



## ASX ANNOUNCEMENT 31 January 2025

### QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 DECEMBER 2024

**Silver Metal Group (ASX: SMG) (Silver Metal or the Company)** provides this update on its activities for the December 2024 Quarter.

#### *New England Fold Belt*

- Completed planning for resource definition and potential expansion programs at 100% owned Webbs Project.

#### *Lachlan Fold Belt*

- Completed exploration program planning and budgeting across the Lachlan Fold Belt Projects, including the Harry Smith, Conrad and West projects.
- There were no substantive exploration or development activities during the quarter other than mine maintenance costs at the Texas Project as part of on-going obligations before completion of the sale and transfer of the leases to the new owner,

#### *Corporate*

- The sale of the Texas Project which was considered non-core to the Company's strategy going forward (see *ASX Release dated 21 January 2025*) was completed in January 2025 with the transfer of the leases finally being approved by the Queensland Department of Natural Resources and Mines. Private company, Danola Pty Ltd, 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.
- Exploration expenditure incurred during the quarter totalled \$217k. Cash at the end of the quarter was \$3k. Directors fees, superannuation, travel & accommodation and expense reimbursements: \$nil
- The Directors continue to support the Company financially and has negotiated access to debt funding to meet its commitments until such time as it completes its contemplated future share raising.
- Silver Metal currently has 81,352,258 fully paid ordinary shares on issue post the completion of the share consolidation.

This announcement was authorised for issue by the Board.

#### **Competent Person**

*The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Eoin Rothery, (MSc), who is a member of the Australian Institute of Geoscientists. Mr Rothery is a consultant of Silver Metal Group. Mr Rothery has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources*



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and Ore Reserves". Mr Rothery consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This report contains information extracted from previous ASX releases which are referenced in the report and which are available on the company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

### TENEMENT STATUS – DECEMBER QUARTER 2024

Silver Metal holds 10 Exploration Licences in the Lachlan Fold Belt of NSW covering 1,602 square kilometres. The Conrad Exploration licences EPL1050 and EL5977 were renewed during the quarter. One EL (EL8011, Toburra) was agreed to be sold.

Name	Title	Note	Holder at 11 <sup>th</sup> December 2023	Ownership %
Barellan	EL7896	Harry Smith area	Thomson Resources Ltd	100%
Toburra	EL8011	Agreement signed with a private investor for sale	Thomson Resources Ltd	100%
Wilga Downs	EL8136		Thomson Resources Ltd	100%
Harry Smith	EL8531	Is subject to a "Right of First Refusal and Offtake Agreement" for tin with a private	Thomson Resources Ltd	100%
Yalgogrin	EL8684		Thomson Resources Ltd	100%
Gibsonvale	EL8946		Thomson Resources Ltd	100%
Four Mile	EL9067	Harry Smith area	Thomson Resources Ltd	100%
Buggajool	EL9112	Harry Smith area	Thomson Resources Ltd	100%
Kildary	EL9187	Harry Smith area	Thomson Resources Ltd	100%
Buddigower	EL9208	Yalgogrin area	Thomson Resources Ltd	100%
Webbs	EL5674		Webbs Resources PL	100%
Conrad	EL5977	Renewed during the quarter	Conrad Resources PL	100%
Conrad	EPL1050	Renewed during the quarter	Conrad Resources PL	100%
Conrad	ML5992		Conrad Resources PL	100%
Conrad	ML6040		Conrad Resources PL	100%
Conrad	ML6041		Conrad Resources PL	100%

### ABOUT SILVER METAL GROUP

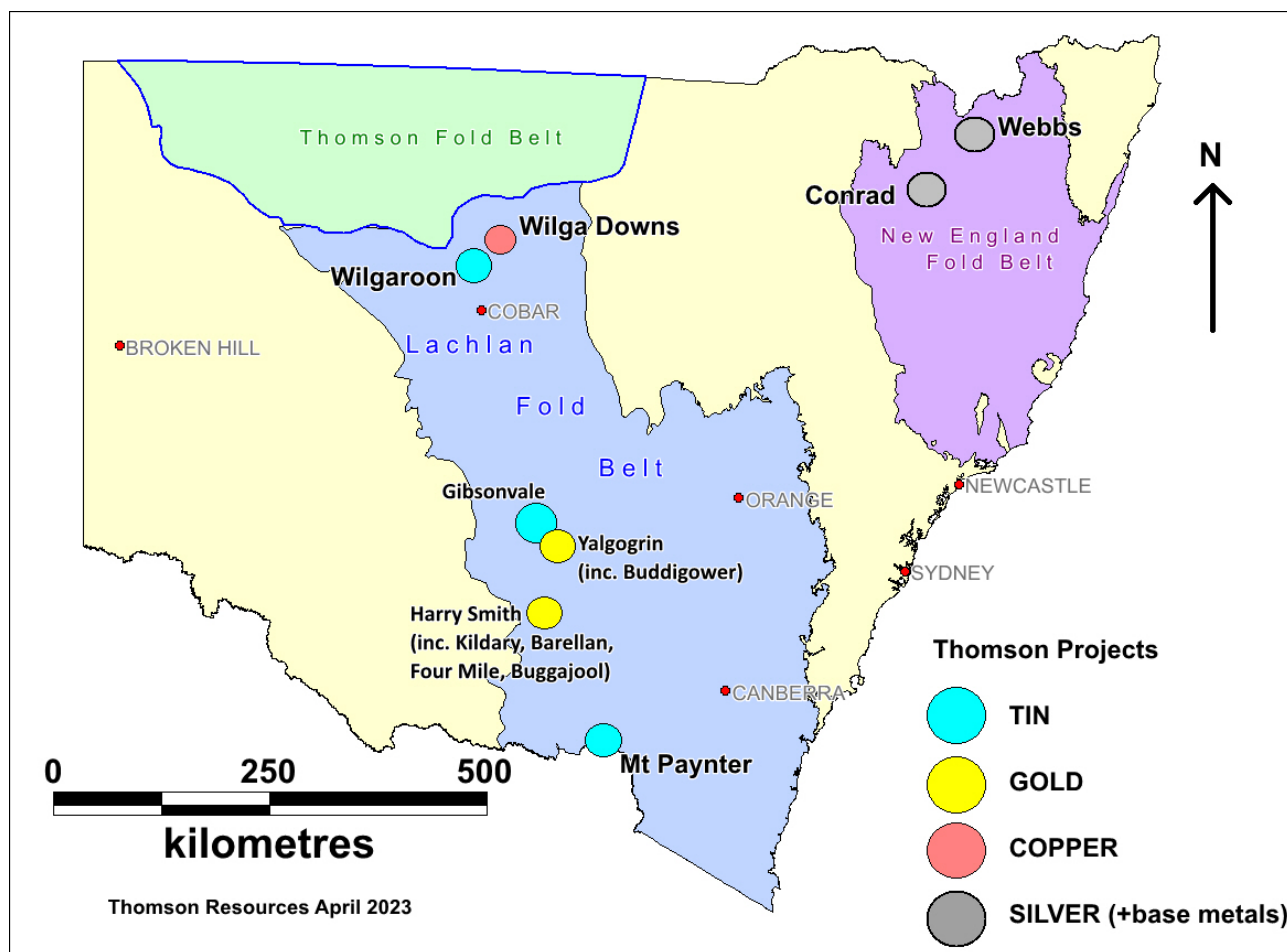
The Company holds a diverse portfolio of mineral projects across a variety of minerals (including silver, gold, zinc, copper, lead and tin) across New South Wales, as shown below. The principal activity of the Company is exploration for the discovery and delineation of high-grade base and



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precious metal deposits, including technology metals principally within the Lachlan and New England Fold Belt of NSW and the development of those resources into cash flow generating businesses.

Silver Metal will continue to review business opportunities in the precious metals spaces, which will create value for shareholders.



1 ASX Release dated 9 June 2022: Thomson Delivers 14 Moz Silver Equivalent Indicated and Inferred Mineral Resource Estimate for Webb's Deposit.

2 ASX Release dated 11 August 2021: Thomson Announces 20.7 Moz Silver Equivalent Indicated and Inferred Mineral Resource Estimate for Conrad.

## Appendix 5B

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

Name of entity

Silver Metal Group Limited (formerly Thomson Resources Ltd)

ABN

82 138 358 728

Quarter ended ("current quarter")

31<sup>st</sup> December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	0	0
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(217)	(401)
	(b) development	0	0
	(c) production	0	0
	(d) staff costs	(2)	(86)
	(e) administration and corporate costs	(5)	(270)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	0	0
1.5	Interest and other costs of finance paid	0	0
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives (R & D)	0	0
1.8	Other (provide details if material)		
	- Tenement security deposit refunded	0	0
	- Loan repayment	0	0
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(224)</b>	<b>(757)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	0	0
	(b) tenements	205	205
	(c) property, plant and equipment	0	0

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
(d) exploration & evaluation (if capitalised)		0	0
(e) investments		0	0
(f) other non-current assets (Government Security Bonds)		0	0
2.2 Proceeds from the disposal of:		0	0
(a) entities		0	0
(b) tenements		0	0
(c) property, plant and equipment		0	0
(d) investments		0	0
(e) other non-current assets		0	0
2.3 Cash flows from loans to other entities		0	0
2.4 Dividends received (see note 3)		0	0
2.5 Other		0	0
<b>2.6 Net cash from / (used in) investing activities</b>		<b>205</b>	<b>205</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2 Proceeds from issue of convertible debt securities	0	0
3.3 Proceeds from exercise of options	0	0
3.4 Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5 Proceeds from borrowings	0	551
3.6 Repayment of borrowings	0	0
3.7 Transaction costs related to loans and borrowings	0	0
3.8 Dividends paid	0	0
3.9 Other (provide details if material)	0	0
<b>3.10 Net cash from / (used in) financing activities</b>	<b>0</b>	<b>551</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	22	4
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(224)	(747)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	205	205
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	551
4.5	Effect of movement in exchange rates on cash held	0	0
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3</b>	<b>3</b>

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	3	22
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3</b>	<b>22</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
5
0

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

Note: 6.1 – Travel and accommodation expenses \$4,570.00

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>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.</i>		
7.1 Loan facilities	834	(551)
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 <b>Total financing facilities</b>	0	0
7.5 <b>Unused financing facilities available at quarter end</b>		213
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.		
Security Agreement with Charrua Capital, LLC of Austin, Texas, USA. Total amount \$USD500,000. Secured against Company Assets. Interest Rate: 15% payable at maturity. Maturity Date: 8 <sup>th</sup> July 2025.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(224)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(0)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(224)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	3
8.5 Unused finance facilities available at quarter end (Item 7.5)	213
8.6 Total available funding (Item 8.4 + Item 8.5)	217
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>0.96</b>
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
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?	<p>Answer: Yes, exploration was primarily on Texas project which the Company sold in January 2025. Operational control of Texas site passed to new owner in November 2024.</p>
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?	<p>Answer: Yes. The Company is in advanced discussions with a number of parties in relation to raising additional capital in the immediate term. The Company has a high level of confidence of being able to raise sufficient capital to continue its operations, as it has demonstrated over the last 2 years.</p>
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: Yes. See above.

### 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.

31 January 2025

Date: .....

TMZ/SMG Board

Authorised by: .....  
(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.