

Silver Metal Group Limited

ASX ANNOUNCEMENT

21 January 2025

Completion of Sale of the Texas Project

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

