

24th March 2021

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

Bowdens Silver Mining Lease Application

Silver Mines Limited (ASX:SVL) (“Silver Mines” or “the Company”) is pleased to announce it has submitted its Mining Lease Application (“MLA 601”) for the development of the Bowdens Silver Project (“Bowdens Silver” or “the Project”) (Refer to Figure 1.)

Bowdens Silver is the largest undeveloped silver deposit in Australia and lies within Exploration Licence 5920, which is 100% held by the Company. The Project is located in central New South Wales, approximately 26 kilometres east of Mudgee.

Bowdens Silver Project

The proposed Bowdens Silver development comprises an open-cut mine feeding a new processing plant with a conventional milling circuit and differential flotation to produce two concentrates that will be sold for smelting off site.

Plant capacity is designed for 2.0 million tonnes per annum with a mine life of 16.5 years. Life of mine production is planned to be approximately 66 million ounces of silver, 130,000 tonnes of zinc and 95,000 tonnes of lead.

In May 2020, the Company completed and submitted the Bowdens Silver Environmental Impact Statement (“EIS”) to the New South Wales Department of Planning, Industry and Environment (“DPIE”).

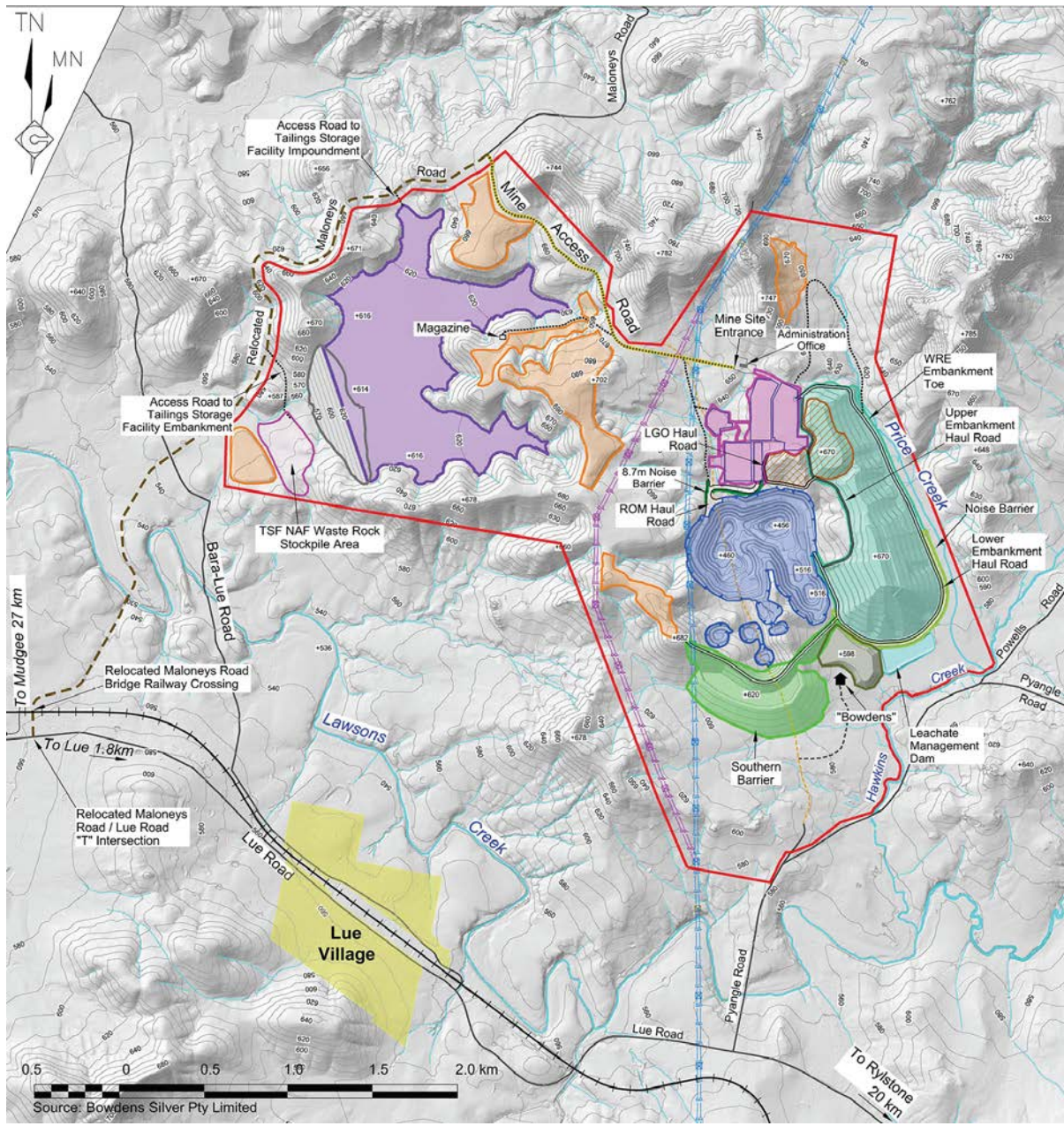
The EIS was placed for public exhibition on the DPIE ‘Major Projects’ website.

From the exhibition process, the Company received no objections to the Project from Government agencies and received resounding public support.

The EIS confirms very favourable assessment outcomes and demonstrates a clear path to approval and development with key components including:

- considerable local economic benefits with substantial local job creation;
- minimal impacts on surface water and groundwater during and after operations;
- no physical human health risk issues of concern have been identified;
- a progressive rehabilitation plan has been committed to with rehabilitation occurring throughout the life of the mine;
- no significant impacts upon migratory or threatened species. The Project’s biodiversity offset program will see a significant area of land conserved in perpetuity;
- Aboriginal Cultural Heritage assessment has been concluded in conjunction with the local Aboriginal communities with agreement on ongoing management; and
- This assessment has been supported by a comprehensive community engagement program.

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| <p>REFERENCE</p> <ul style="list-style-type: none"> — Mine Site Boundary — Contour (m AHD) (Interval = 10m) + Spot Height (mAHD) — Existing Watercourse / Drainage Line — Road —+— Closed Railway Line —+— Existing Power Line (500kV) / Tower —+— Maloneys Road (Section to be closed) <p>Note:
 LGO = Low-grade Ore
 NAF = Non-acid Forming
 ROM = Run of Mine
 TSF = Tailings Storage Facility
 WRE = Waste Rock Emplacement</p> | <p>Proposed Component</p> <ul style="list-style-type: none"> —+— Re-aligned Power Line (500kV) / Tower - - - Relocated Maloneys Road — Mine Access Road — Internal Road — Haul Road / Indicative Haul Road ■ Open Cut Pit ■ Tailings Storage Facility ■ Processing Plant/ROM Pad/Mining Facility Area ■ Soil Stockpile Area ■ Low-grade Ore Stockpile Area ■ TSF NAF Waste Rock Stockpile Area ■ Southern Barrier ■ Waste Rock Emplacement ■ Oxide Ore Stockpile ■ Lower Embankment Noise Barrier ■ Noise Barrier |
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Figure 1: Bowdens Silver Mine Site Layout.

The Company is currently completing its EIS Response to Submissions to DPIE as part of the final stages of the approvals process.

Further information can be viewed in the ASX release dated 16 March 2021.

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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