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31st October 2017

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

ACTIVITIES REPORT FOR THE QUARTER ENDED

30 SEPTEMBER 2017

Highlights

- **Updated Mineral Resource Estimate for the Bowdens Silver Project has exceeded the Company's expectations and for all categories has been upgraded to:**

  128 million tonnes @ 67g/t silver equivalent ('Ag Eq') for

  275 million ounces Ag Eq (30g/t Ag Eq cut off).

- **Compared to the 2012 Mineral Resource Estimate this resource represents a 45% increase in total tonnes and a 51% increase in total silver equivalent ounces.**
- **Measured and Indicated Resources increased from 59% to 82% of the total resource.**
- **A higher-grade core has been estimated along the eastern and northern portions of the resource (60g/t Ag Eq cut off):**

  46 million tonnes @ 106g/t Ag Eq for 158 million ounces Ag Eq.

- **This Mineral Resource Estimate will be used as the basis to establish an initial Ore Reserve and will enhance the outcome of the current Definitive Feasibility Study.**
- **Chargeability anomaly indicating potential significant sulphide accumulation at depth directly beneath the Bowdens Silver resource.**
- **Target area/geophysical anomaly is over 1000 metres in strike and 250 metres wide extending from between 100 metres and 400 metres depth beneath the existing Bowdens Silver resource.**
- **Previous massive/semi massive sulphide drill zone discovery announced in March 2017 is located on the northern edge of the anomaly.**
- **No drilling has previously been conducted to date into the geophysical anomaly. Drilling has commenced.**
- **Placement to sophisticated and institutional investors raising $4.3 million.**

Bowdens Silver Project

During the quarter ended 30 September 2017, Silver Mines Limited ("Silver Mines" or "the Company") continued drilling activities at its flagship Bowdens Silver Project ("Bowdens Silver") located in central New South Wales. The project is situated approximately 26 kilometres east of Mudgee (See Figure 10). The project area comprises 1,654 km^2 (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, silver-lead-zinc epithermal and volcanogenic massive sulphide (VMS) systems and copper-gold targets.

Bowdens Silver Mineral Resource Estimate

During the quarter, Silver Mines provided an update on Mineral Resources for the Bowdens Silver Project. The Bowdens Mineral Resource Estimate has been updated by H&S Consultants using Multiple Indicator Kriging and the reporting is compliant with the 2012 JORC Code and Guidelines. Please refer to Tables 1 and 2 and Appendix 1 for further details.

Table 1 – Bowdens Silver Deposit Mineral Resource Estimate as at September 2017

Category	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Million Ounces Silver	Million Ounces Silver Eq.
Measured	76	72	45	0.37	0.25	111	175
Indicated	29	59	31	0.38	0.25	29	55
Inferred	23	60	31	0.40	0.28	23	45
Total	**128**	**67**	**40**	**0.38**	**0.26**	**163**	**275**

Notes:

1. Refer to Table 1 in Appendix 1 for full details.
2. Bowdens' silver equivalent: Ag Eq (g/t) = Ag (g/t) + 33.48*Pb (%) + 49.61*Zn (%) calculated from prices of US$20/oz silver, US$1.50/lb zinc, US$1.00/lb lead and metallurgical recoveries of 85% silver, 82% zinc and 83% lead estimated from test work commissioned by Silver Mines Limited.
3. Bowdens Silver Mineral Resource Estimate is reported to a 30g/t Ag Eq cut off and extends from surface and is trimmed to 300 metres RL which is approximately 320 metres below surface representing a potential volume for open-pit optimisation models.
4. In the Company's opinion, the silver, zinc and lead included in the metal equivalent calculations have a reasonable potential to be recovered and sold.
5. Variability of summation may occur due to rounding.

Table 2 – Bowdens Silver Deposit Mineral Resource Estimate by Cut Off Grade as at September 2017

Cut off g/t Ag Eq.	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Million Ounces Silver	Million Ounces Silver Eq.
0	397.2	30.7	17.6	0.18	0.12	225	392
10	261.7	43.7	25.2	0.26	0.17	212	368
20	185.2	54.6	31.7	0.32	0.21	189	325
30	**127.9**	**66.8**	**39.6**	**0.38**	**0.26**	**163**	**275**
40	89.2	79.7	48.6	0.43	0.29	139	229
50	63.6	92.8	58.4	0.47	0.33	119	190
60	**46.1**	**106.3**	**69.1**	**0.51**	**0.36**	**102**	**158**

70	33.7	120.8	80.9	0.54	0.39	87	131
80	**25.1**	**135.5**	**93.4**	**0.57**	**0.42**	**75**	**109**
90	19.2	149.9	105.6	0.59	0.45	65	93
100	**15.1**	**163.7**	**117.5**	**0.62**	**0.47**	**57**	**80**
120	9.6	192.3	141.4	0.67	0.53	44	59

The updated resource estimate is the result of additional drilling conducted in 2013 by Kingsgate Consolidated (13 drill holes for 2,440 metres) and most recently by Silver Mines (127 drill holes for 22,531 metres) over the past 12 months. This additional information includes 86 reverse circulation drill holes for 10,848 metres and 54 diamond core holes for 14,123 metres.

The updated Mineral Resource Estimate compares favourably to the previous estimate (October 2012) of 88 million tonnes @ 64g/t Ag Eq for 182Moz silver equivalent. The September 2017 update is a 45% increase in tonnes, a 4% increase in silver equivalent grade, a 22% increase in silver ounces and a 51% increase in silver equivalent ounces. In addition, the Measured and Indicated component of the total resource has increased from 59% to 82% (refer Table 3).

The majority of the increase is the result of resource extensions at depth beneath the northern portion of the deposit and more notably beneath the Bundarra Lens to the northwest. Additional resource extensions also occur down plunge to the northwest.

Reported at a 30 g/t silver equivalent cut off, the Bowdens Silver Mineral Resource extends from surface and is trimmed to approximately 320 metres below surface. It is the opinion of the company and its resource consultants that this represents a potential volume for open-pit optimisation models. Table 2 and Figure 1 demonstrate that the Bowdens Silver Deposit contains significant higher-grade portions within the resource estimate.

The Bowdens Silver Deposit remains open plunging to the northwest while at depth beneath the "Bundarra" lens (northwest quadrant of the resource). The resource remains open both along strike and down dip to the west.

Table 3 – Bowdens Silver Deposit Mineral Resource Comparison
October 2012 compared with September 2017 Estimates

Category	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Million Ounces Silver	Million Ounces Silver Eq.
Measured 2012	23.6	74.5	56.6	0.41	0.31	43	57
Measured 2017	75.7	72.0	45.5	0.37	0.25	111	175
Indicated 2012	28.4	63.6	48.0	0.36	0.27	44	58
Indicated 2017	29	58.8	31.4	0.38	0.25	29	55
Inferred 2012	36	58.0	41.0	0.4	0.30	47	68
Inferred 2017	23.2	59.9	30.6	0.4	0.28	23	45
Total 2012	88	64.4	47.4	0.39	0.29	134	182
Total 2017	**127.9**	**66.8**	**39.6**	**0.38**	**0.26**	**163**	**275**

Notes:

1. The October 2012 estimate was based on metal prices of US$26.33/oz silver, US$0.94/lb zinc and US$0.98/lb lead with net smelter return metallurgical recoveries of 72% silver, 66% zinc and 75% lead, giving a formula of Ag Eq (g/t) = Ag (g/t) + 27.5*Pb (%) + 22.8*Zn (%).
2. The 2017 silver equivalent is based on Ag Eq (g/t) = Ag (g/t) + 33.48*Pb (%) + 49.61*Zn (%) calculated from prices of US$20/oz silver, US$1.50/lb zinc and US$1.00/lb lead and metallurgical recoveries of 85% silver, 82% zinc and 83% lead estimated from test-work commissioned by Silver Mines Limited.

3. Bowdens Silver Mineral Resource Estimate is reported to a 30g/t Ag Eq cut off and extends from surface and is trimmed to 300mRL which is approximately 320m below surface representing a potential volume for open-pit optimisation models.
4. In the Company's opinion, the silver, lead and zinc included in the metal equivalent calculations have a reasonable potential to be recovered and sold.
5. Variability of summation may occur due to rounding.

The updated Mineral Resource Estimate will be used as the basis to establish an initial Ore Reserve for the Bowdens Silver Project, due for completion in late 2017. Pit optimisation and mine scheduling studies will be completed over the coming months to determine initial project economics. The initial Ore Reserve estimates will focus of the higher cut of grades of the Mineral Resource and will facilitate completion of the final elements for the currently progressing Definitive Feasibility Study which is due for completion early 2018.

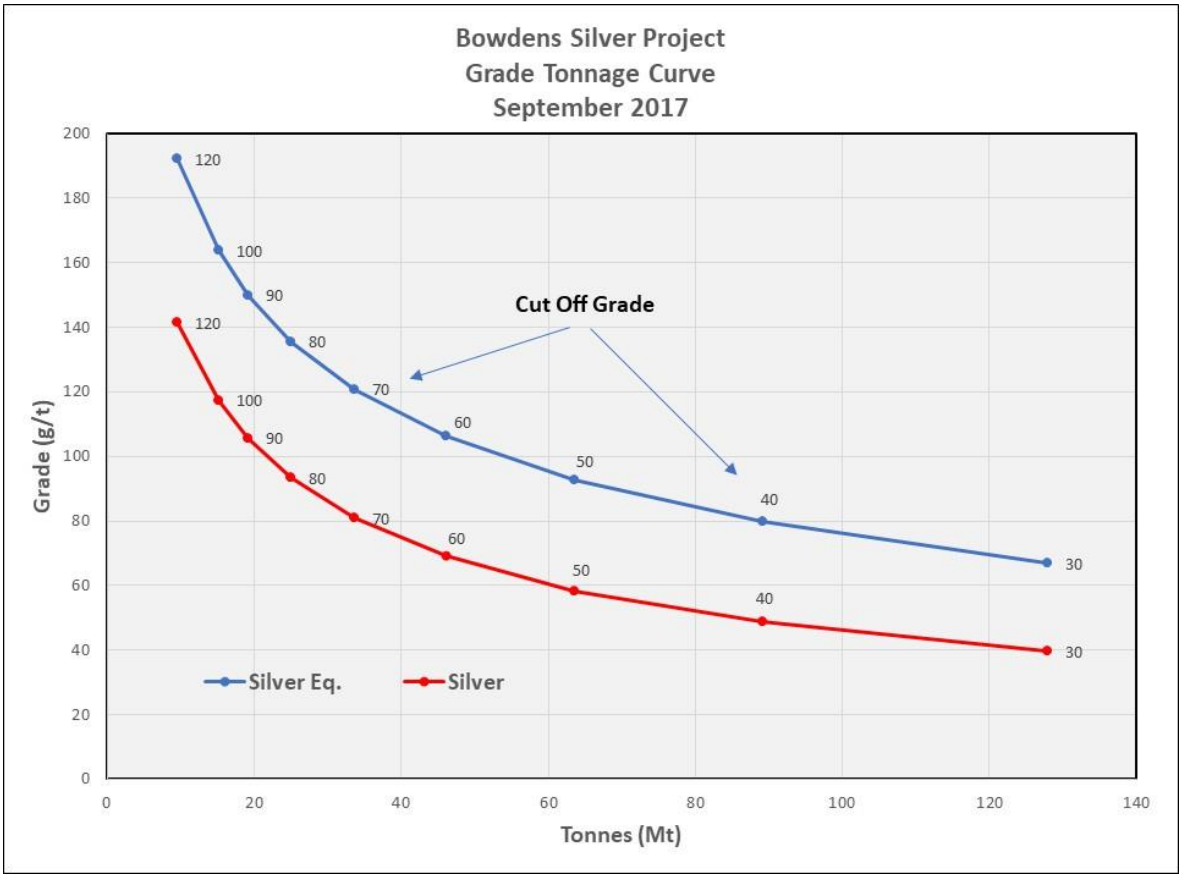


Figure 1. Grade tonnage curve for the updated Bowdens Silver Deposit Mineral Resource.

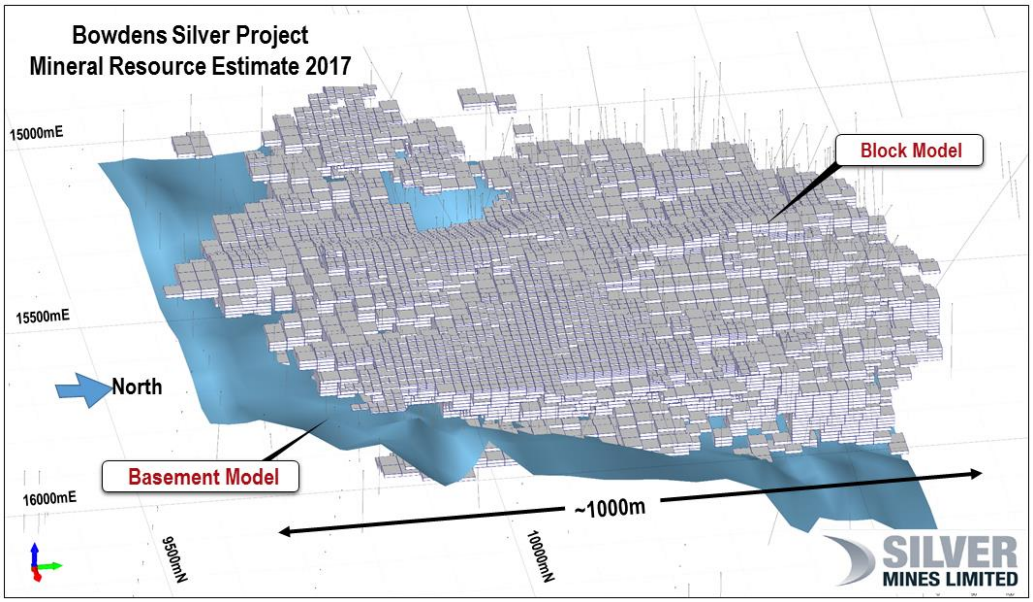
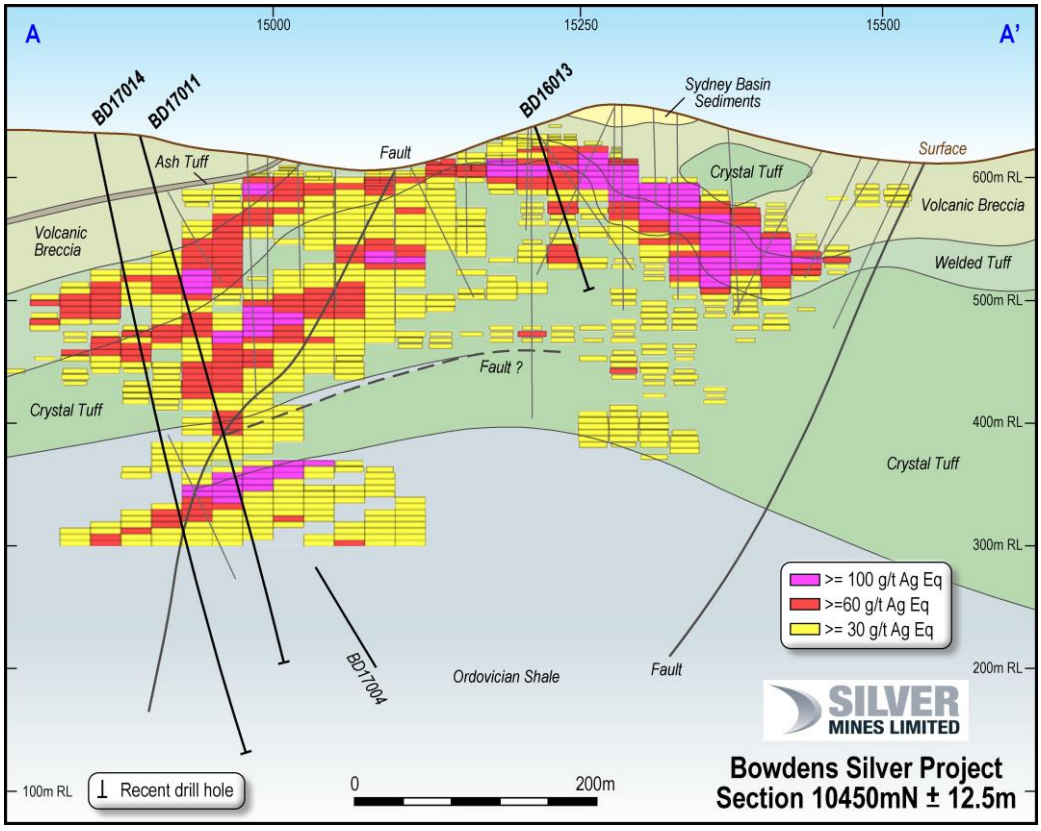


Figure 2. Bowdens Silver Deposit Mineral Resource, 30g/t silver equivalent cut off (3D view west).



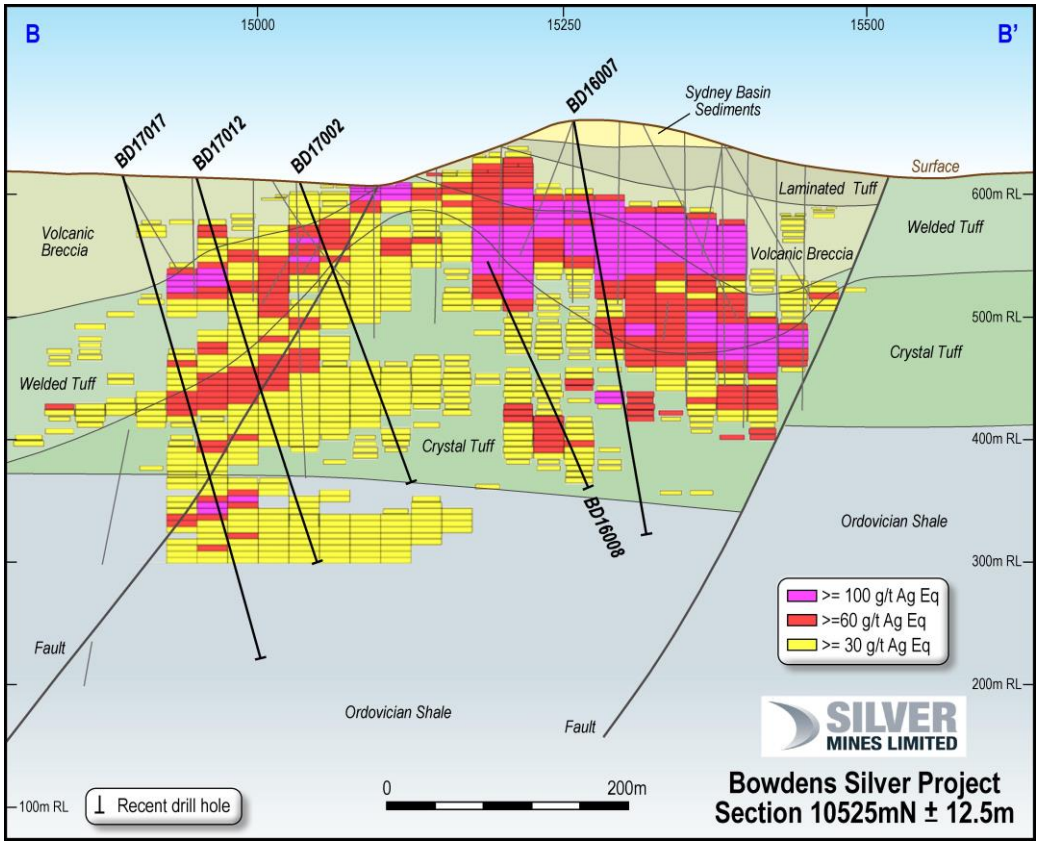


Figure 3. Cross-sections A (10450mN) and B (10525mN) through the northern portion of the Bowdens Silver Deposit.

Bowdens Silver Geophysical Anomaly

In the first quarter 2017, the Company commenced a trial of ground-based geophysical techniques at the Bowdens Silver project and extensional exploration areas. Following the completion of the trial, pole-dipole induced polarisation ("IP") geophysics was assessed to be the best technique for identifying sulphide mineralisation at Bowdens Silver. This form of geophysics is collected along section lines and, with the aid of 3D modelling, maps the chargeability of the rock and is a potential indicator of disseminated sulphide minerals. During the quarter, the Company completed additional infill pole-dipole Induced Polarisation (IP) Geophysical surveys to improve definition of IP chargeability identified in the first quarter 2017.

The results indicate a large >1000 metres long by 250 metres wide anomaly extending between 100 metres and 400 metres beneath the surface and below the Bowdens Silver resource area. Within this zone are several areas of very high-chargeability which may be related to the intense sulphide mineralisation. Recent drilling on the northern edge of this area has encountered massive and semi massive sulphide mineralisation (zinc, lead and silver) along with gold mineralisation. As at the date of this report, reverse circulation and diamond drilling has commenced to test this anomaly.

For further information, refer to the announcement of the 3rd August, 2017.

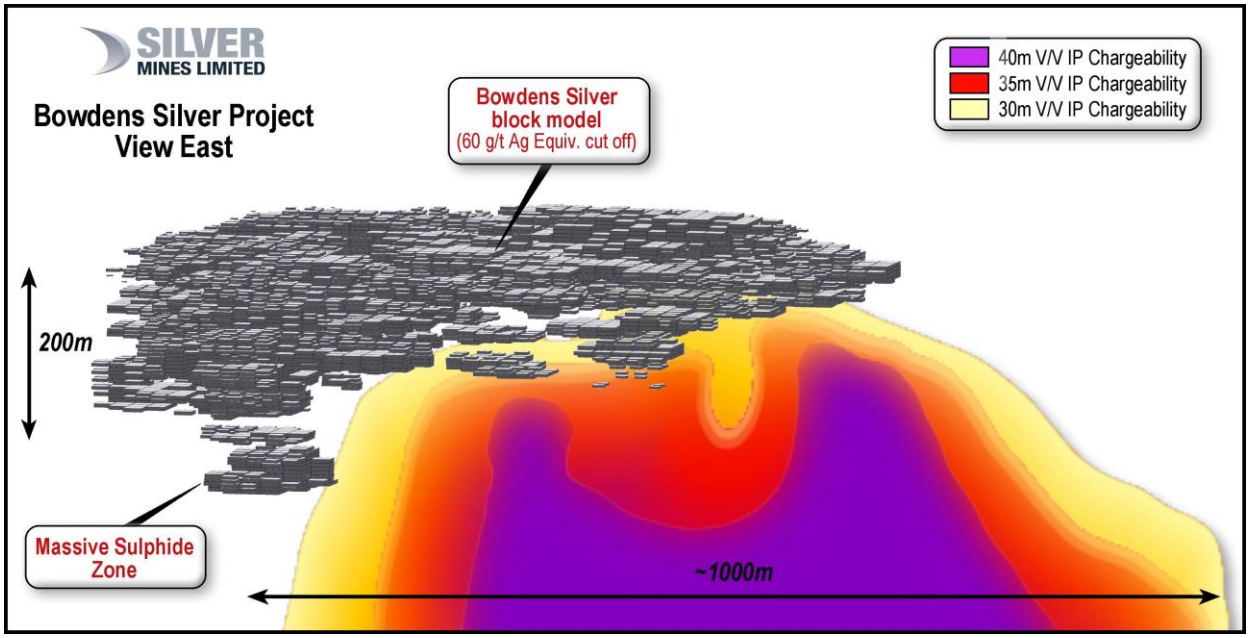


Figure 4. 3D view east showing IP chargeability isosurface at 35mv/V.

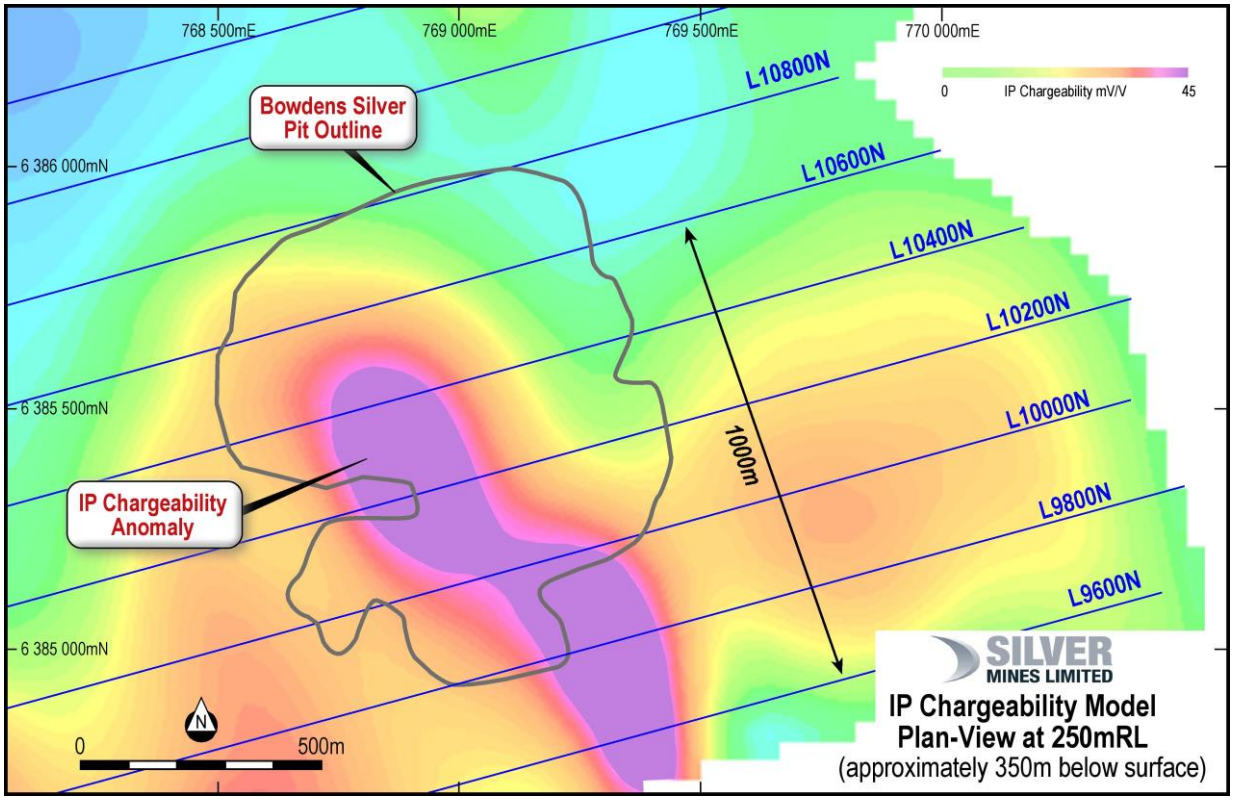


Figure 5. Plan view slice of IP chargeability anomaly at 350mRL.

Bowdens Silver Drilling

During the quarter, the Company completed the 22,000 metre resource infill and extension drilling program at the Bowdens Silver project. Silver Mines received the balance of results for 10 diamond core holes and 48 reverse circulation percussion holes during the quarter.

Please refer to Table 4 and Appendix 2 for further details.

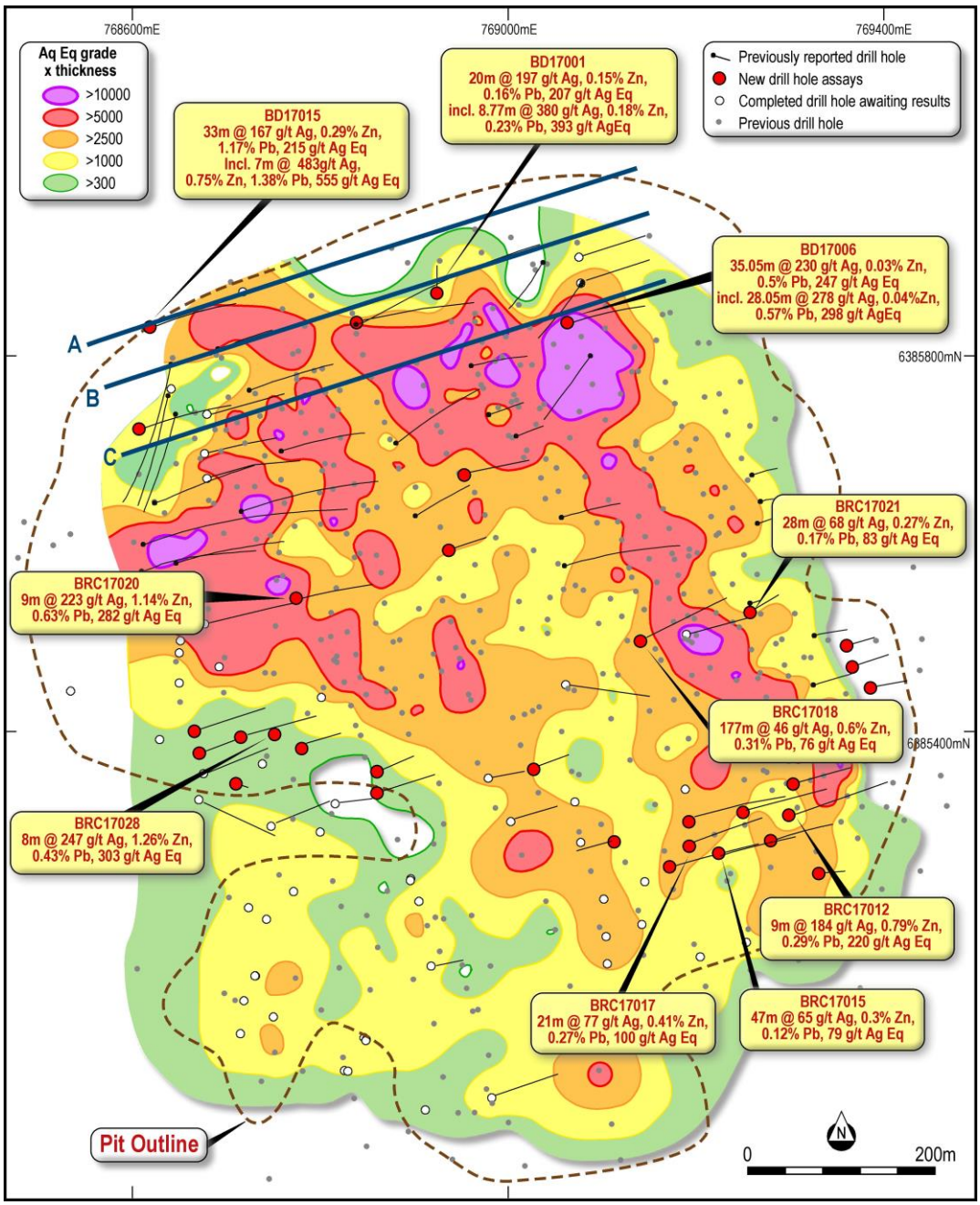


*Figure 6. Grade * thickness contour map of the current Bowdens Silver resource (not including Silver Mines drilling) showing the highlights significant intercepts from the current drilling in this report.*

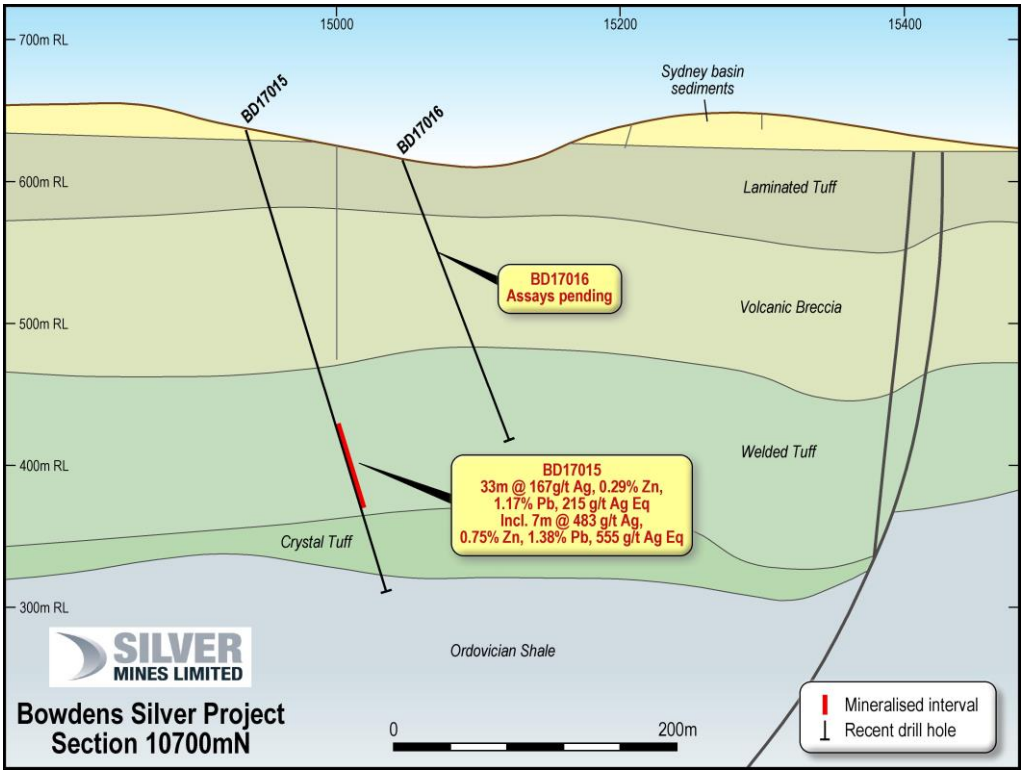


Figure7. Cross-section A showing mineralised northwest extensions, Bundarra Zone, Bowdens Silver Deposit.

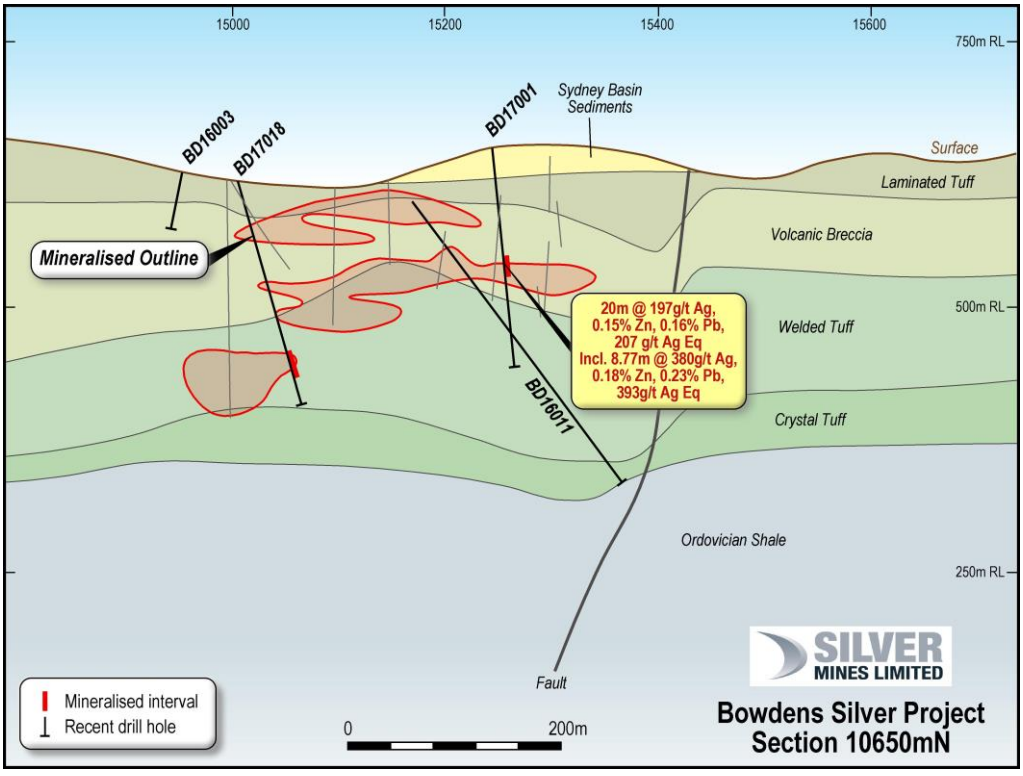


Figure 8. Cross-section B showing high-grade mineralised extensions north of higher-grade North Main Zone, Bowdens Silver Deposit.

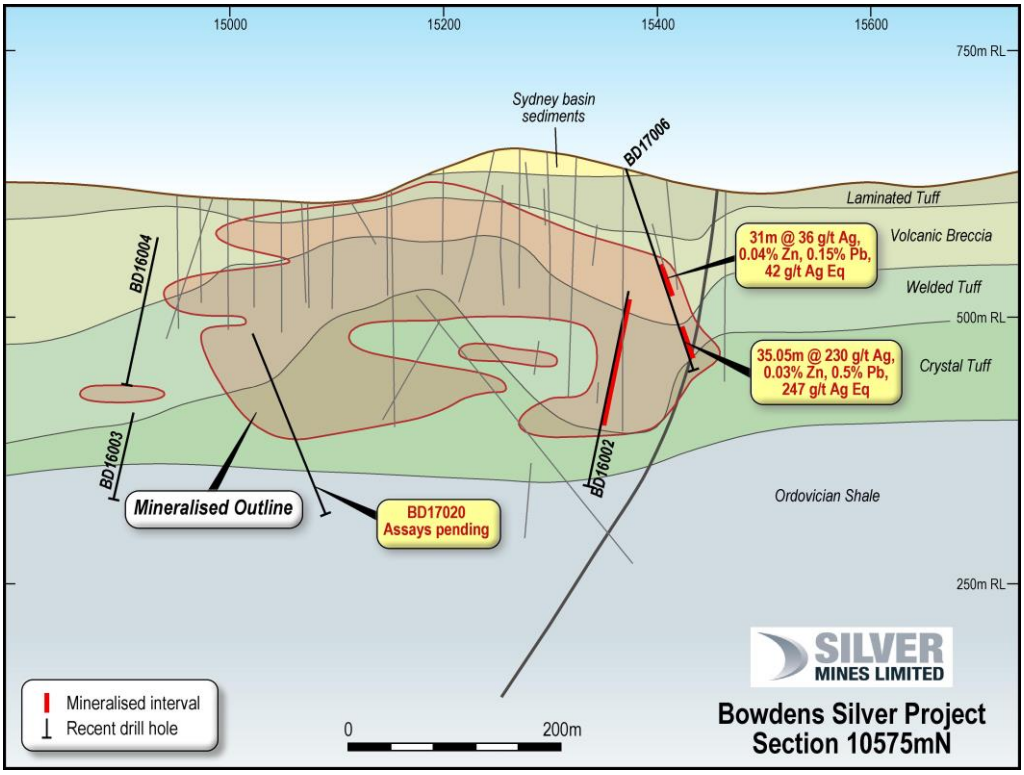


Figure 9. Cross-section C showing high-grade mineralised extensions further east of higher- grade North Main Zone, Bowdens Silver Deposit.

Table 4: 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
Incl.	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
Incl.	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
Incl.	3	32	37	5	72	0.52	0.22		96
BRC17017	4	0	157	157	27	0.34	0.17		44
Incl.	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
Incl.	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
Incl.	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
Incl.	**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
Incl.	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
Incl.	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

Notes:

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.*

Bowdens Silver Other Exploration

Regional exploration continued through the quarter. Over 1,000 soil and rock chip samples were collected on regional prospect areas north and south of the Bowdens Silver Deposit. Several anomalous zones have been identified with gold, silver and zinc anomalism associated with an altered limestone (skarn) unit to the south of the Bowdens Silver Deposit and to north of the Coomber Prospect.

To the north of the Bowdens Silver Deposit, rock chip sampling returned anomalous gold results to the east of the Mt Laut Prospect. Surface geochemistry in this region indicates a continuous base-metal anomaly extending from the Bara Prospect in the south to the Stony's Prospect in the north. The broad anomaly is zoned with peripheral lead-zinc and a core of higher copper results and is analogous to potential porphyry related copper-gold targets. Silver, lead, zinc anomalism is highest on the western side of the base-metal anomaly and extends from the historic Bara Mine for approximately 9 kilometres on a north-north-westerly trend. Molybdenite (molybdenum sulphide) is visible in historic costeans and drilling, within and surrounding the historic Botobolar Molybdenum Mine. Due to the continuous anomaly, the region from Bara to Mt Laut incorporating the Botobolar Mine, is now named the Barabolar Project. Geological mapping of the area has identified skarn mineralisation associated with a limestone unit and grades from weak skarn disseminated silver-lead-zinc mineralisation into a zone of more intense garnet-skarn alteration

associated with copper anomalism. This copper anomaly is located to the west of Botobolar Molybdenum Mine.

The regional mapping, rock chip and soil sampling program is intended to generate potential drill targets for drilling in the first half of 2018.

Feasibility Study and Environmental Impact Study

During the quarter, the Company, in conjunction with its primary consultants including GR Engineering, AMC Consultants, ATC Williams and other specialist consultants continued to advance the Bowdens Silver Feasibility Study with the priority to fast-track the project to mine development.

Works advanced during the quarter include mine planning and scheduling and water and tailings management. Flowsheet development and process and plant design aspects of the Feasibility Study were also advanced.

Resource estimation work was completed during the quarter by H & S Consultants as reported above. The updated Mineral Resource Estimate will be used as the basis to establish an initial Ore Reserve for the Bowdens Silver Project, due for completion in late 2017. Pit optimisation and mine scheduling studies will be completed over the coming months to determine initial project economics. The initial Ore Reserve estimates will focus of the higher-cut of grades of the Mineral Resource and will facilitate completion of the final elements for the currently progressing Definitive Feasibility Study which is due for completion early 2018.

Environmental Impact Statement work to date by RW Corkery & Co has been comprehensive and is well advanced. As part of the Environmental Impact Statement, Silver Mines and its primary consultants will continue and expand upon all considerations with State and Local Government along with all stakeholders and community and interest groups.

The Environmental Impact Statement is expected to be completed in early 2018.

Government and Community Engagement

Silver Mines continues an expansive program of consultation with relevant Government departments, local communities and other interested stakeholders. The program examines the potential impacts and benefits of exploration and development across the substantial Bowdens Silver tenement portfolio. Consultation processes focus on the current potential mine development area and also the wider area where the Company is commencing exploration programs.

With the impending completion of the Environmental Impact Statement for Bowdens Silver, a new Community Consultative Committee will be commissioned as part of Department of. Planning and Environment requirements.

Other Projects

During the quarter, reconnaissance geological and geochemical work was completed at the Webbs and Conrads Projects in northern New South Wales. The program's aim was to identify potential extensions to known mineralisation alongside landholder discussions at both project areas. The Company continues to assess exploration options and other options for these prospective projects.

Placement

Subsequent to the end of the quarter the Company completed a share placement to sophisticated and institutional investors. This placement resulted in the issue of 53,750,000 shares on 10th October 2017 raising $4.3 million before costs, which the Company will allocate towards further exploration, progression of the Definitive Feasibility Study and Environmental Impact Statement and for working capital purposes.

About the Bowdens Silver Project

The Bowdens Silver Project is located in central New South Wales, approximately 26 kilometres east of Mudgee (Figure 10). The recently consolidated project area comprises 1,654 km^2 (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.

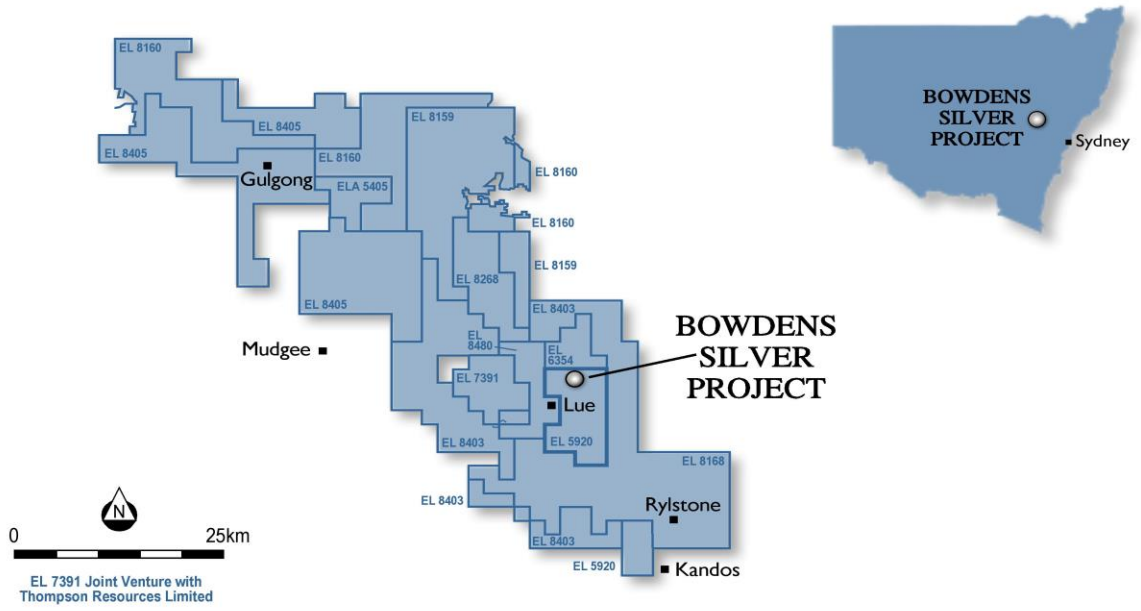


Figure 10. Bowdens Silver tenement holdings in the Mudgee district.

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 results 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.

The information in this report that relates to mineral resources is extracted from the ASX announcement released on 19th September 2017 entitled "Significant Upgrade of Mineral Resource Estimate Bowdens Silver Deposit" and for which Competent Person's consents were obtained.

The report is available to view on the ASX website and the Company's website at www.silverminesltd.com.au. The company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement, and, in the case of estimates of Mineral Resources, that all market assumptions and technical assumptions underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Competent Person's consents remain in place for subsequent releases by the company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

Appendix 1 Mineral Resources – Other Material Information Summary

A summary of other material information pursuant to ASX Listing Rules 5.8 is provided for below in the updated Bowdens Silver Mineral Resource Estimate. The Assessment and Reporting Criteria are in accordance with the 2012 JORC Code and Guidelines and are presented in Appendix 2to this announcement.

Geology and Geological Interpretation

The Bowdens Silver Project is situated on the north-eastern margin of the Lachlan Fold Belt. The deposit is hosted by flat-lying early Permian Rylstone Volcanics and extends into basement Ordovician mafic-derived sediments. The Rylstone Volcanics are partially overlain by a sequence of post mineralisation marine sediments of the Sydney Basin (Shoalhaven Group). The Rylstone Volcanics range from 10 to 200 metres thick and are dominated by silica-rich volcanically derived rocks. The silver mineralisation is associated with sulphides of iron, arsenic, lead and zinc and is hosted within flow banded rhyolite and rhyolite breccia ignimbrites and tuffs of the early Permian Rylstone Volcanics. The mineralisation occurs as flat-lying to moderately dipping zones of disseminations and silicic/carbonate fracture-fill.

Sampling and Sub-Sampling Techniques

Resources were estimated from reverse circulation ('RC') and diamond core sampling by Silver Mines Limited 24%, Kingsgate Consolidated 21%, Silver Standard 47%, Golden Shamrock Mines 3% and CRAE 5%. The resource database totals 533 generally vertical to inclined reverse circulation holes for a total of 58,644 metres and 120 inclined to vertical diamond core holes for a total 24,868 metres. Drilling has been completed on a nominal 25 metre (northing) by 25 to 50 metre (easting) spacing.

The majority of RC sampling was collected with either a riffle or cone splitter over 1 metre intervals. The majority of diamond core was either half or quarter cored into minimum sample intervals of 1 metres. The minimum sample interval was 0.2 metres and the maximum sample interval was 5 metres.

Drilling Techniques

The drilling used for the Resource Estimation includes RC and diamond drilling. All RC drilling used face sampling bits and diamond drill diameters are nominally HQ (63mm) with either PQ or NQ for a minority of holes. Some of the diamond holes were pre-collared by RC to various depths. Core orientations were completed using both spear and REFLEX ACT tools.

Sample Analysis Method

For pre-Kingsgate Consolidated drilling, samples were analysed by acid digestion and AA or ICP determination. Since Kingsgate, samples have been analysed by a 4-acid digest with a multi-element ICP-AES determination.

Estimation Methodology

Silver was estimated by recoverable Multiple Indicator Kriging ('MIK'), while all other attributes were estimated by Ordinary Kriging ('OK'). Estimates were generated for Ag, Pb, Zn, As, Sb, Mn, S, Cd, Cu, V and dry bulk density.

Detailed statistical and geostatistical investigations have been completed on the estimation data set. A three-pass search strategy was employed.

The resource model block size is 25x25x5m, which is identical to the hole spacing and is considered appropriate for recoverable MIK and OK estimation. The MIK assumes a selective mining unit ('SMU') of 6.25 x 12.5 x 5.0m.

MIK estimates were generated using the GS3M software package, while OK estimates were generated in the Datamine software package.

Each of the major stratigraphic units (Rylstone, Coomber, Shoalhaven) were estimated separately, with each unit sub-divided into domains based on changes in mineralisation orientation.

Samples were composited to nominal 2.0m intervals within each unit for data analysis and resource estimation.

Classification Criteria

The classification scheme is based on the estimation search pass for Ag. This scheme is considered to take appropriate account of all relevant factors, including the relative confidence in tonnage and grade estimates, confidence in the continuity of geology and metal values, and the quality, quantity and distribution of the data.

The classification appropriately reflects the Competent Person's view of the deposit.

Specifically:

- Measured Resources are effectively based on a nominal drill hole spacing of 25x25m
- Indicated Resources are based on a spacing of 50x50m
- Inferred Resources are based on a spacing of 100x100m

Cut-off Grades

The cut-off grade is an equivalent Ag ('Ag Eq') value, based on grades and recoveries for Ag, Zn and Pb as shown below.

Appendix Table 1

Metal	Unit	Price (USD)	Recovery
Silver (Ag)	Ounce (oz)	$20.00	85%
Zinc (Zn)	Pound (lb)	$1.50	82%
Lead (Pb)	Pound (lb)	$1.00	83%

The equivalent silver formula is: Ag Eq = Ag + Pb x 33.48 + Zn x 49.61.

The adopted cut-off grade of 30 g/t Ag Eq is considered likely to be economic for the mining method and scale of operation envisioned for Bowdens Silver.

Mining and Metallurgical Methods and Parameters and other modifying factors considered to date.

The company is currently engaged with GR Engineering Services Ltd and AMC consultants as part of the pre-feasibility to facilitate potential mine optimisation scenarios and co-ordinate process plant flowsheet and design criteria.

The Bowdens Silver Mineral Resource is reported as a potential open-pit mining scenario. The mineral resource estimate has been reported extending from surface to 300mRL which is approximately 320m below surface representing a potential volume for open-pit optimisation models.

The recoverable MIK method implicitly incorporates internal mining dilution at the scale of the assumed SMU. No specific assumptions were made about external mining dilution in the Mineral Resource estimates.

There has been considerable previous metallurgical test work completed for the Bowdens Silver deposit. Additionally, Silver Mines is commissioning further metallurgical test work to confirm the results of previous work. Together this work has been reviewed by both GR Engineering and AMC consultants to suggest that the recovery of silver, lead and zinc to concentrate via flotation is a viable processing option.

Appendix 2 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 received
BD17001	768925	6385858	651	-85	60.5	210.9	assays received
BD17002	768753	6385719	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	6385844	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 received
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 received
BD17013	768727	6385763	613	-70	60.5	249.8	assays received
BD17014	768606	6385566	633	-78	60.5	516.8	assays received
BD17015	768615	6385832	637	-74	60.5	339.8	assays received
BD17016	768720	6385865	614	-70	60.5	210.8	assays received
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 received
BD17020	768662	6385716	614	-70	60.5	321.7	assays received
BD17021	768647	6385763	625	-70	60.5	300.5	assays received
BD17022	769067	6385320	642	-80	60.5	174.3	assays received
BD17023	768857	6385069	621	-75	60.5	123.6	assays received
BD17024	768803	6385446	604	-65	60.5	282.4	assays received
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 received
BRC17027	768674	6385352	620	-60	102.5	174	assays received
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 received
BRC17031	768745	6385296	614	-65	60.5	144	assays received
BRC17032	768811	6385317	609	-70	60.5	126	assays received
BRC17033	768739	6385373	611	-65	60.5	11	assays received
BRC17034	768739	6385373	611	-65	60.5	126	assays received
BRC17035	768784	6385387	608	-65	60.5	96	assays received
BRC17036	768864	6385360	602	-60	60.5	84	assays received
BRC17037	769000	6385299	613	-70	60.5	114	assays received
BRC17038	768975	6385343	611	-70	60.5	122	assays received
BRC17039	769334	6385248	609	-75	60.5	90	assays received
BRC17040	769130	6385287	643	-70	60.5	102	assays received
BRC17041	769077	6385271	643	-70	60.5	96	assays received
BRC17042	769025	6385359	633	-70	60.5	120	assays received
BRC17043	768924	6385143	600	-70	60.5	90	assays received
BRC17044	768651	6385495	634	-70	52	240	assays received
BRC17045	768691	6385462	621	-65	60.5	180	assays received
BRC17046	768892	6385238	602	-70	60.5	12	assays received
BRC17047	768892	6385238	602	-70	60.5	114	assays received
BRC17048	768905	6385216	600	-70	80.5	180	assays received

BRC17049	768857	6385069	621	-70	90.5	120	assays received
BRC17050	768857	6385069	621	-65	270.5	114	assays received
BRC17051	768648	6385449	631	-90	60.5	192	assays received
BRC17052	768646	6385474	634	-70	60.5	45	assays received
BRC17053	768827	6385034	627	-70	60.5	108	assays received
BRC17054	768827	6385034	627	-70	240.5	114	assays received
BRC17055	768715	6385103	632	-70	60.5	114	assays received
BRC17056	768709	6385075	636	-75	60.5	108	assays received
BRC17057	768526	6385436	663	-56	49	234	assays received
BRC17058	768756	6385090	627	-75	60.5	122	assays received
BRC17059	768726	6385133	626	-70	60.5	50	assays received
BRC17060	768726	6385128	626	-70	60.5	90	assays received
BRC17061	768915	6384984	606	-60	25	120	assays received
BRC17062	768800	6385288	612	-70	60.5	116	assays received
BRC17063	768769	6385225	623	-70	60.5	90	assays received
BRC17064	768742	6385190	622	-70	60.5	84	assays received
BRC17065	768724	6385211	624	-70	60.5	96	assays received
BRC17066	768625	6385389	635	-70	60.5	174	assays received
BRC17067	769253	6385170	609	-75	60.5	78	assays received
BRC17068	769202	6385153	620	-75	60.5	96	assays received
BRC17069	769144	6385231	639	-75	60.5	102	assays received
BRC17070	769145	6385188	635	-75	60.5	108	assays received
BRC17071	769128	6385444	633	-65	60.5	92	assays received
BRC17072	769112	6385179	638	-75	240.5	138	assays received
BRC17073	769083	6385220	639	-80	60.5	114	assays received
BRC17074	769106	6385149	638	-90	60.5	114	assays received
BRC17075	769104	6385217	641	-80	240.5	138	assays received
BRC17076	769126	6385103	638	-70	240.5	126	assays received
BRC17077	769185	6385191	622	-70	60.5	102	assays received
BRC17078	769201	6385176	620	-65	60.5	86	assays received
BRC17079	769126	6385444	633	-65	60.5	240	assays received
BRC17080	769176	6385433	620	-75	60.5	42	assays received
BRC17081	769160	6385402	622	-65	60.5	240	assays received
BRC17082	769176	6385433	620	-75	60.5	142	assays received

APPENDIX 1: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	• *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.*	• Resources were estimated from RC and diamond core sampling by Silver Mines 24%, Kingsgate 21%, Silver Standard 47%, Golden Shamrock Mines 3% and CRAE 5%. • Results from exploratory RAB and Aircore drilling were not included in the resource dataset. • For pre-Kingsgate drilling, RC holes were generally sub-sampled by riffle splitting, or spear or grab sampling for rare wet samples and diamond core was halved with a diamond saw. Samples were analysed by several accredited commercial laboratories by either 3, 4 or aqua-regia acid digestion and AA or ICP determination. Quality control measures included use of standards, blanks, field duplicates and external laboratory checks by a variety of methods including neutron activation • For Kingsgate and Silver Mines drilling, RC holes were sub-sampled by cyclone mounted cone splitters and diamond core was either halved or quartered with a diamond saw to provide representative assay sub-samples. The samples were analysed for a suite of elements including silver, lead and zinc by multi-acid digest with ICPAES determination. Measures taken to ensure the sample representivity included routine monitoring of sample recovery, RC field duplicates, and comparison of assay grades from closely spaced drill holes of different phases and types. Assay quality control measures included field duplicates, coarse blanks and reference standards. The available QAQC data demonstrate that the sampling and assaying are of appropriate quality for use in the current estimate.
Drilling techniques	• *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).*	• Diamond core diameters are nominally either HQ or NQ. • Selected diamond core prior to Silver Mines was orientated by conventional spear. • Silver Mines diamond core was oriented using Reflex ACT orientation tools. • RC drilling was completed using face sampling hammers.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• 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 not considered to have materially affected the results. • 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.

Criteria	JORC Code explanation	Commentary
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• 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 have been 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	• *If core, whether cut or sawn and whether quarter, half or all core were taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Minor selective sub-sampling based on geology to a maximum size of 1.3m and a minimum of 0.3m. • Pre-Kingsgate RC holes were sampled over one to two metre intervals with sub-samples generally collected by riffle splitting, or spear or grab sampling for rare wet samples. Un-mineralised samples were composited over intervals of up to five metres for assaying. Diamond core was halved with a diamond saw with samples collected over intervals ranging from 0.2 to 5.0 metres and averaging 1.0 metres. • Kingsgate's RC drilling was sampled over one metre intervals and sub-sampled by cyclone mounted cone splitters. The majority of these samples (97%) were dry with wet samples generally coming from deeper drilling testing Inferred portions of the estimated resources. Kingsgate's diamond core was sampled over lengths ranging from 0.3 to 2.2 with around 92% of samples representing one metre lengths. Core was either halved or more commonly quartered with a diamond saw to provide assay sub-samples. • Silver Mines RC samples are collected from a 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. • Silver Mines core is cut using a Corewise core saw over lengths ranging from 0.5 to 1.5m with the majority of samples representing one metre lengths 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.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.*	• Samples from all drilling phases were sent to commercial laboratories for preparation and analysis. No geophysical methods or hand-held XRF devices have been used for resource estimation. • Samples from pre Kingsgate drilling were analysed by several accredited commercial laboratories by either 3, 4 or aqua-regia acid digestion and AA or ICP determination. Quality control measures included use of standards, blanks, field duplicates and external laboratory checks by a variety of methods including neutron activation assaying. • Kingsgate's samples were analysed by ALS in Orange, NSW. After oven drying, and jaw crushing for core samples, the samples were pulverised to nominally 85% passing 75 microns and 25 gram sub-samples digested by multi-acid digest and analysed by

Criteria	JORC Code explanation	Commentary
		ICPAES for a suite of elements including silver, lead and zinc. Quality control measures included field duplicates, coarse blanks and reference standards. • Silver Mines samples were dispatched to ALS Global laboratories in Orange and SGS laboratories in West Wyalong, NSW. At both ALS and SGS the samples were pulverised to nominally 85% passing 75 microns with subsequent 4 acid digest and 33 multi-element analysis completed at ALS Brisbane using method ME-ICP61 and 4 acid digest and 38 multi-element analysis at SGS Townsville using method DIG41Q. • Site Standards are inserted every 20 samples to check quality control and laboratory standards and blanks every 25 samples to further check results.
Verification of sampling and assaying	• *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.*	• Significant intersections calculated by site-geologists and verified by an independent geological consultant. • Several independent authors reviewed pre-Silver Mines sampling data during preparation of previous resource estimates. • Both Silver Mines and Kingsgate's sampling, logging and survey data were electronically merged into a central database directly from original source files using Logchief field software and imported into an SQL database in accordance with database protocols and manuals. Data was viewed and interpreted using Micromine software. • No adjustments were made or required to be made to the assay data for resource estimation.
Location of data points	• *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.*	• Accredited surveyors using high accuracy DGPS surveys accurately surveyed all resource drill hole collars. • Pre-Kingsgate holes were down-hole surveyed by single shot cameras. Kingsgate's drilling was surveyed by either Reflex EZ-shot or Eastman camera. Silver Mines drilling was surveyed by a Reflex EZ-shot electronic camera at 30m intervals down hole. • The terrain includes steep hills and ridges and with a LIDAR 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.
Data spacing and distribution	• *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.*	• 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). • Hole spacing varies from around 25 by 25 m and locally closer in central portions of the deposit to more than 50 by 50 m in peripheral areas. • The majority of holes were either orientated vertically or orientated local grid east. A small number of holes were orientated local grid west and local grid south. • The data spacing and distribution establishes geological and grade continuity adequately for the current resource estimates.
Orientation of data in relation	• *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.*	• 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.

Criteria	JORC Code explanation	Commentary
to geological structure		
Sample security	• *The measures taken to ensure sample security.*	• 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 independent laboratory or sample pickup by the independent laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Pre-Kingsgate sampling techniques and data have been reviewed previously by renowned external geological consultants and most recently by Silver Mines geoscience staff. • Kingsgate sampling techniques and data have been reviewed by several external geological consultants including MPR and AMC. • Silver Mines sampling techniques and data have been independently reviewed by a number of external geological consultants including AMC, GeoSpy and H&S.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.*	• 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.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Bowdens project was previously managed by Kingsgate Consolidated, Silver Standard Ltd, Gold3en Shamrock Mines and CRAE.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• 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.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *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:*
	  ○ *easting and northing of the drill hole collar;*
	  ○ *elevation or RL (Reduced Level elevation above sea level in metres) of the drill hole collar;*
	  ○ *dip and azimuth of the hole;*
	  ○ *down hole length and interception depth; and*
	  ○ *hole length.*
	• *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.*
		• Not applicable as there are no exploration results reported as part of this statement.

Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• This release is in relation to a Mineral Resource estimate and Ore Reserve, with no exploration results being reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• Mineralisation is both stratabound and vein hosted. The stratigraphy dips shallow to moderately to the north while the majority of mineralised veins dip west. • The majority of holes have been drilled either vertically or angled -60° to -80° to the east.
Diagrams	• *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.*	• Maps and cross-sections provided in the body of this report.
Balanced reporting	• *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.*	• Not applicable as there are no exploration results reported as part of this statement.
Other substantive exploration data	• *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.*	• The Bowdens diamond holes were also utilised for bulk density measurements. Geotechnical logging has determined suitable ground conditions for open pit mining.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further drilling along strike and at depth will continue in 2017.

Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	All geological data is stored electronically with limited automatic validation prior to upload into the secure DataShed database, managed in the on-site office by the GIS and Database Geologist. The master drill hole database is located on an SQL server, which is backed up on a daily basis. Basic checks were performed prior to this resource estimate to ensure data consistency, including checks for FROM_TO interval errors, missing or duplicate collar surveys, excessive down hole deviation, and extreme or unusual assay values. All data errors/issues were reported to the GIS and Database Geologist to be corrected or flagged in the primary DataShed database.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	The Competent Person visited the Bowdens project site over a 2 week period in late July and early August, 2017. During this visit, core samples and outcrops were examined and discussion were held with SML personnel about the geology and mineralisation of the deposit. The Competent Person also performed database validation and a review of the geological interpretation while on site. The Competent Person concluded that data collection and management were being performed in a professional manner.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	There is a reasonable level of confidence in the geological interpretation of the Bowdens deposit. SML has developed a geological interpretation of the Bowdens deposit based on logged stratigraphy, aided by vanadium assays. The Rylstone Volcanics, which hosts the bulk of the mineralisation, are informally divided into 4 units – crystal tuff, welded tuff, rhyolite breccia and upper ash tuff. There is also mineralisation in places within the underlying Coomber Formation, while the overlying Shoalhaven Group is barren. Within the Rylstone Volcanics, the mineralisation tends to occur preferentially around the crystal tuff – welded tuff boundary, although there is not a strong stratigraphic control. Surfaces for base of complete oxidation and top of fresh rock were also interpreted, based on geological logging. Only a small proportion of mineralisation occurs within the relatively

Criteria	JORC Code explanation	Commentary
		thin oxide zone, and there is no obvious evidence of depletion or enrichment of silver due to oxidation. There is limited scope for alternative geological interpretations of the deposits, principally in the location and influence of faulting, which appears unlikely to have a significant effect on Mineral Resource estimation. Geology guides and controls Mineral Resource estimation through constraining the mineralisation to the major stratigraphic units – Rylstone Volcanics and Coomber Formation, while the eastern edge of mineralisation is controlled but not constrained by the Eastern fault. The continuity of geology at Bowdens is controlled by stratigraphy and faulting. Continuity of grade has a weak stratigraphic control and is primarily controlled by local fracturing; faulting also appears to act as a broad but weak control on localising mineralisation.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The Mineral Resource at Bowdens has an approximate extent of: • 1,100m north-south • 800m east-west • From surface to a depth of approximately 360m below surface • Mineralisation is somewhat patchy and discontinuous.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters, maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Silver was estimated by recoverable Multiple Indicator Kriging (MIK), while all other attributes were estimated by Ordinary Kriging (OK). Estimates were generated for Ag, Pb, Zn, As, Sb, Mn, S, Cd, Cu, V and dry bulk density. OK is considered appropriate because the coefficients of variation (CV=SD/mean) are generally low to moderate and the grades are reasonably well structured spatially. Recoverable MIK was chosen for Ag primarily because it allows better mining selectivity than OK. MIK estimates were generated using GS3M software, while OK estimates were produced in Datamine software. Each of the major stratigraphic units (Rylstone, Coomber, Shoalhaven) were estimated separately, with each unit sub-divided into domains based on changes in mineralisation orientation. Samples were composited to nominal 2.0m intervals within each unit for data analysis and resource estimation. A three pass search strategy was used for the OK estimates: 1. 35x35x12.5m search, 16-32 samples, minimum of 4 octants informed 2. 52.5x52.5x12.5m search, 16-32 samples, minimum of 4 octants informed 3. 105x105x25m search, 8-32 samples, minimum of 4 octants informed The MIK estimates used 16-48 samples; search radii and octant constraints were identical to the OK estimates. The oxide zone was estimated using a dynamic search parallel to topography.

Criteria	JORC Code explanation	Commentary
		The maximum extrapolation distance will be somewhat less than the maximum search radius due to the octants constraints requiring at least 2 drill holes. Maximum extrapolation distance is around 90m. It is assumed that a Ag-Pb-Zn sulphide concentrate will be produced. All elements have been estimated independently for each domain. A few potentially deleterious elements have been estimated, being As, Sb and S. Dry bulk density was estimated directly into the model from the drill hole samples, using a similar methodology to the other elements. The resource model block size is 25x25x5m, while drill hole spacing is nominally 25x25m in the better drilled areas of the deposit. So, the block size is identical to the hole spacing, which is considered appropriate for recoverable MIK and OK estimation. The MIK assumes an SMU (selective mining unit) of 6.25 x 12.5 x 5.0m. The current resource model uses a local grid, rotated 18° clockwise from GDA (Geocentric Datum of Australia). No assumptions were made regarding the correlation of variables during estimation as each element is estimated independently. Some elements do show moderate to strong correlation in the drill hole samples, and the similarity in variogram models effectively guarantees that this correlation is preserved in the estimates. The geological interpretation controls the Mineral Resource estimates through the use of stratigraphic boundaries, which were used as hard boundaries during estimation. The Eastern fault also controls the Mineral Resource estimates locally, with mineralisation parallel to this structure. The new model was validated in a number of ways – visual comparison of block and drill hole grades, statistical analysis, examination of grade-tonnage data, and comparison with the previous model. All the validation checks indicate that the grade estimates are reasonable when compared to the composite grades, allowing for data clustering. No grade cutting was applied to any of the grade estimates because none of the grade distributions are strongly skewed. Sensitivity analysis on Ag estimates indicated that grade cutting has minimal impact on the grade estimates. The new Mineral Resource estimate is comparable to the previous (November 2012) version. The new model has higher tonnage and metal content, but similar grades at the same cut-off grade as the old model. Differences are mostly attributed the substantial quantity of new drilling: ~20% more holes and ~30% more assays. This indicates that the new Mineral Resource estimate takes appropriate account this previous estimate.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages are estimated on a dry weight basis. Moisture content has been determined for some of the density samples, by comparing sample weights before and after oven drying.

Criteria	JORC Code explanation	Commentary
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	The cut-off grade is an equivalent Ag (Ag Eq) value, based on grades and recoveries for Ag, Pb and Zn as shown below. **Metal / Unit / Price (USD) / Recovery** Ag / g/t / $20.00 / 85% Pb / lb / $1.00 / 83% Zn / lb / $1.50 / 82% The equivalent silver formula is: Ag Eq = Ag +Pb x 33.48 + Zn x 49.61 The adopted cut-off grade of 30 g/t Eq Ag is considered likely to be economic for the mining method and scale of operation envisioned for Bowdens.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It may not always be possible to make assumptions regarding mining methods and parameters when estimating Mineral Resources. Where no assumptions have been made, this should be reported.*	Surface mining by open pit method is currently planned for Bowdens. The recoverable MIK method implicitly incorporates internal mining dilution at the scale of the assumed SMU. No specific assumptions were made about external mining dilution in the Mineral Resource estimates.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It may not always be possible to make assumptions regarding metallurgical treatment processes and parameters when reporting Mineral Resources. Where no assumptions have been made, this should be reported.*	The recoveries for each metal are based on available metallurgical test work. It is assumed that fresh (sulphide) ore will be treated by conventional froth flotation to produce a bulk Ag-Pb-Zn concentrate.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	It is currently assumed that all process residue and waste rock disposal will take place on site in purpose built and licensed facilities. All waste rock and process residue disposal will be done in a responsible manner and in accordance with any mining license conditions.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	Dry bulk density is measured on-site using an immersion in water method (Archimedes principle) on selected core intervals for nominal 10cm samples. The Bowdens database contains 1,889 of these measurements in 83 drill holes. There are also a number of density measurements derived from weighing trays of core – this information confirms the immersion method results. Samples are weighed before and after oven drying overnight at 110ºC to determine dry weight and moisture content.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*	The classification scheme is based on the estimation search pass for Ag; in the Rylstone Volcanics, Pass 1 = Measured, Pass 2 = Indicated and Pass 3 = Inferred. For the Coomber Formation, Passes 1&2 are classified as Indicated and Pass 3 = Inferred.

Criteria	JORC Code explanation	Commentary
	• *Whether appropriate account has been taken of all relevant factors (i.e., relative confidence in tonnage/grade estimations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	This scheme is considered to take appropriate account of all relevant factors, including the relative confidence in tonnage and grade estimates, confidence in the continuity of geology and metal values, and the quality, quantity and distribution of the data. The classification appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	This Mineral Resource estimate has been reviewed by SML personnel and no material issues were identified.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The relative accuracy and confidence level in the Mineral Resource estimates are considered to be in line with the generally accepted accuracy and confidence of the nominated 2012 JORC Mineral Resource categories. This has been determined on a qualitative, rather than quantitative, basis, and is based on the estimator's experience with a number of similar deposits elsewhere. The main factor that affects the relative accuracy and confidence of the Mineral Resource estimate is drill hole spacing, because there are no strong geological controls on the primary mineralisation. The estimates are local, in the sense that they are localised to model blocks of a size considered appropriate for local grade estimation. The tonnages relevant to technical and economic analysis are those classified as Measured and Indicated Mineral Resources. No production data is available because this deposit has not been previously mined.

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Tenement Information as at 30th September 2017

Tenement	Project Name	Location	Silver Mines Ownership	Change in Quarter
EL 5920	Bowdens Silver	NSW	100%	-
EL 6354	Bowdens Silver	NSW	100%	-
EL 8159	Bowdens Silver	NSW	100%	-
EL 8160	Bowdens Silver	NSW	100%	-
EL 8168	Bowdens Silver	NSW	100%	-
EL 8268	Bowdens Silver	NSW	100%	-
EL 7391[1]	Bowdens Silver	NSW	0%	-
EL 8403	Bowdens Silver	NSW	100%	-
EL 8405	Bowdens Silver	NSW	100%	-
EL 8480	Bowdens Silver	NSW	100%	-
ELA 5405	Bowdens Silver	NSW	application	-
EL 8526	Tuena	NSW	100%	-
EL 5674	Webbs	NSW	100%	-
EPL1050	Conrad	NSW	100%	-
EL 5977	Conrad	NSW	100%	-
ML 6040	Conrad	NSW	100%	-
ML 6041	Conrad	NSW	100%	-
ML 5992	Conrad	NSW	100%	-

1. Under Joint Venture with Thomson Resources Limited. Silver Mines Limited earning 80%.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Silver Mines Limited

ABN	**Quarter ended ("current quarter")**
45 107 452 942	30 September 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	10	10
1.2	Payments for		
	(a) exploration & evaluation	(1,663)	(1,663)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(644)	(644)
	(e) administration and corporate costs	(332)	(332)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	9
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(2,621)**	**(2,621)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	(530)	(530)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(530)**	**(530)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (transfer for June capital raising)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,641	3,641
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,621)	(2,621)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(530)	(530)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**490**	**490**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	490*	3,641
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**490***	**3,641**

* Subsequent to the end of the quarter 10th October 2017, Silver Mines Limited completed a share placement resulting in the issue of 53,750,000 shares raising $4.3 million before costs.

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	165
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	Nil
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	1,500
9.2	Development	-
9.3	Production	-
9.4	Staff costs	500
9.5	Administration and corporate costs	250
9.6	Other (provide details if material)	0
9.7	**Total estimated cash outflows**	**2,250**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: SIGNATURE ON FILE (Company secretary) Date: 31 October 2017

Print name: Trent Franklin

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.