

BOWDENS **SILVER**



Bowdens Silver Project

Water Supply Amendment Newsletter

APRIL 2022



R.W. CORKERY & CO. PTY. LIMITED
GEOLOGICAL AND ENVIRONMENTAL CONSULTANTS



Project Overview

Bowdens Silver is in the final stage of approvals for the development of an open-cut silver mine approximately 26 kilometres east of Mudgee and 2-3 kilometres northeast of Lue. This State Significant Development is the largest undeveloped silver project in Australia. The Project has been through an extensive technical and environmental assessment process and has now been presented to NSW Department of Planning and Environment (DPE) for its final assessment prior to determination by the Independent Planning Commission.

"We are delighted to be in the final stages for approvals for the Bowdens Silver development. Our team has done an incredible job in getting this quality project to this stage. The development will create many quality, high-paying and stable local jobs. This is key in seeing our region diversifying into other outstanding businesses particularly during these unstable times. Of special note are the ongoing discoveries being made immediately beneath the main development. This is likely to secure the Project for many decades to come. We very much look forward to a safe and prosperous future."

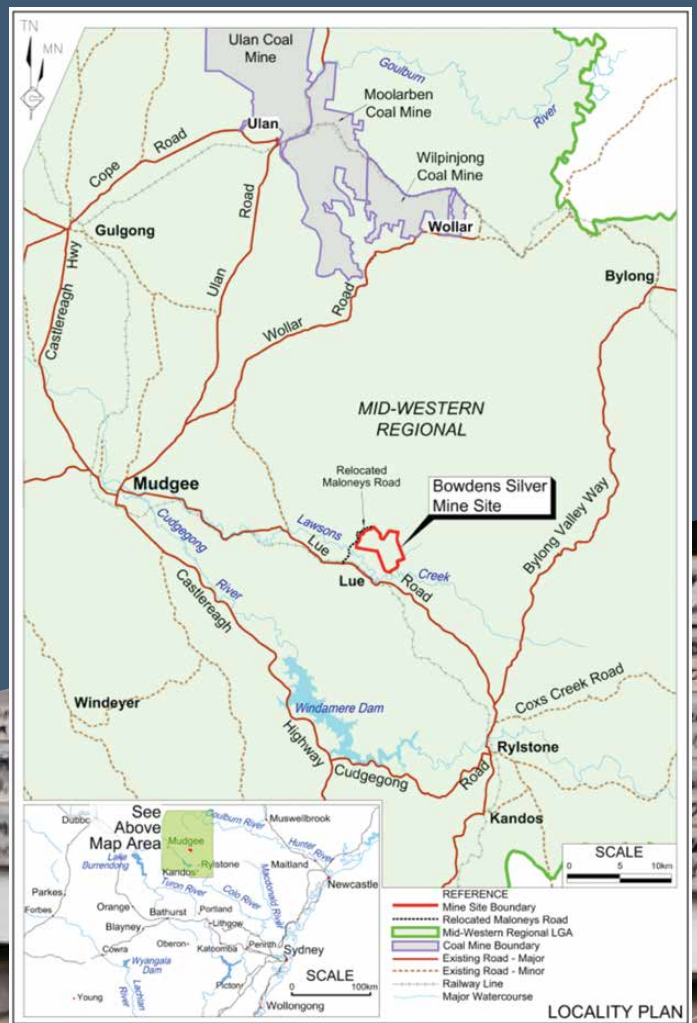
Anthony McClure
Managing Director, Bowdens Silver

Key Information:

- Bowdens Silver is a local resource company 100% owned by Australian public company Silver Mines Limited.
- The Company will mine silver, zinc and lead via open-cut mining methods over 16.5 years.
- Mining would involve the extraction and processing of up to 2 million tonnes per annum of ore material to produce a silver/lead concentrate and a zinc concentrate for sale and smelting off site.
- 320 jobs would be created during construction activities and up to 228 jobs during operations.
- Initial capital investment of circa \$250 million.
- Water for the operation would be sourced entirely on-site, through the use of dams, groundwater bores and water recycling.

Where Are We Up To?

- Since 2016, the Company has completed an economic Feasibility Study and extended and defined the mineral Ore Reserve. All environmental and technical studies have been completed.
- In 2020, the Company presented its Environmental Impact Statement (EIS) to Government, local communities and stakeholders.
- The Company received outstanding support with 79% of all public community submissions on the EIS supporting the Project.
- Outcomes from technical assessments including independent and Government peer reviews show:
 - The Project presents no health risk of concern to the local community.
 - The Mine Site will be self-sufficient for water supply even under drought conditions and water usage will not compete against environmental flows or agriculture.
 - The Project will provide substantial economic benefits for the local and regional communities.
 - The design and management of the Tailings Storage Facility satisfies the Environmental Protection Authority's criteria and requirements relating to seepage.
- The Project was amended to include the proposed re-alignment to the existing 500kV powerlines that traverse the Mine Site.
- Bowdens Silver's ongoing exploration activities and recent discoveries underneath the proposed open-cut mine have been extremely encouraging and subsequently the Company has initiated a Scoping Study for potential underground mining scenarios that could see the Project continue outside the current open-cut development.



Integrated Water Management and Supply Strategy

Bowdens Silver recently provided a further amendment to the State Significant Bowdens Silver Project development. The change involved the removal of the previously proposed water supply pipeline with an updated on-site water management and supply strategy. This strategy will provide the Project with a secure water supply that is sourced solely within the Mine Site in combination with a comprehensive water recycling system.

Water usage and supply is understandably a high priority matter for members of the wider community. Importantly, this new and optimised water management strategy significantly reduces on-site water usage with less disturbance to land and biodiversity or heritage impacts, while also ensuring that the Project can remain operationally and economically viable throughout the planned 16.5 year mine life.

A Water Supply Amendment Report has been provided to the NSW Department of Planning and Environment who will now assess this change as part of their overall Development Application assessment.

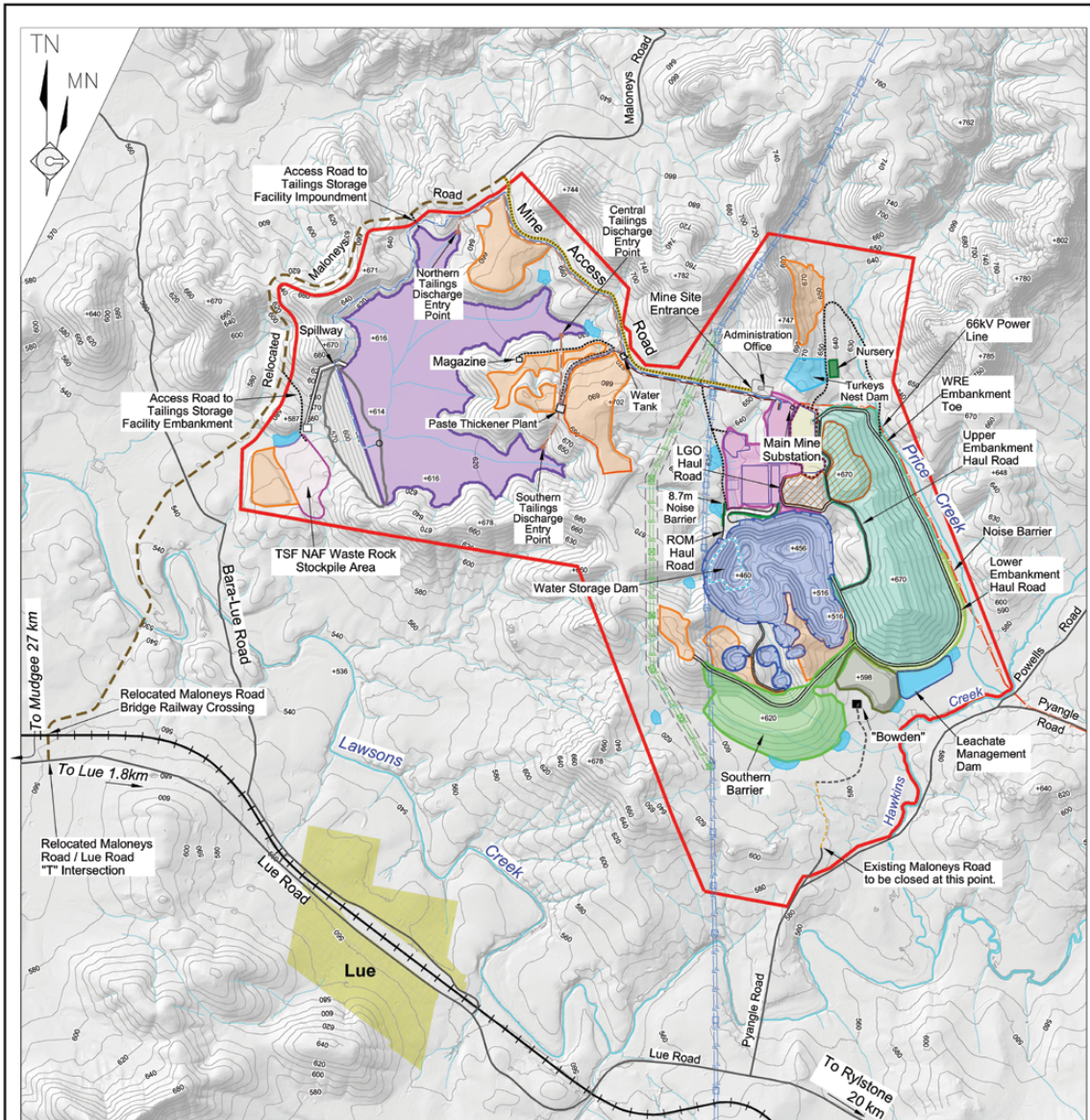
The following strategy would be implemented at the Mine Site to support this new water management approach:

- Water demand would be reduced by a higher rate of water recycling within the processing circuit-saving an average of 390ML/year.
- Water stored in the Tailings Storage Facility (TSF) and other water management infrastructure would be managed for recycling and to reduce the water surface's exposure to evaporation.
- Water sources would be prioritised to ensure that operational requirements and the function of containment dams is not compromised at any time.

Bowdens Silver's current water strategy includes not to compete for water sourcing with local agriculture and not to affect environmental flows. We have never planned to draw water directly from Lawsons Creek. The importance and cleanliness of this waterway is paramount.

Our strategy reduces average processing water usage by 390ML per year, reduces the potential for seepage from the TSF by active water management processes and ensures that water availability and quality is negligibly impacted for downstream users. These outcomes have been extensively modelled and reinforced through technical assessments and independent peer reviews. Whilst most components in the strategy remain as described in the Environmental Impact Statement, an additional processing component, being a paste thickener plant, has been incorporated to optimise the recovery and re-use of water for processing operations. Advanced dewatering of groundwater was originally proposed as a water source during site establishment but would now be extended to supply make-up water for processing.





REFERENCE

- Mine Site Boundary
- 580 Contour (m AHD) (Interval = 10m)
- 600 Spot Height (mAHD)
- Existing Watercourse / Drainage Line
- Road
- Closed Railway Line
- Existing Power Line (500kV) / Tower
- Maloneys Road (Section to be closed)
- Lue as displayed on Mid-Western Regional LEP, 2012

Proposed Component

- Re-aligned Power Line (500kV) / Tower - with 70m Easement
- Proposed 66kV Power Line

Note:
 LGO = Low-grade Ore
 NAF = Non-acid Forming
 ROM = Run of Mine
 TSF = Tailings Storage Facility
 WRE = Waste Rock Emplacement

SCALE



Source: Bowdens Silver Pty Limited

- Tailings Pipeline
- Tailings Discharge Pipeline
- Decant / Paste Thickener Return Pipeline
- Relocated Maloneys Road
- Mine Access Road
- Internal Road
- Haul Road / Indicative Haul Road
- Open Cut Pit
- Mining Facility
- Tailings Storage Facility
- Processing Plant/ROM Pad Area
- Soil Stockpile Area
- Low-grade Ore Stockpile Area
- TSF NAF Waste Rock Stockpile Area
- Southern Barrier
- Waste Rock Emplacement
- Oxide Ore Stockpile
- Water Management Infrastructure
- Lower Embankment Noise Barrier
- Noise Barrier

AMENDED MINE SITE LAYOUT

Voluntary Planning Agreement with Mid-Western Regional Council

The Bowdens Silver Project has reached another significant milestone with the signing of a Voluntary Planning Agreement with Mid-Western Regional Council (MWRC).

The Voluntary Planning Agreement allows for Bowdens Silver to make contributions over the duration of its proposed 16.5 year mining operations including:

- \$3.0 million in contributions towards community infrastructure to support the region.
- \$1.7 million in road maintenance contributions to be applied towards the maintenance of Lue Road and ancillary roads.

Total contributions to MWRC would exceed \$4.7 million over the duration of mining operations.

These contributions represent only one component of Bowdens Silver's commitment as a major participant in the Mid-Western region and the local community. In particular, Bowdens Silver will continue to expand its investment in local communities through its ongoing Community Investment Program. This program provides support and funding for a range of community-led initiatives in Lue, Rylstone, Kandos and surrounding areas within the Mid-Western region.



Brad Cam, General Manager, MWRC and Anthony McClure, Managing Director, Bowdens Silver at the signing of the VPA

Next Steps

Following public exhibition of the Water Supply Amendment, Bowdens Silver will review and provide responses to public and Government agency submissions received that relate to the integrated water management and supply strategy.

A Submissions Report will be provided to the NSW Department of Planning and Environment who will complete its assessment of the Project which will then be referred to the IPC for Project determination.

Bowdens Silver is committed to continuing to share information on the Project throughout this process and encourages interested community members to get in touch with us directly or seek information on the company website www.bowdenssilver.com.au

500kV Powerline Realignment

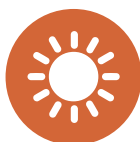
After assessing community comments, we have amended the Project to include a realignment of the existing 500kV power transmission line that traverses the Mine Site. Following a public exhibition period, a new alignment has been determined including:

- Moving the realignment of the 500kV powerlines eastwards closer to the Mine Site.
- Improving visual amenity outcomes for landowners to the west and southwest of the Mine Site by locating it at a greater distance and in some cases behind ridgelines.
- Reduces the number of towers that would need to be relocated and/or constructed.



What Is Silver Used For?

Silver is a precious metal which historically was recognised as a store of wealth for its value and aesthetic appeal and was used in jewellery, tableware and figurines. Today, silver is a highly-valued industrial metal due to it being the best electrical conductor of all metals. Some of silver's most exciting current and future uses include:



Extensive use in solar panels for the production of renewable electricity.



Critical componentry in everyday items such as mobile phones, TVs and most other electrical appliances.



As a key element in the expanding electric vehicle (EV) industry - more silver is used in an EV compared to a regular combustion engine vehicle.



It has a wide range of uses within the medical field including bacteria control, water purification and more recently in COVID-19 Rapid Antigen Testing kits.



Wide ranging applications in high-tech fields such as computing, nano technologies, aviation, aerospace and many others.

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