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SILVER LAKE DECLARED SUCCESSFUL BIDDER IN HARTE GOLD SALE AND INVESTMENT SOLICITATION PROCESS & SUGAR ZONE ROYALTY ACQUISITION

Silver Lake Resources Limited (“Silver Lake” or the “Company”) is pleased to provide an update to the Harte Gold Corp. (“Harte Gold”) sale and investment solicitation process (the “SISP”) approved by the Ontario Superior Court of Justice (the “Court”) on 20 December 2021 within the proceedings under the *Companies’ Creditors Arrangement Act* (the “Proceedings”). Silver Lake also advises that it has entered into an agreement to acquire a combined 2.0% net smelter royalty (“NSR”) on the entire Sugar Zone Property.

The SISP process was completed on 14 January 2022 and Silver Lake’s bid pursuant to the Subscription Agreement was subsequently declared the successful bid on 19 January 2022. As previously outlined, the consideration payable by Silver Lake under the Subscription Agreement comprises:

- Approximately US\$74.5 million in credit bid consideration reflecting the value owed to Silver Lake under the Credit Facilities acquired from BNP Paribas and the full amount of the Court-approved Debtor in Possession Loan¹ subsequently made available to Harte Gold during the Proceedings
- Applicable liabilities (including the ~US\$22 million out of the money hedge book and accounts associated with the operation of the Sugar Zone operation to allow for a transition of operation under Silver Lake ownership)
- The full and final satisfaction of finance facility obligations owed by Harte Gold to Appian Capital Advisory LLP (“Appian”) by way of the issuance of ~25 million Silver Lake shares
- Cash consideration for payment of certain priority claims and for the purposes of completing the CCAA Proceedings and certain ancillary matters (estimated to be not more than US\$3 million)

Further details on the Subscription Agreement and the SISP are set out in Silver Lake’s ASX releases dated 8 December 2021 “*Execution of Subscription Agreement to Acquire Harte Gold*” and 21 December 2021 “*Court Approval for Agreement to Acquire Harte Gold*”.

The pathway to complete the acquisition of Harte Gold requires approval of the Subscription Agreement by the Court as the successful bid pursuant to an approval and vesting order. A Court hearing is expected to be convened in January with the transaction close expected by the second half of February 2022.

Acquisition of Sugar Zone royalty from Appian

Silver Lake has entered into an agreement with an affiliate of Appian to acquire its aggregate 2.0% net smelter royalty (“NSR”) payable on production from the Sugar Zone mine and on the entire Sugar Zone Property. Silver Lake will acquire the NSR for consideration of US\$22.0 million payable in Silver Lake shares to be priced at the 5 day VWAP prior to closing. The acquisition of the NSR is subject to the successful completion of the acquisition of Harte Gold by Silver Lake.

The acquisition and elimination of the NSR will both reduce operating costs and increase operating cashflows, whilst increasing Silver Lake shareholder’s leverage to higher gold prices and the significant exploration potential of the Sugar Zone mine and the entire Sugar Zone property.

1. C\$1.9 million of C\$10.8 million Debtor in Possession Loan has been drawn by Harte Gold to date

ABOUT HARTE GOLD

Harte Gold's is a TSX-listed gold mining company which owns and operates the Sugar Zone mine in Ontario, Canada, with an associated 81,287 hectare land package. Further information in relation to Harte Gold and the Sugar Zone Mine can be found on Harte Gold's website www.hartegold.com.



This announcement was authorised for release to ASX by Luke Tonkin, Managing Director.

For more information about Silver Lake and its projects please visit our web site at www.silverlakeresources.com.au.

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