

24th February 2021

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

Update of Sale of Webbs and Conrad Projects

Silver Mines Limited (ASX:SVL) ("**Silver Mines**") is pleased to announce it has reached further agreement with Thomson Resources Limited (ASX:TMZ) ("**Thomson Resources**") to amend the Share Sale and Purchase Agreements for the sale of the Webbs and Conrad Projects ("**Agreements**") as announced 27th January 2021 ("**Sale**").

The amended consideration for the Sale will comprise the following;

- (a) a non-refundable payment of A\$750,000 to be paid to Silver Mines upon signing of the amended Agreements (paid);
- (b) a payment equivalent to the cash rehabilitation bonds in place at completion and the replacement of any non-cash rehabilitation bonds (currently, the aggregate of both types of rehabilitation bonds is approximately \$269,000);
- (c) share consideration of 70,000,000 fully paid ordinary shares and 50 million options in Thomson Resources of which;
 - (i) 35 million shares ("Tranche 1") will be issued to Silver Mines upon satisfaction or waiver of conditions precedent to completion (escrowed until Thomson Resources shareholder approval is obtained for Tranche 2);
 - (ii) 35 million shares will be issued to Silver Mines subject to Thomson Resources shareholder approval (6-month escrow from date of issue) ("Tranche 2");
 - (iii) 50 million options will be issued to Silver Mines with a vesting date 6 months from the date of issue, an exercise price of \$0.124 per option and an expiry date of 3 years from the date of issue ("TMZ Options"). The TMZ Options will be issued subject to Thomson Resources shareholder approval;
- (d) if shareholder approval is not obtained the Agreements provide for the acquisition to be unwound; and
- (e) Silver Mines will no longer provide a nominee to the board of Thomson Resources.

Further information can be viewed in the Thomson Resources ASX release of today's date and dated 27th January 2021.

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

Further information:

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