. In total, the deep mineralised intersections are > 650 metres from the extent of the current MRE and >800 metres below ground level.

See Figure 5 for examples of alteration and mineralisation style observed in deep drill holes.



Figure 5: Selection of drill core from the three deep drill holes displaying alteration and mineralisation at depth.

Exploration Program

The Company has finalised drilling at the Bowdens Silver Deposit while project optimisation work is underway. Since January 2020 the Company has completed nearly 78,000 metres of primarily diamond drilling in extensional and exploration drilling programs which have results in the MRE updates released in 2022 and 2023. Exploration is now focussing on achieving access to regional targets, including the Bara Creek Prospect and the Coomber Prospect.

Work on a further update to the MRE is progressing and is scheduled to be completed during 2024. This will be followed by an update to the Ore Reserves, also scheduled for 2024.

2D Seismic Survey

During the Quarter, the Company provided an update on regional geology modelling with interpretation of the major 2D seismic survey completed in September 2023.³

The seismic survey totalled nearly 96 kilometres and covered numerous areas prospective for both epithermal systems such as the Bowdens Silver Deposit, Coomber Prospect, Bara Creek Prospect and for porphyry related systems at the Barabolar Project (Figure 6). The Company already has extensive and high-quality exploration datasets in the area (such as magnetics, gravity, VTEM (versatile time-domain electromagnetics), geological mapping and Digital Elevation Models (DEM)), which have been integrated to build regional geological frameworks for exploration targeting. Two major volcanic complexes are modelled in the seismic and other data: the Bowdens Volcanic Complex and the Coomber Volcanic Complex.



Figure 6: Seismic survey lines on regional geology and prospects.

³ Silver Mines Limited (ASX:SVL) release "Regional Exploration and Drilling at Bowdens Silver Project" dated 29 September 2023.

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

A total of \$50,000 was awarded for the seismic survey to be completed throughout the Bowdens Caldera structure. The seismic survey was also conducted as part of the Company's on-going research and development (R&D) project. This R&D project is focused on integrating bulk-properties from geophysics (such as seismic data) along with geochemistry and metallurgical work to develop machine-learning assisted predictions for geometallurgy relevant to both in-deposit (Bowdens) and regionally.

The survey was completed under approval by the NSW Resources regulators.

Bowdens Volcanic Complex

The Bowdens Volcanic Complex (Figure 7) is predominantly covered by Sydney Basin sediments but is well understood along its southern extents, where the Deposit is situated. Geological modelling by the Company suggests that the Bowdens Volcanic Complex contains three separate and preserved calderas, with significant prospectivity for epithermal system discovery.

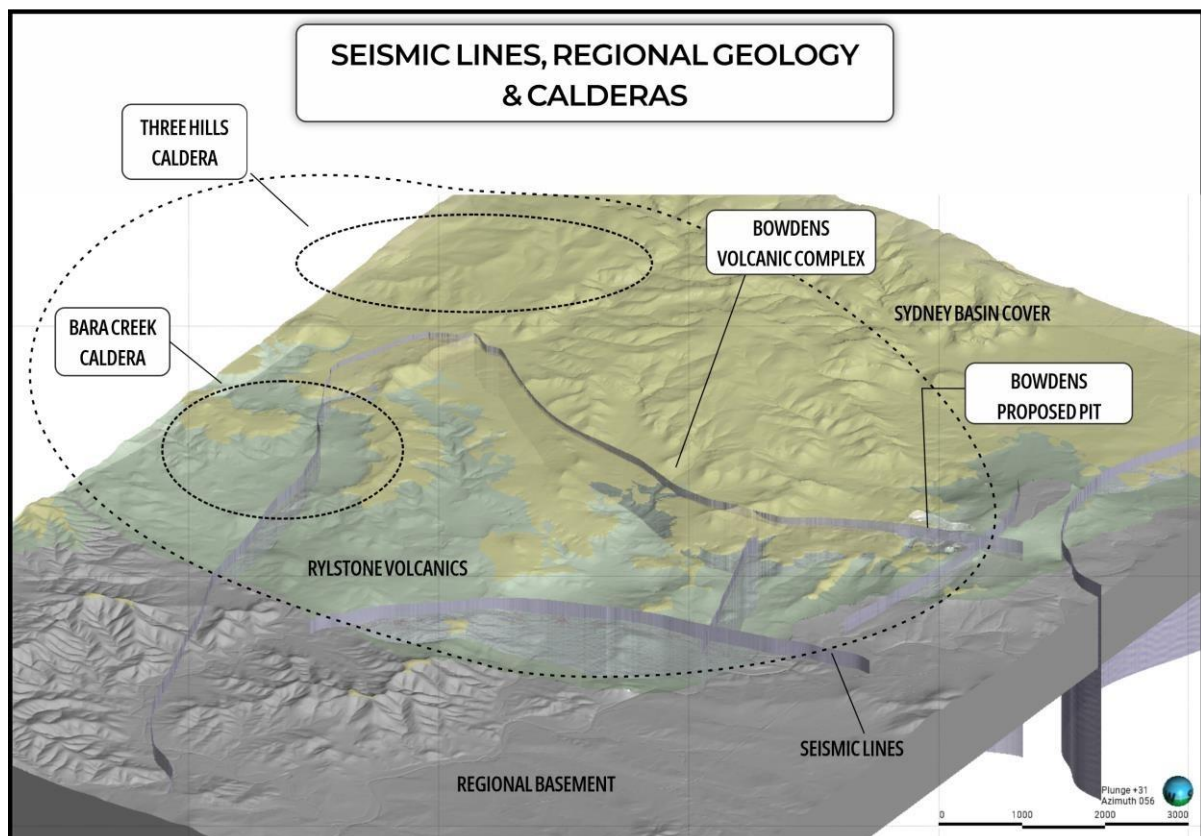


Figure 7: View looking northeast across the Bowdens Volcanic Complex showing geology model and seismic lines.

Bara Creek Caldera

The Bara Creek caldera is interpreted to have dimensions of 4 kilometres by 4 kilometres and appears to be preserved by silicification. The Prospect was initially identified by CRA Exploration in 1989 during regional stream sediment sampling of Rylstone Volcanics situated beneath coal bearing sedimentary basins (Sydney Basin). Results from this program discovered the Bowdens Silver Deposit (silver-lead-zinc and gold), while identifying the Bara Creek Prospect (gold-copper-silver and antimony, Figure 8). Limited follow up to Bara Creek suggests the area to be highly altered and veined Rylstone Volcanics.

Interpretation of the seismic data shows the continuation of several potential mineralising structures through the Bara Creek caldera. Initial geological mapping of these faults by the Company has discovered pyrite (iron sulphide) and gossanous selvages (oxidised sulphides) within quartz veins and hydrothermal breccias. The Company is awaiting assays for initial rock and soil samples to determine the geochemistry and prospectivity of the identified veins and breccias.

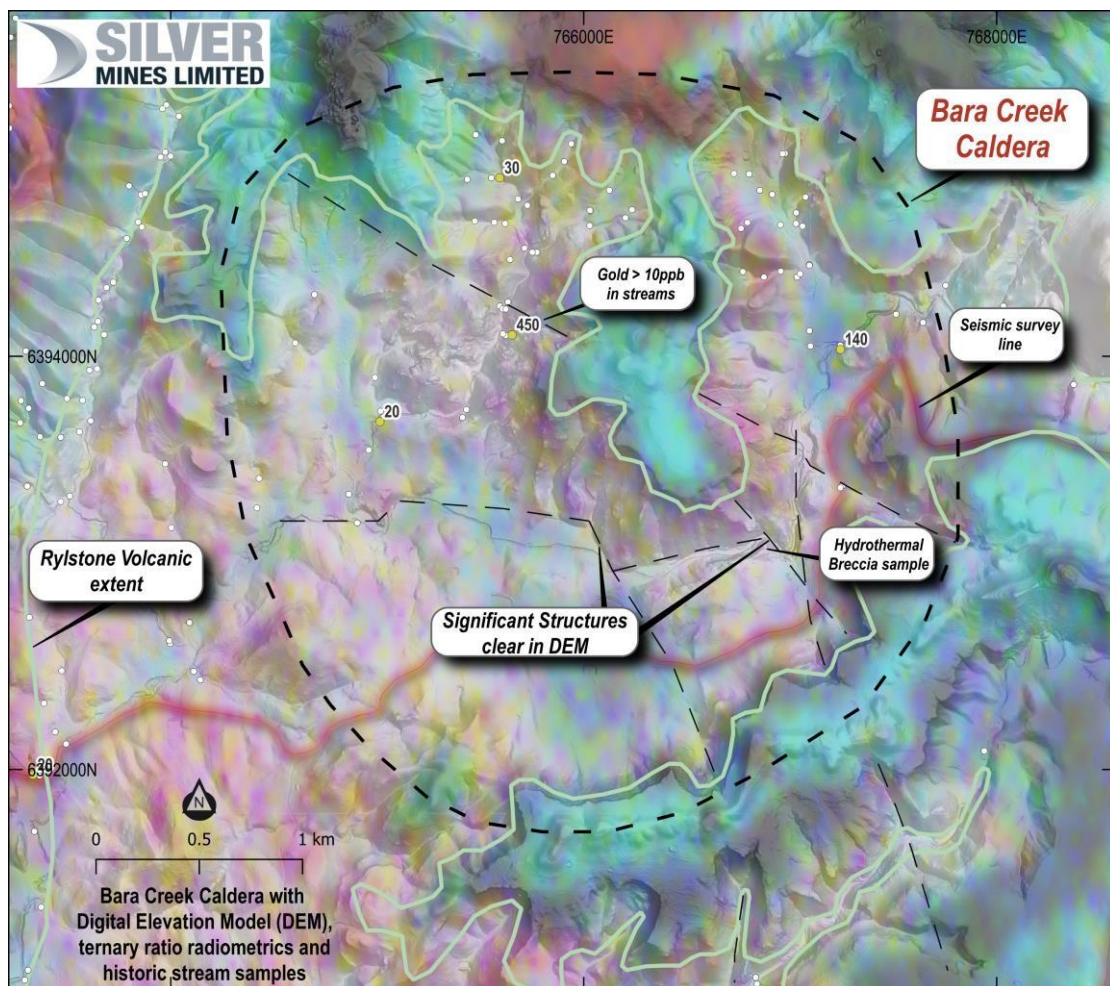


Figure 8: Bara Creek caldera with historic stream sediment samples collected by CRA Exploration.

Three Hills Caldera

The Three Hills caldera is estimated to be 3.5 kilometres by 3.5 kilometres and is completely covered by Sydney Basin sediments. The caldera was not crossed by a seismic line, however multiple other datasets provide evidence for this caldera (magnetics, gravity, VTEM and DEM).

The caldera is rimmed by the emplacement of younger (Mesozoic aged) intrusions that have clear magnetic responses (Figure 9) and have exposed existing large faults.

The Three Hills caldera is the most preserved structure identified from the geology model and is covered by at least 60 metres of Sydney basin sediments (data obtained from historic water bores and NSW Government coal drill holes within the area⁴).

No exploration work has been completed historically over this feature.

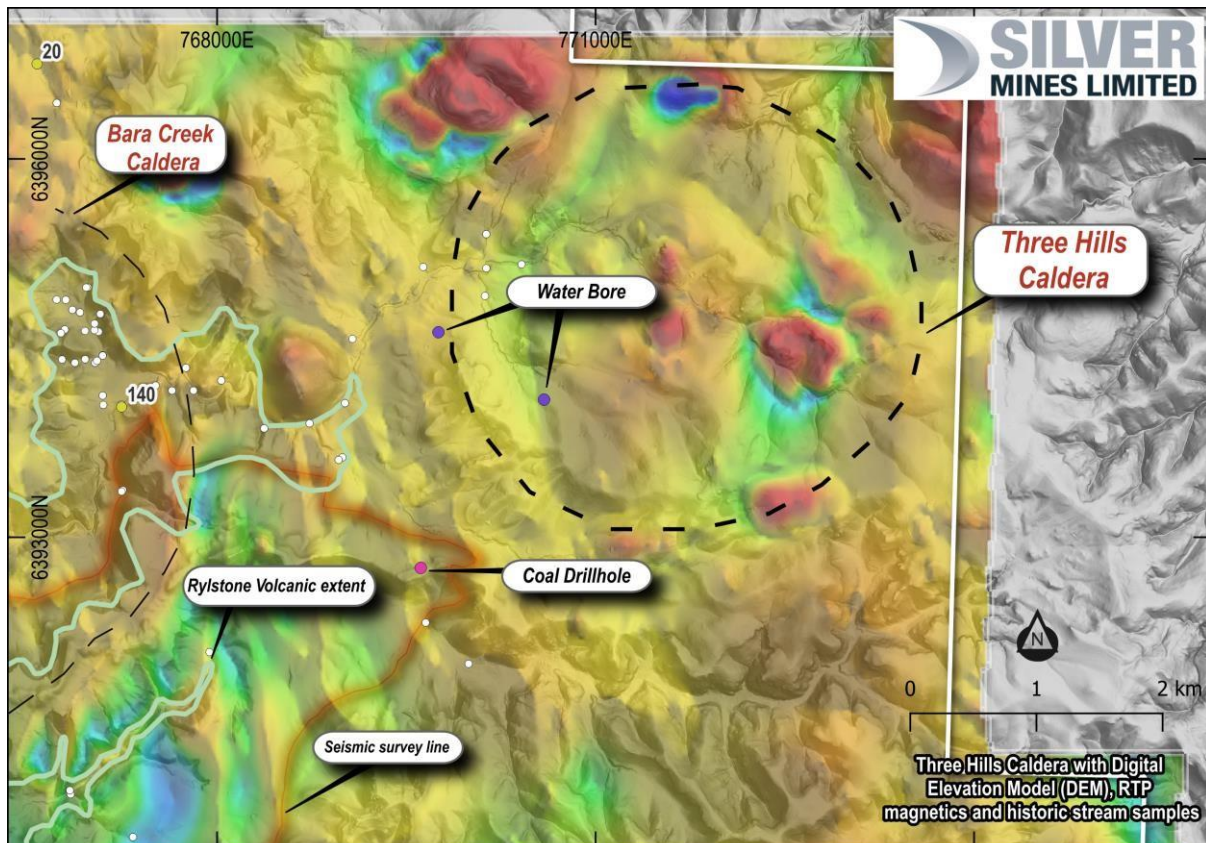


Figure 9: Three Hills Caldera with reduced to pole (RTP) magnetics and DEM.

Coomber Volcanic Complex

The Coomber Volcanic Complex (Figure 10) is approximately 22 kilometres southeast of the Bowdens Volcanic Complex and hosts the Coomber Prospect caldera. Interpretation of seismic data suggests that the extent of Rylstone Volcanics is significant with the majority of this being covered by variable thickness Sydney Basin, particularly across the Armentum Caldera. Mineralisation was discovered at the Coomber Prospect by CRA Exploration in 1992 and there has been no historic or modern exploration across the Armentum Caldera.

⁴NSW DIGS Database – Report number: R00056142 “JDP Ulan, Gulgong area” dated 1975.

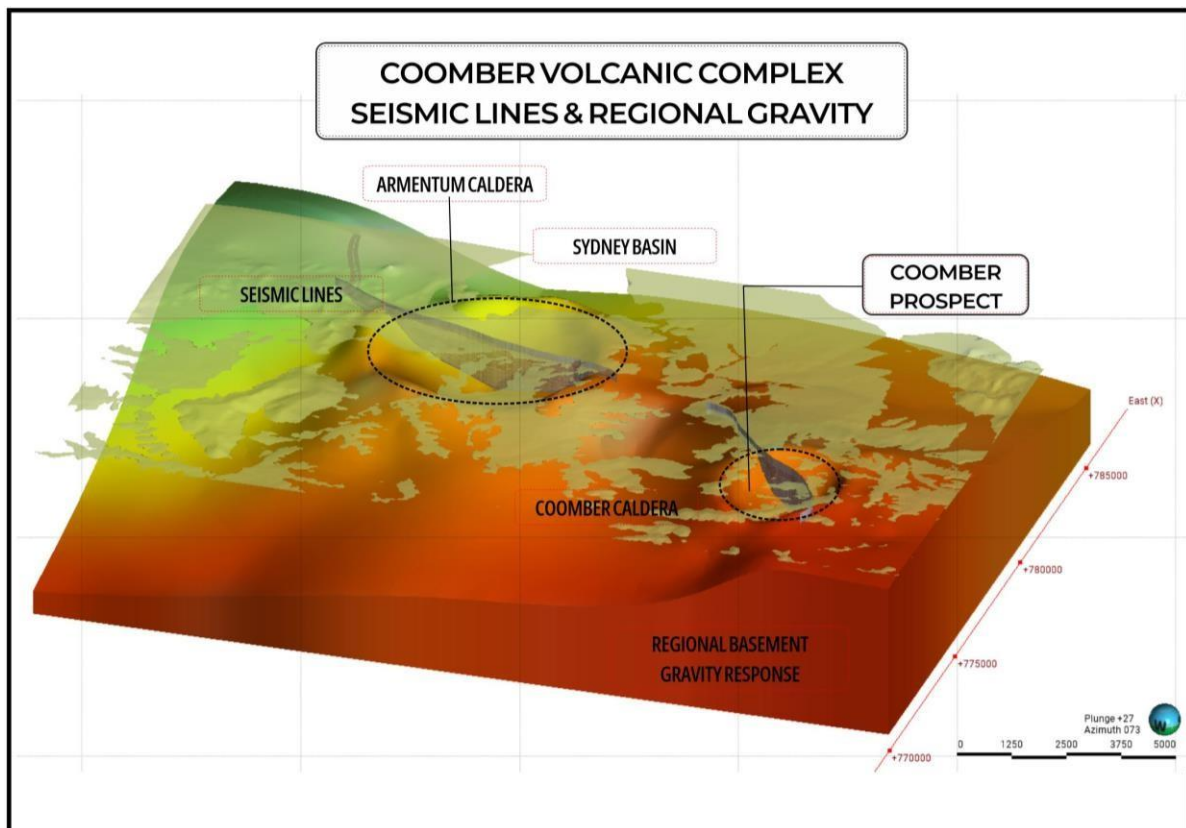


Figure 10: View looking northeast across the Coomber Volcanic Complex and the separate Coomber and Armentum calderas.

Coomber Caldera

The Coomber Prospect is situated on the northwest rim of the Coomber Caldera and was discovered by CRA Exploration shortly after the discovery of the Bowdens Silver Deposit. The Coomber Caldera is interpreted to be 3.3 kilometres by 3.3 kilometres and hosts silver-zinc-lead-gold mineralisation within stringer veins and disseminated sulphides around the contact of Rylstone Volcanics with older basement rocks. The prospect has not received exploration attention (other than geological mapping) since 1997.

The Coomber Caldera is distinctive in seismic data (Figure 11), which suggests a caldera with relatively steep rims of high velocity material. This may relate to extensive hydrothermal silica alteration post the caldera formation. Significant faulting occurred both within and around the Coomber Caldera, which provide further sites for potential targeting of sulphides and precious metals.

Armentum Caldera

The newly interpreted Armentum Caldera is to the north of the Coomber Caldera, and is the largest individual caldera structure identified during modelling. It measures roughly 5.6 kilometres by 4.1 kilometres and is significantly covered by Sydney Basin sediments. Similarly to the Three Hills Caldera, the Armentum Caldera is inferred to be rimmed by younger (Mesozoic aged) intrusions that expose large faults. The Armentum Caldera is well defined by seismic data indicating shallow dipping edges and a consistent (flat-bottomed) depth throughout. Sydney Basin sediment cover appears to be thin, perhaps only tens of metres in the central part and thickens to the north (Figure 12).

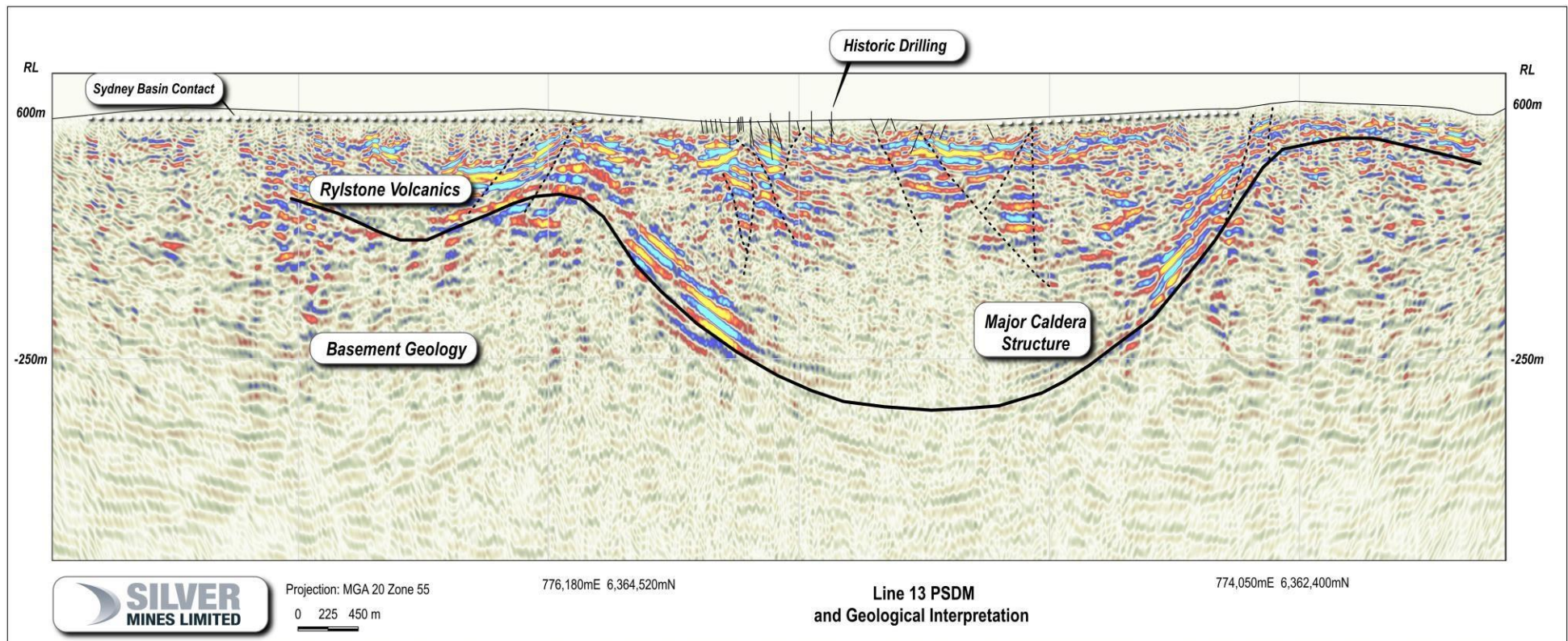


Figure 11: Seismic Line 13 highlighting the Coomber Caldera and the location of historic drilling.

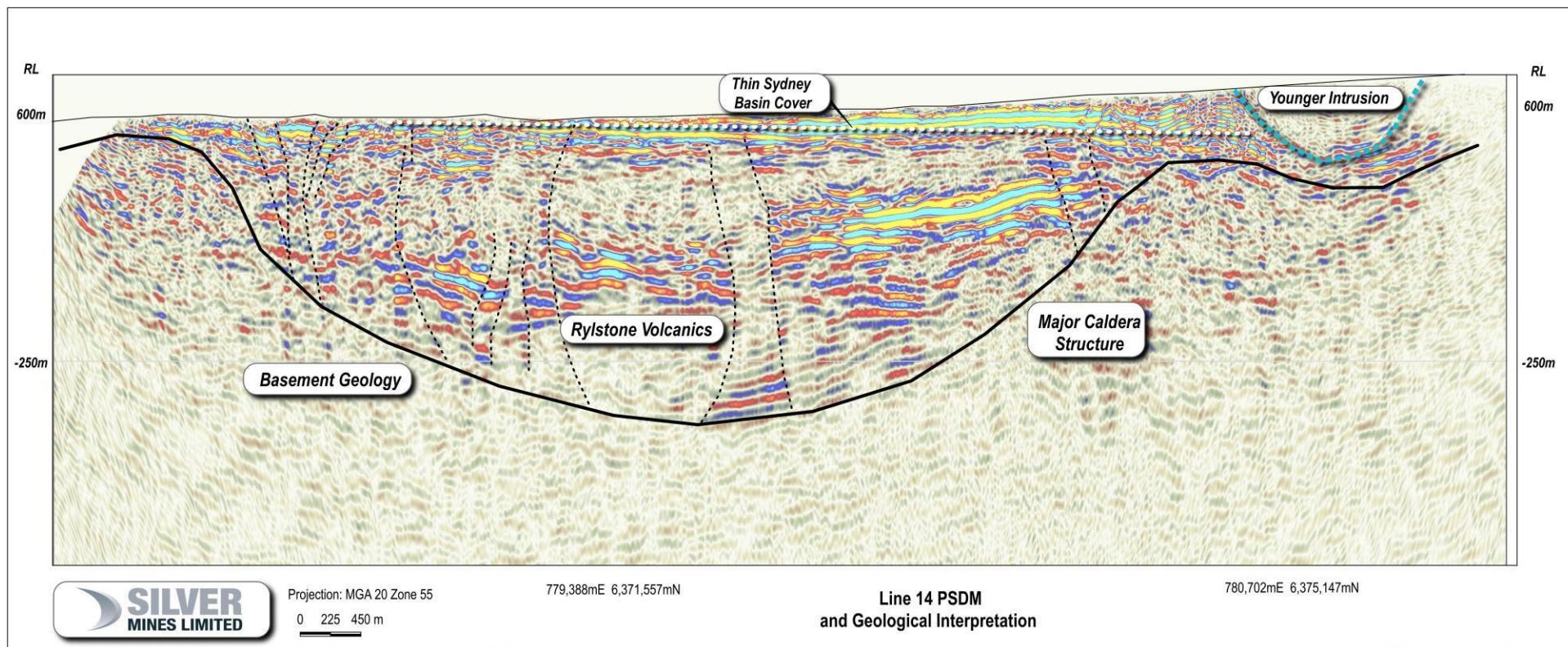


Figure 12: Seismic Line 14 highlighting the Armentum Caldera covered by a thin veneer of Sydney Basin sediments.

Mineral system study collaboration with NSW Geological Survey

The Company is collaborating with the Minerals System team within the NSW Mining, Exploration and Geoscience (MEG), and is submitting 6,000 metres of existing diamond drill core for technical analysis. The aim of this work is to characterise the Bowdens Silver Deposit mineral system, and to refine exploration and geometallurgical understanding in the Rylstone volcanics. This work is being funded, in part, by an NCRIS (National Collaborative Research Infrastructure Strategy) grant in collaboration with CSIRO and involves Hylogger scanning of diamond drill core from within and surrounding the Bowdens Silver Deposit. This work will help to characterise mineral deposit system dynamics and distal indications of alteration and mineralisation.

Technical findings will be directly applied to prospective targets to assist with prioritising drilling around the modelled calderas that have been identified within the Bowdens district. It is anticipated that an interim hyperspectral report will be completed by end of 2024, with analytical results and interpretations to be released via Geological Survey of NSW (GSNSW) report in 2025.

On-going Research & Development

The Company is continuing its commitment to R&D projects, including a project focused on technologies for predicting geometallurgical and bulk rock properties within the deposit and to define new mineralised extensions cost effectively. 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. The seismic surveys and mineral systems modelling are key pillars of the on-going R&D programs.

About the Bowdens Silver and Barabolar Projects

The Bowdens Silver and Barabolar Projects are located in central New South Wales, approximately 26 kilometres east of Mudgee (see Figure 13). The consolidated project area comprises 2,115 km² (521,000 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.

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Tuena Gold Project

The Tuena Gold Project is located 80 kilometres south of the city of Orange in New South Wales (refer to Figure 14).

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 23 October 2019).

The Company previously 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 19 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. This initial program represented the first modern exploration completed in the Tuena project area. However, in recent years there have been substantial gold discoveries made along the strike of the Copperhanna Fault including the McPhillamy's Gold Project to the north of Tuena.

Alteration associated with mineralisation at Tuena 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 the initial program have been collated and will guide follow-up drilling to test the extents of gold mineralisation encountered.

Furthermore, the Tuena district mineralisation also has affinities to volcanogenic massive sulphide (VMS) style mineralisation. Previous explorers on the Elsenora project (EL9588) intersected mineralisation anomalous of copper-lead-zinc-silver as well as gold. Targeting models for VMS, including selection of appropriate geophysical techniques, are being considered by the Company's geoscience team.

For further information on the drilling program and results, refer to the March 2021 quarterly report.

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 Gold Project and across EL8973, EL8974, EL8526, EL8975 and EL9588.

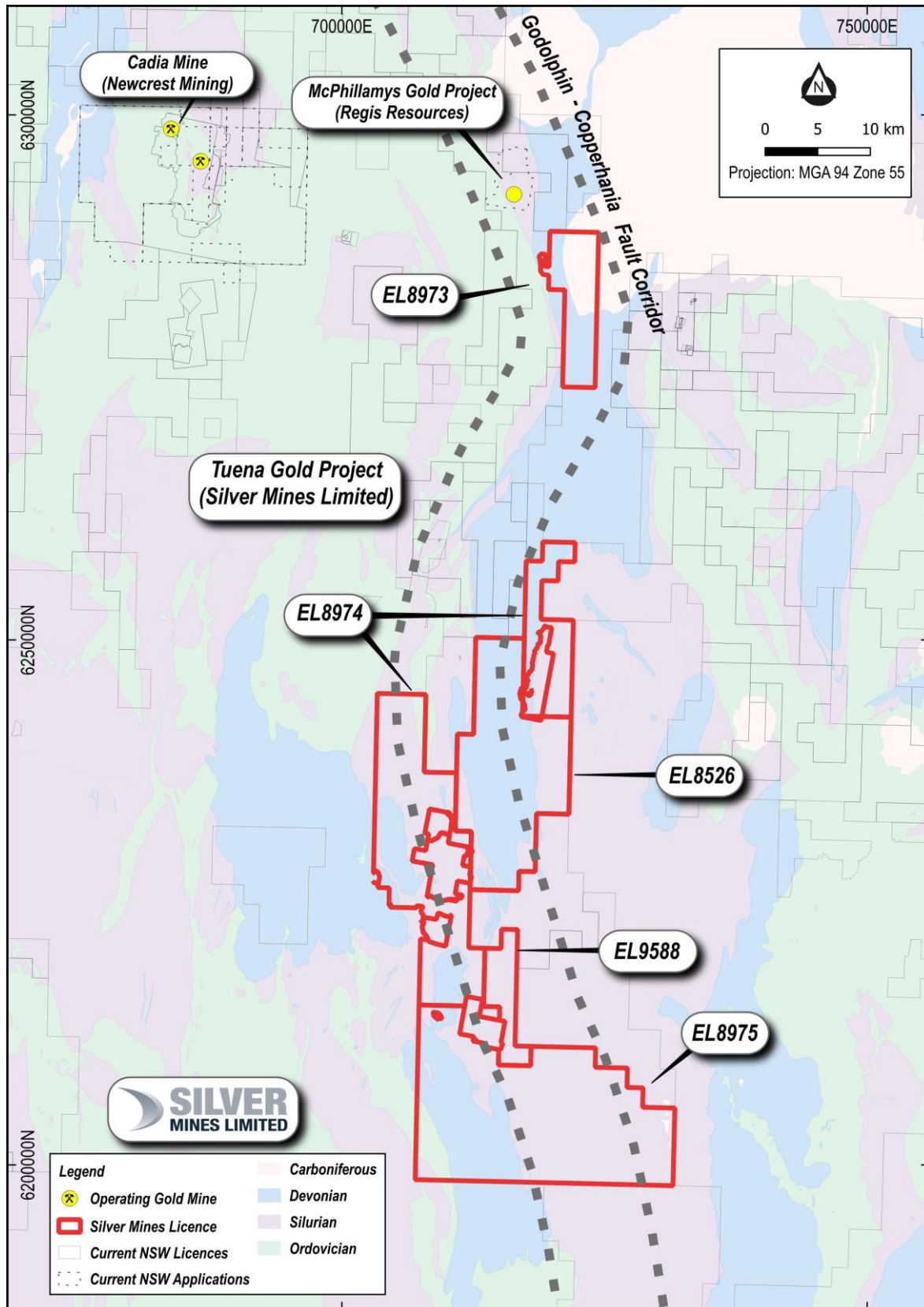


Figure 14: Tuena Gold Project regional setting

About the Tuena Gold Project

The Tuena Gold Project consists of five exploration licenses covering 767 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.

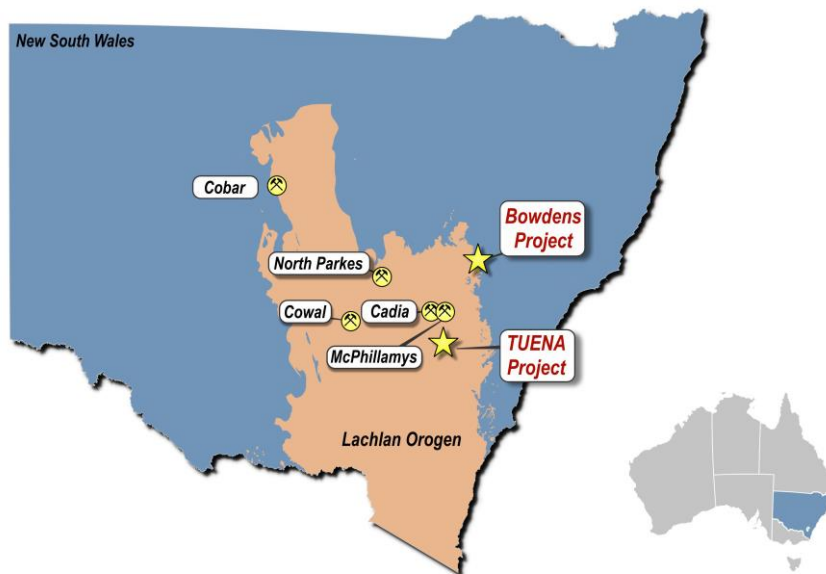


Figure 15. Silver Mines Limited project in the Lachlan Orogen

Corporate

A\$30.2 Million Convertible Debenture Funding

Subsequent to the Quarter, the Company announced it had entered into a binding interim convertible debenture (**Convertible Debentures**) agreement (**Interim Debenture Agreement**) with Bromma Asset Management Inc. a specialised investment firm led by Harry Lundin, Rick Rule and MMCAP International Inc. SPC (each, a **Holder**), securing A\$30.2 million in funding (before costs).

In connection with the transaction, Silver Mines has appointed SCP Resource Finance as its adviser.

After costs, the funds raised under the Convertible Debentures will be used predominantly for the following:

- drilling;
- engineering studies for the Definitive Feasibility Study;
- pre-construction activities; and
- general & administrative costs for the Bowdens Silver Project.

Bromma Asset Management Inc., through its Bromma Resource Master Fund Inc., is a Canadian investment firm with a focus on the resource sector, particularly in precious metals.

The material terms of the Interim Debenture Agreement are as follows:

Principal Sum	The Company will raise a maximum of A\$30,200,000 (Principal Sum).
Face Value	30,200 Convertible Debentures each with a face value of A\$1,000.00.
Original Issue Discount	2%
Conversion	The Holders shall have the right (but not the obligation) at any time prior to redemption or the Maturity Date to convert all or any part of the Principal Sum into fully paid ordinary shares in the capital of the Company (Shares) at a conversion price of A\$0.22 per Share (Conversion Shares).
Conversion Price	A\$0.22 per Share (Conversion Price). The Conversion Price is a 33% premium to the Company's last trading price of \$0.165.
Mandatory Conversion	Provided that the Shares issuable upon the conversion of the Convertible Debentures are free trading and not subject to any restrictions on resale, the Company may elect to convert of all of the Principal Sum of the then outstanding Convertible Debentures at the Conversion Price prior to the Maturity Date, if the price of Shares on ASX is greater than A\$0.375 for any 15 consecutive trading days during any period of 30 consecutive trading days, subject to a minimum trading volume of 4,000,000 average Shares over the measurement period.
Additional Debt	Prior to the Maturity Date, the Company shall not issue any additional debt without the prior approval of the Holders (Negative Pledge), until project financing is committed, thereafter; (i) at the option of the Holders, the Negative Pledge will be terminated; or (ii) at the option of the Company, the outstanding Convertible Debentures owing to the Holders can be either

	redeemed at 102% of the Principal Sum thereof plus unpaid interest to the Maturity Date, payable in cash (upon which the Negative Pledge will terminate automatically).
Maturity	The Convertible Debentures will mature after 48 months from the Issue Date (Maturity Date). On the Maturity Date, the Company must repay the outstanding balance of the Principal Sum (plus any interest accrued thereon) to the Holders: (a) in cash; or (b) with the mutual consent of both the Company and the Holders, and to the extent required under Listing Rule 7.1, shareholder approval, in Shares with the price per Share based on a 10% discount to the volume weighted average price (VWAP) of the Shares on the Exchange (as defined below) for 10 trading days preceding the Maturity Date, subject to a minimum daily trading volume of 4,000,000 Shares; or (c) with the mutual consent of both the Company and the Holders a combination of both (a) and (b).
Interest	Interest will accrue on the Convertible Debentures at the rate of 10% per annum, payable quarterly in arrears in each year until the Maturity Date, as follows: (a) (Initial Period): during a period commencing the date of issue (the Issue Date) and ending on the second quarterly interest payment date, in cash; (b) (Second Period): for a further period of 30 months from the Issue Date, at the option of the Company, by either: (i) the issue of 1/3 the equivalent value of the interest in Shares (Interest Shares), at a price per Interest Share equal to a 10% discount to the volume weighted average trading price (the VWAP) of the Shares on the ASX for the 10 trading days preceding the applicable interest payment date, provided that the Interest Shares are free trading and listed and not subject to any restrictions on resale; and (ii) the payment of 2/3 the value of the interest in cash; or (iii) the payment of the entire value of interest in cash; (c) (Third Period): after the expiry of the Second Period, in cash.
Conditions Precedent	The issue of the Convertible Debentures will be subject to the following conditions precedent: (a) (Definitive Agreements): the entry into fuller form binding documentation in respect of the Convertible Debentures; and (b) (FIRB Approval): the Holders obtaining: (i) a written notice, by or on behalf of the Treasurer of the Commonwealth of Australia, stating that the Commonwealth Government does not object to the issue of the Convertible

	Debentures (and any document executed in connection with the Convertible Debentures) under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA); or (ii) professional advice from its legal advisers that the issue of the Convertible Debentures does not require approval under FATA and the Holders provides a copy of that advice to the Company.
Security and ranking	The Convertible Debentures will be senior secured obligations of the Company, and shall rank senior in right of payment of principal and interest to all other previously existing or hereafter issued indebtedness of the Company. The Convertible Debentures will be secured by a general security interest over the assets of the Company. The Company will enter into a general security agreement under which the Company will have negative covenants not to pledge, sell, lease or otherwise dispose of its assets, other than in the normal course or as permitted pursuant to the Definitive Agreements, without the Holders' prior written consent. The Convertible Debentures shall have the benefit of a guarantee of the subsidiaries of the Company of all indebtedness and liabilities of the Company to the Holders under the Convertible Debentures.
Unquoted	The Convertible Debentures will be unquoted. The Company will apply for quotation of all Shares issued pursuant to the Interim Debenture Agreement.
Redemption on Change of Control	In the event of a Change of Control of the Company, the Holders shall have the right to require the Company to either: (a) purchase the Convertible Debentures at 105% of the Principal Sum thereof plus unpaid interest to the Maturity Date; or (b) if: (i) the Change of Control results in a new or successor issuer (or equivalent in any foreign jurisdiction); or (ii) the Company is acquired by a reporting issuer or its equivalent in any foreign jurisdiction, convert the Debenture into a replacement debenture of the new or successor issuer or the acquiring reporting issuer, as applicable, in the aggregate principal amount of 105% of the aggregate Principal Sum of the Convertible Debentures; or (c) convert the Convertible Debentures at the Conversion Price. Change of Control means: (a) any transaction (whether by purchase, merge or otherwise) whereby a person or persons acting jointly or in concert directly or indirectly acquire(s) the right to cast, at a general meeting of shareholders of the Company more than 50% of the votes that may be ordinarily cast at a general meeting;

	(b) the Company's amalgamation, consolidation or merger with or into any other person, any merger of another person into the Company unless the holders of voting securities of the Company immediately prior to such amalgamation, consolidation or merger hold securities representing 50% or more of the voting control or direction in the Company or the successor entity upon completion of the amalgamation, consolidation or merger; or (c) any conveyance, transfer, sale lease or other disposition of all or substantially all of the Company's and its subsidiaries' assets and properties, taken as a whole, to another arm's length person.
Covenants	In addition to customary positive and negative covenants contained in the Convertible Debentures, the Company will be required to maintain a minimum positive working capital of not less than A\$3,000,000.
Events of Default	The Definitive Agreements will contain certain market standard events of default for an agreement of this nature.

An Original Issue Discount of 2% will be deducted from the Principal Sum as agreed with the Holders. The Company will also pay SCP Resource Finance a fee of USD\$200,000.

The Company will keep the market updated as the transaction progresses.

Board Appointment

Subsequent to the Quarter, the Company announced the appointment of Mr Robert (Rob) Dennis as a Non-Executive Director of the Company effective 1 July 2024.

Mr Dennis is a mining engineer with 50 years' experience in the nickel, copper, gold and alumina industries. Rob is a skilled leader and has extensive base metals and precious metals operational, technical and project development experience.

Mr Dennis' past experience includes Chief Executive Officer and Managing Director of Poseidon Nickel Limited, Chief Operating Officer for the Independence Group ("IGO") where he was responsible for IGO's nickel, copper, zinc and gold operations including overseeing the development and commissioning of IGO's Nova Nickel Project.

Prior to that, Mr Dennis held positions including Chief Executive Officer at Aditya Birla Minerals Ltd where he managed the expansion and development of the Nifty Copper Project in the North West of Western Australia and the Mt Gordon operation in North Queensland, General Manager Project Development for Lionore Australia, General Manager Operations for Great Central Mines and Chief Mining Engineer for Western Mining Corporation.

Mr Dennis is currently Non-Executive Director of Stavley Minerals Ltd (ASX:SVY).

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 3 May 2016 ("Deed"), which effectuated the purchase of the Bowdens Silver Project.

In accordance with the Deed the Deferred Consideration Shares are to be issued upon:

- achievement of the mining lease granted by the NSW Department of Planning, Industry and Environment pursuant to the Mining Act 1992 (NSW) in connection with the Bowdens Silver Project ("Mining Lease Milestone"); or
- an occurrence of a change of control such as a takeover bid pursuant to section 9 of the Corporations Act 2001 (Cth), ("Takeover Condition").

The Company confirms the Deferred Consideration Shares have not been issued during the 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, at the end of the Quarter the Company had cash reserves of A\$10.805 million.

Exploration expenditure during the quarter totalled A\$2.241 million and focussed predominately on the Company's Bowden Silver Project. Payments to related parties totalling A\$232 thousand consisted of remuneration paid to executive and non-executive directors and an associate of a director under respective service agreements.

This announcement was approved for release by the Board of Directors.

Further information:

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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 exploration from the Bowdens Silver Project is based on information compiled by the Bowdens Silver team and reviewed by Darren Holden who is an advisor to the Company. Dr Holden is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC code). Dr Holden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Tenement Information as at 30 June 2024

Tenement	Project Name	Location	Silver Mines Ownership	Change in Quarter
EL 5920	Bowdens Silver	NSW	100%	-
EL 6354	Bowdens Silver	NSW	100%	-
EL 8159	Bowdens Silver	NSW	100%	-
EL 8160	Bowdens Silver	NSW	100%	-
EL 8168	Bowdens Silver	NSW	100%	-
EL 8268	Bowdens Silver	NSW	100%	-
EL 8403	Bowdens Silver	NSW	100%	-
EL 8405	Bowdens Silver	NSW	100%	-
EL 8480	Bowdens Silver	NSW	100%	-
EL 8682	Bowdens Silver	NSW	100%	-
EL 9580	Bowdens Silver	NSW	100%	-
EL 8526	Tuena	NSW	100%	-
EL 8973	Tuena	NSW	100%	-
EL 8974	Tuena	NSW	100%	-
EL 8975	Tuena	NSW	100%	-
EL 9588	Tuena	NSW	100%	-

Table 1. Drill collar details for holes reported in the release dated 18 June 2024.

Target	Hole ID	GDA94 East	GDA94 North	RL (m)	Dip	Azimuth (grid)	Depth (m)	Drill Type	Comment
Deep Drilling	BD23030	768066	6384963	635.4	-75	31	1,032.6	Diamond	Assays returned
Deep Drilling	BD23034	768263	6384500	650.5	-70	30	1,114.4	Diamond	Assays returned
Deep Drilling	BD24001	768483	6384777	605.8	-80	25	864.8	Diamond	Assays returned
MRE Infill	BD24002	769231	6385210	616.6	-80	20	250	Diamond	Assays returned
MRE Infill	BD24003	769087	6385392	639.0	-80	20	148.2	Diamond	Assays returned
MRE Infill	BD24004	769212	6385260	630.0	-80	20	150.7	Diamond	Assays returned
MRE Infill	BD24005	769215	6385267	630.0	-80	200	173.1	Diamond	Assays returned
MRE Infill	BD24006	769170	6385150	631.6	-77	20	170.2	Diamond	Assays returned
MRE Infill	BD24007	769207	6385323	627.4	-80	20	222.8	Diamond	Assays returned
MRE Infill	BD24008	769069	6385494	638.2	-80	220	204.8	Diamond	Assays returned
MRE Infill	BD24009	768934	6385345	597.4	-70	320	120.7	Diamond	Assays returned
MRE Infill	BD24010	768938	6385337	597.3	-70	140	117.8	Diamond	Assays returned
MRE Infill	BD24011	768869	6385303	601.0	-75	20	120.2	Diamond	Assays returned
MRE Infill	BD24012	768887	6385258	600.5	-75	20	120.8	Diamond	Assays returned
MRE Infill	BD24013	769052	6385551	630.9	-75	310	120.7	Diamond	Assays returned
MRE Infill	BD24014	769055	6385555	631.2	-75	220	163.4	Diamond	Assays returned
MRE Infill	BD24015	768955	6385436	625.7	-75	191.6	145	Diamond	Assays returned

Table 2: Summary of all recent diamond drilling intercepts for reported drill holes.

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Copper (%)	Silver Eq (g/t)
BD23030	445.9	447	1.1	81.3	1.97	2.97	0.16	0.06	299 ²
	614.4	615.7	1.3	32.1	3.15	0.68	0.8	0.03	278 ²
	624	625	1	15.9	1.24	0.58	0.4	0.02	131 ²
	719	720	1	7.5	2.38	0.03	-	0.02	129 ²
	732	733	1	35.4	0.81	0.04	0.02	0.12	92 ²
	853	854	1	18	5.61	0.12	0.02	0.06	309 ²
	875	876	1	44	1.73	0.98	0.13	0.04	178 ²
BD23034	757	758	1	9.5	2.19	0.58	0.02	0.02	141 ²
	775	776	1	13	1.91	0.45	0.01	0.02	126 ²
	884	885	1	11.6	4.56	0.03	-	0.03	242 ²
	893	896	3	11.7	3.97	0.04	-	0.03	214 ²
	904	908	4	6.3	1.69	0.04	-	0.02	94 ²
BD24001	457	458	1	16.7	1.66	1.20	0.03	0.03	144 ²
	609	610	1	21.7	4.24	0.31	0.01	0.11	255 ²
	616	617	1	6.1	1.98	0.30	0.01	0.02	117 ²
	707	708	1	23.6	2.46	0.17	0.01	0.14	168 ²
	744	745	1	7.8	3.69	0.05	-	0.03	196 ²
	752	753	1	24.3	5.35	0.14	0.07	0.06	307 ²
	760	763	3	10.1	1.75	0.31	0.01	0.03	110 ²
	779	780	1	6.6	1.70	0.03	0.01	0.03	95 ²
BD24002	0	54	54	25.2	0.16	0.08	0.01	-	37 ¹
including	36	38	2	86	0.56	0.22	0.01	-	122 ²
	98	168	70	17.8	0.44	0.32	0.20	0.01	68¹
including	99	102	3	85	0.11	0.08	0.42	-	127 ²
& incl	108	109	1	70.5	0.19	0.20	0.36	0.01	117 ²
& incl	118	119	1	33.4	1.80	0.97	1.16	0.03	251 ²
& incl	128	141	13	30.7	1.30	0.94	0.31	0.02	153²
& incl	155	156	1	27	1.67	1.43	0.50	0.01	199 ²
& incl	167	168	1	15	0.18	0.15	0.76	0.02	91 ²
	182	189	7	19.4	0.64	0.63	0.10	0.02	83 ¹
including	187	189	2	38.7	1.74	1.63	0.29	0.03	206 ²
	238	250	12	6.5	0.14	0.08	0.04	0.01	21 ¹
BD24003	5	43	38	9.1	0.19	0.30	0.01	-	30 ¹
including	37	38	1	37.6	0.25	1.19	0.12	0.03	102 ²
	54	120	66	7.37	0.46	0.40	0.03	-	46 ¹
including	76	78	2	53.7	3.14	1.43	0.10	0.01	267 ²
& incl	86	88	2	10.0	1.55	0.60	0.04	0.01	111 ²

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Copper (%)	Silver Eq (g/t)
& incl	97	99	2	23.4	1.55	1.81	0.21	0.01	179 ²
& incl	110	111	1	38.1	0.14	3.34	0.14	0.03	171 ²
BD24004	2	54	52	21.8	0.21	0.11	-	-	36 ¹
including	2	4	2	97.6	0.09	0.21	-	-	110 ²
& incl	26	27	1	35.8	2.24	0.32	0.02	-	160 ²
& incl	52	53	1	52.5	0.65	0.76	0.03	0.01	113 ²
	69	70	1	21.6	0.71	0.94	0.03	-	90 ²
	92	108	16	6.16	0.31	0.16	0.03	-	30 ¹
	120	148	28	12.3	0.21	0.26	0.09	0.01	41 ¹
including	133	134	1	70.1	1.19	2.42	0.20	0.07	234 ²
BD24005	0	60	60	28.4	0.31	0.15	0.01	-	50 ¹
including	4	5	1	46.1	0.63	0.57	0.01	-	97 ²
& incl	11	25	14	59.3	0.71	0.26	0.01	-	105 ²
	126	167	41	10.9	0.36	0.27	0.15	0.01	52 ¹
including	141	142	1	12.7	1.24	0.37	1.15	0.01	180 ²
& incl	149	150	1	19.4	0.82	0.51	0.58	0.02	126 ²
& incl	159	165	6	11.9	0.47	0.42	0.25	0.01	71 ²
BD24006	27	70	43	22.2	0.16	0.08	0.05	-	37 ¹
including	27	28	1	191.0	0.46	0.16	0.04	-	222 ²
	103	154	51	9.3	0.30	0.25	0.63	0.01	84¹
including	107	110	3	6.5	0.32	0.14	1.51	0.01	149 ²
& incl	117	120	3	28.6	0.88	0.96	0.85	0.05	179 ²
& incl	128	129	1	12.7	0.76	0.38	0.41	0.01	97 ²
& incl	138	139	1	22.1	0.45	0.54	0.63	0.05	119 ²
& incl	146	147	1	46.8	2.59	2.63	17.95	0.02	1701²
BD24007	5	184	179	12.4	0.46	0.28	0.10	0.01	53¹
including	13.9	16.5	2.6	16.6	1.64	0.47	0.01	-	115 ²
& incl	20	21	1	69.9	0.77	0.24	0.01	0.01	117 ²
& incl	52	53	1	41.8	2.96	0.88	0.03	0.01	221 ²
& incl	60	69	9	40.0	1.05	0.94	0.11	0.01	133 ²
& incl	95	96	1	16.1	0.96	0.57	0.17	0.02	98 ²
& incl	100	101	1	21.1	1.91	0.48	0.21	0.03	151 ²
& incl	153	165	12	19.8	0.37	0.38	0.36	0.02	81 ²
& incl	169	174	5	60.0	2.93	1.63	1.27	0.05	367²
BD24008	1	60	59	11.2	0.40	0.21	0.01	-	39 ¹
including	16	17	1	21.0	2.95	0.71	0.02	0.01	193 ²
& incl	22.8	24.3	1.5	30.2	2.16	0.77	0.02	-	165 ²
& incl	34	35	1	20.9	1.61	0.47	0.01	-	117 ²

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Copper (%)	Silver Eq (g/t)
& incl	39	42.4	3.4	38.0	0.80	0.42	0.01	-	92 ²
	71	100	29	10.3	0.02	0.41	0.04	-	28 ¹
including	83	84	1	30.6	0.02	1.56	0.09	0.01	92 ²
	169	182	13	7.5	0.10	0.42	0.05	-	30 ¹
BD24009	2.1	61	58.9	18.3	0.10	0.05	0.01	-	26 ¹
including	45.4	46.4	1	184	1.58	0.61	0.07	0.01	289 ²
& incl	54	55	1	106	0.48	0.28	0.03	-	142
	73	119	46	17.3	0.37	0.19	0.05	-	46 ¹
including	94	98	4	88.2	1.38	0.74	0.10	0.01	190 ²
& incl	113	114	1	40	1.48	0.90	0.77	0.04	209 ²
BD24010	3.1	112	108.9	15.9	0.26	0.13	0.03	-	35 ¹
including	3.1	6	2.9	112.3	0.45	0.27	-	-	144 ²
& incl	24	26	2	110.8	0.30	0.14	0.01	-	132 ²
& incl	46	47	1	61.3	0.53	0.14	-	-	93 ²
& incl	63	64	1	20.1	1.21	0.52	0.06	0.01	103 ²
& incl	71	72	1	17.5	1.33	0.56	0.06	0.01	108 ²
& incl	94	96.4	2.4	16.7	1.05	0.24	0.15	-	89 ²
BD24011	47	48	1	189	0.67	0.26	0.05	0.01	237 ²
	80	103	23	22	0.18	0.09	0.05	-	38 ¹
including	89	90	1	178	0.49	0.14	0.03	-	209 ²
& incl	96	97	1	42.1	0.73	0.13	0.84	-	150 ²
& incl	101	103	2	50.3	0.68	0.30	0.05	0.01	99 ²
BD24012	43	82	39	10.4	0.05	0.02	0.01	-	14 ¹
	104	117	13	9.8	0.15	0.11	0.08	-	27 ¹
Including	105	106	1	44.2	0.63	0.43	0.06	-	95 ²
BD24013	4	48	44	13.3	0.41	0.35	0.02	-	47 ¹
Including	4	5	1	46.2	0.05	1.21	0.07	0.01	96 ²
& incl	27	30	3	15.9	1.42	0.74	0.02	-	113 ²
& incl	39	40	1	38.2	0.53	1.05	0.07	0.02	107 ²
	59	120.7	61.7	25	0.05	0.21	0.10	-	43 ¹
Including	60	61	1	61.4	0.11	0.03	0.36	-	97 ²
& incl	73	75	2	144.5	0.07	0.04	0.44	-	185 ²
& incl	89	90	1	73.5	0.13	0.03	1.39	0.02	194 ²
& incl	99	100	1	54.7	0.03	1.92	0.04	-	124 ²
& incl	117	120.7	3.7	43.3	0.03	1.16	0.05	0.02	90 ²
BD24014	28	99	71	25	0.11	0.33	0.06	0.01	47 ¹
Including	28	41	13	73.3	0.31	1.48	0.19	0.03	157²
& incl	68	69	1	95.5	0.10	0.07	0.12	0.01	113 ²

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Copper (%)	Silver Eq (g/t)
	114	127	13	22.1	0.10	0.05	1.40	-	141 ¹
Including	114	117	3	23.7	0.24	0.04	5.15	0.01	450 ²
& incl	122	127	5	33.5	0.04	0.08	0.33	-	65 ²
	138	143	5	8.1	0.11	0.33	0.08	-	31 ¹
	155	162	7	4.9	0.08	0.05	0.08	0.01	17 ¹
BD24015	1	102	101	16.5	0.47	0.22	0.01	-	49 ¹
Including	5	11	6	70.1	0.41	0.41	0.01	-	105 ²
& incl	24	25	1	45.1	0.92	0.40	0.01	-	105 ²
& incl	44	48	4	21.1	1.12	0.41	0.02	-	92 ²
& incl	68	71	3	32.0	1.28	0.46	0.03	0.01	114 ²
& incl	80	82	2	23.1	3.60	0.91	0.06	0.01	237 ²
	114	142	28	4.3	0.21	0.17	0.04	-	24 ¹

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.

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay.’) 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.</i>	- 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.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	- 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	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	- 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.

Criteria	JORC Code explanation	Commentary
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 sample preparation	- 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. - 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.	- Selective sub-sampling based on geology to a maximum size of 2 metres and a minimum of 0.3 metres. - All core is cut using a Corewise core saw with core rotated 10 degrees to the orientation line to preserve the orientation for future reference. - For HQ core the half of the core without the orientation line is removed, bagged and sent to the laboratory for assay. - Sample sizes are considered appropriate for the rock type, style of mineralisation, the thickness and consistency of the intersections and assay ranges expected at Bowdens.
Quality of assay data and laboratory tests	- 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.	- Previously listed assay methods are considered appropriate for the style of mineralisation under investigation at the Bowdens Silver Project and the Barabolar Project. - 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.
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.	- 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

Criteria	JORC Code explanation	Commentary
	Discuss any adjustment to assay data.	- 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. Collars are then surveyed using Real Time Kinetic by VRS Now surveys are conducted with accuracy of +/-1cm. - 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 publicly 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 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.
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 Silver 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 Revenue 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.
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;	All information is included in Table 1 and Table 2 of this report above.

Criteria	JORC Code explanation	Commentary
	○ elevation or RL (Reduced Level elevation above sea level in metres) of the drill hole collar; ○ dip and azimuth of the hole; ○ down hole length and interception depth; and ○ 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.	• Intersections reported are for each one metre interval from blast hole samples and no intersection calculation being made. • 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.
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.

Criteria	JORC Code explanation	Commentary
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. - Exploration Diamond Drilling is on-going with further results pending.

Appendix 5B

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

Name of entity

Silver Mines Limited

ABN

456 107 452 942

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	125	324
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(269)	(1,163)
	(e) administration and corporate costs	(351)	(1,846)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	96	218
1.5	Interest and other costs of finance paid	-	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	150
1.8	Other (farm operating expenses)	(28)	(310)
1.9	Net cash from / (used in) operating activities	(427)	(2,629)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(80)	(250)
	(d) exploration & evaluation	(2,241)	(9,858)
	(e) intangible	(145)	(1,639)
	(f) Land and Building	(103)	(1,659)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	20
	(d) investments	-	5,327
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other:		
	(a) security bond deposit	-	(10)
2.6	Net cash from / (used in) investing activities	(2,569)	(8,069)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	14,000
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	(7)	(549)
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	(7)	13,451

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,809	8,051
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(427)	(2,629)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,569)	(8,069)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	13,451

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	10,805	10,805

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	10,805	13,809
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)	10,805	13,809

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	143
6.2	Aggregate amount of payments to related parties and their associates included in item 2	89

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.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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)		
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(427)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,241)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,668)
8.4	Cash and cash equivalents at quarter end (item 4.6)	10,805
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	10,805
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.05
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	

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

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 July 2024

Date:

Managing Director, Jonathan Battershill

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.