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5 June 2026

OPTION UNDERWRITING AGREEMENT EXECUTED

Silver Mines Limited (ASX:SVL) ("Silver Mines" or "the Company") is pleased to advise that it has entered into an option underwriting agreement ("Underwriting Agreement") with Petra Capital Pty Ltd ("Petra" or the "Underwriter") to fully underwrite the exercise of unlisted options, exercisable at $0.1196 each and expiring at 5:00pm (AEST) on 17 June 2026 ("SVLAZ Options").

Underwriting Agreement

Under the Underwriting Agreement, the Underwriter will underwrite up to 63,183,794 SVLAZ Options which remain unexercised at the expiry date ("Underwritten Options"), representing an underwriting amount of approximately $7,556,782 ("Underwritten Amount"), by subscribing for shares on the exercise of the Underwritten Options ("Shortfall Shares").

Accordingly, on completion of exercise of all SVLAZ Options either by the optionholders or the Underwriter, the Company expects to issue a total of 63,183,794 Shares raising approximately $7,556,782.

The Company has decided to enter into the Underwriting Agreement for the purpose of providing certainty that it will raise additional funds of $7,556,782.

For the purposes of Listing Rule 3.11.3, the Company advises that Petra is not a related party of the Company. The Underwriting Agreement is otherwise on standard commercial terms and includes market-standard underwriting fees and termination events (see Annexure A for further details).

Any Shortfall Shares to be issued to the Underwriter (and any sub-underwriters, if appointed) under the Underwriting Agreement are expected to be issued in accordance with ASX Listing Rule 7.2 (Exception 10) and will not require shareholder approval nor count toward the Company's placement capacity under ASX Listing Rule 7.1.

The Company expects to issue the Shortfall Shares (and all other Shares required to be issued on exercise of the SVLAZ Options) by 25 June 2026.

The requisite ASX filings will be made in accordance with the Listing Rules.

This document has been authorised for release to the ASX by the Company's Managing Director, Mr Jonathan Battershill.

Yours faithfully
Silver Mines Limited

Trent Franklin
Company Secretary

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Forward-Looking Statements

This announcement may contain certain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events that may or may not eventuate (“Forward-Looking Statements”). Forward-Looking Statements can generally be identified by the use of forward-looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also Forward Looking Statements.

Persons reading this announcement are cautioned that such statements are only predictions, and that actual future results or performance may be materially different. Forward-Looking Statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change, without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward-Looking Statements are provided as a general guide only and should not be relied on as a guarantee of future performance.

No representation or warranty, express or implied, is made by Silver Mines that any Forward-Looking Statement will be achieved or proved to be correct. Further, Silver Mines disclaims any intent or obligation to update or revise any Forward-Looking Statement whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

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Annexure A – Underwriting Agreement Commercial Terms

The Underwriting Agreement is subject to the following material terms.

The Company and the Underwriter have agreed as follows:

(a) Underwriter to underwrite up to 63,183,794 SVLAZ Options which remain unexercised at the expiry date ("Underwritten Options"), representing an underwriting amount of approximately $7,556,782 ("Underwritten Amount");

(b) The obligation of the Underwriter to subscribe for shares on the exercise of Underwritten Options which remain unexercised as at 17 June 2026 ("Expiry Date") at $0.1196 per Shortfall Share is subject to the Company providing the Underwriter a shortfall notice outlining the number of outstanding Underwritten Options as at the Expiry Date and a certificate confirming (among other things) that the Company is not in material default under the Underwriting Agreement and there has not been any material breach of any of the terms and conditions of the Underwriting Agreement and the representations and warranties given by the Company are true and correct ("Certificate"), as at the date of the Certificate; and

(c) Subject to the Underwriter satisfying its obligations under the Underwriting Agreement, the Company will pay the Underwriter a fee of 1% (excluding GST) of the Underwritten Amount.

Termination Events

The obligation of the Underwriter to underwrite the Shortfall Shares is subject to certain events of termination, listed in this annexure. The events not marked with an "*" are not subject to any materiality thresholds, meaning that the Underwriter may terminate if the Underwriter becomes aware of the event happening. Events are marked with an "*" where the Underwriter may terminate if it becomes aware of the event happening and in its reasonable opinion:

(a) the event has had or is likely to have, individually or in the aggregate, a material adverse effect on the financial condition, financial position or financial prospects of the Company, or the market price of the Shortfall Shares; or

(b) the event has had or is likely to have, individually or in the aggregate, a material adverse effect on the success or outcome of the issue of the Shortfall Shares, or the ability of the Underwriter to market or promote or settle the issue of the Shortfall Shares; or

(c) the event has had or is likely to have, individually or in the aggregate, a material adverse effect on the willingness of investors to subscribe for Shares or exercise SVLAZ Options; or

(d) the Underwriter will or is likely to contravene, be involved in a contravention of, or incur a liability under the Corporations Act or any other applicable law as a result of the event.

<u>Termination Events</u>

(a) (**Closing Certificate**) the Company fails to provide the required closing certificate in accordance with the Underwriting Agreement;

(b) (**Timetable**)* a delay of more than two business days occurs in respect of a key event in the Offer timetable without the Underwriter's prior consent;

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(c) (**Change of law**)* there is a material adverse change to legislation, government policy, regulations or ASIC/ASX requirements which does or is likely to prohibit, restrict or regulate the exercise or the underwriting of the SVLAZ Options or which materially affects the financial position of the Company;

(d) (**Compliance**)* the Company or a related body corporate fails to materially comply with its constitution, applicable laws, the ASX Listing Rules, regulatory requirements by ASIC, ASX or a government body or a material agreement;

(e) (**Material contract**)* any material contract to which the Company is a party is terminated or materially amended without the Underwriter's consent (which must not be unreasonably withheld);

(f) (**Constitution**)* the constitution of the Company or a related body corporate is amended without the Underwriter's consent (which must not be unreasonably withheld);

(g) (**Judgment**) a judgment in an amount exceeding $2,000,000 is obtained against the Company or a related corporation of the Company and is not set aside or satisfied within seven days;

(h) (**Execution**) any distress, attachment, execution or other process of a government body in an amount exceeding $2,000,000 is issued against, levied or enforced on any of the assets of the Company or a related corporation of the Company and is not set aside or satisfied within seven days;

(i) (**Insolvency event**) an insolvency event occurs in respect of the Company or a related body corporate;

(j) (**Financial assistance**) the Company or a related body corporate takes steps to provide financial assistance in accordance with s260B of the Corporations Act 2001 (Cth) without the Underwriter's consent;

(k) (**Hostilities**)* there is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs involving or a national emergency is declared by any of the following: the Commonwealth of Australia, New Zealand, Japan, the United Kingdom, the United States of America, Canada, Iran (being a major escalation in existing hostilities only), Ukraine (being a major escalation in existing hostilities only), any member state of the European Union, any member state of the North Atlantic Treaty Organisation or a significant terrorist attack is perpetrated anywhere in the world;

(l) (**Default**)* the Company is in default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement;

(m) (**Suspension**) any shares that have been issued by the Company are suspended from quotation whether temporarily or otherwise; or are the subject of an ASX statement to the effect that the shares will be suspended or cease to be quoted;

(n) (**S&P/ASX Index**) the S&P/ASX 300 Index at the close of trading:

(i) on three consecutive ASX trading days; or

(ii) on the ASX trading day immediately prior to the shortfall subscription date;

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is at a level that is 10% or more below the level at market close on the business day immediately preceding the date of the Underwriting Agreement;

(o) (**Representation**)* any warranty, representation or material statement by the Company is or becomes false, misleading or incorrect when made or regarded as made;

(p) (**Quotation not approved**) quotation of the Shortfall Shares is not unconditionally approved by ASX by the settlement date;

(q) (**Quotation not granted**) ASX makes a statement to any person that official quotation of the Shortfall Shares will not be granted;

(r) (**Cleansing Notice**) a Cleansing Notice is or becomes defective, or any amendment or update to a Cleansing Notice is issued or is required to be issued under the Corporations Act and, in each case, that defective Cleansing Notice or amendment or update to a Cleansing Notice is adverse from the point of view of an investor of the Underwriter;

(s) (**Prescribed occurrence**) except for the allotment and issue of the Shortfall Shares any of the matters set forth in section 652C of the Corporations Act occurs in respect of the Company or any related corporation of the Company;

(t) (**Information**) any information supplied by the Company or on its behalf to the Underwriter in respect of the exercise or the underwriting of the Options is or becomes materially false or misleading;

(u) (**Due diligence**) there is a material omission from the results of any due diligence investigation performed by or on behalf of the Company in respect of the Company's affairs or the results of the due diligence investigation are materially false or misleading;

(v) (**Indictable offence**) a Director of the Company or any related corporation of the Company is charged with an indictable offence relating to a financial or corporate matter;

(w) (**Proceedings**)* civil or criminal proceedings are brought against the Company or any Director or other officer of the Company in relation to any fraudulent, misleading or deceptive conduct by or on behalf of the Company;

(x) (**Material adverse change**)* any material adverse change occurs in the assets, liabilities, share capital, share structure, financial position or performance, profits, losses or prospects of the Company and the group from those respectively disclosed in the Company's most recent audited reviewed financial statement or any public announcement, including:

(i) any material adverse change in the reported earnings or future prospects of the Company or an entity in the group;

(ii) any material adverse change in the nature of the business conducted by the Company or an entity in the group;

(iii) the insolvency or voluntary winding up of the Company or an entity in the group or the appointment of any receiver, receiver and manager, liquidator or other external administrator;

(iv) any material adverse change to the rights and benefits attaching to in Shares; or

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(v) any change that may have a material adverse effect;

(y) (**ASIC**)* ASIC commences, or gives notice of its intention to commence, an investigation, hearing, prosecution or other proceedings involving the Company or its officers;

(z) (**Allotment**) the Company is prevented from allotting and issuing the Shortfall Shares in accordance with the Underwriting Agreement;

(aa) (**Capital structure**)* the Company or any related corporation of the Company takes any steps to alter its capital structure in a way not contemplated by the Underwriting Agreement, without the prior written consent of the Underwriter;

(bb) (**Disruption in financial markets**):

(i) a general moratorium on commercial banking activities in Australia, the United States of America, the United Kingdom, the European Union, Japan, Hong Kong or Singapore is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;

(ii) trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange, Tokyo Stock Exchange or Singapore Exchange is suspended or limited in a material respect;

(iii) there is:

A. any other material adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, the United States of America, the United Kingdom, Japan or Singapore; or

B. any material adverse change, or development involving a prospective material adverse change, in any of those conditions or markets;

(cc) (**Change in management**)* a change in the Directors or senior management of the Company is announced or occurs, except management changes as a result of any management restructure disclosed to the Underwriter;

(dd) (**Takeovers Panel**) an application is made to the Takeovers Panel pursuant to section 657C(2) of the Corporations Act in relation to the affairs of the Company; and

(ee) (**Force Majeure**) a Force Majeure Event prevents or delays the Underwriter from performing any Obligation under this agreement for continuous period of 5 business days.

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