



# NOTICE OF ANNUAL GENERAL MEETING

**TIME:** 10:00 am (AEDT)

**DATE:** Friday 8 November 2019

**PLACE:** Level 15, 1 O'Connell Street,  
Sydney NSW 2000 Australia

*This notice should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this notice please do not hesitate to contact the Company Secretary on +61 2 8316 3997.*

# TIME AND PLACE OF MEETING AND HOW TO VOTE

## 1. Venue

The Annual General Meeting of the Shareholders of Silver Mines Limited ACN 107 452 942 (ASX:SVL) (**Company**) to which this Notice relates, will be held at **10:00am (AEDT) on Friday, 8 November 2019** at Level 15, 1 O'Connell Street, Sydney NSW 2000, Australia.

## 2. Voting in person

To vote in person, you will be required to attend the Meeting on the date and at the place set out above.

## 3. Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post, to GPO Box 225, Sydney NSW 2001 Australia; or
  - (b) facsimile, to the Company (Attention: Company Secretary) on facsimile number +61 2 8316 3999,
- so that it is received not later than **10:00am (AEDT) on Wednesday, 6 November 2019**.

**Proxy Forms received later than this time will be invalid.**

# NOTICE OF MEETING

Notice is given that the Meeting of Shareholders will be held at **10:00am (AEDT) on Friday, 8 November 2019** at Level 15, 1 O'Connell Street, Sydney NSW 2000 Australia.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. It is recommended that this Notice and the Explanatory Statement are carefully read in full. The Explanatory Statement and the Proxy Form are part of this Notice.

The Directors have determined, pursuant to regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, that the persons eligible to vote at the Meeting are those who are registered shareholders of the Company at 7:00pm (AEDT) on Wednesday, 6 November 2019.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

# AGENDA

## 1. RECEIPT OF FINANCIAL REPORTS AND REPORTS OF DIRECTOR AND AUDITOR

To receive and consider the Financial Reports of the Company for the financial year ended 30 June 2019, together with the declaration of Directors, the Remuneration Report and the Report of the Directors and the Auditor which relate to the Financial Reports.

A copy of the 2019 Annual Report may be obtained from the Company's website at **[www.silvermines.com.au](http://www.silvermines.com.au)**.

## 2. RESOLUTION 1 - ADOPTION OF DIRECTORS' REMUNERATION REPORT

To consider, and if thought fit, pass with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Company's Remuneration Report, as set out in the Directors' Report within the Annual Report for the year ended 30 June 2019, prepared in accordance with section 300A of the Corporations Act."*

# AGENDA

Please note that in accordance with section 250R(3) of the Corporations Act, the votes cast on this Resolution are advisory only and do not bind the Company or the Directors.

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution 1 by any person who is a member of the Key Management Personnel, details of whose remuneration is considered in the Remuneration Report and any person who is an Associate of those persons.

However, the Company need not disregard a vote on this Resolution 1 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## 3. RESOLUTION 2 - RATIFICATION OF ISSUE OF SEPTEMBER PLACEMENT SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution:**

*"That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 100,000,000 Shares to institutional, Professional Investors and Sophisticated Investors at \$0.10 per Share, on the terms and conditions contemplated in Section 2 of the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution 2 by any person who participated in the issue of Shares considered under Resolution 2 as described in Section 2 of the Explanatory Statement, and any Associate of any of the foregoing persons.

However, the Company need not disregard a vote on this Resolution 2 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## 4. RESOLUTION 3 - 10% PLACEMENT CAPACITY

To consider, and if thought fit, pass with or without amendment, the following resolution as a **Special Resolution:**

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions contemplated in Section 3 of the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution 3 by a person who may participate in the proposed issue and a person who might obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associate of the foregoing persons.

However, the Company need not disregard a vote on this Resolution 3 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

As at the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## 5. RESOLUTION 4 - ELECTION OF KEITH PERRETT A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution:**

*"That for the purposes of Listing Rule 14.4 and for all other purposes, Mr Keith Perrett, being a Non-Executive Director and being eligible, offers himself for re-election, is re-elected as a Director".*

**Dated: 3 October 2019**

**By Order of The Board**



**Trent Franklin**  
Company Secretary  
Silver Mines Limited

# EXPLANATORY STATEMENT

This Explanatory Statement is included in and forms part of the Notice of Meeting. It contains background information pertaining to the Resolutions to be considered and voted upon at the Meeting as well as information required to be given to Shareholders under the Listing Rules in relation to the Resolutions.

It is given to Shareholders to help them determine how to vote on the Resolutions set out in the Notice of Meeting.

Shareholders should read this Explanatory Statement in full and in conjunction with the other sections of this Document, in order to gain a more complete understanding of the Resolutions proposed in the Notice of Meeting.

If a Shareholder is in doubt about what to do in relation to a Resolution, it should consult its financial or other professional adviser.

## 1. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

### 1.1 Background

The Annual Report for the year ended 30 June 2019 contains the Company's Remuneration Report on pages 20 to 26. The Remuneration Report sets out the Company's remuneration policies and reports the remuneration arrangements in place for the Directors of the Company. A copy of the 2019 Annual Report is available on the Company's website at [www.silvermines.com.au](http://www.silvermines.com.au), or upon request and free of charge.

The Corporations Act requires:

- (a) the agenda for an Annual General Meeting of a listed company to include a resolution for the adoption of the Remuneration Report (the subject of this Resolution 1); and
- (b) expressly provides that the vote on that resolution is advisory only and does not bind the Directors or the Company.

Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions and comment on the Remuneration Report.

### 1.2 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 1, and whose votes will be disregarded if cast on Resolution 1, is set out in the Notice.

## 2. RESOLUTION 2 - RATIFICATION OF ISSUE OF SEPTEMBER PLACEMENT SECURITIES

### 2.1 Background

Resolution 2 proposes the ratification by Shareholders of the issue of 100,000,000 Shares under a placement to institutional, Professional Investors and Sophisticated Investors which was conducted in September of 2019 at \$0.10 per Share (**September 2019 Placement**). The September 2019 Placement raised \$10 million (before costs) with such funds being allocated towards the expansion of exploration activities including drilling at the Company's flagship Bowdens Silver Project and Barabolar Project, the imminent completion of the Environmental Impact Statement for the Bowdens Silver Project, associated land acquisitions and for corporate and general working capital purposes.

### 2.2 Requirement for Shareholder ratification under Listing Rule 7.4

Listing Rule 7.1 requires Shareholder approval for the proposed issue of securities in the Company where such issue may exceed the 15% Threshold. Listing Rule 7.4 permits the ratification of previous issues of securities made without Shareholder approval, provided such issue, in aggregate with any other applicable issues of Equity Securities by the Company, did not breach the 15% Threshold.

Shareholder ratification of an issue of securities under Listing Rule 7.4 enables the Company capacity to issue further securities up to the 15% Threshold, without additional Shareholder approval (but still subject to any other approval required under the Listing Rules), to the extent of the securities that were the subject of that ratification.

Resolution 2 seeks Shareholder ratification, under Listing Rule 7.4, for the issue of 100,000,000 Shares issued under the September 2019 Placement, in order to restore the Company's capacity to issue further Equity Securities within the 15% Threshold.

### 2.3 Information required by Listing Rule 7.5

For the purpose of Listing Rule 7.5, the following information in relation to the Shares the subject of Resolution 2 is provided:

(a) *Number of securities issued*

100,000,000 Shares, including issued under Listing Rule 7.1.

(b) *Issue price of securities*

The Shares were issued for \$0.10 per Share, payable in full upon issue.

# EXPLANATORY STATEMENT

## (c) Terms of issue of the securities

The Shares when issued, were and remain, fully paid ordinary shares in the issued capital of the Company and rank equally with all other Shares currently on issue.

## (d) Parties to whom the securities were issued

The Shares were issued to institutional, Professional Investors and Sophisticated Investors who are not related parties to the Company.

## (e) Use of funds raised

The Company raised approximately \$10,000,000 (before costs) under the September 2019 Placement, which was primarily used to finance the expansion of exploration activities including drilling at the Company's flagship Bowdens Silver Project and Barabolar Project, the imminent completion of the Environmental Impact Statement for the Bowdens Silver Project, associated land acquisitions and for corporate and general working capital purposes.

## 2.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 2, and whose votes will be disregarded if cast on Resolution 2, is set out in the Notice.

## 2.5 Recommendation of Directors

Each Director recommends that Shareholders vote **IN FAVOUR** of Resolution 2.

Each Director confirms that he:

- has no personal interest in the outcome of Resolution 2 other than in his capacity as a Shareholder or an Associate of a Shareholder; and
- will vote, and/or procure that any Shareholder that is an Associate of that Director votes, all its Shares in favour of Resolution 2.

## 3. RESOLUTION 3 - 10% PLACEMENT CAPACITY

### 3.1 Requirement for Shareholder Approval under Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12 month period expiring on the first anniversary of the date of that approval at its Annual General Meeting (**10% Placement Capacity**). This 10% Placement Capacity is in addition to the 15% placement capacity that a Company may utilise according to Listing Rule 7.1.

The Company is an "eligible entity" for the purposes of this Resolution 3, as it is not included in the S&P/ASX 300 Index and has a market capitalisation of less than \$300 million.

The Company is seeking Shareholder approval to enable the Company to issue further Equity Securities under the 10% Placement Capacity. For the sake of clarity, the approval for the 10% Placement Capacity the subject of this Resolution 3, will entitle the Company to issue Equity Securities, without further Shareholder approval, that is in addition to Equity Securities that the Company may issue, without further Shareholder approval under:

- the 15% Placement Capacity that, if Resolution 2 is duly approved, the Company may utilise according to Listing Rule 7.1; and
- the 10% Placement Capacity that, if Resolution 3 is duly approved, the Company may utilise according to Listing Rule 7.1A at any time *prior to the 7.1A approval expiry date being 8 November 2019*.

The exact number of Shares that may be issued by the Company pursuant to this Resolution 3, if duly approved, will be determined in accordance with the provisions of Listing Rule 7.1A.2.

### 3.2 Required information under Listing Rule 7.3A

For the purpose of Listing Rule 7.3A, the Company gives the following details in relation to this Resolution 3:

#### (a) Formula for calculating the 10% Placement Capacity:

The number of Equity Securities which the Company may issue pursuant to this Resolution 3, if duly approved, in accordance with Listing Rule 7.1A.2 may be calculated in accordance with the following formula:

$$(A \times D) - E$$

#### Where:

**A** is the number of Shares on issue 12 months before the date of issue or agreement to issue:

- plus** the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
- plus** the number of partly paid shares that became fully paid shares in the previous 12 months;
- plus** the number of Shares issued in the previous 12 months with approval of Shareholders under Listing Rules 7.1 and 7.4 – this does not include an issue of Shares under the Company's 15% placement capacity (which is not subject to shareholder approval);
- less** the number of Shares cancelled in the previous 12 months.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 and 7.4.

# EXPLANATORY STATEMENT

## (b) Issue price of securities

The minimum price at which Equity Securities will be issued in utilisation of all or part of the 10% Placement Capacity approved under this Resolution 3, will not be less than 75% of the volume weighted average price (**VWAP**) of the Shares, calculated over the 15 Trading Days on which trades were recorded immediately before:

- (i) the date on which the Shares are issued or agreed to be issued; or
- (ii) if the Shares are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

## (c) Risk of economic and voting dilution of ordinary securities holders

Any issue of Shares under the 10% Placement Capacity will dilute the voting interests, and may dilute the economic interests, of current Shareholders who do not acquire Equity Securities under that issue.

The table below seeks to demonstrate the potential dilution of current Shareholders from the issue of Shares under the 10% Placement Capacity calculated in accordance with the formula in Listing Rule 7.1A.2. The table considers the current number of Shares on issue, the effect of a change in the number of Shares on issue, and a variation in the issue price of Shares (noting that Shares may only be issued at up to a maximum 25% discount based on the volume weighted average price of the Shares calculated over the 15 Trading Days preceding the alternate dates referred to in sub-paragraph (b) immediately above).

VOTING DILUTION				
Number of Shares on issue	Dilution variable	\$0.048 (50% decrease in current issue price)	\$0.095 (current issue price)	\$0.143 (50% increase in current issue price)
<b>867,491,343</b> <b>(current)</b>	Additional 10% shares issued	86,749,134	86,749,134	86,749,134
	Funds raised	4,163,958	8,241,167	12,405,126.16
<b>1,301,237,015</b> <b>(50% increase)</b>	Additional 10% shares issued	13,012,370	13,012,370	13,012,370
	Funds raised	624,594	1,236,175	1,860,769
<b>1,734,982,686</b> <b>(100% increase)</b>	Additional 10% shares issued	173,498,268	173,498,268	173,498,268
	Funds raised	8,327,916	16,482,335	24,810,2525

This tables makes the following assumptions:

- (i) the current number of Shares on issue is the Shares on issue at as the date of this Document;
- (ii) the current issue price is the closing price of Shares on 30 September 2019 being \$0.095;
- (iii) the Company issues the maximum possible number of Shares under the 10% Placement Capacity;
- (iv) the calculations above do not show the dilution that any one Shareholder will be subject to all Shareholders should consider the dilution caused to their own respective shareholding depending on their specific circumstances; and
- (v) this table does not consider any dilution which may occur subject to any issue of Equity Securities made in accordance with the provisions of either Listing Rule 7.1 or Listing Rule 7.4.

There is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the date of issue of the Shares than on the date of the Meeting; and
- (ii) the Shares may be issued at a price which is at a discount to the market price for the Shares on their date of issue.

# EXPLANATORY STATEMENT

## *(d) Date approval will expire*

The approval given pursuant to Resolution 3 will expire on the earlier of:

- (i) 8 November 2020; or
- (ii) the date of approval by Shareholders of any transaction under either Listing Rule 11.1.2 (significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking) or such longer period if allowed by the ASX.

## *(e) Purpose*

The Company may issue Equity Securities under its 10% Placement for various purposes including the following:

- (i) exploration programs at the Bowdens Silver Project, Barabolar Project and Tuena Project, completion of the Bowdens Silver Environmental Impact Statement;
- (ii) progression towards mine development including land acquisitions; and
- (iii) general working capital purposes.

## *(f) Allocation policy*

The allottees of the Shares under the 10% Placement Capacity have not yet been determined. However the

Company may issue Shares under the 10% Placement Capacity to current Shareholders, new investors or both. No recipients of Shares under the 10% Placement Capacity will be a Related Party of the Company.

The Company will determine who will receive Shares as a consequence of any issue made under the 10% Placement Capacity, if and when the Company decides to utilise the 10% Placement Capacity, taking into consideration the following:

- (i) the purpose of the issue;
- (ii) alternative fund raising methods available;
- (iii) the effect of the issue on the Company;
- (iv) the circumstances of the Company, financial and otherwise;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisors (as applicable).

## *(g) Issues since 2018 AGM*

The Company has issued 308,365,274 Equity Securities in the 12 months preceding the date of the Meeting, representing approximately 43.35% of the total number of Equity Securities (711,226,177 Shares and Options) on issue at the commencement of that 12 month period.

# EXPLANATORY STATEMENT

Description	Equity Securities issued	Recipients	Price	Discount to closing market price on day of issue	Total Consideration (before costs)	Amount spent
<i>Issue of shares and options relating to shortfall securities from the Company's entitlements issue.</i>	7,916,667 fully paid ordinary Shares	Directors	\$0.03 per Share	30% discount to close price of \$0.043	\$237,500	\$237,500
	3,958,334 Options quoted with an exercise price of \$0.06 expiring 6 September 2021.		Nil.	N/A	N/A	N/A
<i>Exercise of Options</i>	3,125 fully paid ordinary Shares	Existing shareholder and/or option holders	\$0.06 per Share	9% premium to close price of \$0.055	\$187.50	\$187.50
<i>Issue of Shares and Options, March Placement</i>	57,000,000 fully paid ordinary Shares	Institutional, Professional Investors and Sophisticated Investors	\$0.05 per Share	Nil discount, (closing price of \$0.05)	\$3,000,000	\$3,000,000
	30,500,000 Options quoted with an exercise price of \$0.06 expiring 6 September 2021.	Institutional, Professional Investors and Sophisticated Investors	Nil.	N/A	N/A	N/A
<i>Issue of Shares and Options, July Placement</i>	55,000,000 fully paid ordinary Shares	Institutional, Professional Investors and Sophisticated Investors	\$0.05 per Share	4% premium to close price of \$0.048	\$2,750,000	\$2,750,000
	17,500,000 Options, quoted with an exercise price of \$0.06 expiring on 6 September 2021.					
<i>Issue of Options under Employee Incentive Plan</i>	8,500,000 Options unquoted with an exercise price of \$0.10 expiring on 1 August 2021.	Employees, non-executive directors and consultants for the Company	Nil.	N/A	N/A	N/A
<i>Exercise of Options</i>	12,260 fully paid ordinary Shares	Existing shareholder and/or option holders	\$0.06 per Share	25% discount to close price of \$0.081	\$735.60	\$735.60
<i>Exercise of Options</i>	556,250 fully paid ordinary Shares	Existing shareholder and/or option holders	\$0.06 per Share	50% discount to close price of \$0.12	\$33,375	\$33,375
<i>Issue of Shares, March Placement</i>	3,000,000 fully paid ordinary Shares	Director	\$0.05 per Share	62% discount to close price of \$0.135	\$150,000	\$150,000



# EXPLANATORY STATEMENT

Description	Equity Securities issued	Recipients	Price	Discount to closing market price on day of issue	Total Consideration (before costs)	Amount spent
<i>Issue of Options, March Placement</i>	1,500,000 Options quoted with an exercise price of \$0.06 expiring September 2021	Director	Nil	N/A	N/A	N/A
<i>Exercise of Options</i>	10,318,013 fully paid ordinary Shares	Institutional, Professional Investors and Sophisticated Investors	\$0.06 per Share	55% discount to close price of \$0.135	\$619,080	\$471,553
<i>Issue of Options, July Placement</i>	10,000,000 Options quoted with an exercise price of \$0.06 expiring September 2021	Institutional, Professional Investors and Sophisticated Investors	Nil	N/A	N/A	N/A
<i>Issue of Options as consideration, July Placement</i>	2,000,000 Options quoted with an exercise price of \$0.06 expiring September 2021	Paterson Securities	Nil	N/A	N/A	N/A
<i>Issue of Shares and Options, September Placement</i>	100,000,000 fully paid ordinary Shares	Institutional, Professional and Sophisticated Investors	\$0.10 per Share	4% discount to close price of \$0.105	\$10,000,000	\$0
<i>Exercise of Options</i>	600,625 fully paid ordinary Shares	Existing shareholder and/or option holders	\$0.06 per Share	42% discount to close price of \$0.105	\$36,037	\$0

### 3.3 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 3 and whose votes will be disregarded if cast on Resolution 3, is set out in the Notice.

### 3.4 Recommendation of Directors

Each Director recommends that Shareholders vote **IN FAVOUR** of Resolution 3.

Each Director confirms that:

- (a) he has no personal interest in the outcome of Resolution 3 other than in his capacity as a Shareholder or an Associate of a Shareholder; and
- (b) will vote, and/or procure that any Shareholder that is an Associate of that Director votes, all its Shares in favour of Resolution 3.

# EXPLANATORY STATEMENT

## 4. RESOLUTION 4 - ELECTION OF KEITH PERRETT

### 4.1 Background

Mr Keith Perrett was appointed as a non-executive director of the Company in June 2016. and as a non-executive chairman in August 2016.

Mr Perrett has had a long involvement in agriculture as a producer and industry leader at local, state, national and international levels. He was formerly Chairman of the Grains Research and Development Corporation (GRDC), the National Rural Advisory Council (NRAC), the Wheat Research Foundation, and President of the Grains Council of Australia. Mr Perrett holds substantial agricultural interests in north-west New South Wales.

Mr Perrett is the current Chairman of Landmark White Limited since May 2018.

### 4.2 Requirement for Shareholder Approval

Listing Rule 14.4 requires that a director (other than a managing director) of an ASX listed company must not hold office (without re-election) past the third Annual General Meeting following their appointment, or three

years, whichever is longer. Listing Rule 14.4 also provides that any director (except a managing director) whom has been appointed throughout the year must not hold office past the next Annual General Meeting without re-election.

Accordingly, Shareholders are asked to consider and vote upon the election of Keith Perrett as a Director.

### 4.3 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 4, and whose votes will be disregarded if cast on Resolution 4, is set out in the Notice.

### 4.4 Recommendation of Directors

Each Director, with Keith Perrett abstaining, recommends that Shareholders vote **IN FAVOUR** of Resolution 4.

## 5. ENQUIRIES

Shareholders are advised to contact Mr Trent Franklin, the Company Secretary, on +61 2 8316 3997 if they have any queries in respect of the matters set out in these documents.

## DEFINITIONS

For the purposes of this Document, the following terms have the meanings prescribed below:

<b>\$</b>	Australian dollars.
<b>2018 AGM</b>	The Annual General Meeting of the Company held on 28 November 2018.
<b>AEDT</b>	Australian Eastern Daylight Time.
<b>ASIC</b>	Australian Securities & Investments Commission.
<b>Associate</b>	Has the meaning given in Listing Rule 19.12.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the securities exchange market operated by it, as the context requires.
<b>Barabolar Project</b>	Is located in central New South Wales, approximately 10 kilometres northwest of the Company's Bowdens Silver Project.
<b>Board</b>	The board of directors of the Company as constituted from time to time.
<b>Bowdens, Bowdens Silver or Bowdens Silver Project</b>	Is located in central New South Wales, approximately 26 kilometres east of Mudgee.
<b>Business Day</b>	A day which is not a Saturday, Sunday, a bank holiday or a public holiday in Sydney, and any other day that ASX declares is not a business day.
<b>Chair</b>	The person chairing the Meeting.
<b>Company or Silver Mines</b>	Silver Mines Limited ACN 107 452 942.
<b>Constitution</b>	The constitution of the Company as amended from time to time.

# DEFINITIONS

<b>Constitution</b>	The constitution of the Company as amended from time to time.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company as at the date of this Document.
<b>Document</b>	This document entitled “Notice of Extraordinary Meeting”, including any annexures or schedules to or of this document.
<b>Equity Security</b>	Has the meaning given in Listing Rule 19.12.
<b>Employee Incentive Plan</b>	Means the Employee Incentive Plan as approved by Shareholders on 28 November 2018.
<b>Explanatory Statement</b>	The section entitled “Explanatory Statement” of this Document, forming part of the Notice.
<b>July Placement</b>	The Placement conducted by the Company in July 2019.
<b>Key Management Personnel</b>	Has the meaning given to that term in section 9 of the Corporations Act.
<b>Listing Rules</b>	The listing rules of the ASX as amended from time to time.
<b>March Placement</b>	The Placement conducted by the Company in March 2019.
<b>Meeting</b>	The Annual General Meeting of the Company convened pursuant to in the Notice.
<b>Notice or Notice of Meeting</b>	The notice convening this Meeting as set out in this Document.
<b>Ordinary Resolution</b>	A resolution of Shareholders that is approved by a simple majority of the votes cast by Shareholders present at the Meeting (whether in person or by proxy) and entitled to vote on that resolution.
<b>Option</b>	The right of the holder of an Option to acquire a Share, in accordance with the terms and conditions of that Option.
<b>Professional Investor</b>	As defined in section 9 of the Corporations Act.
<b>Proxy Form</b>	The ‘Appointment of Proxy’ form attached to this Document.
<b>Related Party</b>	Has the meaning given to that term in Listing Rule 19.12.
<b>Resolution</b>	A resolution set out in the Notice.
<b>Share</b>	A fully paid ordinary share in the issued share capital of the Company.
<b>Share Registry</b>	Boardroom Pty Limited ACN 003 209 836.
<b>Shareholder</b>	A person recorded on the register of members maintained by the Company pursuant to sections 168 and 169 of the Corporations Act as a holder of one or more Shares.
<b>Special Resolution</b>	A resolution of Shareholders that is approved by a majority of no less than seventy-five per cent (75%) of the votes cast by Shareholders present at the Meeting (whether in person or by proxy) and entitled to vote on that resolution.
<b>Trading Day</b>	Has the meaning given in Listing Rule 19.12.

# DEFINITIONS

## INTERPRETATION

In this Notice, headings are for convenience only and do not affect interpretation and except where the context otherwise requires:

- (a) the singular includes the plural and vice versa and a gender includes other genders;
- (b) other grammatical forms of a defined word or expression have a corresponding meaning;
- (c) a reference to a section, paragraph, schedule or annexure is to a section or paragraph of or schedule or annexure to this Notice and a reference to this Notice includes any schedule and annexure;
- (d) a reference to a document or agreement includes the document or agreement as novated, altered, supplemented or replaced from time to time;
- (e) a reference to A\$, \$A, dollar or \$ is to Australian currency;
- (f) a reference to a year (other than a financial year) or a month means a calendar year or calendar month respectively;
- (g) a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, firm, body corporate, trust, joint venture, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) any authorities, associations, bodies and entities, whether statutory or otherwise, will, in the event of such authority, association, body or entity ceasing to exist or being reconstituted, replaced or the powers or functions thereof being transferred to or taken over by any other authority, association, body or entity, be deemed to refer respectively to the authority, association, body or entity established, constituted or substituted in lieu thereof which exercises substantially the same powers or functions; and
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions.

# CORPORATE DIRECTORY

## Board of Directors

Keith Perrett, Non-Executive Chairman  
Anthony McClure, Managing Director  
Peter Langworthy, Non-Executive Director  
Jonathan Battershill, Non-Executive Director

## Company Secretary

Trent Franklin

## Registered Office

Level 11, 52 Phillip Street  
Sydney NSW 2000  
Australia

## Company Website

[www.silvermines.com.au](http://www.silvermines.com.au)

## Share Registry

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000  
Australia

Phone: 1800 000 639  
Fax: +61 9290 9600

# PROXY FORM



ACN 107 452 942

## 2019 ANNUAL GENERAL MEETING

I/we   
*Name*

of   
*Address*

being a member of Silver Mines Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint   
*Name of proxy*

OR  the Chair of the Annual General Meeting as my/our proxy

or failing the person so named or, if no person is named, the Chair of the Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Meeting to be held at **10:00am (AEDT) on Friday, 8 November 2019** at Level 15, 1 O'Connell Street Sydney NSW 2000 Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the Meeting is appointed as your proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy in respect of **Resolutions 1 to 4** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1-4 and that votes cast by the Chair of the Meeting for Resolutions 1-5 other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1-4 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1-4.

**OR**

### Voting on Business of the Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Ratification of Issue of September Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval to issue Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Election of Keith Perrett as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

**Signatures of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Member 1**

**Sole Director/Company Secretary**

**Member 2**

**Director**

**Member 3**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

# INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

1. **(Appointing a Proxy):** A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members must sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the *Corporations Act*) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to GPO Box 225, Sydney NSW 2001, Australia; or
  - (b) facsimile to the Company on facsimile number (+61 2) 8316 3999

so that it is received not later than **10:00am (AEDT) on Wednesday, 6 November 2019.**

**Proxy Forms received later than this time will be invalid.**