

31st July 2017

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

HIGH GRADE SILVER EXTENDS BOWDENS SILVER DEPOSIT – OPEN TO THE NORTHWEST

Highlights

- **Drilling results at Bundarra extend high grade silver mineralisation at depth and northwest including:**
 - **33 metres @ 167g/t silver, 0.29% zinc, 1.17% lead (215 g/t silver equivalent) from 235 metres including:**
 - **7 metres @ 483g/t silver, 0.75% zinc, 1.38% lead (555 g/t silver equivalent) from 235 metres.**
- **Drilling results increase extent of the higher grade North Main Zone area including:**
 - **20 metres @ 197g/t silver, 0.15% zinc, 0.16% lead (207g/t silver equivalent) from 102 metres including:**
 - **8.77 metres @ 380g/t silver, 0.18% zinc, 0.23% lead (393 g/t silver equivalent) from 113 metres.**
 - **35.05 metres @ 230g/t silver, 0.03% zinc, 0.50% lead (247g/t silver equivalent) from 157 metres.**
- **Drilling results increase confidence in resources across southern portion of the resource including:**
 - **9 metres @ 184g/t silver, 0.79% zinc, 0.29% lead (220g/t silver equivalent) from 69 metres,**
 - **9 metres @ 223g/t silver, 1.14% zinc, 0.63% lead (282g/t silver equivalent) from 66 metres and,**
 - **8 metres @ 247g/t silver, 1.26% zinc, 0.43% lead (303g/t silver equivalent) from 109 metres.**
- **Resource update commenced based on historical drilling and 21,500 metres of drilling recently completed by Silver Mines.**

Drill Program

Silver Mines Limited (ASX:SVL) ("Silver Mines" or "the Company") is pleased to provide an update on drilling from resource infill and extension drilling at the Bowdens Silver project located near Mudgee in New South Wales. Since the previous release dated 7th June 2017, Silver Mines has received additional results for 7 diamond core holes and 26 reverse circulation percussion holes. The resource drilling program is complete with results pending for 10 diamond core holes and 50 reverse circulation percussion holes.

Please refer to Table 1 and Appendix 1 for further details.

Diamond hole BD17007 and BD17015 were completed to test for down dip west to northwest extensions to the Bundarra Zone located on the west side of the Bowdens Silver deposit. The results from BD17015 have identified steep dipping high-grade silver mineralisation beyond any previous resource drilling. This intersection is open to the northwest and further drilling will be planned to further define this area outside of the current resource.

Diamond core holes BD16012, BD17001 and BD17006 were drilled to test for additional northern and eastern strike extents to the higher-grade North Main Zone located on the north-eastern flank of the Bowdens Silver deposit. The results from BD17001 and BD17006 extend high grade silver mineralisation both north and eastward thereby increasing the extent of this zone.

Diamond holes BD16013 and BD16014 were drilled to test for southwest extensions to the higher-grade North Main Zone. The results from BD16013, 0-77 metre depth, were previously reported (see ASX release 7th June 2017). The results from BD16014 and the remainder of BD16013 recorded moderate grade silver mineralisation.

Percussion holes BRC17007-018, 021, 039 and 040 were drilled to better define and extend the southern portion of Main Zone. All holes with the exception of the three most easterly holes (BRC17007, 008 and 013) intersected moderate to wide intervals of silver, zinc and lead mineralisation consistent with inferred resource grades. Additionally, hole BRC17012, located on the southern limit of the Main lens intersected a 9 metre interval at 220g/t silver equivalent.

Percussion holes BRC17019, 020, 022-025, 028, 029 and 042 were completed to better define inferred resources over the Bundarra lens. Significantly, BRC17028 recorded an 8 metre intersection at 303g/t silver equivalent.

The current drill program involved infill drilling to convert inferred resources to measured and indicated resource categories as well as testing for potential extensions of the known mineralisation. 122 combined diamond and reverse circulation drill holes were completed for approximately 21,500 metres.

The resource update has commenced and is planned to be completed during the current quarter.

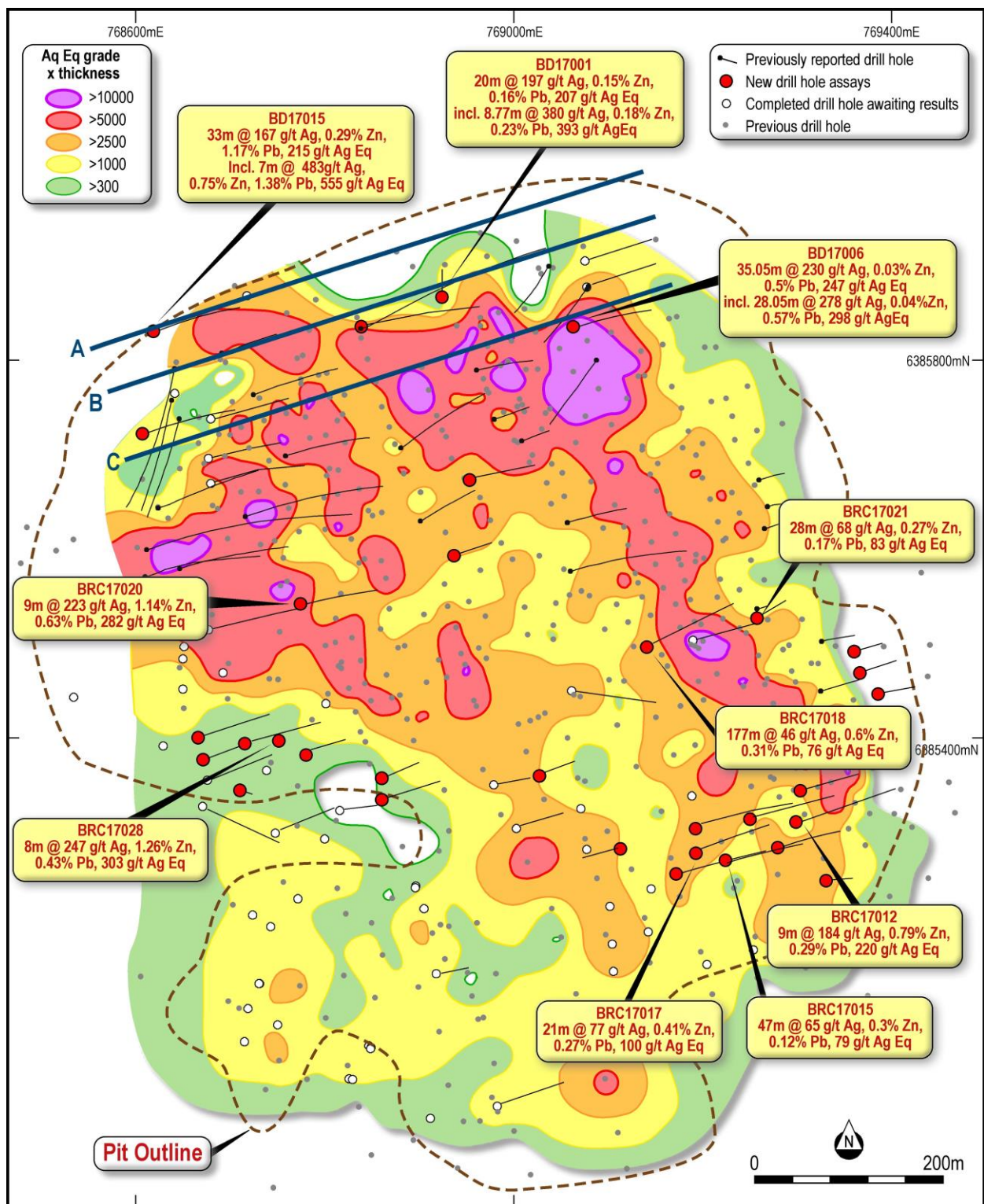


Figure 1 Grade * thickness contour map of the current Bowdens Silver resource (not including Silver Mines drilling) showing the highlights significant intercepts from the current drilling in this report.

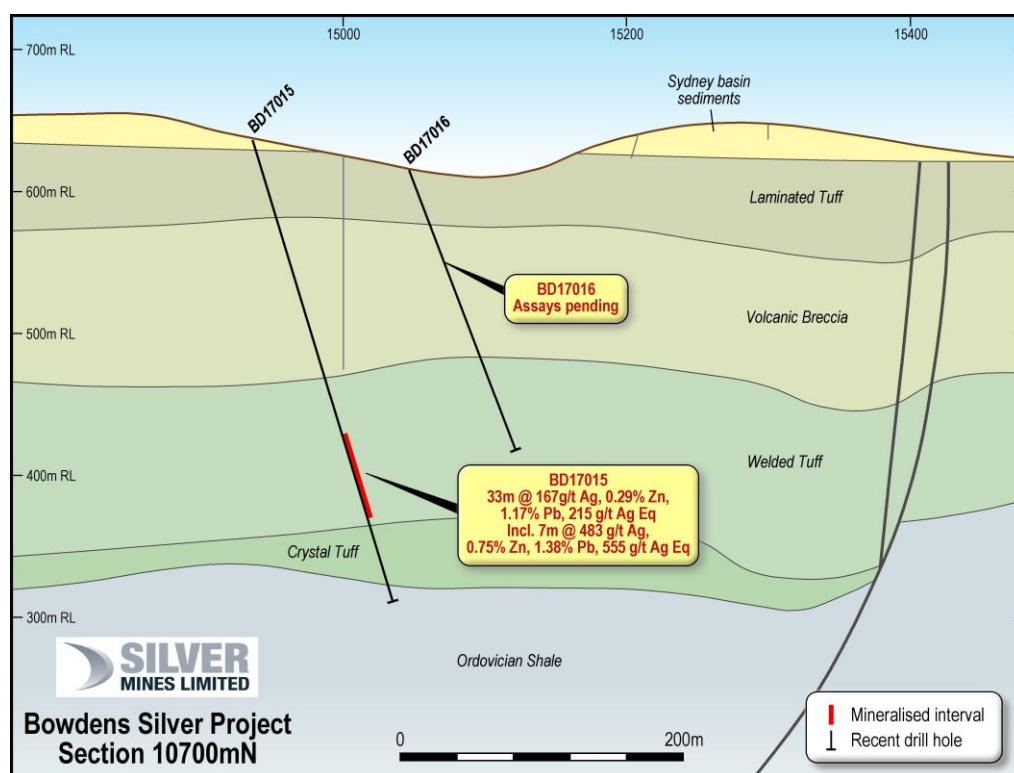


Figure 2 Cross-section A showing mineralised northwest extensions, Bundarra Zone, Bowdens Silver Deposit

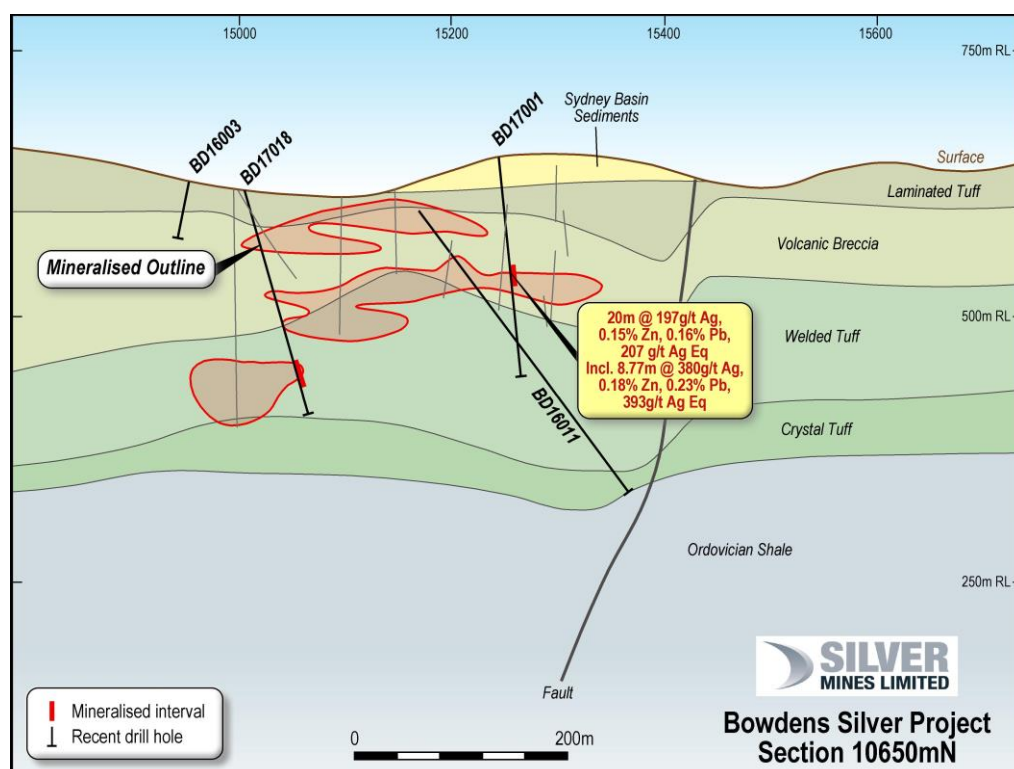


Figure 3 Cross-section B showing high grade mineralised extensions north of higher grade North Main Zone, Bowdens Silver Deposit

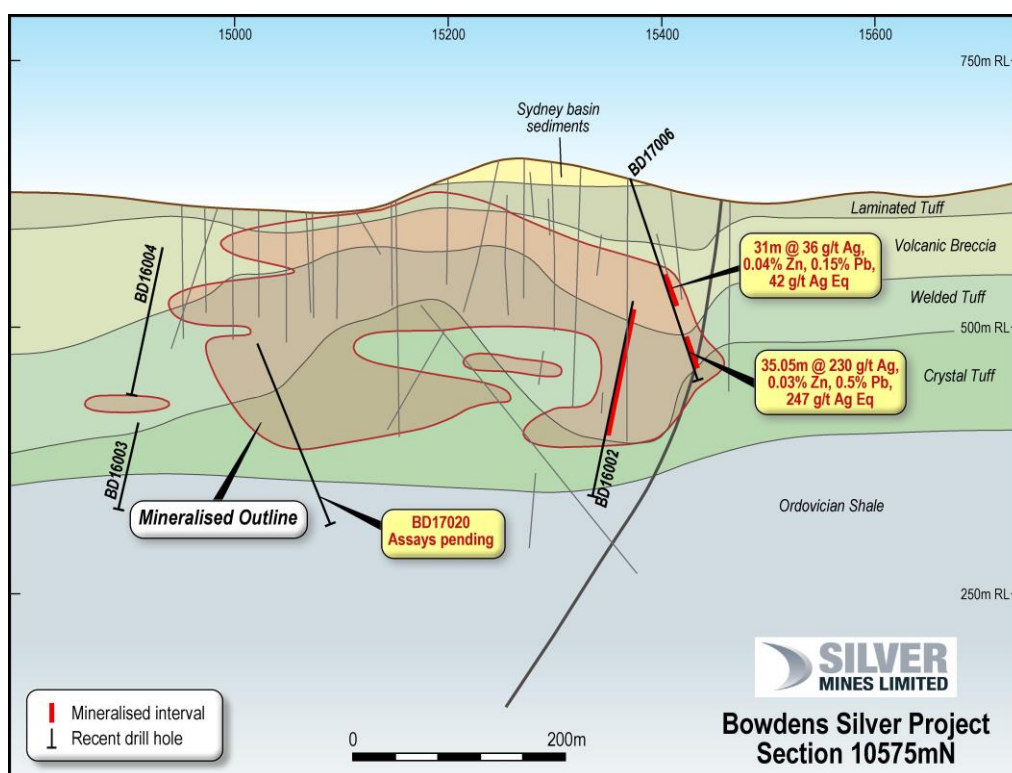


Figure 4 Cross-section C showing high grade mineralised extensions further east of higher grade North Main Zone, Bowdens Silver Deposit

Table 1: Drill hole intersections using 2. a minimum 30g/t silver cut-off over 10 metre interval and up to 10 metre internal dilution or 3. A minimum 60g/t silver cut-off over 5 metre interval and up to 5 metre internal dilution. 4. a minimum 30g/t silver equivalent cut-off over 10 metre interval and up to 10 metre internal dilution.

Hole	Cut off	From (metres)	To (metres)	Interval (metres)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Silver Equivalent (g/t) ¹
BD16012	2	73	98.5	25.5	58	0.06	0.13		65
Incl.	3	81	96	15	80	0.04	0.15		86
	3	226	231	5	94	0.02	0.16		133
BD16013 ²	4	100	126	26	26	0.24	0.2		40
Incl.	4	169	249	80	31	0.1	0.18		41
	3	188	193	5	106	0.2	0.27		122
BD16014	2	3	51.5	48.5	50	0.55	0.29		78
Incl.	3	38	51.5	13.5	100	0.76	0.49		141
	4	113	195	82	22	0.12	0.33		37
	3	174	179	5	72	0.08	0.68		98
	2	221	236	15	58	0.11	0.15		67
BD17001	2	102	122	20	197	0.15	0.16		207
Incl.	3	113.23	122	8.77	380	0.18	0.23		393
	4	147	171	24	16	0.31	0.15		32
	4	185	198	13	14	0.59	0.16		39
BD17006	2	97	128	31	36	0.04	0.13		42
	2	157	192.05	35.05	230	0.03	0.5		247
Incl.	3	164	192.05	28.05	278	0.04	0.57		298
BD17007	4	178	277	99	23	0.22	0.33		41
	3	213	224	11	71	0.07	1.06		108
BD17015	3	186	197	11	72	0.15	0.17		83
	2	219	279	60	103	0.20	0.89		140
Incl.	3	235	268	33	167	0.29	1.17		215
Incl.		235	242	7	483	0.75	1.38		555
	2	303	312	9	143	0.60	1.52		213
BRC17007	NSI								
BRC17008	NSI								
BRC17009	2	2	68	66	31	0.55	0.24		57
	2	154	169	15	49	0.16	0.1		57
BRC17010	4	2	136	134	15	0.42	0.2		35
BRC17011	4	4	141	137	21	0.55	0.25		48
	4	162	178	16	17	0.31	0.16		33

Hole	Cut off	From (metres)	To (metres)	Interval (metres)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Silver Equivalent (g/t) ¹
BRC17012	4	3	90	87	34	0.44	0.22		56
<i>Incl.</i>	2	60	78	18	109	0.73	0.27		143
	3	69	78	9	184	0.79	0.29		220
BRC17013	NSI								
BRC17014	4	30	108	78	27	0.51	0.2		51
BRC17015	4	0	135	135	31	0.3	0.13		45
<i>Incl.</i>	2	82	129	47	65	0.3	0.12		79
	3	83	96	13	81	0.38	0.16		99
	2	102	127	25	67	0.28	0.11		80
BRC17016	2	0	49	49	39	0.2	0.09		49
<i>Incl.</i>	3	32	37	5	72	0.52	0.22		96
BRC17017	4	0	157	157	27	0.34	0.17		44
<i>Incl.</i>	2	0	21	21	77	0.41	0.27		100
	3	0	13	13	102	0.45	0.35		129
	2	100	115	15	43	0.29	0.11		56
BRC17018	4	0	177	177	46	0.6	0.31		76
<i>Incl.</i>	2	55	177	122	60	0.36	0.2		79
	3	63	73	10	103	0.91	0.41		147
	3	79	85	6	135	0.56	0.27		162
	3	102	157	55	73	0.27	0.22		89
BRC17019	4	0	72	72	24	0.34	0.2		42
<i>Incl.</i>	2	37	65	28	37	0.58	0.33		68
	4	86	99	13	8	0.19	0.53		32
	4	116	129	13	23	0.5	0.5		56
BRC17020	4	18	29	11	20	1.05	0.35		66
	4	42	130	88	45	0.52	0.37		74
<i>Incl.</i>	3	66	75	9	223	1.14	0.63		282
	2	95	121	26	37	0.58	0.64		78
	3	95	100	5	60	0.28	0.23		77
BRC17021	4	0	72	72	40	0.19	0.1		49
<i>Incl.</i>	2	0	28	28	68	0.27	0.17		83
	3	2	20	18	80	0.23	0.18		94
BRC17022	2	63	110	47	45	0.24	0.07		55
<i>Incl.</i>	3	63	70	7	83	0.17	0.09		92
	3	91	99	8	97	0.24	0.07		108
BRC17023	NSI								

Hole	Cut off	From (metres)	To (metres)	Interval (metres)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Silver Equivalent (g/t) ¹
BRC17024	2	140	158	18	50	0.2	0.08		59
Incl.	3	147	157	10	71	0.2	0.09		80
BRC17025	2	75	101	26	38	0.15	0.05		45
BRC17028	4	22	150	128	43	0.26	0.1		55
Incl.	2	26	96	70	34	0.12	0.04		39
	3	43	49	6	164	0.26	0.11		176
	2	109	145	36	80	0.54	0.2		105
	3	109	117	8	247	1.26	0.43		303
BRC17029	2	49	59	10	31	0.14	0.05		38
BRC17035	3	12	24	12	95	0.2	0.07		104
	4	49	96	47	26	0.24	0.08		36
BRC17036	NSI								
BRC17039	2	1	35	34	30	0.2	0.09		40
BRC17040	2	0	29	29	48	0.11	0.12		56
	4	72	94	22	8	0.48	0.36		35
BRC17042	4	2	45	43	17	0.43	0.24		39
	2	87	100	13	9	1.01	0.38		56

¹ Bowdens silver equivalent calculated using metal prices of US\$20 per ounce silver, US\$1.00 per pound zinc and US\$1.00 per pound lead and recoveries of 81% for silver, 82% for zinc and 81% for lead.

² Assay results for BD16013 in this release relate to the portion of the hole from 77 – 249.8 metres. The top portion of BD16013 was previously released on 7th June 2017. NSI=no significant intersection.

About the Bowdens Silver Project

The Bowdens Silver Project is located in central New South Wales, approximately 26 kilometres east of Mudgee (Figure 5). The recently consolidated project area comprises 1,654 km² (408,000 acres) of titles covering approximately 80 kilometres of strike of the highly mineralised Rylstone Volcanics. Multiple target styles and mineral occurrences have potential throughout the district including analogues to Bowdens Silver, high-grade silver-lead-zinc epithermal and volcanogenic massive sulphide (VMS) systems and copper-gold targets.

Bowdens Silver is the largest undeveloped silver deposit in Australia with substantial resources and a considerable body of high quality technical work already completed. The projects boast outstanding logistics for future mine development.

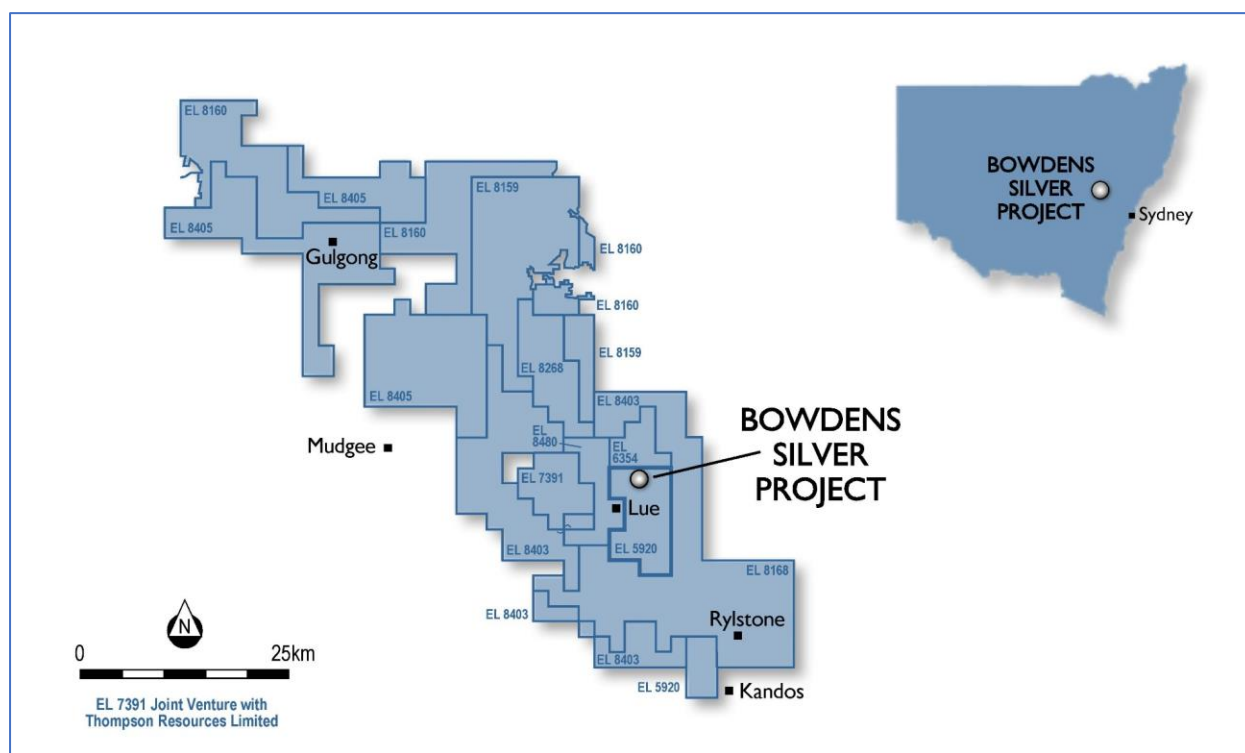


Figure 5. Bowdens Silver tenement holdings in the Mudgee district.

Yours faithfully
Silver Mines Limited



Trent Franklin
Company Secretary

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 drill results from Bowdens Silver is based on information compiled or reviewed by Mr Scott Munro who is a full-time employee of the company. Mr Munro is a member of the Australian Institute of Geoscientists (AIG) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC code). Mr Munro consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Appendix 1 Drill Hole Details

Hole ID	East	North	RL	Dip	Azimuth (mag)	EOH (m)	Comment
BD16001	769092	6385810	640	-75	200	342.9	assays received
BD16002	769084	6385876	631	-75	200	300.9	assays received
BD16003	768640	6385787	629	-70	180	456.7	assays received
BD16004	768647	6385763	626	-70	180	348.9	assays received
BD16005	769045	6385916	643	-75	200	351	assays received
BD16006	768655	6385740	621	-70	180	315	assays received
BD16007	768965	6385795	660	-80	60.5	342.8	assays received
BD16008	768874	6385712	621	-65	40.5	252.6	assays received
BD16009	768895	6385633	614	-65	45.5	162.7	assays received
BD16010	769053	6385578	637	-65	60.5	279.6	assays received
BD16011	768838	6385837	620	-53	53.5	354.7	assays received
BD16012	768838	6385837	620	-61	65.5	279.8	assays received
BD16013	768948	6385677	636	-70	40.5	249.8	assays received
BD16014	768948	6385677	636	-55	70	267.6	assays received
BD16015	769046	6385626	650	-75	60.5	267.7	assays received
BD16016	769079	6385901	635	-65	60.5	192.4	assays pending
BD17001	768925	6385858	651	-85	60.5	210.9	assays received
BD17002	768753	6385718	609	-70	60.5	261.3	assays received
BD17003	768980	6385737	658	-75	60.5	147.8	assays received
BD17004	768601	6385602	629	-66	64.5	477.7	assays received
BD17005	769004	6385715	658	-75	58.5	117.4	assays received
BD17006	769065	6385843	641	-72	60.5	264.8	assays received
BD17007	768607	6385724	628	-70	60.5	282.8	assays received
BD17008	769084	6385876	632	-65	60.5	192.7	assays pending
BD17009	768718	6385628	616	-70	60.5	252.8	assays received
BD17010	768619	6385518	645	-85	60.5	240.8	assays received
BD17011	768652	6385581	631	-75	60.5	444.8	assays received
BD17012	768678	6385668	615	-75	60.5	363.7	assays pending
BD17013	768727	6385762	613	-70	60.5	249.8	assays received
BD17014	768606	6385566	633	-78	60.5	516.8	assays received
BD17015	768615	6385831	637	-74	60.5	339.8	assays received
BD17016	768720	6385865	614	-70	60.5	210.8	assays pending
BD17017	768621	6385650	618	-75	60.5	414.8	assays received
BD17018	768690	6385803	619	-74	60.5	219.3	assays received
BD17019	768671	6385692	612	-75	60.5	309.8	assays pending
BD17020	768662	6385716	614	-70	60.5	321.7	assays pending

BD17021	768647	6385763	625	-70	60.5	300.5	assays pending
BD17022	769067	6385320	642	-80	60.5	174.3	assays pending
BD17023	768857	6385069	621	-75	60.5	123.6	assays pending
BD17024	768803	6385446	604	-65	60.5	282.4	assays pending
BRC17001	769279	6385676	606	-68	60.5	72	assays received
BRC17002	769277	6385649	604	-65	60.5	84	assays received
BRC17003	769288	6385626	603	-65	60.5	90	assays received
BRC17004	769256	6385537	608	-65	60.5	27	assays received
BRC17005	769323	6385454	602	-65	60.5	102	assays received
BRC17006	769327	6385508	599	-66	60.5	72	assays received
BRC17007	769353	6385490	599	-65	60.5	90	assays received
BRC17008	769371	6385469	597	-65	60.5	84	assays received
BRC17009	769300	6385342	618	-65	60.5	180	assays received
BRC17010	769247	6385325	623	-65	60.5	180	assays received
BRC17011	769198	6385309	630	-65	60.5	180	assays received
BRC17012	769302	6385316	620	-65	60.5	102	assays received
BRC17013	769389	6385448	598	-65	60.5	78	assays received
BRC17014	769283	6385284	623	-65	60.5	144	assays received
BRC17015	769233	6385268	626	-65	60.5	150	assays received
BRC17016	769184	6385252	632	-65	60.5	168	assays received
BRC17017	769194	6385282	633	-65	60.5	162	assays received
BRC17018	769137	6385500	634	-66	60.5	180	assays received
BRC17019	768923	6385589	616	-70	60.5	132	assays received
BRC17020	768768	6385539	609	-65	60.5	180	assays received
BRC17021	769256	6385537	608	-65	60.5	72	assays received
BRC17022	768714	6385391	614	-65	60.5	150	assays received
BRC17023	768705	6385336	617	-60	60.5	180	assays received
BRC17024	768660	6385400	626	-65	60.5	180	assays received
BRC17025	768666	6385376	622	-65	60.5	102	assays received
BRC17026	768674	6385352	620	-65	60.5	166	assays pending
BRC17027	768674	6385352	620	-60	102.5	174	assays pending
BRC17028	768714	6385446	604	-65	60.5	150	assays received
BRC17029	768859	6385332	602	-65	60.5	150	assays received
BRC17030	768676	6385510	628	-65	60.5	180	assays pending
BRC17031	768745	6385296	614	-65	60.5	144	assays pending
BRC17032	768811	6385317	609	-70	60.5	126	assays pending
BRC17033	768739	6385373	611	-65	60.5	11	assays pending
BRC17034	768739	6385373	611	-65	60.5	126	assays pending
BRC17035	768784	6385387	608	-65	60.5	96	assays received
BRC17036	768864	6385360	602	-60	60.5	84	assays received
BRC17037	769000	6385298	613	-70	60.5	114	assays pending

BRC17038	768975	6385343	611	-70	60.5	122	assays pending
BRC17039	769334	6385247	609	-75	60.5	90	assays received
BRC17040	769130	6385287	643	-70	60.5	102	assays received
BRC17041	769077	6385270	643	-70	60.5	96	assays pending
BRC17042	769025	6385359	633	-70	60.5	120	assays received
BRC17043	768924	6385143	600	-70	60.5	90	assays pending
BRC17044	768651	6385495	634	-70	52	240	assays pending
BRC17045	768691	6385462	621	-65	60.5	180	assays pending
BRC17046	768892	6385238	602	-70	60.5	12	assays pending
BRC17047	768892	6385238	602	-70	60.5	114	assays pending
BRC17048	768905	6385215	600	-70	80.5	180	assays pending
BRC17049	768857	6385069	621	-70	90.5	120	assays pending
BRC17050	768857	6385069	621	-65	270.5	114	assays pending
BRC17051	768648	6385449	631	-90	60.5	192	assays pending
BRC17052	768646	6385474	634	-70	60.5	45	assays pending
BRC17053	768827	6385033	627	-70	60.5	108	assays pending
BRC17054	768827	6385033	627	-70	240.5	114	assays pending
BRC17055	768715	6385102	632	-70	60.5	114	assays pending
BRC17056	768709	6385074	636	-75	60.5	108	assays pending
BRC17057	768526	6385436	663	-56	49	234	assays pending
BRC17058	768756	6385089	627	-75	60.5	122	assays pending
BRC17059	768726	6385132	626	-70	60.5	50	assays pending
BRC17060	768726	6385127	626	-70	60.5	90	assays pending
BRC17061	768915	6384984	606	-60	25	120	assays pending
BRC17062	768800	6385287	612	-70	60.5	116	assays pending
BRC17063	768769	6385225	623	-70	60.5	90	assays pending
BRC17064	768742	6385190	622	-70	60.5	84	assays pending
BRC17065	768724	6385210	624	-70	60.5	96	assays pending
BRC17066	768625	6385389	635	-70	60.5	174	assays pending
BRC17067	769253	6385170	609	-75	60.5	78	assays pending
BRC17068	769202	6385153	620	-75	60.5	96	assays pending
BRC17069	769144	6385231	639	-75	60.5	102	assays pending
BRC17070	769145	6385187	635	-75	60.5	108	assays pending
BRC17071	769128	6385444	633	-65	60.5	92	assays pending
BRC17072	769112	6385179	638	-75	240.5	138	assays pending
BRC17073	769083	6385220	639	-80	60.5	114	assays pending
BRC17074	769106	6385148	638	-90	60.5	114	assays pending
BRC17075	769104	6385217	641	-80	240.5	138	assays pending
BRC17076	769126	6385102	638	-70	240.5	126	assays pending
BRC17077	769185	6385191	622	-70	60.5	102	assays pending
BRC17078	769201	6385176	620	-65	60.5	86	assays pending

BRC17079	769126	6385444	633	-65	60.5	240	assays pending
BRC17080	769176	6385433	620	-75	60.5	42	assays pending
BRC17081	769160	6385402	622	-65	60.5	240	assays pending
BRC17082	769176	6385433	620	-75	60.5	142	assays pending

JORC Code, 2012 Edition – ANNEXURE 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay.') In other cases, more explanation may be required such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Sampling taken from NQ & HQ diamond core and from reverse circulation (RC) drill chips. NQ size core - all samples taken as nominal 1 metre intervals from half-cut core and from the same side of the core. HQ size core - all samples taken as nominal 1 metre intervals from quarter-cut core and from the same side of the core. RC samples collected on a 1m interval from a rotary cone splitter. Each sample represents approximately 2 kilograms of material Each sample was sent for multi-element assay using ICP techniques with the entire sample pulverized and homogenized with a 50g extract taken for assay. Assays are considered representative of the sample collected.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Diamond drilling undertaken using HQ & NQ diamond core rig with standard tube. All core, where unbroken ground allows, is oriented by drilling team and an orientation line along the base of the hole. RC drilling using a 139mm hammer.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure 	<ul style="list-style-type: none"> Core recovery is estimated at greater than 95%. Some zones (less than 10%) were broken core with occasional clay zones where some sample loss may have occurred. However, this is

Criteria	JORC Code explanation	Commentary
	<p><i>representative nature of the samples.</i></p> <ul style="list-style-type: none"> <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> 	<p>not considered to have materially affected the results.</p> <ul style="list-style-type: none"> RC samples are weighed for each metre and assessed for recovery, contamination and effect of water if present. No significant relationship between sample recovery and grade exists.
Logging	<ul style="list-style-type: none"> <i>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.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> All diamond holes are logged using lithology, alteration, veining, mineralization and structure including geotechnical structure. RC chip samples are logged using lithology, alteration, veining and mineralization. All core and chip trays are photographed using both wet and dry photography. In all cases the entire hole is logged by a geologist. Additionally, a selection of holes is analysed using HyLogger™. This is a non-destructive spectroscopic scanning technique to assess the mineralogical distribution in drill core or chip trays.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core were taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> Minor selective sub-sampling based on geology to a maximum size of 1.3m and a minimum of 0.3m. 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. The half (NQ) or quarter (HQ) 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. RC samples are collected from a rotary cone splitter at a 6% split. The cyclone/splitter system is checked periodically throughout each hole and cleaned when necessary. To assess the representation of material sampled a duplicate 6% split sample is collected from a secondary -sample chute on the opposite side of the rotary cone splitter at the rate of 1/20.
Quality of assay data	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> 	<ul style="list-style-type: none"> Samples dispatched to ALS Global laboratories in Orange NSW for sample preparation and gold analysis Au-AA25. 33 multi-element analysis completed at ALS Brisbane using method ME-ICP61.

Criteria	JORC Code explanation	Commentary
<i>and laboratory tests</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Site Standards are inserted every 20 samples to check quality control and laboratory standards and blanks every 25 samples to further check results.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Significant intersections calculated by site-geologists and verified by an independent geological consultant. All geological logging is entered digitally before inputting into a Maxwell Geoservices database schema. Primary assay data is sent electronically from the lab to the SVL database administrator and then entered into the geological database for validation. All assays matched with the logging sheets and loaded directly from the output provided by the laboratory with no manual entry of assays undertaken. No adjustments were made or required to be made to the assay data.
<i>Location of data points</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The collar position is initially surveyed using hand-held GPS with accuracy of +- 5 metres. Periodically, 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 and with a topographical model of 0.034 metre accuracy. All collars recorded in MGA94 zone 55 and also re-projected to a locally defined mine-grid system.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> This drilling is designed as both infill and extensional to the overall mineral resource envelope. The nominal drill hole spacing is 25m (northing) by 50m (easting) in the core of the deposit. The current drill program includes extensional and infill drilling and will enable the mineral resource estimate to be updated including conversion of inferred resources to indicated resources and new

Criteria	JORC Code explanation	Commentary
		zones to be included in inferred resource.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drill orientation was designed to intersect the projection of breccia zones and zones of veins within an overall mineralized envelope. An interpretation of the mineralization has indicated that no sampling bias has been introduced.
<i>Sample security</i>	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> All samples bagged on site under the supervision of two senior geologists with sample bags tied with cable ties before being driven by site personnel to the laboratory in Orange, NSW (~200km from the site)
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> The drilling campaign and drill work includes on-going internal auditing with advice taken on process from external advisors - OmniGeox Ltd, GeoSpy Pty Ltd and AMC Consultants.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Bowdens Resource is located wholly within Exploration Licence No EL5920, held wholly by Silver Mines Limited and is located approximately 26km 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 the EL5920. The project has a 1.85% Gross Royalty over 100% of EL5920.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The Bowdens project was previously managed by Kingsgate Consolidated and Silver Standard Ltd, however the new drilling reported under this table is based on work conducted solely by Silver Mines/Bowdens Silver.

Criteria	JORC Code explanation	Commentary
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The Bowdens Deposit is a low sulphidation epithermal base-metal and silver system hosted in Permian Volcanic rocks. Mineralisation includes veins, shear veins and breccia zones within tuff and ignimbrite rocks. Mineralisation is overall shallowly dipping (~15 degrees to the north) with high-grade zones preferentially following a volcanic dome. There are several vein orientations within the broader mineralized zones including some areas of stock-work veins.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar;</i> <i>elevation or RL (Reduced Level elevation above sea level in metres) of the drill hole collar;</i> <i>dip and azimuth of the hole;</i> <i>down hole length and interception depth; and</i> <i>hole length.</i> <i>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.</i> 	<ul style="list-style-type: none"> All information is included in Appendix 1 of this report.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Intersection calculations based on 1% combined lead + zinc cut-off for low-grade results or a minimum 30 g/t silver with maximum 10 metre internal dilution and a minimum 60g/t silver with maximum 5 metre internal dilution for high-grade results. The silver equivalent values calculated using metal prices of US\$20 per ounce silver, US\$1.00 per pound zinc and US\$1.00 per pound lead and recoveries of 81% for silver, 82% for zinc and 81% for lead. Ag equivalent formula = $Ag\ g/t + ((Pb\% + Zn\%)*33.2)$
<i>Relationship between mineralisation widths and</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> 	<ul style="list-style-type: none"> Mineralisation is both stratabound and vein hosted. The stratigraphy dips moderately to the north while the majority of mineralised veins dip west. Some individual veins intersected were sub-parallel (~10 degrees to core axes). The drilling width is estimated to be 120% of

Criteria	JORC Code explanation	Commentary
<i>intercept lengths</i>	<ul style="list-style-type: none"> <i>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').</i> 	true-width for stratabound mineralisation.
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Maps and cross-sections provided in the body of this report.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> All results received and compiled to date are reported in this release. Drilling is ongoing with further results expected to provide a more detailed assessment of the mineralised zones.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> This report relates to drill data reported from this program.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> This report relates to a drill program that totals 38,000 metres of drilling with drilling on-going and further results pending.