

**15<sup>th</sup> May 2023**

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

## **Bonanza Grade Silver from the Aegean Zone at Bowdens Silver Deposit**

### **HIGHLIGHTS:**

- Drilling to test for extensions to mineralisation at the Aegean Zone intersects the highest grade silver drilled in this zone to date.
- **BD22055: 6 metres @ 1,251g/t silver and 0.18% lead** from 335 metres.
- This new drill intercept situated at the northern edge of the recently announced Mineral Resource Estimate<sup>1</sup> for the Bowdens Silver Project and provides further extensional exploration targets.
- In addition, assays returned from drilling targeting additional high-grade mineralisation in the Bundarra Zone returned:
- **BD22056: 156 metres @ 75g/t silver equivalent** (34g/t silver, 0.27% zinc, 0.34% lead and 0.19g/t gold) from 169 metres, including:
  - **2 metres @ 926g/t silver equivalent** (850g/t silver, 0.24% zinc, 1.70% lead and 0.06g/t gold) from 189 metres, and
  - **10 metres @ 224g/t silver equivalent** (68g/t silver, 0.12% zinc, 0.33% lead and 1.65g/t gold) from 246 metres.
- Exploration drilling continues with two diamond drill rigs on site.
- Regional exploration work programs to expand now that the Bowdens Silver Project has received Development Approval.<sup>2</sup>

<sup>1</sup> Silver Mines Limited (ASX:SVL) release “Updated Mineral Resource Estimate for Bowdens Silver Deposit” dated 31<sup>st</sup> March 2023.

<sup>2</sup> Silver Mines Limited (ASX:SVL) release “Bowdens Silver Achieves Final Development Approval” dated 3<sup>rd</sup> April 2023.

## Introduction

Silver Mines Limited (ASX:SVL) (“Silver Mines” or “the Company”) is pleased to announce an update on exploration drilling activities and recent assay results from the Bowdens Silver Project located near Mudgee in New South Wales.

Exploration drilling during the second half of 2022 tested for extensions to higher-grade mineralisation outside the current planned open-cut pit design as well as for extensions to the Southern Gold Zone. The Aegean, Northwest and Bundarra Zones remain areas of mineralisation that is open in many orientations and as such, continue to be targets for diamond drilling. This release provides an update on assays from recent drill holes, refer to Figure 1.

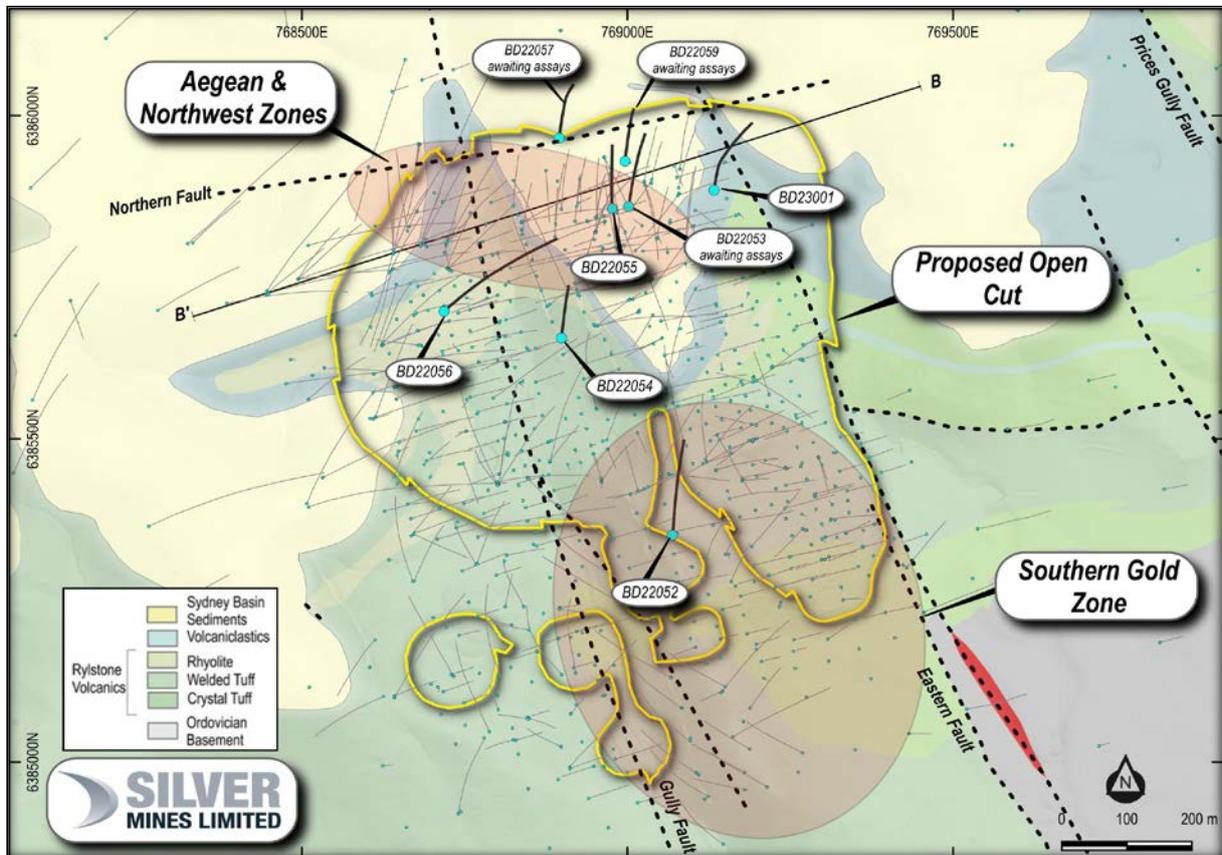


Figure 1. Reported drillhole locations at the Bowdens Silver Project.

## Aegean Zone

The maiden Underground Mineral Resource Estimate at Bowdens Silver, released in September 2022, included high-grade mineralisation situated within the Aegean, Northwest, and Bundarra Zones. The Aegean and Northwest Zones comprise high-grade silver and also silver, zinc and lead, while the Bundarra Zone comprises wide silver, zinc, lead and gold mineralisation. The Underground Resource Estimate totalling 42.9 million ounces silver equivalent,<sup>3</sup> showed clearly that the three Zones remain open in various orientations.

<sup>3</sup> Silver Mines Limited (ASX:SVL) release “42.9Moz Silver Equivalent Resource for Bowdens Underground” dated 5<sup>th</sup> September 2022.

Diamond drilling has continued to test for extensions to these resource areas around the Aegean and Northwest Zones.

The Aegean Zone contains silver only mineralisation defined by silver sulphides (tetrahedrite/freibergite) formed in veins and vein breccias. The zone is currently defined over 200 metres in strike, is 180 metres wide and typically 50 metres thickness. Results from BD22028 and BD22033 confirmed extensions to the Aegean Zone to the east,<sup>4</sup> while results from current hole BD22055 confirm extensions to the northwest (see Figure 2). Importantly, the intercept in BD22055 has returned as the **highest-grade silver intercept** currently within the Aegean or Northwest Zones. The intercept is:

- **6 metres @ 1,251g/t silver and 0.18% lead** from 335 metres.

An individual one metre intercept was returned at **6,264g/t silver** within the six-metre intercept. The drill result is on the very edge of the Mineral Resource Update released 31<sup>st</sup> March 2023, and suggests the Aegean Zone continues to be open to the north. Further drilling has been completed with assays pending, refer Figure 1, to test beyond this drill intercept to the north.

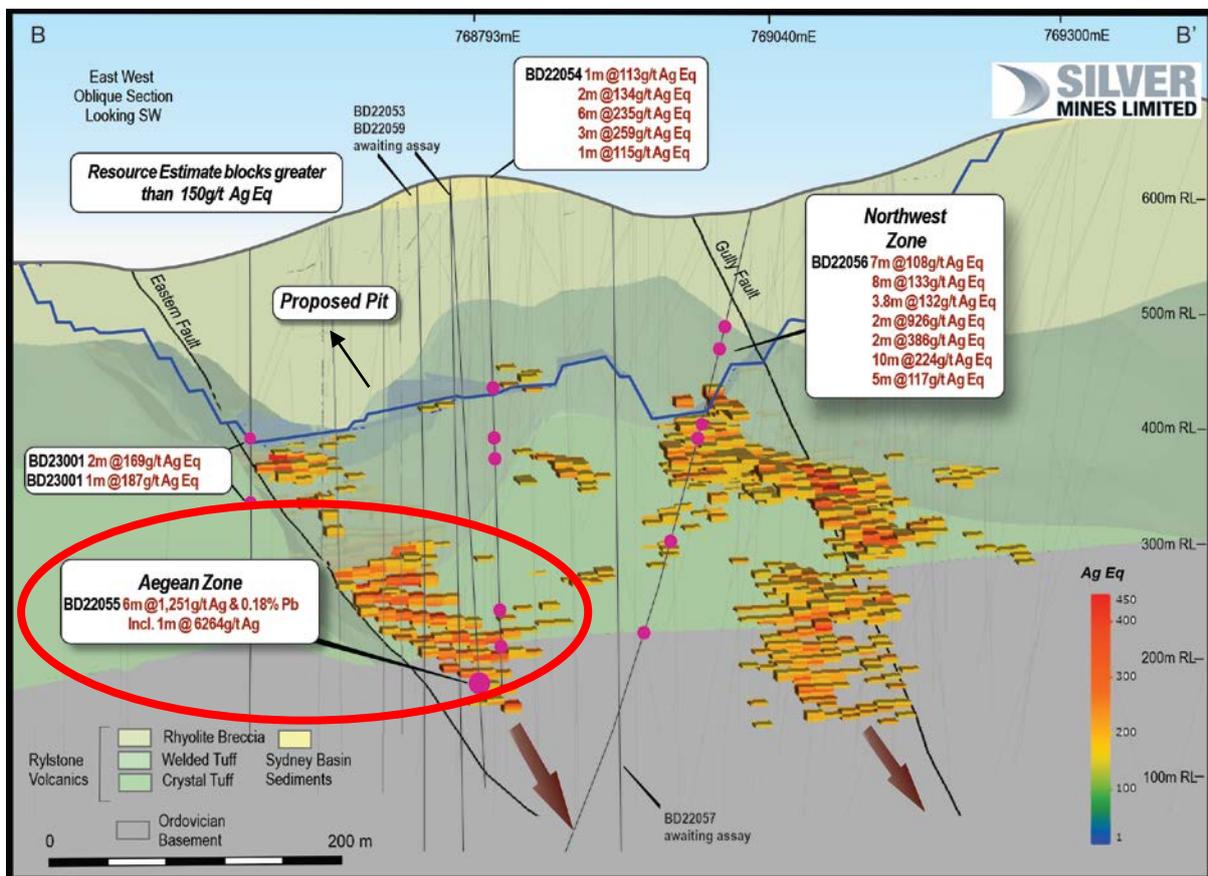


Figure 2. Oblique section showing drilling results in the Aegean Zone.

Drilling also tested for potential continuations to higher-grade mineralisation of the Aegean Zone to the southwest in BD22054. Results from two intervals include:

<sup>4</sup> Silver Mines Limited (ASX:SVL) release “Southern Gold Zone expands to 300 metres strike at Bowdens Silver Project” dated 30<sup>th</sup> January 2023.

- **6 metres @ 235g/t silver equivalent** (131g/t silver, 1.52% zinc and 0.72% lead) from 138 metres, and
- **3 metres @ 259g/t silver equivalent** (238g/t silver, 0.12% zinc and 0.41% lead) from 158 metres.

BD23001 was drilled to test for possible extensions of the Aegean Zone to the east and up dip into the Eastern Fault. The hole returned some narrow high-grade silver at shallow depths including:

- **2 metres @ 169g/t silver equivalent** (150g/t silver, 0.20% zinc and 0.26% lead) from 112 metres, and
- **1 metre @ 187g/t silver equivalent** (3g/t silver and 3.71% zinc) from 175 metres.

The Aegean Zone remains open mostly to the north, with assays pending from holes BD22053, BD22057 and BD22059 testing for further extensions of mineralisation of the Zone.

### **Extensional Drilling**

Drilling has also focused on the potential for continuations to higher-grade mineralisation outside the current Ore Reserve, predominantly as extensions to the Underground Mineral Resource Estimate. Results from BD22056 drilled within and below the Bundarra Zone in the centre of the Deposit includes silver rich Northwest style mineralisation, as well as gold rich Bundarra mineralisation:

- **156 metres @ 75g/t silver equivalent** (34g/t silver, 0.27% zinc, 0.34% lead and 0.19g/t gold) from 169 metres, including;
  - **2 metres @ 926g/t silver equivalent** (850g/t silver, 0.24% zinc, 1.70% lead and 0.06g/t gold) from 189 metres, and
  - **10 metres @ 224g/t silver equivalent** (68g/t silver, 0.12% zinc, 0.33% lead and 1.65g/t gold) from 246 metres.

BD22052, drilled within the central area of the planned open-cut pit, above the Southern Gold Zone, has returned significant results at depth through the Southern Gold Zone, in addition to the previously announced shallow intercept:<sup>5</sup>

- **2 metres @ 459g/t silver equivalent** (198g/t silver, 2.15% zinc, 3.08% lead and 0.58g/t gold) from 277 metres, and
- **5 metres @ 90g/t silver equivalent** (11g/t silver, 0.73% zinc, 0.75% lead and 0.21g/t gold) from 316 metres.

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<sup>5</sup> Silver Mines Limited (ASX:SVL) release “Southern Gold Zone expands at Bowdens Silver Project” dated 29 March 2023.

### **Exploration Programs**

The Company currently has two diamond core rigs drilling on site. Exploration is targeting regionally prospective areas of the Rylstone Volcanics, and targets at the Bowdens Silver Deposit. The Bowdens Silver Deposit targets currently include extensions to the Underground Mineral Resource estimate (below 200 metres) where it remains open, including the Southern Gold Zone, and regional exploration targets as defined by the 2022 seismic survey.<sup>6</sup>

As announced in the December 2022 quarterly report, Bowdens Silver was awarded exploration funding of \$100,000 for drilling and \$50,000 for additional seismic surveying at the Bowdens Silver Project, under the NSW Government New Frontiers Exploration Program. The drilling program has commenced, while the seismic survey is in the planning stage. The seismic surveying falls under the Company's research and development programs designed to increase predictivity of mineralisation and geometallurgical factors at depth.

Now that the Bowdens Silver Project has received development approvals, the Company's regional exploration programs will be further expanded within the group's tenure.

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<sup>6</sup> Silver Mines Limited (ASX:SVL) release "Seismic Survey Highlights Significant New Drill Targets" dated 15 August 2022.



### 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.

Table 1. Drill collar locations for new diamond results.

Target	Hole ID	GDA94 East	GDA94 North	RL (m)	Dip	Azimuth (grid)	Depth (m)	Drill Type	Comment
Southern Au	BD22052	769069	6385351	644	-65	10	360.4	Core	Assays returned
Aegean Zone	BD22054	768899	6385656	619	-75	10	345.1	Core	Assays returned
Aegean Zone	BD22055	768977	6385856	654	-75	0	410	Core	Assays returned
Northwest/ Bundarra Zones	BD22056	768718	6385697	611	-68	45	501.1	Core	Assays returned
Aegean Zone	BD23001	769133	6385885	623	-81	8	552.7	Core	Assays returned

Table 2. 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)
BD22052	255	256	1	50	0.11	0.21	0.46	0.01	100 <sup>2</sup>
	271	272	1	13	0.64	0.92	0.35	0.02	105 <sup>2</sup>
	<b>277</b>	<b>279</b>	<b>2</b>	<b>198</b>	<b>2.15</b>	<b>3.08</b>	<b>0.58</b>	<b>0.05</b>	<b>459<sup>2</sup></b>
	302	303	1	18	1.29	1.12	0.16	0.01	133 <sup>2</sup>
	307	308	1	14	0.72	0.82	0.50	0.03	120 <sup>2</sup>
	316	321	5	11	0.73	0.75	0.21	0.01	90 <sup>2</sup>
	350	351	1	42	1.34	2.60	0.29	0.04	223 <sup>2</sup>
	357	358	1	141	0.53	0.25	0.44	0.02	213 <sup>2</sup>
BD22054	28	164	136	23	0.31	0.15	0.01	-	45 <sup>1</sup>
	71	72	1	51	0.79	0.25	-	-	99 <sup>2</sup>
	99	100	1	70	0.58	0.37	0.02	-	113 <sup>2</sup>
	128	130	2	51	1.20	0.56	0.05	0.01	134 <sup>2</sup>
	<b>138</b>	<b>144</b>	<b>6</b>	<b>131</b>	<b>1.52</b>	<b>0.72</b>	<b>0.04</b>	<b>0.01</b>	<b>235<sup>2</sup></b>
	150	153	3	40	0.48	0.31	0.01	-	75 <sup>2</sup>
	<b>158</b>	<b>161</b>	<b>3</b>	<b>238</b>	<b>0.12</b>	<b>0.41</b>	<b>0.01</b>	<b>0.01</b>	<b>259<sup>2</sup></b>
	274	275	1	66	0.36	0.60	0.09	0.03	115 <sup>2</sup>
	288	289	1	79	0.08	0.09	0.07	0.01	92 <sup>2</sup>
	309	310	1	22	0.58	0.99	0.15	0.01	97 <sup>2</sup>
314	315	1	30	0.25	1.59	0.06	0.02	103 <sup>2</sup>	
BD22055	187	200	13	6	0.43	0.13	-	-	32 <sup>1</sup>
	<b>335</b>	<b>341</b>	<b>6</b>	<b>1251</b>	<b>0.04</b>	<b>0.18</b>	-	<b>0.01</b>	<b>1259<sup>2</sup></b>
	<b>339</b>	<b>340</b>	<b>1</b>	<b>6264</b>	<b>0.06</b>	<b>0.67</b>	-	<b>0.06</b>	<b>6289<sup>2</sup></b>
BD22056	3.4	158.8	155.4	15	0.42	0.30	-	-	46 <sup>1</sup>
	4	5	1	166	0.03	0.03	-	-	168 <sup>2</sup>
	15	16	1	73	0.23	0.27	-	-	94 <sup>2</sup>
	33	34	1	34	1.13	0.55	-	-	108 <sup>2</sup>
	73	80	7	21	1.19	0.83	-	-	108 <sup>2</sup>
	86	94	8	23	1.54	0.96	0.01	-	133 <sup>2</sup>
	109	110	1	31	1.66	0.76	-	-	139 <sup>2</sup>
	117	119	2	53	0.64	0.66	0.02	-	108 <sup>2</sup>
	130	134	4	45	0.16	0.51	0.05	0.01	76 <sup>2</sup>
	155	158.8	3.8	46	1.03	0.96	0.02	-	132 <sup>2</sup>
	<b>169</b>	<b>325</b>	<b>156</b>	<b>34</b>	<b>0.27</b>	<b>0.34</b>	<b>0.19</b>	<b>0.02</b>	<b>75<sup>1</sup></b>
	170	172	2	71	0.40	2.57	0.03	0.02	180 <sup>2</sup>
	178	179	1	88	0.48	1.41	0.02	0.01	163 <sup>2</sup>
<b>189</b>	<b>191</b>	<b>2</b>	<b>850</b>	<b>0.24</b>	<b>1.70</b>	<b>0.06</b>	<b>0.03</b>	<b>926<sup>2</sup></b>	

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Copper (%)	Silver Eq (g/t)
	198	200	2	294	0.57	1.46	0.16	0.03	386 <sup>2</sup>
	214	215	1	29	0.87	0.54	0.02	-	92 <sup>2</sup>
	237	239	2	85	0.12	0.61	0.51	0.05	158 <sup>2</sup>
	<b>246</b>	<b>256</b>	<b>10</b>	<b>68</b>	<b>0.12</b>	<b>0.33</b>	<b>1.65</b>	<b>0.07</b>	<b>224<sup>2</sup></b>
	261	263	2	61	0.12	0.59	0.93	0.01	161 <sup>2</sup>
	274	275	1	63	0.23	0.63	0.11	0.03	107 <sup>2</sup>
	292	297	5	24	0.87	0.87	0.19	0.04	117 <sup>2</sup>
BD23001	101	121	20	25	0.23	0.05	-	-	38 <sup>1</sup>
	112	114	2	150	0.20	0.26	-	-	169 <sup>2</sup>
	175	176	1	3	3.71	0.01	-	-	187 <sup>2</sup>
	311	312	1	72	0.28	0.66	-	0.02	108 <sup>2</sup>

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
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Sampling taken continuously downhole from PQ and HQ diameter diamond core.</li> <li>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.</li> <li>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.</li> <li>Samples vary in weight but are generally between 2 and 4 kilograms of material.</li> <li>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.</li> <li>Select samples were also sent for gold using fire assay technique (Au-AA23) with a 30g sample taken for assay.</li> <li>Assays are considered representative of the sample collected.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling undertaken using PQ and HQ diamond core with triple tube used.</li> <li>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.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> </ul>	<ul style="list-style-type: none"> <li>Core recovery is estimated at greater than 98%.</li> <li>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.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No significant relationship between sample recovery and grade exists.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>All diamond core is logged using lithology, alteration, veining, mineralisation and structure, including geotechnical structure.</li> <li>All core is photographed using both a wet and dry image.</li> <li>In all cases the entire hole is logged by a geologist.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core were taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Selective sub-sampling based on geology to a maximum size of 2 metres and a minimum of 0.3 metres.</li> <li>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.</li> <li>For HQ core the half of the core without the orientation line is removed, bagged and sent to the laboratory for assay.</li> <li>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.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Previously listed assay methods are considered appropriate for the style of mineralisation under investigation at the Bowdens Silver Project.</li> <li>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.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Significant intersections calculated by Bowdens Silver geologists.</li> <li>All geological logging is entered digitally before inputting into a Maxwell Geoservices database schema.</li> <li>Primary assay data is sent electronically from the laboratory to the SVL database administrator and then entered into the geological database for validation.</li> <li>All assays matched with the logging sheets and loaded directly from the output provided by the laboratory with no manual entry of assays undertaken.</li> <li>No adjustments were made or required to be made to the assay data.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>The collar position is initially surveyed using hand-held GPS with accuracy of +/- 3 metres.</li> <li>Down hole surveys collected every 30 metres using an electronic downhole reflex survey camera.</li> <li>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.</li> <li>All collars recorded in MGA94 zone 55.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>The drilling results relate to exploration and resource drilling at the Bowdens Silver Deposit. Drilling is not defined to a set spacing.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Drill orientation was designed to intersect the projection of the major structural controls to the Deposit.</li> <li>An interpretation of the mineralisation has indicated that no sampling bias has been introduced.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>

Criteria	JORC Code explanation	Commentary
		the site)
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>The drilling campaign and drill work includes on-going internal auditing with advice taken on process from external advisors.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>The tenement is in good standing.</li> <li>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</li> <li>The project has a 0.85% Gross Royalty over 100% of EL5920.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>The mineralisation reported in this release is hosted in the Rylstone Volcanics and the Coomber Formation.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>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:               <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar;</li> <li>elevation or RL (Reduced Level elevation above sea level in metres) of the drill hole collar;</li> <li>dip and azimuth of the hole;</li> <li>down hole length and interception depth; and</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All information is included in Table 1 of this report above.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Intersection calculation are weighted to sample length. The average sample represents 1 metre of drill core.</li> <li>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.</li> <li>No top cutting of data or grades was undertaken in the reporting of these results.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Maps and cross sections provided in the body of this report.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>drill hole collar locations and appropriate sectional views.</i>	
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All results received and compiled to date are reported in this release. Drilling is on-going with further results expected.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>This report relates to drill data reported from this program.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>

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