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COURT APPROVAL RECEIVED FOR SUBSCRIPTION AGREEMENT TO ACQUIRE HARTE GOLD

Silver Lake Resources Limited (“**Silver Lake**” or the “**Company**”) advises that further to the Harte Gold Corp. (“**Harte Gold**”) proceedings commenced on 7 December 2021, under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) ¹, on 20 December 2021 the Ontario Superior Court of Justice issued (i) an amended and restated Initial Order (the “**Amended and Restated Initial Order**”); and (ii) a sale and investment solicitation process order (“**SISP Order**”).

Furthermore, Silver Lake has entered into a support and commitment agreement (“**Support Agreement**”) with BNP Paribas (“**BNPP**”) in relation to Harte Gold’s hedge book (“**Hedge Book**”). The Hedge Book is approximately US\$20.0 million out of the money and ranks pari passu with the credit facilities Silver Lake acquired from BNPP on 19 November 2021².

THE AMENDED AND RESTATED INITIAL ORDER AND UPDATE ON CCAA PROCESS

The Amended and Restated Initial Order granted by the Ontario Superior Court of Justice approved, among other things:

- The increase of the amount which may be borrowed under the debtor-in-possession loan (the “**DIP Loan**”) to the full C\$10.8 million; and
- An extension of the stay of proceedings granted to Harte Gold under the Initial Order to 31 January 2022.

The SISP Order approved, among other things:

- Harte Gold’s execution of an amended and restated Subscription Agreement (“**Subscription Agreement**”) with a wholly owned subsidiary of Silver Lake, on substantially similar terms to the original Subscription Agreement, to establish a baseline consideration for Harte Gold’s business and assets within the sale and investment solicitation process (“**SISP**”).

Further details on the Subscription Agreement, the SISP, DIP Loan and CCAA process are set out in Silver Lake’s ASX release of 8 December 2021 “*Execution of Subscription Agreement to Acquire Harte Gold*”.

Under the terms of the Subscription Agreement, Silver Lake will satisfy the finance facility obligations owed by Harte Gold to Appian Capital Advisory LLP (“**Appian**”). To effect this, should Silver Lake be the successful bid following the SISP, Silver Lake will issue fully paid ordinary shares to Harte Gold as a deposit which will be subject to an escrow agreement between Harte Gold and FTI Consulting Canada Inc., the court-appointed monitor (“**Monitor**”) to Harte Gold. The escrow agreement will allow the Monitor to sell the Silver Lake shares and distribute the proceeds to Appian (to the maximum amount of the value of Appian’s applicable secured and perfected indebtedness) in accordance with the closing sequence under the Subscription Agreement.

¹ Refer Silver Lake ASX release 8 December 2021 “*Execution of Subscription Agreement to Acquire Harte Gold*”

² Refer Silver Lake ASX release 22 November 2021 “*Acquisition of Harte Gold Credit Facilities*”

BNP PARIBAS SUPPORT & COMMITMENT AGREEMENT

Under the Support Agreement, BNPP has committed to not assign, transfer, sell or otherwise dispose of the Hedge Book other than under the terms of the Support Agreement.

Additionally, BNPP has committed to support the Subscription Agreement for Silver Lake to acquire Harte Gold. The support from BNPP is provided to the exclusion of any alternative acquisition of Harte Gold, unless the alternative transaction provides for the payment in full, in cash, of obligations owed to BNPP under the Hedge Book.

Silver Lake has similarly committed to not enter into a transaction to acquire Harte Gold unless it preserves BNPP's rights under the Hedge Book and provides for payment in full, in cash, of obligations owed to BNPP under the Hedge Book.

TIMETABLE AND NEXT STEPS

The SISP is expected to conclude in mid-January 2022. Under the SISP, should one or more qualified competing proposals emerge under the SISP, Harte Gold, in consultation with the Monitor, will conduct an auction to determine the successful bid. The Subscription Agreement is deemed to be a qualified bid and, should any competing proposal emerge, Silver Lake will be deemed to be a qualified bidder and has the right to participate in the auction.

If Silver Lake is successful in acquiring Harte Gold through the Subscription Agreement and CCAA process, completion of the transaction is expected during first quarter CY22.

Silver Lake will provide its shareholders and stakeholders with more information on its strategy for the Sugar Zone and associated land package should it be successful in acquiring Harte Gold through the CCAA process.

ABOUT HARTE GOLD

Harte Gold 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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