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31 January 2020

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

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 December 2019

HIGHLIGHTS

Bowdens Silver Project

- **Environmental Impact Statement (EIS) in the final stages before submission for Development Consent.**
- **Gravity data acquired has provided substantial targets for intrusive mineralised sources in immediate proximity to the existing Bowdens resource.**
- **Diamond drill campaign of up to 4000 metres commenced (subsequent to the end of the quarter).**
- **The drilling program will test:**
  - **Extensions of the Northwest very high-grade silver zone and the Bundara Deeps massive sulphide discovery that includes gold and copper.**
  - **Significant gravity responses immediately west of the Bowdens deposit interpreted to be the mineralisation source porphyry intrusion.**

Barabolar Project

- **Expanded soil program and gravity survey has been completed.**
- **Deep drill program planning advanced.**

Tuena Gold Project

- **Substantial gold in soil anomalism over a 5.4km by 1.5km corridor.**
- **Airborne magnetics and radiometrics survey complete.**

Bowdens Silver Project

During the December 2019 quarter, Silver Mines Limited (ASX:SVL) ("Silver Mines" or "the Company") continued with the finalisation of the Environmental Impact Statement ("EIS") for the proposed development of the Bowdens Silver Project located approximately 26 kilometres east of Mudgee in the Central Tablelands Region of New South Wales.

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 (refer to Figure 1).

Bowdens Silver comprises an open-cut mine feeding a new processing plant comprising 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 project life of 17 years. Life of mine production is planned to be approximately 53 million ounces of silver, 116,000 tonnes of zinc and 83,000 tonnes of lead.

The Company is in the final stages of completing the EIS and expects to lodge with the NSW Department of Planning and Environment shortly. A Mining Lease application and a Development Application (DA) will be lodged in conjunction with the EIS.

The Company has reported results from preliminary key components of the EIS with positive outcomes (Refer to ASX release of 21st June 2019).

Government and Community Engagement

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.

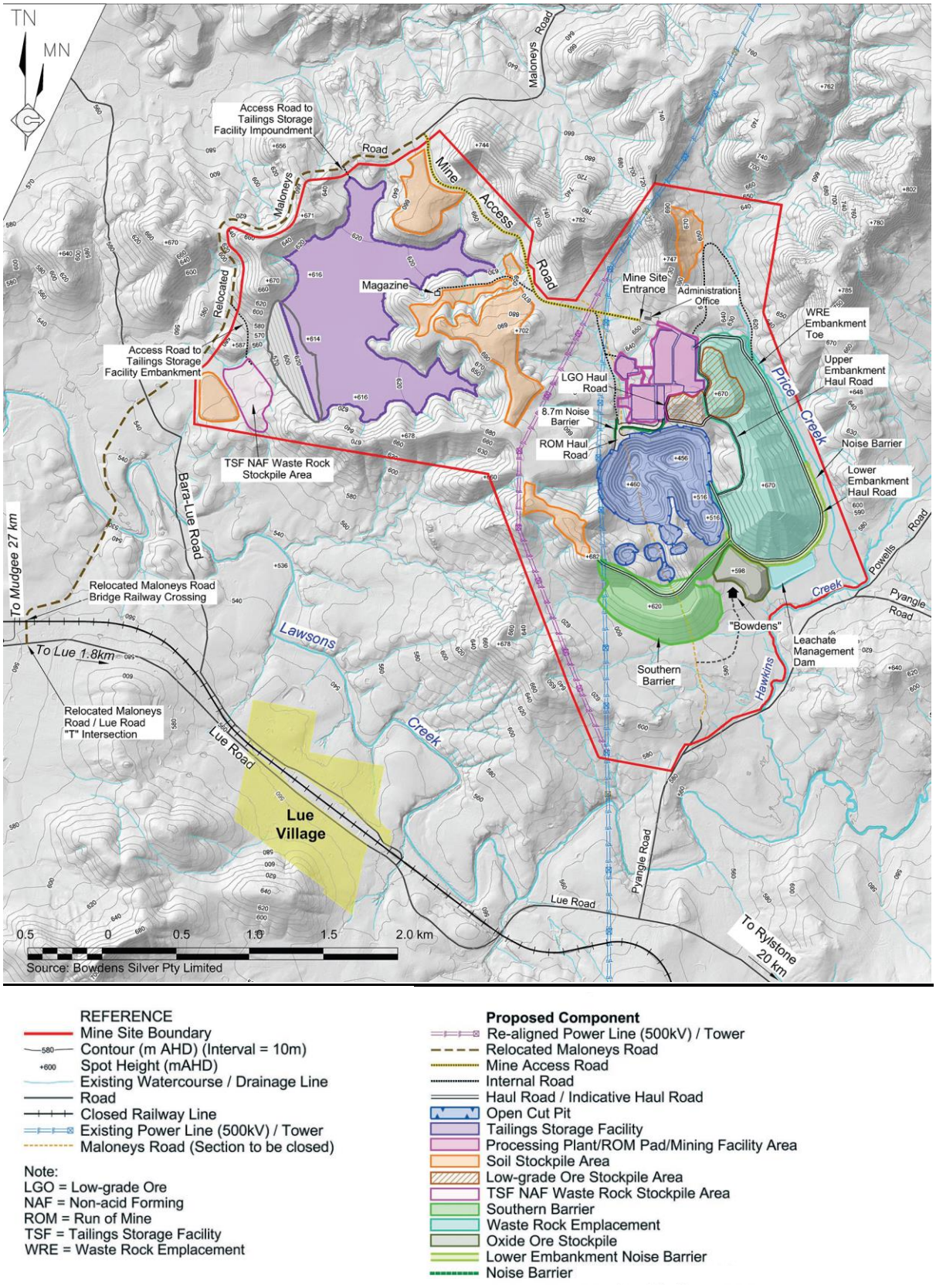

Figure 1. Bowdens Silver Preliminary Mine Site Layout.

Bowdens Project Exploration

After the completion of a detailed ground-based gravity geophysical survey over the Bowdens Silver regional project area, modelling and interpretation was completed during the December 2019 quarter. The purpose of the survey was to assist in establishing regional structural controls on mineralised trends and to search for possible mineralised heat-sources, such as buried intrusive (porphyry) centres.

Modelling and interpretation has been completed with the existing body of high-quality technical work providing a number of compelling drill targets. The modelling process accounted for overlying Sydney basin cover that has hampered previous exploration efforts (refer to Figure 2).

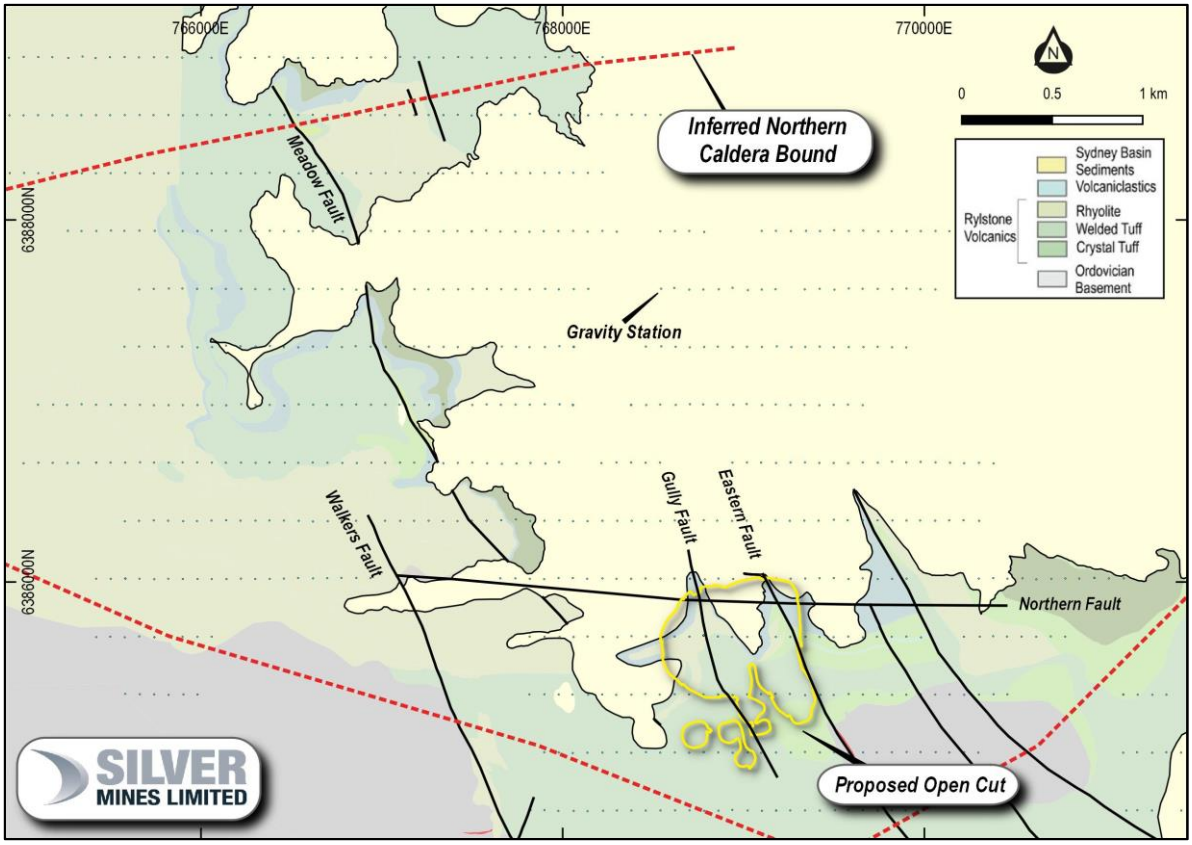

Figure 2: Geology of the Bowdens Silver Exploration Area.

The targets to be tested by upcoming drilling are both low and high gravity responses. The low responses are interpreted to be intrusive (porphyry or intrusion related gold/silver [IRG] targets); the high responses are interpreted to be potential analogues to the main Bowdens silver and base metal systems (refer to Figure 3).

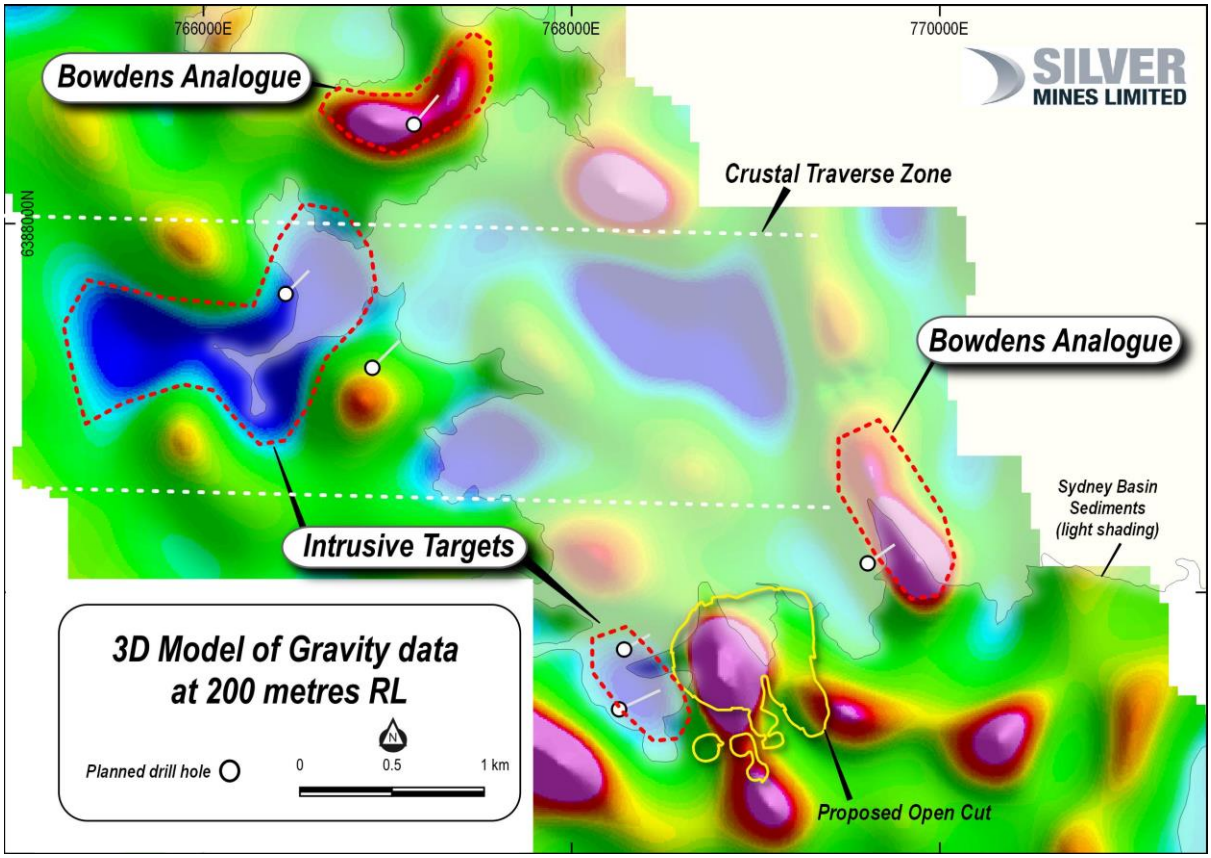

Figure 3: Slice through the 3D model of gravity data at 200 metres RL (~300 metres below surface) with priority targets and Permian cover sediments.

Interpretation of the gravity model suggests that the Rylstone Volcanics have formed above a crustal scale traverse fault zone. This crustal scale fault system is associated with the voluminous Rylstone volcanic units extruded from a Permian age central caldera or series of volcanic vents. The extensive gravity lows within this traverse zone are possible felsic intrusives with the potential to be a source to the mineralisation at the Bowdens Silver Deposit.

Recent studies, including research and development by the Company and the University of New South Wales, identified three intrusive phases. These are spatially related to mineralisation, and dating of the intrusions show close association with the previously established age of the Bowdens mineralisation. Interpretation, including geology, age dating and sulphur isotope analysis suggest that the intrusive source to mineralisation is located at depth and to the northwest and/or west of the current Bowdens Silver Deposit.

Bowdens Silver Deposit remains the only deposit of significance discovered within the Permian Rylstone volcanics of New South Wales. Significantly, there are several structurally controlled high-grade zones located proximal to the deposit. The high-grade north-west extensions to the Bowdens Silver Deposit including drill results such as 7.0 metres averaging 555g/t silver equivalent, 7.1 metres averaging 494g/t silver equivalent and 4 metres averaging 1010g/t silver equivalent (refer release dated 31st July 2017 and 22nd June 2018).

Hole	From (metres)	To (metres)	Interval (metres)	Silver (g/t)	Zinc (%)	Lead (%)	Silver Eq (g/t)
BRD18001	283	307	24.0	108	0.37	0.73	150
Incl.	283	288	5.0	216	0.37	0.32	245
	306	**307**	**1.0**	**377**	**0.3**	**3.53**	**510**
BRD18002	319	338	19.0	91	0.09	0.22	105
Incl.	320.4	326	5.6	111	0.23	0.52	145
	334	**338**	**4.0**	**198**	**0.05**	**0.02**	**201**
BD17018	179	190.7	11.7	270	0.22	1.18	316
Incl.	**183.6**	**190.7**	**7.1**	**391**	**0.32**	**1.86**	**494**
BD17015	235	268	33.0	167	0.29	1.17	215
Incl.	**235**	**242**	**7.0**	**483**	**0.75**	**1.38**	**555**
	239	**240**	**1.0**	**925**	**1.8**	**0.52**	**1011**
BRC12037	186	200	14.0	284	0.11	0.89	319
Incl.	**196**	**200**	**4.0**	**935**	**0.14**	**2.01**	**1010**
BD17020	193	211	18.0	74	0.81	0.68	136
Incl.	**204**	**205**	**1.0**	**596**	**0.62**	**1.18**	**655**
BD17013	128	171	43.0	110	0.36	0.86	157
Incl.	**151**	**165**	**14.0**	**203**	**0.55**	**0.99**	**254**

Table 1: Northwest Zone previous drill results

Bowdens' silver equivalent: 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, 82% zinc and 83% lead estimated from test work commissioned by Silver Mines Limited. (Refer to Company releases 22 June 2018, 7 June 2017 and 31 July 2017 for further information and JORC tables).

While the geometry of the main bulk-tonnage Bowdens Silver Deposit is well understood, the geological context and setting of this system is yet to be fully established.

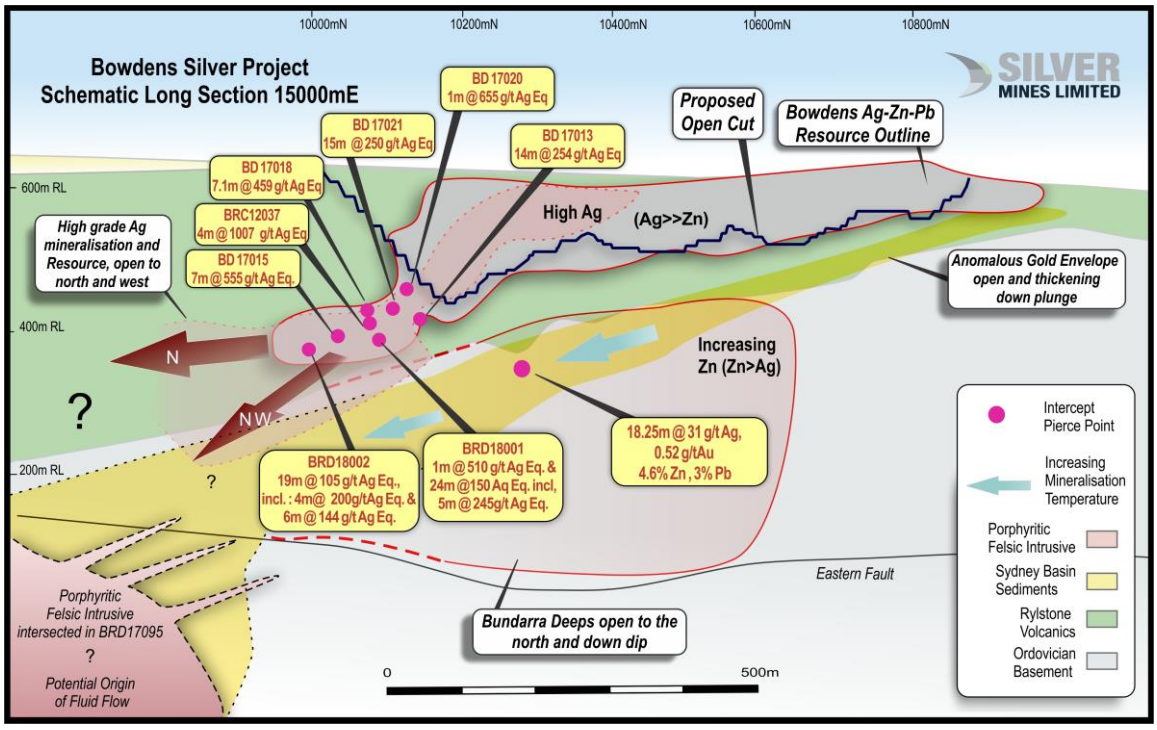

Figure 4: Schematic long-section Northwest Zone - a high-grade extension to Bowdens

In addition to the high-grade Northwest Zone, massive to semi-massive sulphide bodies have been intersected in the basement Ordovician rocks with drill results including 18.25 metres averaging 4.6% zinc, 3.0% lead, 31g/t silver, and 0.4g/t gold (refer to release dated 15 March 2017). The massive sulphide zone, known as the Bundarra Deeps, appear as flat lenses of mineralisation within the Ordovician stratigraphy that gently dip to the west. Both Bundarra Deeps and the Northwest Zone remain open to the west and present excellent high-grade drill targets.

The heat source that drove fluids and deposited such a large mineral system is yet to be identified, but is inferred to be a porphyry intrusion, potentially central to a caldera (an extinct collapsed volcano). Narrow porphyritic dykes have been intersected in drilling and molybdenum (a sign of high temperature fluids and a pathfinder to porphyry deposits) has been found to increase along faults in the northwest. Indeed, some 1.5km to the north of the Bowdens Silver Resource, geochemical anomalism is coincident with significant gravity lows interpreted as felsic intrusive bodies.

Silver Mines' research and development programs include both geological studies on the Rylstone Volcanics and the development of new geochemistry modelling techniques. The new geochemistry modelling techniques include a combination of multivariate geochemical analysis and Machine Learning models which integrate geochemical, geological, geophysical, and remote-sensing datasets. These techniques are intended to target mineral systems beneath cover.

Drilling

The Company has planned for a diamond drilling program of up to 4,000 metres to test priority responses from the integration of the gravity data with the information determined from techniques developed under the Company's R&D programs. The drilling will test the gravity highs for analogues to the Bowdens Silver Deposit, as well as the gravity lows for porphyry and intrusive sources. Further to this, the extent of the high-grade Northwest zone will be tested >200 metres down dip from current drilling to the west.

Subsequent to the end of the December 2019 quarter, the Company received final environmental approvals for the recommencement of exploration drilling activities at Bowdens with the drilling program commencing at the end of January 2020.

The first drill hole is to be drilled from the west targeting below the Bowdens Silver Deposit to intersect a gravity low that is down dip from mineralised dacite dykes intersected in previous drilling. It is hypothesised that these dacite dykes link to the mineralisation source intrusion in this area. The hole is planned to 700 metres depth.

Initial results from the program are expected from the end of the March quarter 2020.

Exploration success in proximity to the Bowdens Silver Deposit may provide a positive advantage to the long-term success of the project.

About the Bowdens Silver Project

The Bowdens Silver Project is located in central New South Wales, approximately 26 kilometres east of Mudgee (See Figure 6). 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.

Barabolar Project

During the December 2019 quarter, the Company continued exploration activities at 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.

Exploration work continued to expand at the Barabolar Project area with a regional soil sampling program completed to the west of the Mt Laut Pyrophyllite alteration zone, and west of the Cringle Prospect. This area has had limited previous exploration and is dominated by andesitic volcanics and volcaniclastics of Ordovician age. Multiple alluvial gold occurrences are situated within drainage channels sourced from the area including the historic Pipeclay and Budgee Budgee workings. The source of this gold is postulated to be related to the hydrothermal activity observed within the Project such as at the Mt Laut Pyrophyllite zone.

During the December 2019 quarter, a broad project wide gravity survey was completed to assist in defining structure throughout the region, especially the Mt Bara Thrust Fault, and to identify buried source intrusions. Data acquired from the gravity survey continues to be modelled and analysed along with results from the regional soils program.

The modelling and analysis is expected to be completed during the March 2020 quarter along with the planning for an expanded and deep drilling program of up to 4000 metres. This program will have the intention of targeting major porphyry related mineral systems at depth.

The rocks of the Barabolar Project area are Ordovician age (the same age as the giant Cadia-Ridgeway porphyry copper-gold project located near Orange, NSW) and include sedimentary and volcanic rocks, an extensive skarn (highly altered microdiorite), and several porphyritic intrusions (refer to Figure 5). The presence of pyrophyllite alteration along with areas of intensive silicification, and argillic alteration are indicative of high-sulphidation epithermal systems consistent with copper-gold porphyry targets and peripheral low-sulphidation epithermal targets.

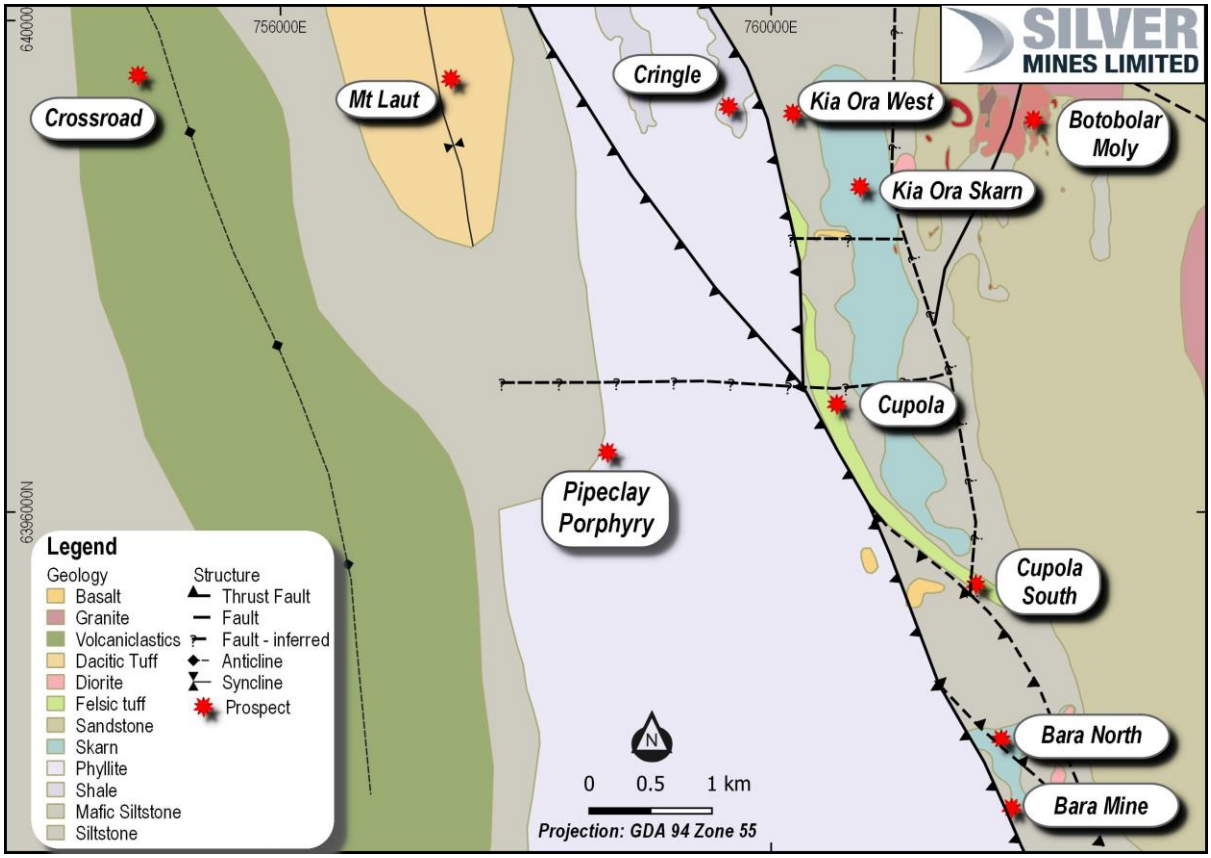

Figure 5. Barabolar Project geology with prospects

About the Barabolar Project

The Barabolar Project is located in central New South Wales, approximately 26 kilometres east of Mudgee (refer to Figure 6). The consolidated area comprises 2,007 km^2 (496,000 acres) of titles covering approximately 80 kilometres of strike of the highly mineralised Rylstone Volcanics and Macquarie Arc. Multiple target styles and mineral occurrences have potential throughout the district including analogues to Bowdens Silver, high-grade silver-lead-zinc epithermal and volcanogenic massive sulphide (VMS) systems and porphyry and skarn hosted copper-gold-molybdenum targets.

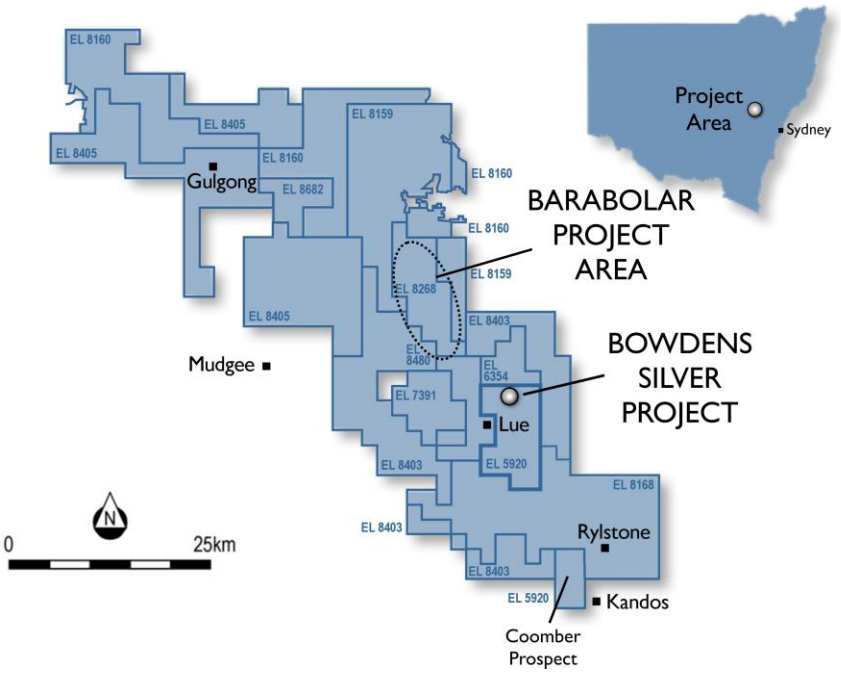

Figure 6. Silver Mines Limited tenement holdings in the Mudgee district.

Tuena Gold Project

During the December 2019 quarter, the Company continued with geological reconnaissance work and completed an airborne magnetic and radiometric program at the highly prospective Tuena Gold Project (EL8526) located 80 kilometres south of the city of Orange in New South Wales. The Project is a regional exploration project that consists of a single exploration license covering approximately 175 square kilometres.

The Tuena Gold Project consists of an extensive series of historic hard-rock and alluvial gold mines which operated from the 1850s until the early 1900s. Records of production state that the Lucky Hit Mine, for example, produced at grades of 61g/t gold (NSW Government database).

Mineralisation, as indicated by historic shafts and adits, can be mapped over several kilometres of strike. The Tuena Gold Project is situated at the southern end of the highly prospective Hill End Trough within volcanic and sedimentary rocks of Silurian and early Devonian age. Mineralisation occurs within splay/horsetail structures associated with an inflection in the Copperhania/Lake George Thrust Faults. This structure is the continuation of the major Godolphin Fault, which is closely associated with mineralisation at the multi-million ounce McPhillamys gold project located 60 kilometres to the north (refer to Figure 7). The Company is exploring for both orogenic gold and volcanogenic massive sulphide gold+base metal systems.

Work Programs Completed

During the December 2019 quarter, the Company completed a second phase of soil sampling at Tuena. This program follows from an earlier reconnaissance soil sampling on small 40 metre by 40 metre grids that revealed anomalism related the known historic workings. The second phase consists of approximately 1600 samples at a nominal grid of 50 by 200 metres *(refer to Figures 9, 10 and 11)*.

The completed soil sampling program has indicated that gold anomalism >8ppb can be traced along several geological structures over a strike length of 5.4 kilometres within a corridor of mineralisation up to 1.5 kilometres wide. As well as extensive gold anomalism, arsenic anomalism also successfully maps the system and is an important pathfinder element. In addition to the soil sampling, Company geologists have also conducted a first pass reconnaissance mapping and rock sampling program.

Several individual prospects show extensive higher-tenor gold anomalism. The Peeks Prospect, for example, shows gold in soil anomalism >25ppb, and up to 268ppb with a coincident arsenic anomaly. Mapping of historic workings at the Peeks Prospect reveals both steeply dipping quartz veins 30 to 50 cm in width as well as stacked shallowly dipping veins. A single rock sample of a shallowly dipping vein returned an assay result of 76.4g/t gold. The Cooper & McKenzie Prospect is defined over 850 metres of strike length with a >25ppb gold in soil anomaly with a peak value of 1550ppb gold (1.55g/t). Single point gold in soil assays from the eastern prospects returned up to 4220ppb gold (4.22g/t) and 2660ppb gold (2.66g/t) and whilst these results were not replicated on soil lines to the north and south, the arsenic anomalism indicates a target that is >500 metres in strike length. A 1.7 kilometre long mineralised trend, defined by soil anomalism >8ppb extends from the Lucky Hit historic

workings to the Golden Dyke South workings and remains open towards the Golden Dyke main workings (infill sampling pending) some 800 metres further north (refer to ASX release of 23rd October 2019).

Also during the December 2019 quarter, the Company completed an airborne magnetic and radiometric survey (Figure 12). This survey covered the entirety of EL8526 and will aid in the mapping of magnetite-hematite bodies which are proximal to mineralised shear zones and also provide confirmation of the controlling structures.

Initial interpretation of the airborne magnetic data has shown a clear structural and geological link between the historic gold workings of Lucky Hit and Golden Dyke in the south through to Cooper & McKenzie and Markhams Mine in the north. Geological mapping has shown the trend of magnetic response associated with the historic gold workings to be a result of highly metamorphosed mafic volcanics. The magnetic response clearly shows zones of thinning and thickening of the mafic volcanics from local structural controls and ironstone bodies associated with magnetite alteration. It is in these structurally complex/highly altered zones and traps around fold closures that have the greatest potential for hydrothermal fluid flow and to deposit gold mineralisation.

Following the completion of the modelling and analysis of the completed programs, the Company will plan the first round of exploration drilling on this project.

Due to the success of the work to date in the Tuena area the Company has expanded its interests with a further 634 square kilometres of exploration titles under application.

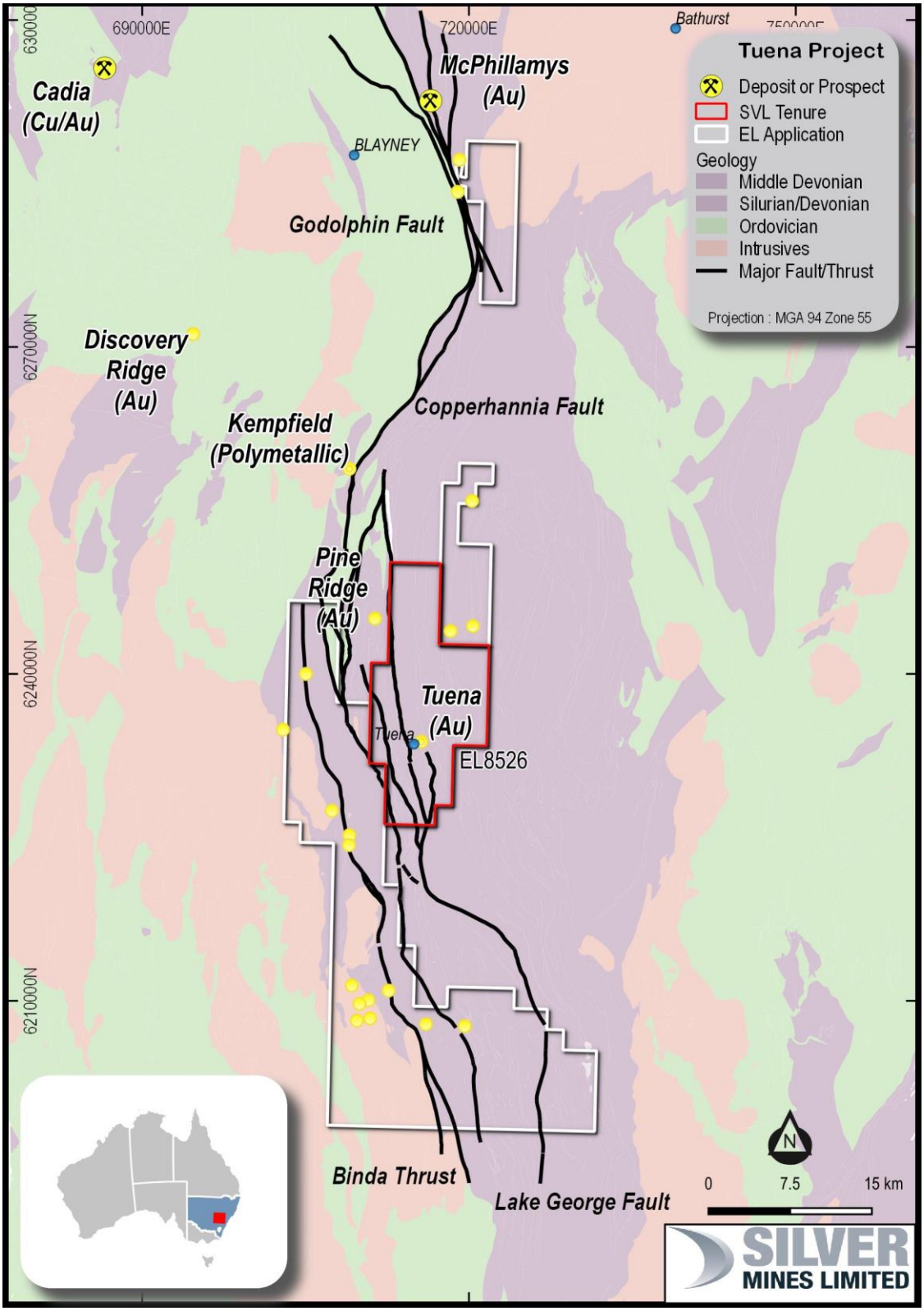

Figure 7. Tuena Project location with regional geology and major deposits.

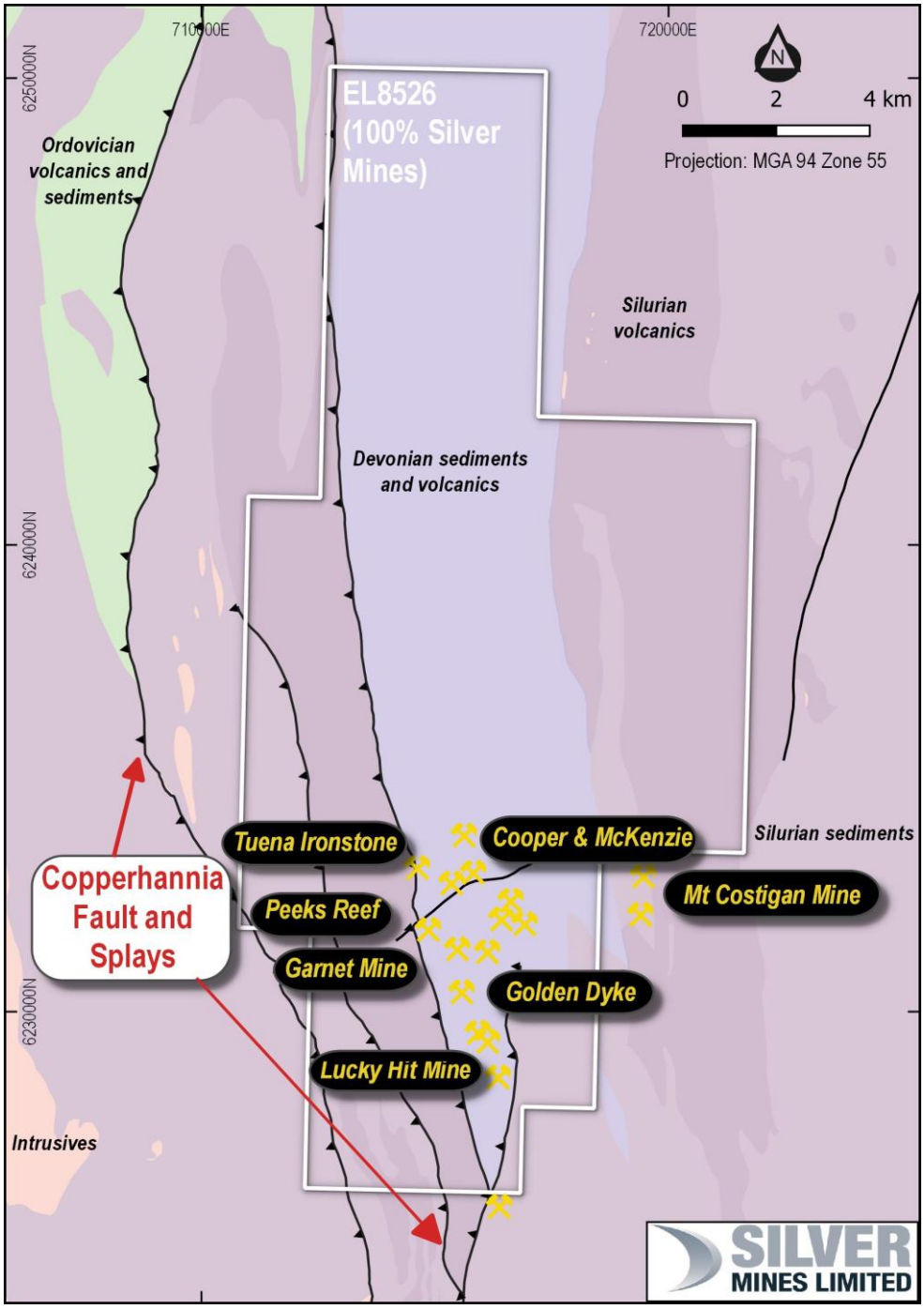

Figure 8. General geology and prospect map of EL8526 showing historic gold working locations.

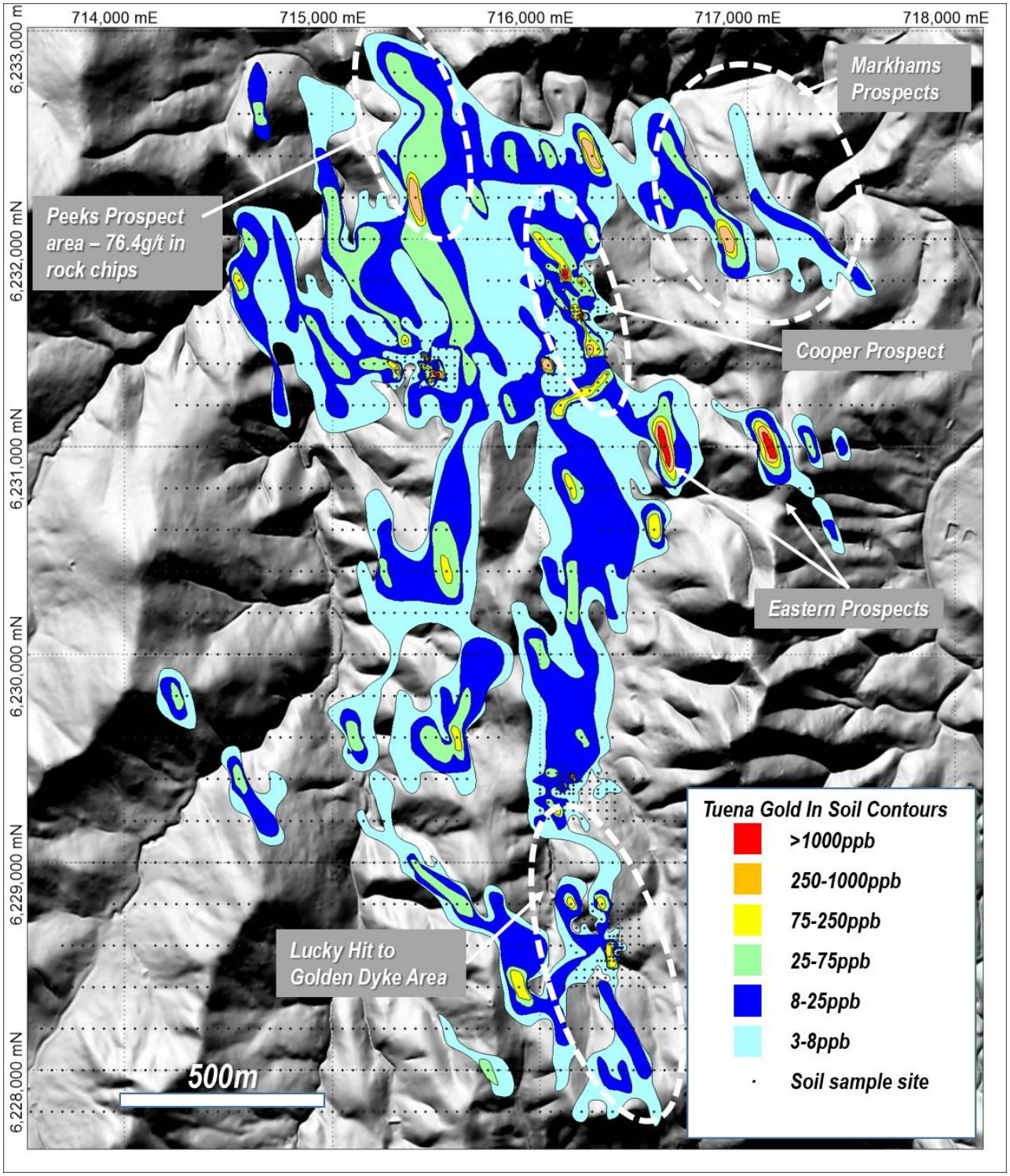

Figure 9. Tuena Gold Project Soil Sampling Contours by Gold

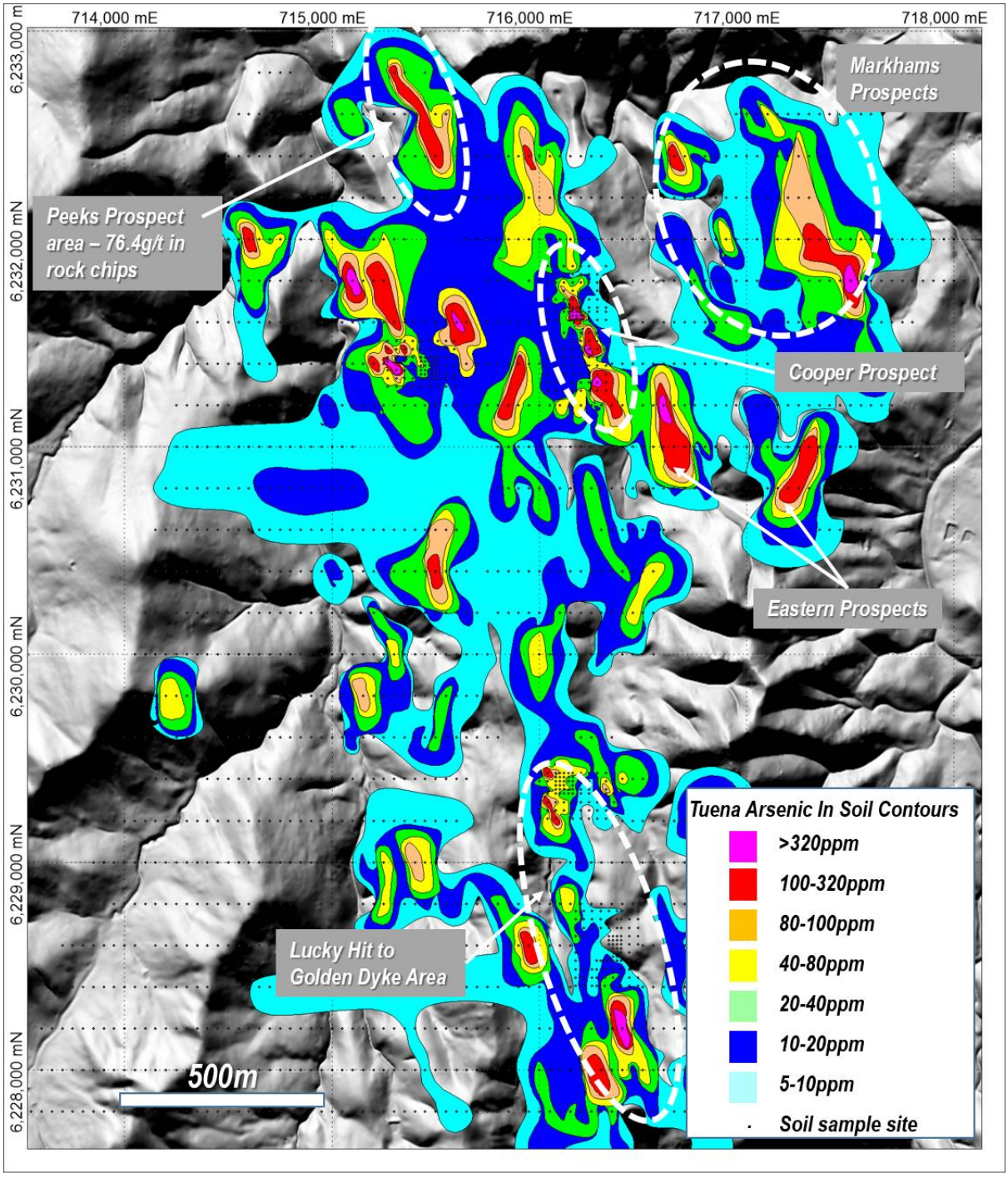

Figure 10. Tuena Gold Project Soil Sampling contours by Arsenic

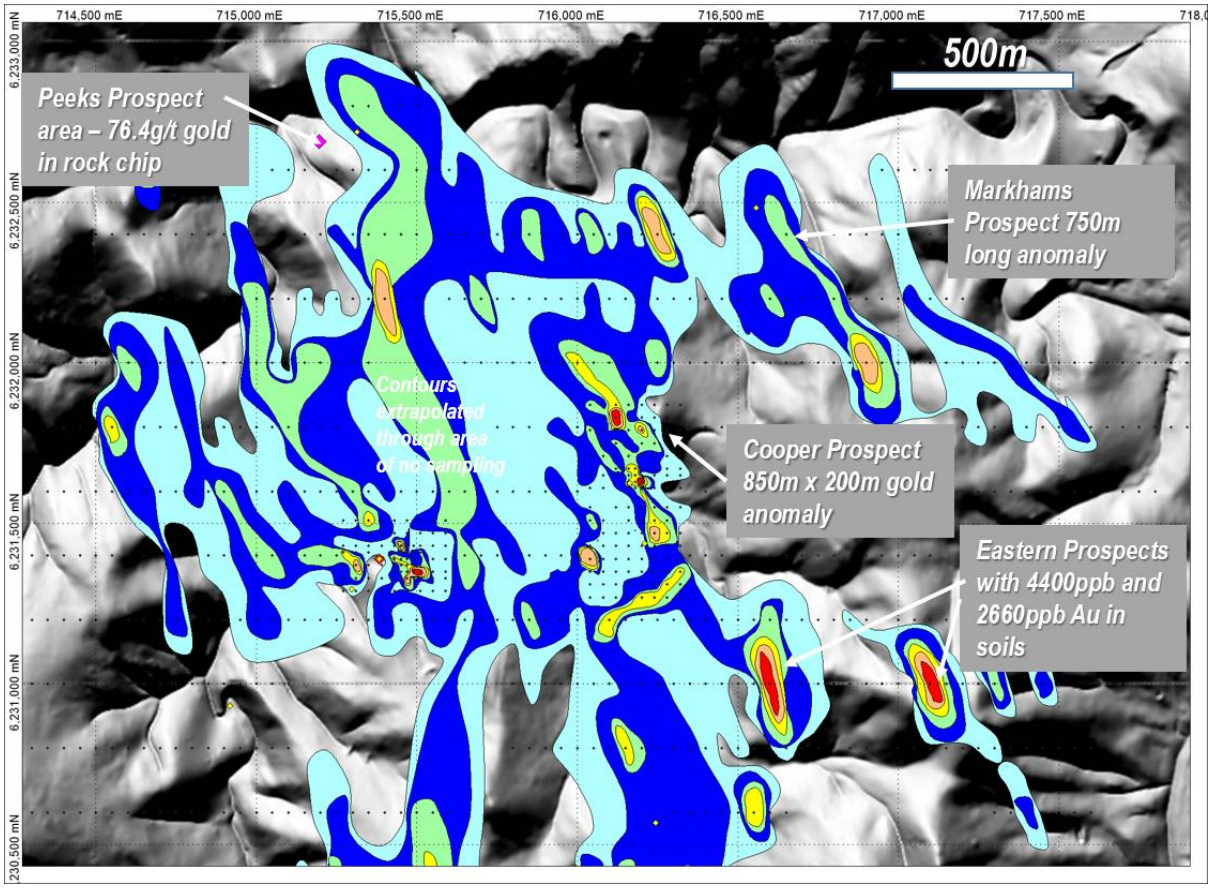

Figure 11. Northern anomalies, zoomed in soil contours by gold (refer Figure 3 above for legend)

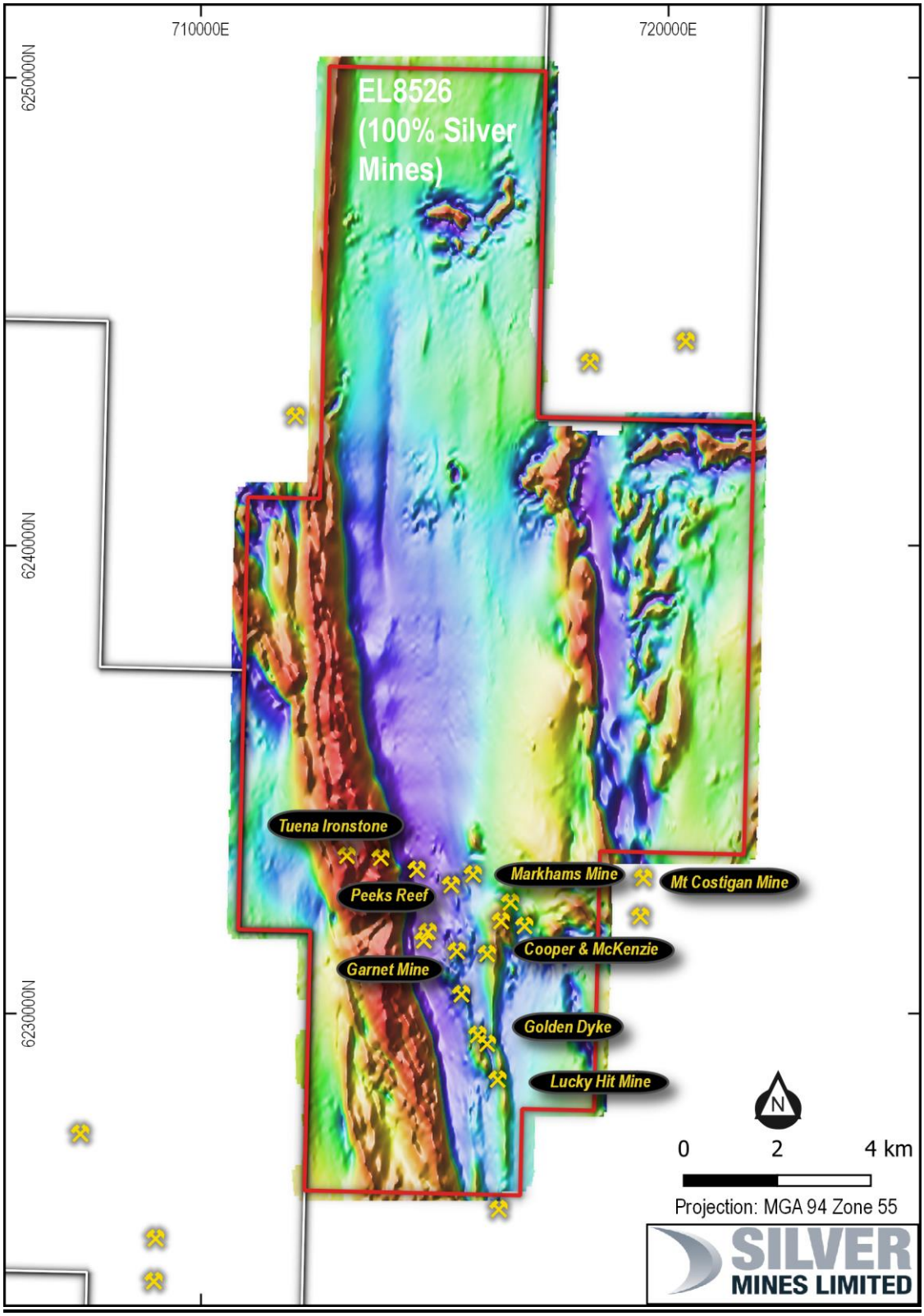

Figure 12. Tuena Gold Project airborne magnetics data (reduced to pole) recently collected by Silver Mines

Tuena Rock Samples > 0.1g/t Au

SampleID	Easting (m)	Northing (m)	Gold (g/t)	Gold (ppb)	Arsenic (ppm)
65245	715196	6232688	76.4	76,400	157
65235	716378	6228274	2.69	2,690	884
78371	716134	6229385	0.86	860	2,470
78370	716134	6229385	0.59	590	<5
78359	716316	6228587	0.27	270	12
78360	715383	6231390	0.15	150	49
78358	716035	6228638	0.13	130	<5
65236	716207	6228999	0.10	100	62

About the Tuena Project

The Tuena Gold Project is a regional exploration project that consists of a single exploration license covering approximately 175 square kilometres. The project is 100% owned by Silver Mines Limited and is located in the Southern Tablelands of NSW, 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 (refer to Figure 13). 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 has recently expanded its area of interest in the Tuena area with a further 634 square kilometres under application. The Company is targeting the region for large structurally controlled gold deposits analogous, perhaps, to the nearby McPhillamys Gold Deposit.

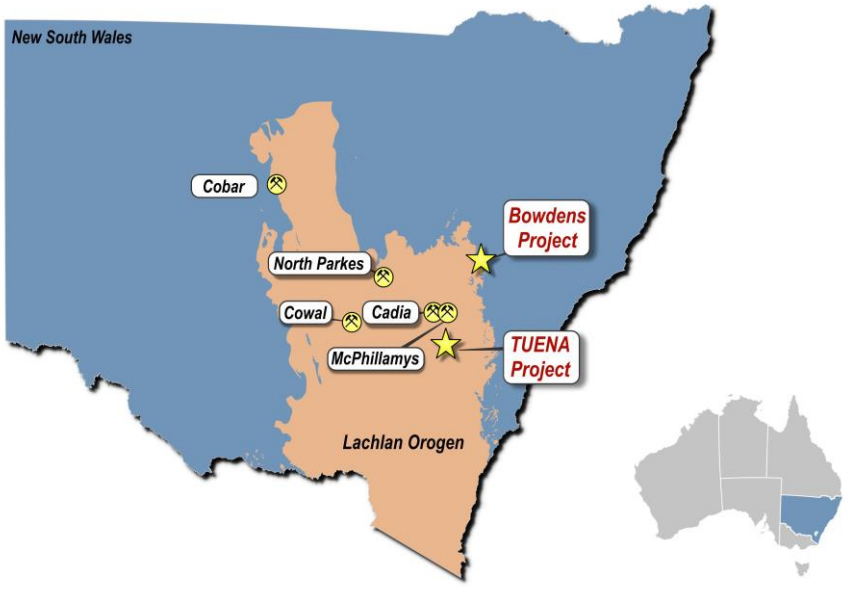

Figure 13. Silver Mines Ltd projects in the Lachlan Orogen.

Other Projects

During the December 2019 quarter, the Company continued environmental remediation work at the Webbs and Conrad areas in New South Wales. The Company continues to assess exploration options and other options for these prospective projects.

Research and Development Update

The Company has an active 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 licenses. The R&D programs have been led by the Company's Geoscientific Data Scientist, Mr David Biggs; Project Geologist, Mr Tom Klein, and have been overseen by an advisor to the Company, Dr Darren Holden. The R&D programs are on-going and have, over the past three years, involved collaboration with 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 involves developing innovative new technology and processes, which has been applied to geological studies on the Bowdens Silver Deposit and particularly the basement rocks and the search for a porphyry source. In addition, research has been applied to the Barabolar Project area and elsewhere in the Company's portfolio. The Company has developed and continues to develop 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 developed under these R&D programs.

During the December 2019 quarter, the development and application of the machine learning predictive geochemistry technology continued. The Company is now establishing programs to test its machine learning technologies on targeting outside of the Bowdens-Barabolar district to establish if such technologies are applicable to other geological domains. In particular, the Tuena Gold Project has a multi-element association of gold mineralisation along with complex structure, established through analysis of elevation and geophysical datasets. The main southern area of the Tuena Gold Project has gentle rolling hills and ready access, yet the balance of the project is in rugged terrain requiring further access to be established. As such, the Company is looking to modify its developed multivariate geochemical analysis; automated mapping of geology from geochemistry data; and predictive geochemistry modelling using machine learning techniques; to regional target generation within the district (inclusive of further areas currently under licence application).

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 Barabolar & Tuena projects is based on information compiled by the Bowdens Silver team and reviewed by Mr Darren Holden who is an advisor to the Company. Mr 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). Mr Holden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Previous Disclosure - 2012 JORC Code

This report contains information extracted from previous ASX releases which are referenced in the report and which are available on the Company's website and the ASX website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements.

For JORC Code, 2012 Edition – Table 1, Section 1 Sampling Techniques and Data and Section 2 Reporting of Exploration Results please refer to ASX releases of 23rd October 2019, 31st October 2019 and 5th December 2019. The reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Tenement Information as at 31 December 2019

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 5674	Webbs	NSW	100%	-
EPL1050	Conrad	NSW	100%	-
EL 5977	Conrad	NSW	100%	-
ML 6040	Conrad	NSW	100%	-
ML 6041	Conrad	NSW	100%	-
ML 5992	Conrad	NSW	100%	-

1. Under Joint Venture with Thomson Resources Limited. Silver Mines Limited earning 80%.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Silver Mines Limited

ABN	**Quarter ended ("current quarter")**
45 107 452 942	31 December 2019

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	85	149
1.2	Payments for		
	(a) exploration & evaluation	(1,249)	(2,694)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(421)	(842)
	(e) administration and corporate costs	(466)	(858)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	8
1.5	Interest and other costs of finance paid	(13)	(25)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	663
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(2,060)**	**(3,599)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1,661)	(1,769)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	(10)	(740)

Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) 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**	**(1,671)**	**(2,509)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	12,900
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	2	692
3.4	Transaction costs related to issues of shares, convertible notes or options	(31)	(810)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (transfer for June capital raising)	-	-
3.10	**Net cash from / (used in) financing activities**	**(29)**	**12,782**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	11,067	633
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,060)	(3,599)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,671)	(2,509)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(29)	12,782
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period****	**7,307**	**7,307**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date $A'000**
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	7,307	11,067
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)**	**7,307**	**11,067**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	169
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors' remuneration

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	Nil
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	1,010	1,010
8.2	Credit standby arrangements		
8.3	Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Westpac bank unsecured facility with variable interest rate at 3.86%

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	500
9.2	Development	-
9.3	Production	-
9.4	Staff costs	400
9.5	Administration and corporate costs	400
9.6	Other (Land acquisition)	750
9.7	**Total estimated cash outflows**	**2,050**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil			

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.

Sign here: SIGNATURE ON FILE (Company secretary) Date: 31 January 2020

Print name: Trent Franklin

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.