

# Silver Metal Group Limited

## ASX ANNOUNCEMENT

21 January 2025

### Completion of Sale of the Texas Project

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#### HIGHLIGHTS

- ❖ Silver Metal Group has completed the sale of the Texas Project (**Agreement**).
- ❖ The Texas Project is considered non-core to the Company's strategy going forward.
- ❖ Private company, Danola Pty Ltd (**DPL**), assumed operational control of Texas in November 2024 prior to completion of sale.
- ❖ The sale and transfer of the leases removes significant operational cost and debt which was borne by Silver Metal Group.

**Silver Metal Group Limited (ASX: SMG) (OTCQB: TMZRF)** (**Silver Metal Group** or the **Company**) is pleased to advise that it has completed the sale of the Texas Project to Danola Pty Ltd (**DPL**) pursuant to which DPL will acquire the Texas Project and all its assets from the Company (**Agreement**). Key terms of the Agreement are set out below.

#### Transaction Details

The Company entered a binding Term Sheet (**Agreement**) with Danola Pty Ltd for the sale by the Company and the purchase by DPL of the Texas Project.

Pursuant to the Agreement:

- DPL purchased all of the assets of Silver Metal Group in relation to the Texas Project, including:
  - 2 Mineral Leases (**ML**) and 7 Exploration Permit Minerals (**EPMs**);
  - Various plant & equipment associated with the mining operations;
- DPL take on all future environmental liabilities and will took financial and operational control of the Texas Project in November 2024.
- The consideration paid by DPL is as follows:
  - A\$25,000 paid at the date of signing the Binding Term Sheet (**Agreement**);
  - A\$25,000.00 paid on satisfying and waiving of Due Diligence and Conditions Precedent;
  - A\$1,063,961.48 paid to the Queensland Environment, Tourism, Science and Innovation Department under the Mineral and Energy Resources (Financial Provisioning) Act 2018; and
  - A\$300,000 subject to adjustment, to be paid post-completion.

This announcement was approved for issue by the Board.

**Silver Metal Group Limited**  
**Michael Povey**  
**Executive Chairman**

