



BOWDENS **SILVER**

Community Open Day

Sunday 20th November 2016

Ownership

Silver Mines Limited purchase of 100%

BOWDENS
SILVER

from Kingsgate Consolidated Limited

Completion and Handover – 30th June 2016

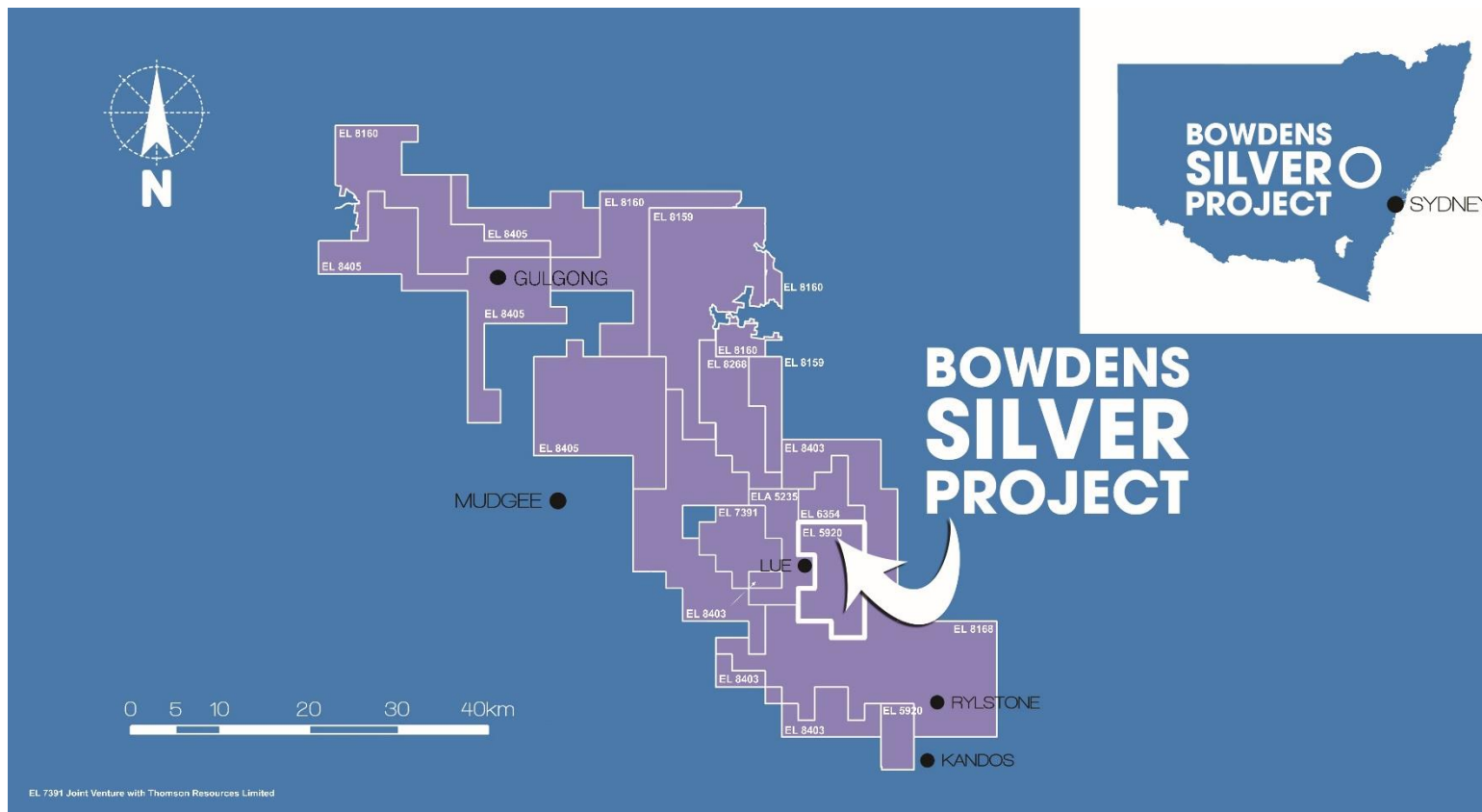
BOWDENS
SILVER



Ownership

- **Silver Mines Limited is an Australian resource company publicly listed on the Australian Securities Exchange**
- **Team has strong track record in exploration success and mine development**
- **Strong background in silver**
- **Bowdens Silver Project under new management**

Location



Summary

- The largest undeveloped silver deposit in Australia and one of the largest globally
- Bowdens Silver holds 1,654 km² (408,000 acres) in exploration tenements
- Exploration tenements stretch from north of Gulgong to Kandos
- Resource of 134 million ounces of silver (182 million ounces of silver equivalent when zinc and lead included)
- Resource expansion highly likely
- Classified as “State Significant Development” in New South Wales

A background image of a topographic map with contour lines and shaded areas, representing geological features. The title 'Geological History' is overlaid on the top left of this image.

Geological History

- **Coomber Formation marine sediments Ordovician Period (~455 million years ago)**
- **Rylstone Volcanics consisting of rhyolitic eruptive volcanic rocks Permian Period (~290 million years ago)**
- **The Bowdens Silver deposit is hosted within these volcanics**
- **On top are sandstones from the Permian Period Snapper Point Formation of the Sydney Basin Sediments (~285 million years old)**
- **Mineralisation is a low-sulphidation epithermal silver deposit with minor zinc and lead**

History

- Bowdens Silver mineralisation was originally discovered in 1989 by CRA during follow up of anomalous stream sediment samples
- Kingsgate Consolidated purchased from Silver Standard
- 63,000 metres of drilling completed
- Approximately A\$60 million spent on the project to date
- Minimal work done since mid 2013 with silver price downturn
- Previous concept was a large to 4.0-4.5 million tonnes per annum development

Current Activities

- Drilling re-commenced
- Airborne geophysical program commenced covering all licence areas
- Initial mine optimisation completed
- Outstanding elements of feasibility work underway
- Elements of Environmental Impact Statement underway
- Environmental monitoring continues



Current Activities

- Approximately 187 drill holes planned and approved (~129 reverse circulation drilling, ~58 diamond core drilling)
- Currently 2 diamond core rigs on site
- Depth of holes 100m to 450m



Current Activities



Current Activities





Farm

FARM

- Freehold position 1500 hectares (3700 acres) (100% owned and optioned)
- Over 600 hectares (1500 acres) pasture improved
- Running both Merino sheep and Black Angus and Black Angus cross
- Pest eradication program commenced (foxes & pigs)
- Weed control program commenced
- Bushfire strategy under development

Current Activities

FEASIBILITY STUDY AND ENVIRONMENTAL IMPACT STATEMENT COMPONENTS

- AMC Consultants - geology, resource and mine planning
- ATC Williams - tailings and water resources
- Jacobs - ground water
- RW Corkery & Co and specialist service groups- Environmental Impact Statement



A Different Development Approach

- Environmental Impact Statement and Feasibility Study to be completed mid-2017.
- Planned production of 2.0 million tonnes per annum.
- Half the size originally envisaged with much lower impact
- Revision of all key components including mine, processing, tailings, water, power, etc
- Priority to sourced water from on site, process will include water recycling
- No mine workers camp to be built - local workforce priority
- Development capital investment \$A150 million - \$200 million
- Mine life circa 20 years (could be much longer)

Employment

- **19 staff commenced – 13 are from local district, 17 live locally**
- **All positions are advertised locally**
- **Upon development, over 150 jobs to be created. Categories include:**
 - **Mining - material movement and management**
 - **Technical Services - environmental, geological, engineering**
 - **Processing and Plant Operations - grinding, milling, flotation, tailings**
 - **General and Administration - accounting, health & safety, farm, support**
- **Strong training and support policy**
- **Substantial benefits locally for contractors and services**
- **Rule of thumb - two jobs created for every employee**

Community

- **Open Days for all communities throughout tenement portfolio**
- **Neighbours to be provided close access and one on one meetings as preferred**
- **New Bowdens Silver website up and running**
- **Q & A portal commenced**
- **Newsletter program commenced**
- **Educational, cultural and sporting sponsorship programs commenced**

Community

- **Community Consultative Committee (CCC) commenced**
- **First meeting held on 14th November**
- **Quarterly meetings**
- **CCC to cover community information flows on environmental, social and economic impact aspects over all exploration tenements**
- **Membership**
 - Independent Chairperson
 - 6 Community members (4 Lue)
 - 2 Mid-Western Region Council members (including Councillor)
 - 1 Department of Industry
 - 3 Bowdens Silver representatives (including the Chairman and the Managing Director of Silver Mines Limited)

Education

TERTIARY INSTITUTIONS (Universities, Colleges, TAFE)

Earth sciences

Geology

Mine Engineering

Processing

Environmental Sciences

SECONDARY SCHOOLS

Agriculture

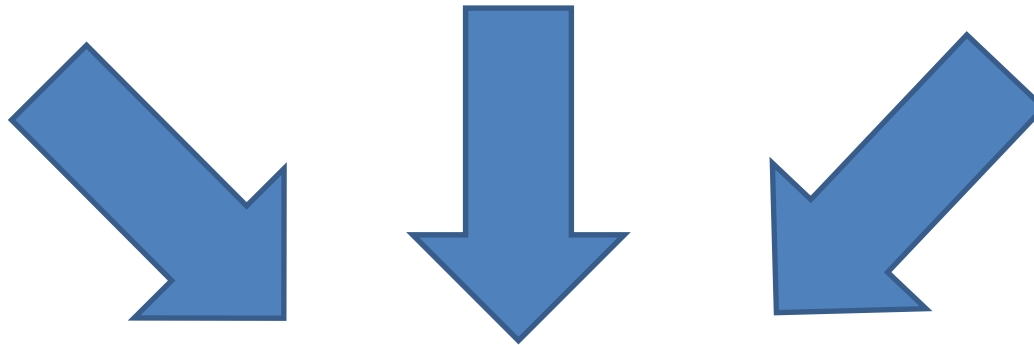
Applied Science

Earth & Environmental Science

PRIMARY SCHOOLS

Agriculture

Nature & Geography



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EDUCATION EXCELLENCE

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Environment

- Collecting extensive environmental baseline data
- Further detailed understanding of the natural environment
- The Environment Team is supporting current site operations (drilling) and as well as contributing to the development of the Environmental Impact Statement.
- Current environmental monitoring includes:
 - Weather (wind, rainfall, temperature)
 - Surface water
 - Groundwater
 - Stream flow
 - Dust
 - Noise
 - Visual
 - Flora
 - Fauna



Environment



Main Functions ▾ Information ▾

Sites

Bowdens Met01

Current Conditions

Delta T Temperature

FDI Monitor

Rain Records

Sigma Theta

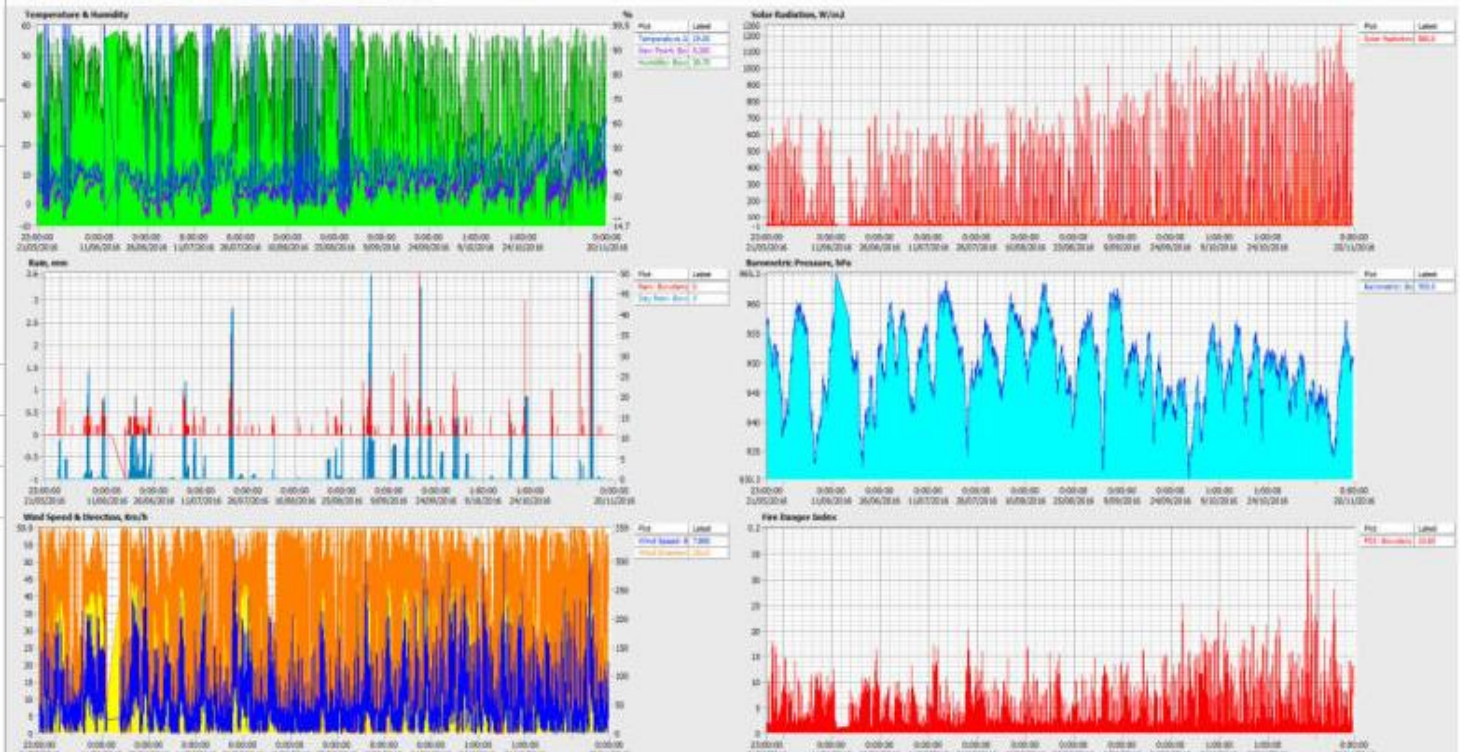
System Stats

Bowdens Met02

Bowdens TEOM01

Bowdens TEOM02

Bowdens Met01: Current Conditions





COMPLIANCE

AND

**ENVIRONMENTAL IMPACT
STATEMENT**

Compliance

Environmental Impact Statement (EIS) must comply with all relevant:

- Laws
- Environmental Planning Instruments
- Guidelines
- Policies
- Plans
- Industry Codes of Practice
- Secretary's Environmental Assessment Requirements (SEARs)

Our obligations include:

- Define likely environmental impacts
- Providing comprehensive data, expert analysis and reports on all aspects
- Expert and peer reviewer reporting
- Detail plans to mitigate and/or offset likely environmental impacts

Compliance

What are our obligations?

- Work Health and Safety Act 2011 and Regulation, Work Health and Safety (Mines and Petroleum Sites) Act 2013 and Regulation
- Exploration Licence Conditions
- Exploration Activity - environmental impact assessment (Review of Environmental Factors)
- Codes of Practice - environmental management and community consultation

How do we meet our obligations?

- Comprehensive management plans - safety, environmental, community, rehabilitation, contractor management and exploration

Our team commitment and accountability

- Understanding and commitment to comply with our obligations
- Reviewing our performance and planning for continuous improvement

Environmental Impact Statement

- Environmental Impact Statement (EIS) work to date has been substantial
- Review and update existing expert consultant reports to take into account Bowdens Silver planned smaller scale operation
- Conducting new studies and assessments to ensure all aspects of planned operation are assessed
- Submit an EIS which reports on all environmental, social and economic aspects of the planned operation as required by the Department of Planning Secretary's Environmental Assessment Requirements (SEARs)



Environmental Impact Statement

SCOPE OF THE PROJECT	
Background and Description of the Proposal Secretary's Environmental Assessment Requirements (SEAR) The Approvals Process	Environmental Management and Documentation Consultation and Issue Identification
DESCRIPTION OF THE PROPOSAL	
Geological Setting and Resources Mine Design and Planning Considerations Site Establishment and Construction Activities Mining Operations Waste Rock Management Processing Operations Tailings Management	Road Traffic and Transportation Site Infrastructure and Services Hours of Operation and Life of the Proposal Waste Management Safety/Security Management Rehabilitation, Land Uses and Biodiversity Offset
ENVIRONMENTAL AND ASSESSMENT MANAGEMENT	
Noise Blasting and Vibration Air Quality Lead Visibility Traffic and Transport Surface Water Groundwater	Terrestrial and Aquatic Ecology Soils and Land Capability Aboriginal Cultural Heritage Non-Indigenous Heritage Hazards Local Infrastructure and Services including Power Socio-Economic Agricultural Lands and Enterprises

More information on our new website

www.bowdenssilver.com.au

BOWDENS
SILVER



HOME



ENVIRONMENT ▾



COMMUNITY ▾



GEOLOGY



OUR FARM



NEWS & EVENTS



ABOUT US ▾



CAREERS ▾



CONTACT US



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