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22nd July 2021

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

ACTIVITIES REPORT FOR THE QUARTER ENDED

30th June 2021

HIGHLIGHTS

Bowdens Silver Project, New South Wales

- **Submissions Report lodged as part of the final steps for the development approval for the Bowdens Silver Project.**
  The Company received no objections to the Project from any of the Government agency regulators and received resounding public support for the Project.

Bowdens Silver Expanded Exploration Program

- **Recent highly successful drilling has led to the decision to substantially expand drilling activity at Bowdens Silver with increasing potential for silver mineralisation outside the current Ore Reserve.**
- **A 30,000 metre program has commenced with four rigs operational on site, the largest exploration campaign at Bowdens Silver in four years.**

Bowdens Silver Exploration Results

- **Continued high-grade assay results returned from the Northwest High Grade and Aegean Zones establishing this area as a significant target for potential underground mining scenarios. Intercepts from BD21003 include:**
  - **8.0 metres @ 543 g/t silver from 307 metres; including:**
    - **3.0 metres @ 1302 g/t silver from 312 metres.**
- **In addition, shallow drilling results to the north of the Main Zone, confirms that the Main Zone remains open to the northwest of the current Ore Reserve and includes:**
  - **113.3 metres @ 113 g/t silver equivalent (90g/t silver, 0.29% zinc, 0.29% lead) from 60.7 metres.**

Silver Mines Limited COVID-19 Response

During the June 2021 quarter, Silver Mines Limited (ASX:SVL) ("Silver Mines" or "the Company") continued to carry out measures in response to the impact of the COVID-19 pandemic. The Company's priorities are to protect the health and safety of our staff, contractors and local communities, while maintaining the integrity of our business.

The Company adheres to the directives from Federal and State Government and has put in place comprehensive COVID-19 Policies and Procedures. This has allowed our current operations to continue safely and with minimal interruption. The Company has recently installed QR Code electronic check-in systems at its sites.

Bowdens Silver Project

The Bowdens Silver Project 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.

In May 2020, the Company completed and submitted the Bowdens Silver Development Application and associated Environmental Impact Statement ("EIS") to the New South Wales Department of Planning, Industry and Environment ("DPIE"). In March 2021, the Company announced the submission of its Mining Lease Application ("MLA 601").

The proposed 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.

Summary points of the EIS include:

- Considerable local economic benefits with substantial local job creation;
- Minimal impacts on surface water and groundwater during and after operations;
- An arrangement to source surplus water from nearby coalfields via a dedicated water pipeline thereby limiting the requirement to source water locally;
- 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;
- Relocation of a local road around the mine site with the result that the majority of traffic would avoid the local township of Lue;

- Aboriginal Cultural Heritage assessment has been concluded in conjunction with the local Aboriginal communities, with agreement for ongoing management; and
- More broadly, the potential for amenity-related impacts would be managed over the life of the mine through a range of management commitments, monitoring and reporting.

The EIS was placed on an eight-week public exhibition which concluded during the September 2020 quarter. At the end of the June quarter 2021, the Company submitted its Submissions Report to DPIE.

From the exhibition process, the Company received no objections to the Project from any of the Government agencies and received resounding public support with 79% of all public organisation and general public submissions in favour of the Project (of a total of 1,909 submissions). The Company is not aware of a proposed mining Project in recent times in New South Wales that has received this level of support.

The Submissions and Submissions Report may be viewed at the DPIE Major Projects website at https://www.planningportal.nsw.gov.au/major-projects/project/9641.

Silver Mines continues an extensive 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 the wider area where the Company is commencing or undertaking exploration programs.

Bowdens Project Exploration

Introduction

During the June 2021 quarter, the Company announced ongoing success in its exploration activities at the Bowdens Silver Project (Refer to releases of 14th May 2021 and 18th May 2021). The exploration program yielded exceptional high grade silver intercepts.

Diamond drilling has continued to test the potential for underground mining scenarios at the Bowdens Silver Deposit with a focus on the Northwest High-Grade Zone and more recently on the Aegean Zone. The Aegean Zone is a high-grade vein system located beneath the bulk-tonnage Ore Reserve in the Main Zone area of the Bowdens Deposit (refer to Figure 1).

With highly successful drilling results returned during the March and June 2021 quarters, the Company decided to substantially expand drilling activity at Bowdens Silver. A 30,000 metre program commenced during the June 2021 quarter with four rigs operational on site and is likely to continue to at least the end of 2021. This campaign is the largest investment in exploration undertaken by Silver Mines at Bowdens Silver in four years. The Company remains very well placed to fund its aggressive drill program with a cash balance at end of June 2021 of $31.4 million.

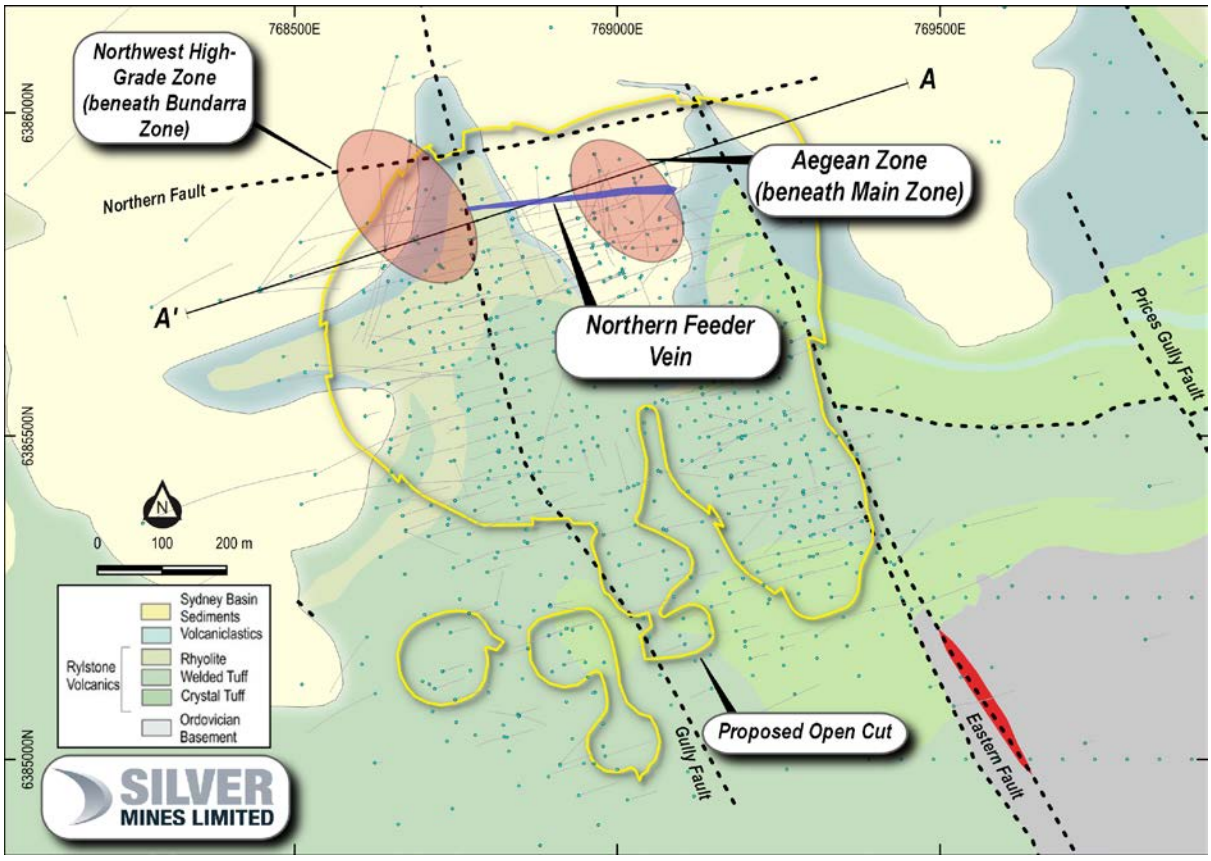

Figure 1. Reported drillhole locations and High-Grade silver targets at the Bowdens Silver Project.

Aegean Zone Results

During the June 2021 quarter, results were received for the second of two drill holes, BD21003, designed to test for extensions to high-grade mineralisation below the Main Zone. This zone is now identified as the Aegean Zone. The Aegean Zone is similar in nature to the Northwest High-Grade Zone with predominantly silver mineralisation (relatively low in zinc and lead) hosted in the base of the welded tuff unit in the Rylstone Volcanics. Mineralisation consists of veined and breccia/fracture filling sulphides, mostly acanthite (silver sulphide).

The zone is sub-horizontal with a steepening of plunge to the north. The body is now defined over 150 metres in strike towards the north-northwest, 50 metres wide and has a thickness of 2 to 8 metres. The zone remains open to the east (down dip) and north-northwest (down plunge). The Aegean Zone mineralisation trend is similar to the Northwest High-Grade Zone, and extends from the base of the designed open pit/bulk tonnage Ore Reserve and plunges to depth towards the northwest.

Recent results defining the Aegean Zone include a significant intercept of **8.0 metres** @ **543g/t silver** from BD21003 (refer to Figure 2). Also received recently is BD21002 from the Aegean Zone which intersected **8.0 metres at 198 g/t silver** from 260 metres and **2.0 metres at 245g/t silver** from 295 metres. Recent results are shown in Table 1.

Figure 2: Coarse acanthite (silver sulphide) and carbonate vein in the Aegean Zone from BD21003 at 313 metres.

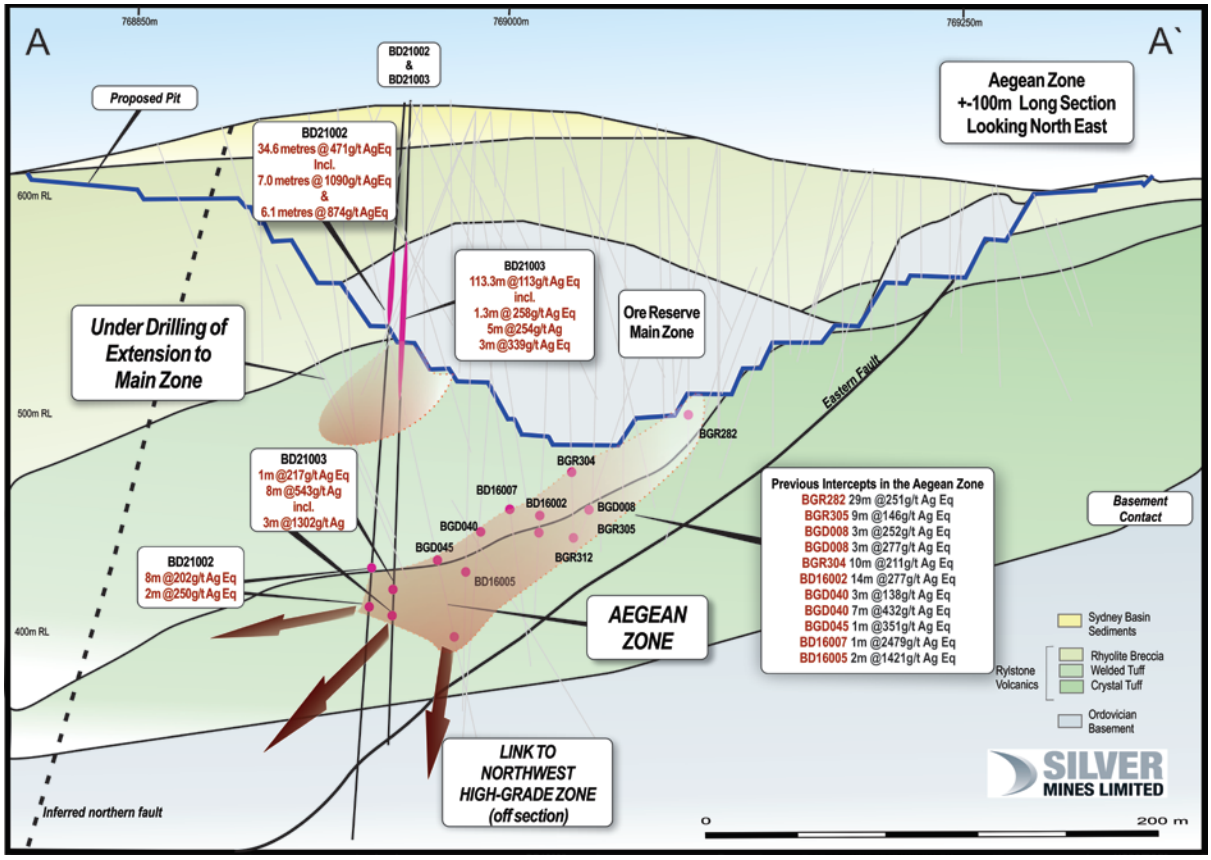

Figure 3: Section A-A' through Main Zone Ore Reserve and Aegean Zone showing new intercepts and previous intercepts.

Table 1. Intercept calculations from recent results from the Aegean Zone and Main Zone.

Zone	Hole	From	To	Interval	Silver	Zinc	Lead	Gold	Silver Eq
		(m)	(m)	(m)	(g/t)	(%)	(%)	(g/t)	(g/t)[1]
Main Zone	BD21002	**96**	**131**	**35**	**410**	**0.39**	**1.13**	-	**467**
	Incl.	**97**	**104**	**7**	**966**	**0.56**	**2.86**	-	**1090**
	& incl.	**122**	**128.1**	**6.1**	**789**	**0.59**	**1.67**	-	**874**
Aegean Zone		260	268	8	198	0.04	0.06	-	202
		295	297	2	245	-	0.16	-	250
		394	395	1	181	0.11	0.08	0.01	189
Main Zone	BD21003	**60.7**	**174**	**113.3**	**90**	**0.29**	**0.29**	**-**	**113[2]**
	Incl.	**128**	**129**	**1**	**1300**	**0.93**	**2.1**	**-**	**1416**
		171	174	3	304	0.38	0.47	-	339
Aegean Zone		294	295	1	215	0.02	0.03	-	217
		307	**315**	**8**	**543**	**0.02**	**0.07**	**-**	**547**
	Incl.	**312**	**315**	**3**	**1302**	**0.01**	**0.12**	**-**	**1308**
	& incl.	**313**	**314**	**1**	**2850**	**0.02**	**0.35**	**-**	**2863**

1.Bowdens' reported silver equivalent is consistent with previous reports and current resource modelling based on assumptions: 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 + gold, 82% zinc and 83% lead estimated from test work commissioned by Silver Mines Limited. 2. Silver equivalent updated to also include significant gold credit assuming the same recovery as silver, with gold:silver price ratio of 80:1 based on the approximate price ratio: Ag Eq (g/t) = Ag (g/t) + 33.48*Pb (%) + 49.61*Zn (%) + 80*Au(g/t). Intercepts calculated using a 90g/t Ag cut-off and 3 metre internal dilution factor, with highest individual assay results highlighted as included within overall intercept.

2. Intercepts calculated using a 30g/t Ag cut-off and 10 metre maximum internal dilution factor, with highest individual assay results highlighted as included within overall intercept.

Previous intercepts which define the Aegean Zone back towards, and into the Ore Reserve include some very high-grade assays such as **1.0 metre @ 2479g/t Ag Eq** in BD16007, **2.0 metres @ 1421g/t Ag Eq** in BD16005, **7.0 metres @ 432g/t Ag Eq** in BGD040 and **10.0 metres @ 211g/t Ag Eq** in BGR304. Refer to Table 2 for a summary of previous intercepts which define the Aegean Zone.

Table 2: Historic intercepts from the Aegean Zone.

Hole	From	To	Interval	Silver	Zinc	Lead	Gold	Silver Eq
	(m)	(m)	(m)	(g/t)	(%)	(%)	(g/t)	(g/t)[1]
BD16002	226	240	14	267	0.01	0.29	-	277
BD16005	**270**	**272**	**2**	**1401**	**0.08**	**0.47**	**-**	**1421**
BD16007	**235**	**236**	**1**	**2370**	**0.89**	**1.95**	**-**	**2479**
BD21002	260	268	8	198	0.04	0.06	-	202
BGD008	216	219	3	170	0.81	1.23	-	252
BGD008	226	229	3	257	0.02	0.57	-	277
BGD040	230	233	3	135	0.04	0.03	-	138
BGD040	**243**	**250**	**7**	**408**	**0.02**	**0.67**	**-**	**432**
BGR282	141	170	29	226	0.16	0.48	-	251
BGR304	**233**	**243**	**10**	**203**	**0.02**	**0.2**	**-**	**211**
BD16001	241	242	1	340	0.06	0.54	-	361
BGD045	273	274	1	330	0.27	0.22	-	351

1.Bowdens' reported silver equivalent is consistent with previous reports and current resource modelling based on assumptions: 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 + gold, 82% zinc and 83% lead estimated from test work commissioned by Silver Mines Limited. 2. Silver equivalent updated to also include significant gold credit assuming the same recovery as silver, with gold:silver price ratio of 80:1 based on the approximate price ratio: Ag Eq (g/t) = Ag (g/t) + 33.48*Pb (%) + 49.61*Zn (%) + 80*Au(g/t). Intercepts calculated using a 90g/t Ag cut-off and 3 metre internal dilution factor, with highest individual assay results highlighted as included within overall intercept.

Main Zone Results

During the June 2021 quarter, results from the very north of Main Zone, returned in BD21003, included **113.3 metres @ 113g/t Ag Eq from 60.7 metres to 174 metres** at a 30g/t silver equivalent cut off. This follows on from outstanding assays returned in BD21002 (refer release dated 19th February 2021) of **35.0 metres @ 467g/t Ag Eq from 96.0 metres, including 7.0 metres @ 1090g/t Ag Eq from 97.0 metres and 6.1 metres @ 874g/t Ag Eq from 122.0 metres**. These results, both at the northern limit of Main Zone, demonstrate that the near-surface mineralisation remains open immediately to the northwest of the current Ore Reserve, with the potential to extend beyond the proposed pit design.

Feeder Vein in the Main Zone

The Main Zone defines the highest-grade component of the Bowdens Silver Ore Reserve. A review of recent drilling and characterisation of specific vein textures has led to the identification of a distinctive steep high-grade vein believed to represent one of many feeder structures to the Bowdens Silver System. This vein has been named the 'Northern Feeder Vein' and is currently defined with 120 metre strike east to west and to a depth of 260 metres (150 metres below the current open pit design), within the wide Main Zone.

Drilling of the Northern Feeder Vein to date indicates a continuous high-grade, silver dominant mineralising event with distinct pathfinder geochemistry and metal ratios. The Northern Feeder Vein is 0.1 to 0.5 metres wide and feeds into wider zones of high-grade sulphide breccias and stringer zones of several metres in width such as the Northwest High-Grade Zone and Main Zone. The vein is approximately east-west striking and sub-vertical to steeply dipping.

The orientation of the Northern Feeder Vein is at right-angles to the bulk tonnage fracture fill and disseminated style mineralised zones (flat lying and gently north dipping). The Company has determined that the most optimal drilling orientation, for feeder veins, is to the north-northeast to intersect the steep veins and broader mineralisation in the north of the Deposit.

Figures 4 and 5 show the Northern Feeder Vein in two holes, with a total separation of 185 metres. Multi-phase sulphide mineralisation is clear with brecciated vein walls and similar vein thicknesses. Assays from the vein in Figure 2 include 1.0 metre @ 1,490 g/t silver, 4.36% lead and 2.20% zinc while results from the vein in Figure 4 include 1.0 metre @ 1,290 g/t silver, 4.10% lead and 2.06% zinc (refer to release of 19th February 2021).

Figure 4. 128.1 metres in BD21002 (Main Zone) - Northern Feeder vein, with 1 metre @ 1,490 g/t silver, 4.36% lead and 2.2% zinc. Includes massive sulphide of sphalerite, galena and silver sulphides.

Figure 5. 279.4 metres in BD21001 - Northern Feeder vein, with 1 metre @ 1,290 g/t silver, 4.10% lead and 2.06% zinc. Includes massive sulphide of sphalerite, galena and silver sulphides.

Drillholes which have enabled the modelling of the Northern Feeder Vein include recent holes BD21001, BD21002 and BD21003 and previously drilled holes including BD12012, BD17006, BGR162, BRC12090, BGD040 BGR304, BGR215 and BD16002. The corresponding results are shown in Table 3 below.

Table 3. Intercepts determined to be the Northern Feeder Vein and proximal breccias from recent and historic drilling (all intercepts previously released).

Hole	From	To	Interval	Silver	Zinc	Lead	Gold	Silver Eq
	(m)	(m)	(m)	(g/t)	(%)	(%)	(g/t)	(g/t)[1]
BD21001	**279**	**280**	**1**	**1290**	**2.06**	**4.1**	0.01	**1529**
BD21002	125	126	1	829	0.28	0.96	0.01	875
	126	127	1	850	0.27	1.21	-	903
	127	**128.1**	**1.1**	**1490**	**2.20**	**4.36**	**0.01**	**1745**
BD21003	**128**	**129**	**1**	**1300**	**0.93**	**2.1**	**-**	**1416**
BD12012	156	157	1	274	0.17	0.28	-	292
	157	**158**	**1**	**1240**	**1.39**	**1.0**	**-**	**1342**
BRC12090	96	97	1	587	2.20	2.0	0.02	763
BD16002	**291.5**	**292**	**0.5**	**933**	**0.78**	**2.51**	**0.08**	**1056**
BGR162	**160**	**161**	**1**	**996**	**2.03**	**5.20**	**-**	**1271**
BGR215	**87**	**88**	**1**	**1550**	**0.65**	**3.43**	**-**	**1697**
	88	89	1	580	0.42	1.40	-	648
BGR304	**239**	**240**	**1**	**1170**	**0.04**	**0.10**	**-**	**1175**
	240	241	1	316	0.02	0.55	-	335
BGD040	243	244	1	328	0.02	0.12	-	333
	244	**245**	**1**	**972**	**0.02**	**0.82**	**-**	**1000**

Hole	From	To	Interval	Silver	Zinc	Lead	Gold	Silver Eq
	(m)	(m)	(m)	(g/t)	(%)	(%)	(g/t)	(g/t)[1]
	245	246	1	838	0.02	0.08	-	841

1.Bowdens' reported silver equivalent is consistent with previous reports and current resource modelling based on assumptions: 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 + gold, 82% zinc and 83% lead estimated from test work commissioned by Silver Mines Limited.

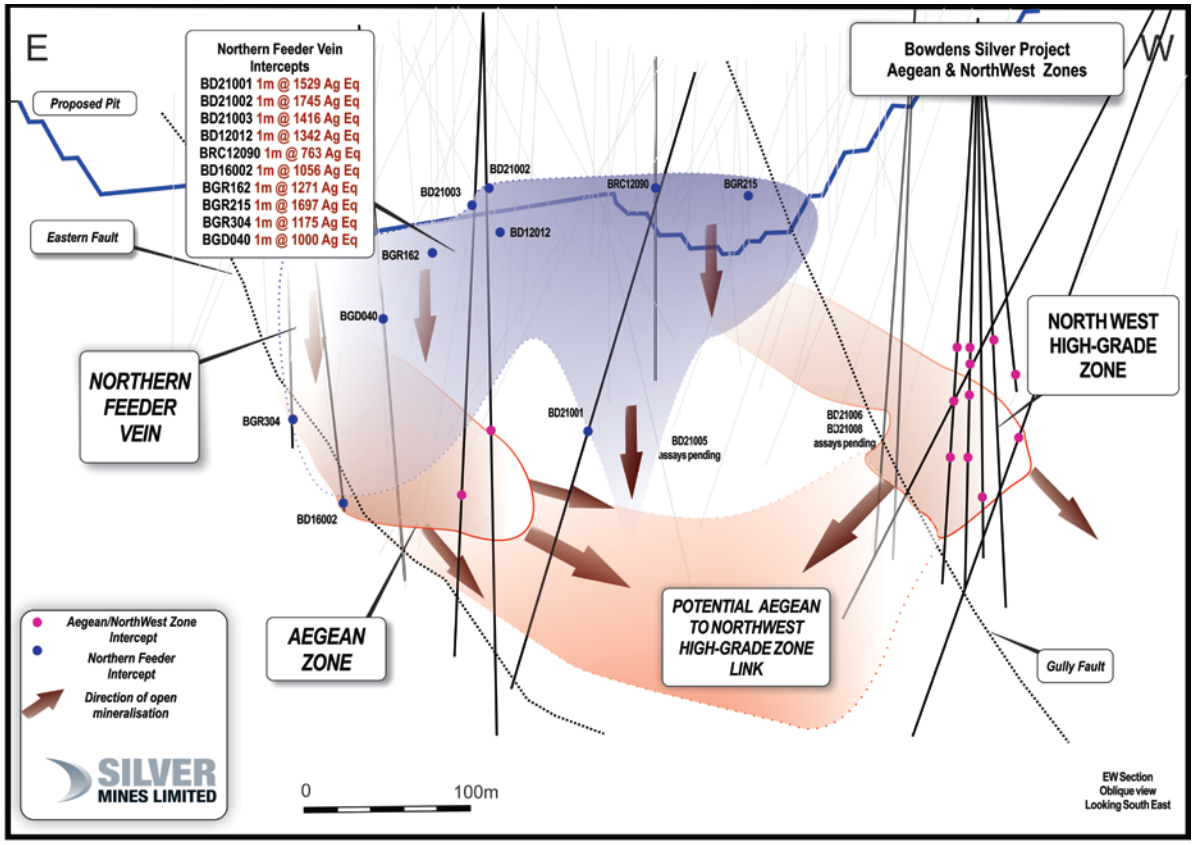

Figure 6. East West Section view south, showing the plane of the Northern Feeder Vein, and the oblique view of the shallowly plunging Northwest High-Grade Zone and the Aegean Zone

Expanded Program

The Company currently has four drilling rigs on site undertaking an expanded program of 30,000 metres of diamond drilling. The program is to test targets and to define high-grade silver veins and feeder zones outside of the current Ore Reserve in the north, central and southern parts of the Bowdens Silver deposit. In the south of the deposit for example, limited previous diamond drilling is available to inform an interpretation of vein orientations and textures and, as such, this area will be tested to target higher-grade veins in the near surface.

With renewed insight from textural analysis, detailed gravity surveying and VTEM reprocessing, the ongoing drilling at the Northwest High-Grade and Aegean Zones will continue in tandem with targeted diamond drilling of steep feeder veins. This work includes testing eastern extensions to the Northwest Zone that would link to the Aegean Zone. In

particular, the Northwest High-Grade Zone is still considered to represent a feeder conduit for the Bowdens Silver system (refer to release dated 8th October 2020 and Figure 6 below) with a close association between silver and gold in assays and vein textures (colloform banding and pebble breccia).

The results of this program are expected to provide the basis for a resource estimation of potential underground mineable resources.

Figure 7: BD20012 from 230 to 234 metres, colloform sulphide and pebble breccia in the Northwest High-grade Zone.

Barabolar Project

During the June 2021 quarter, the Company continued desktop activities on the Barabolar Project, which is located approximately 26 kilometres east of Mudgee in central New South Wales and 10 kilometres northwest of the Company's Bowdens Silver Project (refer Figure 8).

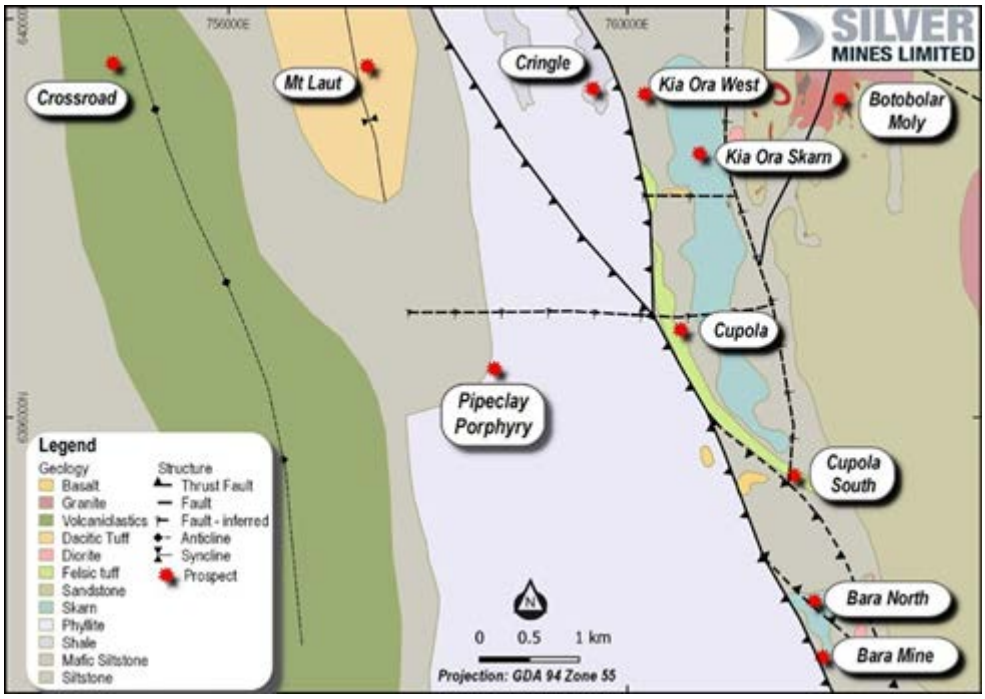

Figure 8. Barabolar Project geology with prospects.

Due to the COVID-19 pandemic the planned drilling at Barabolar had been put on-hold. However, the Barabolar Project remains a compelling target area with a considerable hydrothermal footprint, and the Company is continuing with desktop studies and application of its internal R&D technologies in this area as it plans for the recommencement of activities.

About the Bowdens Silver and Barabolar Projects

The Bowdens Silver Project and Barabolar Projects are located in central New South Wales, approximately 26 kilometres east of Mudgee (see Figure 9). The consolidated project area comprises 2,007 km^2 (496,000 acres) of titles covering approximately 80 kilometres of strike of the highly mineralised Rylstone Volcanics and underlying sediments, intrusions and volcanics of the Macquarie Arc. Multiple target styles and mineral occurrences have potential throughout the district including analogues to Bowdens Silver, high-grade silver-lead-zinc epithermal, volcanogenic massive sulphide (VMS) systems and copper-gold targets.

Bowdens Silver is the largest undeveloped silver deposit in Australia and one of the largest globally with substantial resources and a considerable body of high-quality technical work completed. The projects boast outstanding logistics for future mine development.

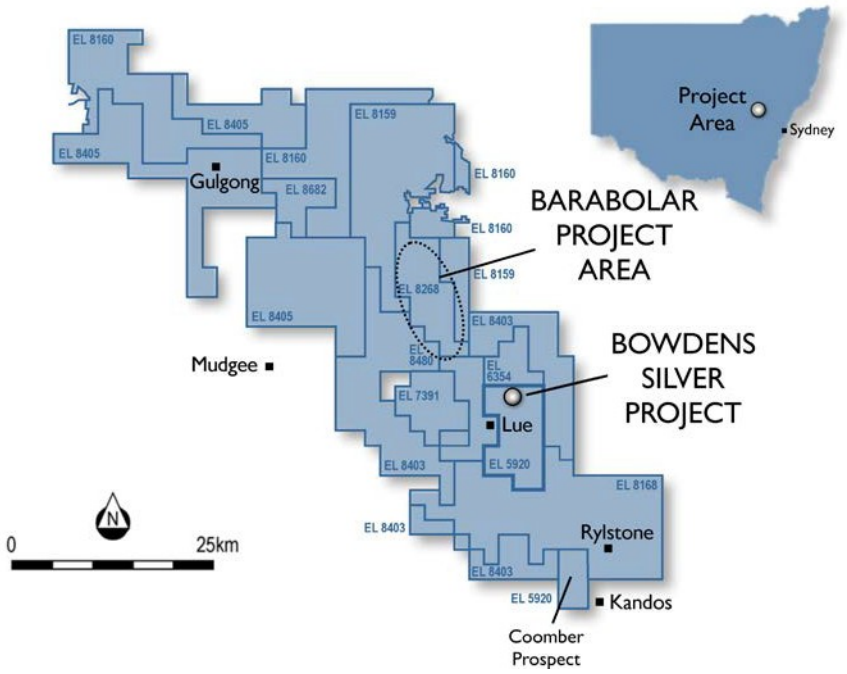

Figure 9. Silver Mines Limited tenement holdings in the Mudgee district.

Table 4. Drill collar locations.

Target	Hole ID	GDA94 East	GDA94 North	RL (m)	Dip	Azimuth (grid)	Depth (m)	Drill Type	Comment
Main Zone / Aegean Zone	BD21002	768951	6385818	656	-78	3	447.6	Core	Assays received
Main Zone / Aegean Zone	BD21003	768951	6385819	656	-75	21	405	Core	Assays received

Tuena Gold Project

The Tuena Gold Project is located 80 kilometres south of the city of Orange in New South Wales (refer to Figure 10).

The Tuena area was the scene of a historic gold rush, with gold extracted from several narrow high-grade gold reefs over a regional trend greater than 5 kilometres of strike length. The Company has completed reconnaissance mapping, rock sampling and soil geochemistry; as well as flown a detailed magnetic survey. The Company has defined >15 individual zones with anomalous gold in soil sampling associated with historic workings. Rock samples have also returned highly anomalous gold results at Peeks Reef (up to 76.4 g/t Au in rock sampling), Cooper & McKenzie and the Eastern Prospects (Refer to release dated 23th October 2019).

During the March 2021 quarter, the Company completed a 20 hole 4,000 metre drill program designed to test beneath several of the historic hard-rock gold workings and associated geochemistry anomalies along an extensive 5.4 kilometre by 1.5-kilometre shear complex within EL8526. In addition, two targets, at Lucky Hit South and Markham's Prospects, have been identified with both gold and base-metal pathfinder signatures. Both prospects adjoin historic workings at Lucky Hit and Markham's Hill respectively and are clearly defined by soil chemistry with anomalism of silver, bismuth, lead, tellurium and gold (refer release dated 19th May 2020). These targets are being tested for bulk-tonnage gold mineral systems and have a comparable signature and scale to the McPhillamy's Gold Project (Regis Resources) located north of the Tuena Gold Project.

During the March 2021 quarter, final drill assay results were returned. Drilling has encountered multiple potentially mineralised structures beneath historic workings comprising quartz and carbonate veining with or without pyrite (iron sulphide). A substantial intercept of **4 metres @ 6.88 g/t gold (from 98 metres)**, with a peak assay of 25g/t gold over 1 metre was intersected in TRC20010 beneath the Garnet Mine Prospect with multiple intercepts < 0.5 g/t gold returned in TRC20009 and TRC20010 suggesting that other gold bearing structures are proximal.

Further gold mineralisation was received from assays for holes around Peeks Reef in the northwest of the area and between Peeks Reef and Garnet Mine. TRC20019 intersected 10 metres @ 0.53 g/t gold (from 36 metres) including 3 metres @ 1.5 g/t gold (from 36 metres) and 1 metre @ 2.67 g/t gold (from 72 metres), while TRC20017 intersected 1 metre @ 1.62 g/t gold (from 133 metres) at Eastern prospect.

For further information on the drilling program and results, refer to the March 2021 quarterly report.

Alteration associated with mineralisation consists of sericite–silica–carbonate with the project area mostly metamorphosed to schist and phyllite. The distribution of gold mineralisation suggests that a substantial hydrothermal system has affected the area. Results from this initial program are being collated and will guide follow-up drilling to test the extents of gold encountered.

This program represents the first modern drilling to be completed in the Tuena project area. However, in recent years there have been substantial gold discoveries made along the strike of the Copperhannia Fault including the McPhillamy's deposit to the north of Tuena (Regis Resources) and the Cullarin discovery to the south (Sky Metals).

The Company is planning further work in follow up to the Tuena Gold Project drilling program and is also planning an expanded regional exploration program extending from immediately south of the McPhillamy's Project and across EL 8973, EL 8974, EL 8526 and EL 8975.

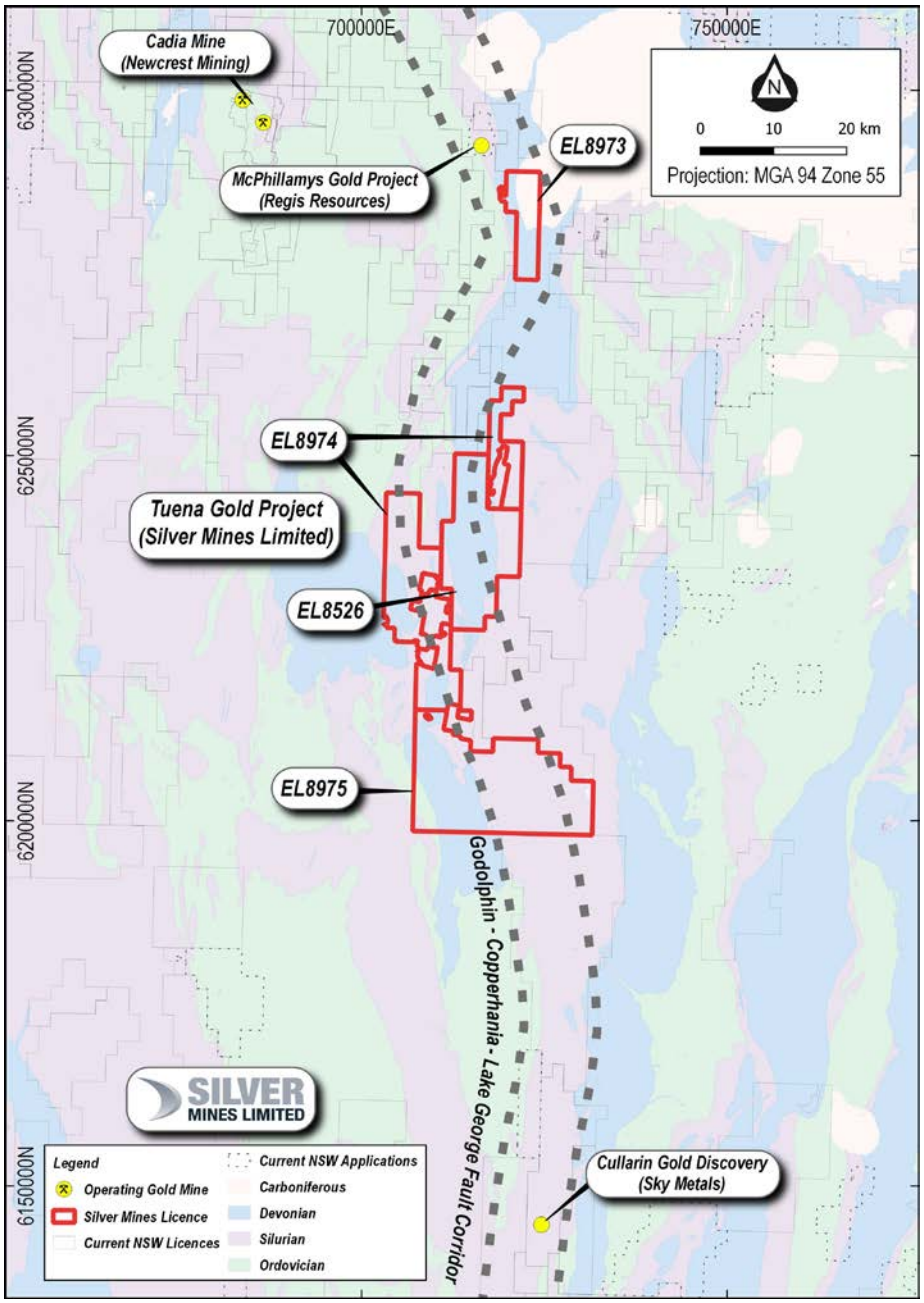

Figure 10: Tuena Gold Project regional setting.

About the Tuena Gold Project

The Tuena Gold Project is a regional exploration project that consists of a four exploration licenses covering 747 square kilometres. The project is 100% owned by Silver Mines Limited and is located in the Southern Tablelands of New South Wales, 180 kilometres west of Sydney, 80 kilometres south of Orange and 150 kilometres southwest of the Company's primary assets the Bowdens Silver Project and the Barabolar Project. Tuena was the site of a mid-1800s alluvial and hard-rock gold rush. A cluster of historic workings closely associated with the major Copperhania Thrust Fault extend over an area approximately six kilometres by four kilometres. The Company is targeting the region for large structurally controlled gold deposits analogous to the nearby McPhillamys Gold Deposit.

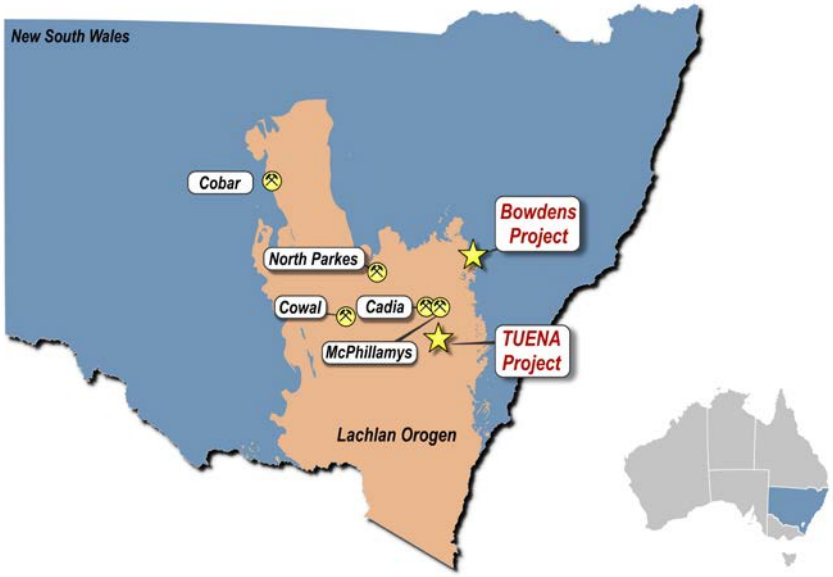

Figure 11. Silver Mines Limited project in the Lachlan Orogen.

Research and Development

At the end of June 2021, the Company completed its first stage of the research and development ("R&D") program to better map and understand the Permian volcanics and basement Palaeozoic (Ordovician and Silurian) rocks of the Company's exploration licences. These technologies are now being rolled out to the Company's wider projects and enable better targeting for regional exploration, and on a local scale within the Bowdens Deposit. R&D programs have, over the past three years, involved collaboration between Silver Mines' researchers and researchers from the University of Technology Sydney, the University of New South Wales and Macquarie University. Several industry consultants and data collection contractors have also assisted in analysing and providing base datasets for the R&D program.

The R&D project involved developing innovative new technology and processes, which have been applied to geological studies on the Bowdens Silver Deposit and particularly the basement rocks and the search for a porphyry source or feeder structure. In addition, research has been applied to the Barabolar Project area and elsewhere in the Company's portfolio including Tuena. The Company has developed new technologies for multivariate geochemical analysis; automated mapping of geology from geochemistry data; and predictive geochemistry modelling using machine learning techniques. These R&D programs have developed further hypotheses for mineralisation in areas such as basement rocks beneath the main volcanic host at the Bowdens Silver Deposit; Bowdens northern and north-westerly extensions; and several targets in the Barabolar Corridor including the Cringle prospect area. Much of the Company's exploration drilling is considered as a test of hypotheses and targets developed under these R&D programs.

During the June 2021 quarter, the development and testing of the machine learning predictive geochemistry technology and integration with recently acquired gravity data continued. This work has produced an integrated geology, geochemical and geophysical model of the Bowdens Project. This model is being used for detailed targeting of potential feeder zones and/or magmatic sources to the Bowdens Silver epithermal mineralisation. The current drill programs at Bowdens are on targets generated from this work and based on the integration of technologies and data.

The Company is now developing the frames of reference and design for its stage 2 R&D programs to migrate technologies developed in the past years to the 3D environment.

Corporate

Substantial Holder – Sale of Webbs & Conrad Projects

Immediately prior to the commencement of the June 2021 quarter, Silver Mines announced the sale of the Webbs and Conrad Projects to Thomson Resources Limited (Sale) (ASX: TMZ) (announced 31st March 2021). The consideration for the Sale included, among other things, cash, shares and options in TMZ.

Accordingly, the Company is currently a substantial holder of fully paid ordinary shares in TMZ as at the date of this report (see substantial holder notices announced by the Company and dated 6th April 2021, 25th May 2021 and 3rd June 2021).

Board Change

As announced on 25th May 2021, former Non-Executive Director, Mr Peter Langworthy, resigned from the board. The Company acknowledges the outstanding contribution that Mr Langworthy has provided to the Company.

Securities Update

During the June 2021 quarter, new fully paid ordinary shares were issued after the below SVLOB options, with an exercise price of $0.06 per share, were exercised:

- 926,238 shares issued on 16th April 2021;
- 2,079,933 shares issued on 20th May 2021; and
- 5,392,232 shares issued on 4th June 2021.

In addition, the following new fully paid ordinary shares were issued after the below SVLUOP2 options, with an exercise price of $0.10 per share, were exercised, pursuant to the Company's Employee Incentive Plan:

- 525,000 fully paid ordinary shares were issued on 20th March 2021; and
- 425,000 fully paid ordinary shares were issued on 4th June 2021.

Waiver

On 27th November 2020, shareholders approved at the Annual General Meeting of the Company (**Approval**) a waiver granted by ASX Listing Compliance on 28th October 2020 (**Waiver**). The Waiver relates to the issue of 10,000,000 fully paid ordinary shares (**Deferred Consideration Shares**) in the Company to be issued to a Director of the Company in accordance with the provisions of the share sale and purchase deed dated 3rd May 2016 (**Deed**), which effectuated the purchase of the Bowdens Silver Project. In accordance with the Deed the Deferred Consideration Shares are to be issued upon:

- achievement of the mining lease granted by the NSW Department of Planning, Industry and Environment pursuant to the *Mining Act 1992* (NSW) in connection with the Bowdens Silver Project; or
- a change of control milestone such as a takeover bid pursuant to section 9 of the *Corporations Act 2001* (Cth),

(collectively, **Milestones**)

The Company confirms the Deferred Consideration Shares have not been issued in the June 2021 quarter. The Deferred Consideration Shares may only be issued if either of the Milestones are achieved and occur in the period that is 24 months from the date that Approval is obtained.

Appendix 5B

As set out in the attached Appendix 5B, exploration expenditure during the quarter totalled A$2,233,000. Payments to related parties totalling A$186,000 consisted of remuneration paid to executive and non-executive directors and an associate of a director under respective service agreements.

This document has been authorised for release to the ASX by the Company's Board of Directors.

Further information:

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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 from the Bowdens, Barabolar and Tuena projects is based on information compiled by the Bowdens Silver team and reviewed by Dr Darren Holden who is an advisor to the Company. Dr Holden is a member of the Australasian Institute of Mining and Metallurgy 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). Dr Holden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Tenement Information as at 30th June 2021

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%	-
EL 8682	Bowdens Silver	NSW	100%	-
EL 8526	Tuena	NSW	100%	-
EL 8973	Tuena	NSW	100%	-
EL 8974	Tuena	NSW	100%	-
EL 8975	Tuena	NSW	100%	-

1. Under joint venture with Thomson Resources Limited (TMZ). Silver Mines Limited (SVL) earning 80%.

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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.*	Diamond Drilling – Bowdens: • Sampling taken continuously downhole from PQ and HQ diameter diamond core. • PQ size core – all samples taken as nominal 2 metre intervals, or as otherwise defined by logged geology intervals, from quarter cut core. • HQ size core – all samples taken as nominal 1 metre intervals where mineralisation observed from half cut core, or as composite 2 metre samples of quarter core, or as otherwise defined by logged geology intervals and from the same side of the core where downhole orientations permit. • Samples vary in weight but are generally between 2 and 4 kilograms of material. • Each sample was sent for multi-element assay using ICP technique (ME-ICP61) with the entire sample pulverized and homogenized with a 25g extract taken for assay. • Select samples were also sent for gold using fire assay technique (Au-AA25 or Au-AA23) with a 30g sample taken for assay. • Assays are considered representative of the sample collected.
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 Drilling – Bowdens: • Diamond drilling undertaken using PQ and HQ diamond core rig with triple tube used. • All core, excluding PQ size, where unbroken ground allows, is oriented by drilling team and an orientation line drawn along the base of the hole.

Criteria	JORC Code explanation	Commentary
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.*	Diamond Drilling – Bowdens: • Core recovery is estimated at greater than 98%. • Some zones, (less than 5%) were broken core with occasional clay zones where sample loss may have occurred. However, this is not considered to have materially affected the results. • No significant relationship between sample recovery and grade exists.
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.*	Diamond Drilling – Bowdens: • All diamond core is logged using lithology, alteration, veining, mineralisation and structure, including geotechnical structure. • All core is photographed using both a wet and dry image. • In all cases the entire hole is logged by a geologist.
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.*	Diamond Drilling – Bowdens: • Selective sub-sampling based on geology to a maximum size of 2 metres and a minimum of 0.3 metres. • All core is cut using a Corewise core saw with core rotated 10 degrees to the orientation line to preserve the orientation for future reference. • For HQ core the half 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	• *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*	Diamond Drilling – Bowdens: • Samples dispatched to ALS Global in Orange NSW for sample preparation and analysis. Some sample batches were then on shipped to ALS Global in Adelaide, Brisbane and Townsville due to

Criteria	JORC Code explanation	Commentary
laboratory tests	*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.*	the high volume within the Orange Lab. • Site standards and blanks are inserted at a rate of 8 per 100 samples, and duplicates are inserted at a rate of 5 per 100 samples to check quality control. Laboratory standards and blanks are inserted every 25 samples.
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.*	Diamond Drilling – Bowdens: • Significant intersections calculated by Bowdens Silver geologists. • All geological logging is entered digitally before inputting into a Maxwell Geoservices database schema. • Primary assay data is sent electronically from the laboratory to the SVL database administrator and then entered into the geological database for validation. • All assays matched with the logging sheets and loaded directly from the output provided by the laboratory with no manual entry of assays undertaken. • No adjustments were made or required to be made to the assay data.
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.*	Diamond Drilling – Bowdens: • The collar position is initially surveyed using hand-held GPS with accuracy of +- 3 metres. • Locations were later collected by Real Time Kinetic by VRS to an accuracy of +- 1 centimetre. • Down hole surveys collected every 30 metres using an electronic downhole reflex survey camera. • The terrain includes steep hills and ridges with a digital elevation model derived from a combination of locally flown LIDAR and publically available point cloud data. • All collars recorded in MGA94 zone 55.

Criteria	JORC Code explanation	Commentary
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.*	Diamond Drilling – Bowdens: • This drilling relates to exploration drilling of the Northwest High-Grade Silver Zone as defined by previous drilling at the Bowdens Deposit. Drilling is not defined to a set spacing.
Orientation of data in relation to geological structure	• *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.*	Diamond Drilling – Bowdens: • Drill orientation was designed to intersect the projection of the major structural controls to the Deposit. • An interpretation of the mineralisation has indicated that no sampling bias has been introduced.
Sample security	• *The measures taken to ensure sample security.*	Diamond Drilling – Bowdens: • All samples bagged on site under the supervision of the senior geologist with sample bags tied with cable ties before being driven by site personnel to the laboratory in Orange, NSW (~200 kilometres from the site).
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Diamond Drilling – Bowdens: • The drilling campaign and drill work includes on-going internal auditing with advice taken on process from external advisors.

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	• *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,*	Diamond Drilling – Bowdens: • The Bowdens Resource is located wholly within Exploration Licence No 5920, held wholly by Silver Mines Limited and is located

Criteria	JORC Code explanation	Commentary
land tenure status	*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.*	approximately 26 kilometres 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 EL5920 • The project has a 0.85% Gross Royalty over 100% of EL5920.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Diamond Drilling – Bowdens: • The Bowdens project was previously managed by Kingsgate Consolidated and Silver Standard Ltd, however the new results under this table are based on work conducted solely by Silver Mines/Bowdens Silver.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Diamond Drilling – Bowdens: • The Bowdens Deposit is a low sulphidation epithermal base-metal and silver system hosted in Permian aged 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 mineralised zones including some areas of stock-work veins. • The mineralisation reported in this release is hosted in the main Rylstone Volcanics which unconformably overlie the Ordovician Coomber Formation (sediments). The mineralization reported in this report is related to Bowdens and represents a higher-temperature zone.
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:* o *easting and northing of the drill hole collar;* o *elevation or RL (Reduced Level elevation above sea level in metres) of the drill hole collar;*	Diamond Drilling – Bowdens: • All information is included in Table 1 of this report above.

Criteria	JORC Code explanation	Commentary
	o *dip and azimuth of the hole;* o *down hole length and interception depth; and* o *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.*	
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.*	Diamond Drilling – Bowdens: • Intersection calculation are weighted to sample length. The average sample represents 1 metre of drill core. • Reported intersections are based on a cut off of 90g/t silver with no internal dilution factors • No top cutting of data or grades was undertaken in the reporting of these results.
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').*	Diamond Drilling – Bowdens: • Mineralisation is both stratabound and vein hosted. The stratigraphy dips moderately to the north within the volcanics and moderately to the west in the basement units, while the majority of mineralised veins dip west. Some individual veins intersected were sub-parallel (~10 to 20 degrees to core axes). However, given the stratigraphic controls on the zone, the drilling width is estimated to be 100 to 140% of true-width for stratabound mineralized zone.
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.*	Diamond Drilling – Bowdens: • 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*	Diamond Drilling – Bowdens: • All results received and compiled to date are reported in this release. Drilling is on-going with further results expected.

Criteria	JORC Code explanation	Commentary
	Exploration Results.	
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.*	Diamond Drilling – Bowdens: • This report relates to drill data reported from this program.
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.*	Diamond Drilling – Bowdens: • This report relates to a drill program that is designed to test the extension and explore for further zones to the Northwest High-Grade Silver Zone situated beneath the Bowdens Silver Deposit. Drilling is on-going with further results pending.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Silver Mines Limited

ABN	Quarter ended ("current quarter")
456 107 452 942	30 June 2021

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	135	277
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(528)	(1,889)
	(e) administration and corporate costs	(373)	(1,547)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	20	102
1.5	Interest and other costs of finance paid	(2)	(27)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	317
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(748)**	**(2,767)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(39)	(224)
	(d) exploration & evaluation	(2,233)	(7,088)
	(e) intangible	(80)	(797)
	(f) Land and Building	(213)	(2,005)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	969
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	1,128	1,128
	(e) 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**	**(1,437)**	**(8,017)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	30,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	967	2,959
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(1,009)
3.7	Transaction costs related to loans and borrowings	(2)	(1,868)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**965**	**30,082**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	32,642	12,124
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(748)	(2,767)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,437)	(8,017)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	965	30,082

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**31,422**	**31,422**

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	31,422	32,642
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)**	**31,422**	**32,642**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	186
6.2	Aggregate amount of payments to related parties and their associates included in item 2	Nil

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(748)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,233)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,982)
8.4	Cash and cash equivalents at quarter end (item 4.6)	31,422
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	31,422
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**10.54**

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not Applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not Applicable

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: Not Applicable	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 22 July 2021

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.