

11 September 2018

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

## **APPENDIX 3B**

Silver Mines Limited (ASX:SVL) (“Silver Mines” or “the Company”) is pleased to attach its final Appendix 3B noting the total number of shares and options issued under the Company’s recent entitlements issue offer (see Prospectus dated 3 August 2018) (“Offer”).

The Company received subscriptions from eligible shareholders totalling \$2,600,053.29, with Patersons Securities Limited, the Underwriter and Lead Manager to the Offer placing an additional \$1,245,953.13, bringing the total raised under the Offer to \$3,846,006.42.

Directors of the Company applied for \$237,500 of securities under the Shortfall Placement, with such issue of securities (“Director Securities”) to be made subject to shareholder approval. Accordingly, the enclosed Appendix 3B does not take into account the 7,916,667 shares and 3,958,334 options which will be issued to directors following approval being obtained.

Yours faithfully  
Silver Mines Limited



Trent Franklin  
Company Secretary

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Silver Mines Limited

ABN

45 107 452 942

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | (a) Ordinary shares<br>(b) Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | (a) 120,283,547 shares<br>(b) 60,141,774 options   |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Fully paid ordinary shares<br>(b) Quoted options, exercise price of \$0.06 and an expiry date of 6 September 2021. |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>(a) Yes.</p> <p>(b) No. These are a new class of securities for which the Company is seeking quotation from the date of issue.</p>
<p>5 Issue price or consideration</p>	<p>(a) \$0.03 per share.</p> <p>(b) Nil, as the Options are being issued as attaching to the Shares.</p>
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Entitlements Issue to existing shareholders, as announced on 3 August 2018.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>28 November 2017</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>

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+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	(a) 120,283,547 shares (b) 60,141,774 options	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1: 18,042,532 7.1A: 54,291,068	
7	+Issue dates  <small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.</small>	6 September 2018	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 633,084,403  60,141,774	+Class Ordinary shares  Options, exercise price of \$0.06, expiry date 6 September 2021.

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	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	9,000,000  5,000,000	Options, exercise price of \$0.30 and expiry date of 20/06/2019  Options, exercise price of \$0.20 and expiry date which is three years from the date on which the milestones are achieved.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

**Part 2 - Pro rata issue**

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	One Share for every four Shares held at the Record Date and one Option for every two shares received under the offer
14	+Class of +securities to which the offer relates	Shares and options
15	+Record date to determine entitlements	10 August 2018.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Fractions will be round up.

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+ See chapter 19 for defined terms.

18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	All countries other than Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	31 August 2018
20	Names of any underwriters	Patersons Securities Limited.
21	Amount of any underwriting fee or commission	6% of the amount raised under the offer \$60,000 Issue of 4,000,000 options on the same terms as the options to be issued under the offer. 1.5% broking fee on sale of ineligible shareholder rights.
22	Names of any brokers to the issue	Patersons Securities Limited (PSL)
23	Fee or commission payable to the broker to the issue	See item 21 for fees payable to PSL.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	See item 21 for fees payable to PSL.
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	15 August 2018
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	6 August 2018
28	Date rights trading will begin (if applicable)	9 August 2018

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- 29 Date rights trading will end (if applicable) 24 August 2018
- 30 How do security holders sell their entitlements *in full* through a broker? By providing instructions to that broker.
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance? Complete and submit the entitlement and acceptance form provided with the prospectus and subsequently providing instructions to the broker for the remainder.
- 32 How do security holders dispose of their entitlements (except by sale through a broker)? If shareholders wish to transfer their entitlement to another person other than on ASX they must forward to the share registry a standard renunciation and transfer form, along with the transferee's required application monies. If they wish to transfer their entitlement to a person on the CHESS subregister, they should engage their CHESS controlling participant.
- 33 <sup>+</sup>Issue date 6 September 2018

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)
- (a)  <sup>+</sup>Securities described in Part 1
- (b)  All other <sup>+</sup>securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

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<sup>+</sup> See chapter 19 for defined terms.

Tick to indicate you are providing the information or documents

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
 1 - 1,000  
 1,001 - 5,000  
 5,001 - 10,000  
 10,001 - 100,000  
 100,001 and over
- 37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

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+ See chapter 19 for defined terms.



## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>	
<b><i>Insert</i></b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	390,298,856
<b><i>Add</i></b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><b><i>Note:</i></b></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	53,750,000 (Placement, October 2017)  2,000 (Exercise of Options, October 2017)  120,283,547 (Entitlements Issue, August 2018)
<b><i>Subtract</i></b> the number of fully paid +ordinary securities cancelled during that 12 month period	-
<b>“A”</b>	564,334,403

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	84,650,160
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	66,607,628 (Placement, April 2018)
“C”	<b>66,607,628</b>
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	85,837,660
<p><b>Subtract</b> “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	66,607,628
<p><b>Total</b> [“A” x 0.15] – “C”</p>	<p>18,042,532</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	564,334,403
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	56,433,440
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	2,142,372 shares (Placement, April 2018)
<b>“E”</b>	2,142,372

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+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	56,433,440
<p><b>Subtract “E”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	2,142,372
<p><b>Total</b> [“A” x 0.10] – “E”</p>	<p style="text-align: center;">54,291,068</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

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+ See chapter 19 for defined terms.