

26 April 2024

Silver Lake Resources
Limited

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Board of Directors:

David Quinlivan
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ASX Code: SLR

SCHEME BOOKLET REGISTERED WITH ASIC

Silver Lake Resources Limited (“**Silver Lake**”) refers to:

- the proposed merger of equals between Silver Lake and Red 5 Limited (“**Red 5**”) by way of a scheme of arrangement, under which Red 5 will acquire 100% of the shares in Silver Lake (“**Scheme**”); and
- its ASX announcement released on Wednesday, 24 April 2024 in relation to the orders made by the Supreme Court of New South Wales (“**Court**”) that Silver Lake convene a meeting of its shareholders to consider and vote on the Scheme (“**Scheme Meeting**”), and approving the despatch of an explanatory statement providing information about the Scheme together with the notice of Scheme Meeting (together, the “**Scheme Booklet**”) to Silver Lake shareholders.

Silver Lake is pleased to announce the registration of the Scheme Booklet with the Australian Securities and Investments Commission (“**ASIC**”).

Scheme Booklet

Silver Lake confirms that ASIC has today registered the Scheme Booklet. A copy of the Scheme Booklet is attached to this announcement and will also be made available on Silver Lake’s website at www.silverlakeresources.com.au.

For details of how you will receive the Scheme Booklet, please refer to Silver Lake’s previous announcement made on Wednesday, 24 April 2024 in relation to the orders made by the Court.

The Scheme Booklet is an important document and requires your immediate attention. You should read the Scheme Booklet, including the materials accompanying it, carefully in full before making a decision about how to vote at the Scheme Meeting. If you are in doubt as to what you should do, you should consult your independent financial, legal, taxation or other professional adviser immediately.

If you require further information or have questions in relation to the Scheme, please contact the Silver Lake Shareholder Information Line on 1300 907 699 (within Australia) or +61 1300 907 699 (outside of Australia) between 7:00 am and 5:00 pm (Perth time) Monday to Friday (excluding public holidays).

Independent Expert’s Report and Silver Lake Board Recommendation

The Scheme Booklet includes a copy of the independent expert’s report prepared by BDO Corporate Finance (WA) Pty Ltd (“**Independent Expert**”), which concludes that the Scheme is fair and reasonable to, and in the best interests of, Silver Lake shareholders, in the absence of a superior proposal for Silver Lake.

The Independent Expert’s conclusion should be read in context with the full Independent Expert’s report and the Scheme Booklet.

The Silver Lake board continues to unanimously recommend that Silver Lake shareholders support the Scheme by voting in favour of the Scheme, in the absence of a superior proposal for Silver Lake, and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable to, and in the best interests of, Silver Lake shareholders. Subject to those same qualifications, each member of the Silver Lake board intends to vote all Silver Lake shares held or controlled by them in favour of the Scheme at the Scheme Meeting.

Scheme Meeting

The Scheme Meeting will be held in person at 10:00 am (Perth time) on Friday, 31 May 2024 at Level 6, Brookfield Tower Two, 123 St Georges Terrace, Perth WA 6000. The persons eligible to vote at the Scheme Meeting are those who are registered as shareholders of Silver Lake as at 5:00 pm (Perth time) on Wednesday, 29 May 2024. Eligible Silver Lake shareholders are encouraged to vote either by attending and voting at the Scheme Meeting, or by lodging a proxy vote ahead of the Scheme Meeting. Further information on how to participate in and vote at the Scheme Meeting is set out in the Scheme Booklet.

If the Scheme Meeting is postponed or cancelled, Silver Lake will notify shareholders by making an announcement to ASX, which will be available under Silver Lake's ASX ticker code 'SLR' at www.asx.com.au.

This announcement was authorised for release to ASX by Silver Lake's board of directors. For more information about Silver Lake and its projects please visit our web site at www.silverlakeresources.com.au.

For further information, please contact:

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Scheme Booklet

In relation to the recommended scheme of arrangement to effect the proposed merger of Silver Lake Resources Limited ACN 108 779 782 (ASX: SLR) and Red 5 Limited ACN 068 647 610 (ASX: RED)

Your SLR Directors unanimously recommend you

 **VOTE IN FAVOUR**

in the absence of a SLR Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SLR Shareholders¹

This is an important document and requires your immediate attention. You should read this document in its entirety before deciding whether or not to vote in favour of the Scheme Resolution at the Scheme Meeting. If you are in any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser immediately.

If you require further information or have questions in relation to the Scheme, please contact the SLR Shareholder Information Line on 1300 907 699 (within Australia) or +61 1300 907 699 (outside Australia), Monday to Friday between 7:00 am and 5:00 pm (Perth time), excluding public holidays.

¹ In relation to the unanimous recommendation of the SLR Directors, SLR Shareholders should have regard to the interests of the SLR Directors in the outcome of the Scheme vote which may differ from those of other SLR Shareholders, as further described in section 4.4.



Capital
Markets

CORRS
CHAMBERS
WESTGARTH

EUROZ HARTLEYS

IMPORTANT NOTICES

Date of this Scheme Booklet

This Scheme Booklet is dated 26 April 2024.

Defined terms and interpretation

Capitalised terms used in this Scheme Booklet (other than in the Independent Expert's Report (including the Independent Technical Specialist's Report) contained in **Appendix 2**) are either defined in brackets when first used or are defined in the Glossary in **section 13**. The Glossary also sets out some rules of interpretation which apply to this Scheme Booklet. The Independent Expert's Report and the Independent Technical Specialist's Report contain their own defined terms which are sometimes different from those set out in the Glossary in **section 13**.

Nature of this Scheme Booklet

This Scheme Booklet includes the Explanatory Statement for the Scheme required by section 412(1) of the Corporations Act. The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which it will be implemented (if approved). This Scheme Booklet provides all information required to be given to SLR Shareholders or that is otherwise material to the making of a decision in relation to the Scheme, being information within the knowledge of any SLR Director which has not previously been disclosed to SLR Shareholders.

General

This Scheme Booklet is important. You should read this Scheme Booklet carefully before making a decision about how to vote on the Scheme Resolution to be considered at the Scheme Meeting.

No investment advice

This Scheme Booklet does not constitute financial product advice and has been prepared without reference to individual investment objectives, financial situation, taxation position or particular needs of any SLR Shareholder or any other person. It is important you read this Scheme Booklet before making any decision, including a decision on whether or not to vote in favour of the Scheme Resolution at the Scheme Meeting. This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to RED Shares, SLR Shares or any other securities. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional adviser.

Each SLR Shareholder's tax position is different. Therefore, SLR Shareholders are urged to seek their own independent tax advice regarding the specific tax consequences of the Scheme, including the application and effect of income tax and other tax laws to their particular circumstances.

A summary of the Australian income tax, stamp duty and GST consequences of the Scheme for SLR Shareholders is set out in **section 10**. However, SLR Shareholders should not solely rely on the summary in **section 10** in substitution for specific advice on their own affairs from a registered tax agent.

Responsibility statement

The SLR Information contained in this Scheme Booklet has been prepared by SLR and is the responsibility of SLR. To the maximum extent permitted by law, neither RED nor any of its Related Bodies Corporate, nor any of their respective directors, officers or advisers is responsible for the accuracy or completeness of the SLR information contained in this Scheme Booklet and disclaim any liability in this regard.

The RED Information contained in this Scheme Booklet has been prepared by RED and is the responsibility of RED. To the maximum extent permitted by law, neither SLR nor any of its Related Bodies Corporate, nor any of their respective directors, officers or advisers is responsible for the accuracy or completeness of any RED Information contained in this Scheme Booklet and disclaim any liability in this regard.

BDO Corporate Finance (WA) Pty Ltd, the Independent Expert, has prepared and is responsible for, the Independent Expert's Report contained in **Appendix 2** of this Scheme Booklet. To the maximum extent permitted by law, none of SLR, RED, their respective Related Bodies Corporate or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report and disclaim any liability in this regard.

SRK Consulting (Australasia) Pty Ltd has prepared, and is responsible for, the Independent Technical Specialist's Report contained in the Independent Expert's Report. To the maximum extent permitted by law, none of SLR, RED, their respective Related Bodies Corporate or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Technical Specialist's Report and disclaim any liability in this regard.

No consenting person has withdrawn their consent to be named before the date of this Scheme Booklet.

Role of ASIC

A copy of this Scheme Booklet has been lodged with, and registered by, ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement that, in accordance with section 411(17)(b) of the Corporations Act, it has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court on the Second Court Date.

Role of ASX

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

The Sale Agent

The Sale Agent and its affiliates (**Sale Agent Group**) is a full-service financial institution engaged in various activities, which may include trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Sale Agent Group may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may, without limitation, involve or relate to assets, securities and/or instruments of RED, and/or persons and entities with relationships with RED. The Sale Agent Group may also communicate investment recommendations, market colour or trading ideas and/or publish or express research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. These various activities may impact the price at which RED Shares may be sold through the

Sale Agent. The Sale Agent Group has provided, and may in the future provide, financial advisory, financing services and other services to RED and to persons and entities with relationships with RED, for which the Sale Agent Group has received or will receive customary fees and expenses. An entity within the Sale Agent Group is acting as financial adviser to RED in relation to the Transaction and may receive fees, expenses and other compensation in connection with this role.

The Sale Agent is acting as an execution only broker to RED, and is not acting as agent or sub-agent, and does not assume or accept any duty (fiduciary or otherwise) or responsibility, to any Ineligible Shareholder. To the maximum extent permitted by law, the Sale Agent Group will not be liable for any failure to sell RED Shares at a particular price.

Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that, under section 411(1) of the Corporations Act, the Court has ordered a meeting be convened and has approved the Explanatory Statement required to accompany the Notice of Scheme Meeting does not mean the Court:

- has formed any view as to the merits of the proposed Scheme or as to how you should vote (on this matter, you must reach your own decision); or
- has prepared, or is responsible for the content of, this Scheme Booklet.

Notice to SLR Shareholders in Ineligible Jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Foreign jurisdiction disclaimers are set out in **section 12.8**.

Forward looking statements

Certain statements in this Scheme Booklet relate to the future, including forward looking statements and information (**forward looking statements**). The forward looking statements in this Scheme Booklet, including statements relating to the Merged Group and the transactions contemplated by the Scheme, are not based on historical facts, but rather reflect the current views and expectations of SLR or, in relation to the RED Information, RED, concerning future events and circumstances. These statements may generally be identified by the use of forward looking verbs such as "aim", "anticipate", "believe", "estimate", "expect", "foresee", "intend" or "plan", qualifiers such as "may", "should", "likely" or "potential", or similar words. Similarly, any statements that describe the expectations, goals, objectives, plans, targets, estimates of Ore Reserves and Mineral Resources, production targets or guidance and future costs of RED, SLR or the Merged Group or potential synergies are, or may be, forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of SLR, RED or the Merged Group to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and

future business strategies and the environment in which SLR, RED and the Merged Group will operate in the future, including the price of commodities, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, customer risks, commodity price volatility, discrepancies between actual and estimated costs or production, Ore Reserves and Mineral Resources being inaccurate or changing over time, mining operational and development risk, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), delays or inability to reach agreements or receive requisite approvals, currency fluctuations, mineral exploration and production, the global economic climate, dilution, share price volatility, competition, loss of key directors and employees, additional funding requirements and defective title to mineral claims or property. As a result, SLR's and RED's actual results of operations and earnings and those of the Merged Group following implementation of the Scheme, as well as the actual advantages and disadvantages of the Scheme, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved. See **section 9** for a (non-exhaustive) discussion of potential risk factors underlying, and other information relevant to, the forward looking statements and information. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them. All forward looking statements should be read in light of such risks and uncertainties.

You should note the historical performance of SLR and RED is no assurance of their nor the Merged Group's future financial performance. None of SLR, RED and their respective directors, or any other person, gives any representation, assurance or guarantee the occurrence of the events expressed or implied in any forward looking statements and information in this Scheme Booklet will actually occur.

The forward looking statements in this Scheme Booklet reflect views and expectations held only at the date of this Scheme Booklet. SLR believes all forward looking statements included in the SLR Information have been made on a reasonable basis and RED believes all forward looking statements included in the RED Information have been made on a reasonable basis. However, none of SLR, RED, their respective directors nor any other person gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward looking statements in this Scheme Booklet will actually occur. SLR Shareholders should therefore treat all forward looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law or the ASX Listing Rules, SLR, RED and their respective directors disclaim any obligation to revise or update, after the date of this Scheme Booklet, any forward looking statements to reflect any change in views, expectations or assumptions on which those statements are based.

ASX Listing Rule Chapter Five compliance statements

See **section 12.11** for the Competent Persons Statements and other disclosures required under the ASX Listing Rules in respect of all Mineral Resource and Ore Reserve data contained in this Scheme Booklet.

Notice of Second Court Date

On the Second Court Date, the Court will consider whether to approve the Scheme following the outcome of voting at the Scheme Meeting. Any SLR Shareholder who wishes to oppose the approval of the Scheme by the Court on the Second Court Date may do so by filing with the Court, and serving on SLR, a notice of appearance in the prescribed form together with any affidavit on which the SLR Shareholder proposes to rely.

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

Where the calculation of the number of New RED Shares to be issued to Scheme Shareholders results in fractional entitlements to a New RED Share, any fractional entitlement of:

- 0.5 or more will be rounded up to the nearest whole number; and
- less than 0.5 will be rounded down to the nearest whole number.

No website is part of this Scheme Booklet

SLR and RED each maintain websites at <https://www.silverlakeresources.com.au/> and <https://www.red5limited.com/site/content/> respectively. Any references in this Scheme Booklet to those or other internet sites are for information purposes only and do not form part of this Scheme Booklet.

Implied value

All references in this Scheme Booklet to the value or implied value of the Scheme Consideration should not be taken as an indication that Scheme Shareholders will receive cash. The implied value of the Scheme Consideration is not fixed. Scheme Shareholders (other than Ineligible Shareholders) will receive New RED Shares as consideration for their SLR Shares under the Scheme. Consequently, the implied value of the Scheme Consideration will depend on the price at which RED Shares trade on ASX after issue of the New RED Shares under the Scheme. There can be no guarantee of that price. This also applies to Ineligible Shareholders, whose Scheme Consideration will be remitted to the Sale Agent. Any cash remitted to Ineligible Shareholders under the Scheme will depend on the market price of RED Shares at the time of sale by the Sale Agent. Please refer to **section 9.5** for a non-exhaustive list of risk factors relevant to the Merged Group.

Currency

All references in this Scheme Booklet to "\$", "A\$", "AUD" and "Australian dollars" are to Australian currency.

Financial data

The financial information in this Scheme Booklet is presented in an abbreviated form and does not contain all the disclosures that are usually provided for in an annual report prepared in accordance with the Corporations Act.

Investors should be aware that financial data in this Scheme Booklet includes "non-IFRS financial information" under ASIC Regulatory Guide 230 *Disclosing non-IFRS financial information* published by ASIC.

This non-IFRS financial information has been included in this Scheme Booklet because each of SLR and RED believe it provides SLR Shareholders with additional relevant information. The non-IFRS financial information does not have a standardised meaning prescribed by the Australian Accounting Standards, International Financial Reporting Standards or US GAAP and therefore may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards, International Financial Reporting Standards or US GAAP. You are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this Scheme Booklet.

Privacy and personal information

SLR and RED will need to collect personal information to implement the Scheme. The personal information may include the names, contact details and details of shareholdings of SLR Shareholders together with contact details of individuals appointed by SLR Shareholders as proxies, body corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

SLR Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact the Share Registry if they wish to exercise those rights.

The information may be disclosed to print and mail service providers, and to SLR, RED and their respective advisers and agents to the extent necessary to effect the Scheme. If the information outlined above is not collected, SLR may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme effectively, or at all.

SLR Shareholders who appoint an individual as their proxy, body corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

Persons are entitled, under section 173 of the Corporations Act, to inspect and copy the SLR Register. The SLR Register contains personal information about SLR Shareholders.

Times and dates

All times referred to in this Scheme Booklet are, unless otherwise indicated, a reference to that time in Perth, Western Australia. All dates following the Scheme Meeting referred to in this Scheme Booklet are indicative only and, among other things, are subject to each condition precedent being satisfied or waived (where permitted).

Important matters relating to the Scheme Meeting

The Scheme Meeting is scheduled to be held in person at 10:00 am on Friday, 31 May 2024 at Level 6, Brookfield Tower Two, 123 St Georges Terrace, Perth, WA 6000.

SLR Shareholders and their proxies, attorneys or corporate representatives will be able to participate in the Scheme Meeting by attending in person. Further details with respect to the conduct of the Scheme Meeting, raising questions during the Scheme Meeting and voting on the Scheme Resolution at the Scheme Meeting are set out in **section 5.1** and in the Notice of Scheme Meeting which is contained in **Appendix 5**.

SLR strongly encourages SLR Shareholders to consider lodging a directed proxy in the event they are not able to, or do not wish to, participate in the Scheme Meeting. For further details regarding appointing proxies for the Scheme Meeting, see **section 5.3**.

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SLR CHAIRPERSON LETTER

Dear SLR Shareholder

On behalf of the board of directors of SLR, I am pleased to provide you with this Scheme Booklet (**Scheme Booklet**), which contains information about the proposed merger of Silver Lake Resources Limited (**SLR**) with Red 5 Limited (**RED**).

Background to the Scheme

As you will be aware, SLR has had a long held strategy of seeking to create a larger, longer life and lower cost gold business for the benefit of SLR shareholders.

In the pursuit of this strategy, SLR identified RED, and in particular the optimisation potential of RED's King of the Hills operation in Western Australia (**KOTH**), as being complementary to SLR's portfolio of established and proven cash generative operations in Western Australia and its fully permitted and infrastructure-supported Sugar Zone project in Ontario, Canada. As a result, SLR acquired a strategic shareholding in RED in mid-to-late 2023 (which, as at the Last Practicable Date represented approximately 11.7% of the total issued capital of RED on a fully diluted basis) and subsequently initiated discussions regarding the potential to implement a rare and genuine merger of equals with RED in light of the compelling industrial logic of combining the complementary asset portfolios and balance sheets of each company.

Following a period of mutual technical, financial and legal due diligence, SLR and RED reached agreement on 5 February 2024 regarding a merger of the two companies pursuant to a court approved scheme of arrangement (**Scheme**) whereby RED is to acquire all of the fully paid ordinary shares on issue in SLR (**SLR Shares**) in consideration for the issue of 3,434 new RED Shares for every SLR Share held (**Scheme Consideration**).

If the Scheme is implemented, SLR Shareholders will own approximately 48.3% of the Merged Group (on a fully diluted basis). Through the Scheme, SLR Shareholders will gain immediate exposure to a larger, stronger, diversified gold producer, with this significant ownership percentage ensuring SLR Shareholders retain material exposure to the upside potential of SLR's operations and the benefits of its strong balance sheet.

This transaction is significant for SLR and SLR Shareholders. The strengthened, diversified company that the Scheme creates (the **Merged Group**) is transformational for SLR and is expected to open up new opportunities for optimisation and growth, which my fellow SLR board members and I are excited to be a part of. In providing their unanimous recommendation to SLR Shareholders, the SLR Directors have considered the advantages and disadvantages of the Scheme including the value of the consideration and the ability for SLR Shareholders to participate in the transformational benefits expected for the Merged Group. These advantages and disadvantages are set out in **section 2** of this Scheme Booklet.

The purpose of this Scheme Booklet is to provide you with detailed information about the Scheme to assist you in deciding how to vote at the general meeting at which SLR Shareholders will vote on whether or not to approve the Scheme (**Scheme Meeting**).

The Scheme Meeting is scheduled to be held at 10:00 am on Friday, 31 May 2024 at Level 6, Brookfield Tower Two, 123 St Georges Terrace, Perth WA 6000. The board of SLR has decided to hold the Scheme Meeting as a physical in-person meeting. Please refer to **section 5** for information about how to participate in and vote at the Scheme Meeting.

Independent Expert's conclusion and SLR Directors' recommendation

SLR has engaged BDO Corporate Finance (WA) Pty Ltd to act as the independent expert in connection with the Scheme (**Independent Expert**). The Independent Expert has reviewed the terms of the Scheme and has concluded that the Scheme is in the best interests of SLR Shareholders, in the absence of a superior proposal for SLR. The directors of SLR (**SLR Directors**) unanimously recommend that SLR Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting in the absence of a superior proposal for SLR and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SLR Shareholders.² Each SLR Director intends to vote, or procure the voting of, all SLR Shares held by them, or on their behalf, in favour of the Scheme at the Scheme Meeting, subject to the same qualifications.³

2 In relation to the unanimous recommendation of the SLR Directors, SLR Shareholders should have regard to the interests of the SLR Directors in the outcome of the Scheme vote which may differ from those of other SLR Shareholders, as further described in **section 4.4**. In particular, SLR Shareholders should note that: (1) If the Scheme Resolution is passed by the Requisite Majorities at the Scheme Meeting, 2,632,659 SLR Performance Rights held by Mr Luke Tonkin will vest and be exercised into SLR Shares, which, if the Scheme is implemented, will be acquired by RED in exchange for the issue of 9,040,551 New RED Shares on the Implementation Date. Based on the closing price of RED Shares as at the Last Practicable Date of \$0.43 per RED Share, the value of these New RED Shares is approximately \$3.887 million. SLR Shareholders should note that Mr Luke Tonkin has entered into escrow restrictions in respect of 1,063,420 SLR Shares that will be issued to him as a result of vesting and exercise of his SLR Performance Rights (and will apply to the 3,651,784 New RED Shares issued to Mr Luke Tonkin in respect of those SLR Shares upon implementation of the Scheme). The escrow restrictions apply until 30 June 2025; (2) In addition, as at the Last Practicable Date, Mr Luke Tonkin owns or controls 764,186 SLR Shares which, if the Scheme is implemented, will be acquired by RED in exchange for the issue of 2,624,215 New RED Shares. Based on the closing price of RED Shares as at the Last Practicable Date of \$0.43 per RED Share, the value of these New RED Shares is approximately \$1.128 million; and (3) If the Scheme is implemented, Mr Luke Tonkin will be appointed as Managing Director and Chief Executive Officer of the Merged Group on the terms summarised in **section 8.4(c)**. Mr Luke Tonkin's total fixed remuneration, inclusive of superannuation, will be \$1.064 million.

Mr Luke Tonkin will not be entitled to vote at the Scheme Meeting in respect of the 2,632,659 new SLR Shares he will receive on vesting and exercise of his SLR Performance Rights, as these will only be issued to him if the Scheme Resolution is passed by the Requisite Majorities at the Scheme Meeting. However, he will be entitled to vote at the Scheme Meeting in respect of the 764,186 SLR Shares he currently owns or controls. The acceleration of vesting and exercise of Mr Luke Tonkin's SLR Performance Rights is occurring as a result of the default treatment of SLR Performance Rights in such circumstances pursuant to the SLR Employee Incentive Plan. The SLR Board (excluding Mr Luke Tonkin) consider that despite these arrangements (which will have no impact on the Scheme Consideration paid to Scheme Shareholders), it is important and appropriate for Mr Luke Tonkin to make a recommendation to SLR Shareholders in respect of the Scheme, given the importance of the Scheme to SLR Shareholders, and his proposed role as Managing Director and Chief Executive Officer of the Merged Group.

If the Scheme is implemented, Mr David Quinlivan, Ms Rebecca Prain and Mr Kelvin Flynn will be appointed as non-executive directors of the Merged Group. The quantum of directors fees that each of Mr David Quinlivan, Ms Rebecca Prain and Mr Kelvin Flynn will each receive in connection with these appointments will ultimately be dependent on how many, if any, board committees each non-executive director is appointed on (including whether the non-executive director is appointed as chair of the relevant committee), and could be up to \$218,000 each (based on appointment to three board committees). The SLR Board consider that despite these arrangements (which have no impact on the Scheme Consideration paid to Scheme Shareholders), it is important and appropriate for each of Mr David Quinlivan, Ms Rebecca Prain and Mr Kelvin Flynn to make a recommendation to SLR Shareholders in respect of the Scheme, given the importance of the Scheme to SLR Shareholders, and their proposed roles as non-executive directors of the Merged Group.

3 Information regarding the SLR Directors' interests in SLR securities is set out in **section 6.7(a)**.

In relation to the recommendation of Mr Luke Tonkin, Managing Director of Silver Lake, SLR Shareholders should also have regard to the fact that, if the Scheme is approved by the requisite majorities of SLR Shareholder votes at the Scheme Meeting, 2,632,659 SLR performance rights owned or controlled by Mr Luke Tonkin will vest and be exercised, and Mr Luke Tonkin will receive 2,632,659 new SLR Shares in respect of those vested and exercised SLR performance rights prior to the Record Date.

A complete copy of the Independent Expert's Report is included at **Appendix 2**. You are encouraged to read the Independent Expert's Report in its entirety.

Scheme Rationale

The Scheme represents a logical combination of two complementary gold producers. Set out below are the key reasons why the SLR Directors unanimously recommend that SLR Shareholders should vote in favour of the Scheme Resolution at the Scheme Meeting.

- **The Scheme will create a leading diversified mid-tier gold company with complementary operations and growth opportunities in tier 1 jurisdictions:** The Merged Group following implementation of the Scheme will have a combined gold production profile of approximately 445koz pa for FY24⁴ with a significant ore reserve and mineral resource inventory of 4.0Moz and 12.4Moz, respectively.⁵
- **The Scheme combines two complementary gold businesses to deliver benefits to SLR Shareholders not available on a standalone basis:** In particular, the Merged Group will benefit from operational diversification within Western Australia driving increased operational flexibility, increase labour and supply chain scale and the implementation of learnings from each operation to instil appropriate practice and optimisation across the Merged Group's portfolio.
- **The Scheme will immediately create a sector leading balance sheet and cash generative platform that is well positioned to internally fund optimisation projects and growth initiatives:** Following implementation of the Scheme, the Merged Group will have a pro forma net cash and listed investments position of \$486 million⁶, inclusive of the value of SLR's shareholding in RED (or \$309 million, exclusive of the value of SLR's shareholding in RED), based on the closing price of RED Shares as at the Last Practicable Date, with strong near-term cash flow generation and a long mine life growth asset to drive sustainable production through the cycle. In addition, the Merged Group is expected to have a market capitalisation of over \$2.93 billion.⁷ This platform provides financial flexibility to internally fund optimisation projects and exploration initiatives across the portfolio.
- **The Scheme combines two complementary board and management teams, to drive value creation for Merged Group shareholders:** The Merged Group will leverage the complementary skill sets of the respective companies to deliver a team with increased capacity and capability to drive ongoing operational focus and optimisation, and future growth.
- **The increased scale and asset diversification of the Merged Group has the potential to drive enhanced market significance and investor appeal:** The Scheme combines four established mining hubs of scale in tier 1 gold jurisdictions in Western Australia and Ontario, Canada with extensive infrastructure supporting low capital intensity life of mine extensions and growth opportunities.
- **The SLR Directors unanimously recommend the Scheme, and the Independent Expert has concluded the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders, in the absence of a superior proposal for SLR:** Further information regarding the SLR Directors' interests in the outcome of the Scheme, and their interests in SLR securities, is set out in **sections 4.4** and **6.7(a)** respectively. The full Independent Expert's Report is included in **Appendix 2**.
- **No superior proposal for SLR has emerged since the announcement of the Scheme.**
- **SLR Shareholders may be eligible for CGT roll-over relief:** SLR Shareholders who make a capital gain from the disposal of their SLR Shares to RED pursuant to the Scheme may be eligible to choose CGT scrip for scrip roll-over relief (provided certain conditions are met).

However, you may not agree with the unanimous recommendation of the SLR Directors and the Independent Expert's conclusion. The potential disadvantages of the Scheme are outlined in **sections 2.9** to **2.14** of this Scheme Booklet, and include:

- **The exposure of SLR Shareholders to SLR's assets is diluted in the Merged Group:** Following implementation of the Scheme, SLR Shareholders will have a reduced exposure to SLR's existing asset portfolio. You may wish SLR to remain an independent entity because you invested in SLR to seek exposure to a company with the specific characteristics of SLR and you do not want to have an investment exposure in RED and its assets.
- **The Scheme may change the risk profile for SLR Shareholders compared to SLR as a standalone entity:** An investment in the Merged Group will provide exposure to different risks and benefits to those which SLR Shareholders are currently exposed. Although the SLR Directors consider that many of these risks are risks to which SLR is already exposed, you may consider this to be a significant change in risk profile from SLR as a standalone entity. A non-exhaustive summary of the key specific and general risks relating to the Merged Group is set out in **section 9**.
- **You may consider that a superior proposal for SLR may materialise in the future if SLR were to continue as an independent company:** You may believe that there is a possibility that a superior proposal for SLR may emerge in the foreseeable future. However, you should be aware that as at the date of this Scheme Booklet, no such superior proposal for SLR has emerged.
- **The potential tax consequences of the Scheme may not suit your current financial position or tax circumstances:** If the Scheme is implemented, you may incur tax on the transfer of your SLR Shares. For eligible SLR Shareholders who hold their SLR Shares on capital account, the disposal of SLR Shares to RED in accordance with the Scheme will give rise to a CGT event. SLR intends to apply (on behalf of SLR Shareholders) for a class ruling from the Commissioner of Taxation, to confirm the key Australian income tax consequences of the Scheme, including whether Australian resident SLR Shareholders may be eligible to obtain scrip for scrip roll-over capital gains tax relief. Further information on the Australian tax implications of the Scheme is set out in **section 10**.

⁴ Based on the upper end of each of RED's FY24 gold sales guidance of 195 – 215koz and SLR's FY24 sales guidance of 210 – 230koz.

⁵ Further information about SLR and RED's Mineral Resources and Ore Reserves, which underpin these figures, is set out in **sections 6.2(c)** and **7.2(d)**, respectively.

⁶ Based on RED's net debt position as at 31 March 2024 and SLR's net cash position as at 31 March 2024 and listed investments position as at ASX market close on the Last Practicable Date. SLR's shares in RED will be monetised or cancelled post implementation of the Scheme in accordance with section 259D of the Corporations Act.

⁷ Based on the closing price of RED Shares as at the Last Practicable Date of \$0.43 per RED Share and the 6.8 billion pro forma RED Shares on issue post-implementation of the Scheme (adjusted for the vesting of performance rights under the Scheme as outlined in the Scheme Implementation Deed. See **sections 4.10** and **12.2** for more information).

- **The exact value of the Scheme Consideration is not certain and will depend on the price at which RED Shares trade on ASX after the implementation of the Scheme:** The Scheme Consideration is fixed at a ratio of 3.434 New RED Shares for every Scheme Share. The exact value that Scheme Shareholders receive for their SLR Shares may move adversely from the market value of the Scheme Consideration on the date of this Scheme Booklet, or the date of the Scheme Meeting. Alternatively, if there is an increase in the relative price of RED Shares, the effective value which SLR Shareholders receive for their SLR Shares may move favourably from the market value of the Scheme Consideration on the date of this Scheme Booklet or the date of the Scheme Meeting.

The SLR Directors note that since the date of announcement of the Scheme (being 5 February 2024), the gold price has seen increased volatility. The increase in the gold price as at 19 April 2024 (being the last practicable date prior to finalisation of this Scheme Booklet) relative to the gold price as at 5 February 2024 has increased the value of unhedged gold sales of both SLR and RED and, correspondingly, has increased the out-of-the-money hedge book position for both companies. The SLR Directors consider that the potential advantages of the Scheme outweigh any mark to market movements in the hedge book positions of SLR and RED, which are ultimately a function of a volatile gold price. No assurance can be given as to the future price of gold. Further information regarding the current financing and gold hedging arrangements of SLR and RED is set out in **sections 6.2(e)** and **7.2(f)**, respectively.

Implementation of the Scheme

Implementation of the Scheme is subject to satisfaction of a number of conditions precedent, including SLR Shareholder and Court approval, no "material adverse change", "prescribed occurrence" or "regulated event" (each as defined in the Scheme Implementation Deed) occurring and certain other conditions precedent summarised in **section 11.2**. RED and SLR have termination rights under the Scheme Implementation Deed in certain circumstances which are summarised in **section 11.11**. A non-exhaustive summary of key risks relating to the Scheme, risks if the Scheme does not proceed and specific and general risks relating to the Merged Group are set out in **section 9**.

Your Vote is Important

Your vote is important and I encourage you to vote on the Scheme at the Scheme Meeting. In considering your vote I urge you to read this Scheme Booklet (including the Independent Expert's Report) carefully in full and, if required, to seek your own legal, financial, taxation or other professional advice.

This Scheme Booklet will be dispatched to SLR Shareholders shortly after its release to ASX. SLR Shareholders who have elected to receive communications electronically will receive an email where they can download this Scheme Booklet and lodge their proxy vote and opt-in notice (if applicable) online. SLR Shareholders who have not made such an election will be mailed a letter which contains these instructions and hard copy proxy forms for the Scheme Meeting. This Scheme Booklet will also be available for download from <https://www.silverlakeresources.com.au/> or by visiting the ASX website under ASX code 'SLR' at www.asx.com.au.

If you require further information or have questions in relation to the Scheme, please contact the SLR Shareholder Information Line on 1300 907 699 (within Australia) or +61 1300 907 699 (outside Australia), Monday to Friday between 7:00 am and 5:00 pm (Perth time), excluding public holidays.

Conclusion

On behalf of the SLR Directors, I would like to thank you for your ongoing support of SLR. We believe that the Scheme is a transformational opportunity for SLR Shareholders. Led by an experienced leadership team with a proven track record, and with a complementary combined portfolio of assets and balance sheets, the Merged Group is well positioned to become a leading mid-tier diversified gold producer. We look forward to your participation at the Scheme Meeting and encourage you to vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a superior proposal for SLR and subject to the Independent Expert continuing to conclude the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders.⁸

Kind regards



David Quinlivan

Non-Executive Chairperson
Silver Lake Resources Limited

⁸ In relation to the unanimous recommendation of the SLR Directors, SLR Shareholders should have regard to the interests of the SLR Directors in the outcome of the Scheme vote which may differ from those of other SLR Shareholders, as further described in **section 4.4**. SLR Shareholders should also have regard to footnote 2 above.

RED CHAIRPERSON LETTER

Dear SLR Shareholder

On behalf of the board of Red 5 Limited (**RED**), I am pleased to provide you with the opportunity to participate in the proposed merger of equals between RED and Silver Lake Resources Limited (**SLR**), which will create a diversified, leading mid-tier ASX-listed gold company that is well positioned to pursue further growth.

In recent years RED has been focused on the construction, commissioning and ramp-up of its flagship King of the Hills Gold Mine (**KOTH**) in Western Australia, which produced first gold in June 2022, with commercial production subsequently declared in December 2022. RED has successfully transitioned KOTH to steady-state production and which, together with RED's Darlot Gold Mine, an important satellite mine feeding higher grade ore to KOTH, has a combined Ore Reserve base of 2.6 million ounces and Mineral Resources of 6.2 million ounces as at 30 June 2023. RED, with a 14-year mine life asset in the gold sector at KOTH, is well positioned to deliver shareholder value for many years to come.

RED is looking forward to the next phase of its evolution and is excited by the proposed merger with SLR. The merger is expected to generate significant benefits for both groups of shareholders through the combination of complementary assets and balance sheets, resulting in the creation of a company that I am confident will represent a compelling investment proposition in the global mid-tier gold sector. An enhanced market significance and strong growth platform will provide shareholders of the merged group with the opportunity to participate in a stronger combined asset base that I believe positions the merged group for an improved market rating.

The combination provides a range of benefits to both groups of shareholders as well as opportunities to each shareholder group that are not available on a standalone basis, including:

- **Immediate creation of a leading diversified mid-tier ASX-listed gold producer:** Enhanced financial strength and scale and a significant step-up in market relevance from the perspective of both shareholder groups, creating the fifth largest gold producer by production gold ounces listed on the ASX.
- **Diversified and complementary assets in tier-1 jurisdictions:** SLR's strong near-term production and cash flow from SLR's Mt Monger and Deflector projects complements RED's long mine life asset at KOTH, allowing the merged group to drive shareholder returns over the longer term whilst enhancing market significance and investor appeal.
- **Sector-leading balance sheet to pursue growth:** The merged group's net cash of A\$300 million⁹ and listed investments of A\$186 million¹⁰ provides financial flexibility to invest in low capital intensity asset optimisation opportunities and pursue broader organic and inorganic growth opportunities.
- **Complementary Board and management teams:** A complementary combination of skill sets from the respective boards and management teams of SLR and RED to deliver ongoing operational focus and asset optimisation, and drive future growth.

The Scheme is unanimously endorsed and supported by the RED board.

Following the successful implementation of the Scheme, I look forward to welcoming you as a shareholder of the merged group and to your ongoing participation in the merged group's exciting future.

Yours sincerely,



Russell Clark

Non-Executive Chairperson
Red 5 Limited

⁹ Based on the net debt position of RED as at 31 March 2024 and net cash position of SLR as at 31 March 2024.

¹⁰ Based on SLR's listed investments position as at ASX market close on the Last Practicable Date, and includes SLR's approximately 11.7% stake in RED (on a fully diluted basis) which is to be monetised or cancelled post-implementation of the Scheme in accordance with section 259D of the Corporations Act.

NEXT STEPS

IMPORTANT DATES AND INDICATIVE TIMETABLE

Key Dates	
Date of this Scheme Booklet	26 April 2024
Deadline for receipt of completed Proxy Form for the Scheme Meeting	10:00 am on Wednesday, 29 May 2024
Eligibility of SLR Shareholders to vote at the Scheme Meeting	5:00 pm on Wednesday, 29 May 2024
Scheme Meeting	10:00 am on Friday, 31 May 2024
IF SLR SHAREHOLDERS APPROVE THE SCHEME RESOLUTION AT THE SCHEME MEETING	
Second Court Date	Thursday, 6 June 2024
Effective Date of the Scheme	Friday, 7 June 2024
Last day of trading of SLR Shares on ASX	Friday, 7 June 2024
Last time to receive Opt-In Notices and Withdrawal Forms from Small Parcel Shareholders (Opt-In Deadline Time)	5.00 pm on Friday, 7 June 2024
New RED Shares commence trading on ASX on a deferred settlement basis	Monday, 10 June 2024
Record Date	5:00 pm on Wednesday, 12 June 2024
Implementation Date	Wednesday, 19 June 2024
New RED Shares commence trading on ASX on a normal settlement basis	Thursday, 20 June 2024
Delisting of SLR from ASX	Thursday, 20 June 2024

All dates and times shown above are references to the time in Perth, Western Australia (unless stated otherwise) and are indicative only. The actual timetable will depend on many factors outside the control of SLR and RED, including the Court approval process and the satisfaction or waiver of the conditions precedent to the implementation of the Scheme. Any changes to the above timetable will be announced to ASX and will be available under ASX code 'SLR' at www.asx.com.au.

Read the remainder of this Scheme Booklet

Read the remainder of this Scheme Booklet in full before making any decision on the Scheme.

Consider your options

The options available to you in respect of the Scheme are set out in **section 1**.

You should refer to **section 2** for further guidance on the reasons to vote in favour of or against the Scheme Resolution at the Scheme Meeting and **section 9** for guidance on the risk factors associated with the Scheme.

If you have any questions in relation to the Scheme or the Scheme Meeting, please contact the SLR Shareholder Information Line on 1300 907 699 (within Australia) or +61 1300 907 699 (outside of Australia), Monday to Friday between 7:00 am and 5:00 pm, excluding public holidays, or consult your legal, investment, financial, taxation or other professional adviser.

Vote at the Scheme Meeting

Your vote is important and the SLR Directors urge you to vote on the Scheme Resolution at the Scheme Meeting. The Scheme affects your shareholding and your vote at the Scheme Meeting is important in determining whether the Scheme proceeds.

The SLR Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a SLR Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SLR Shareholders.¹¹

Each SLR Director intends to vote, or procure the voting of, any SLR Shares held by them or on their behalf, in favour of the Scheme Resolution at the Scheme Meeting, subject to the same qualifications.¹²

¹¹ In relation to the unanimous recommendation of the SLR Directors, SLR Shareholders should have regard to the interests of the SLR Directors in the outcome of the Scheme vote which may differ from those of other SLR Shareholders, as further described in **section 4.4**. SLR Shareholders should also have regard to footnote 2 above.

¹² Information regarding the SLR Directors' interests in SLR securities is set out in **section 6.7(a)**.

1. Your Options

You should read this Scheme Booklet (and the Independent Expert's Report in **Appendix 2**) carefully in its entirety before making any decision in respect of the Scheme, including on how to vote on the Scheme Resolution at the Scheme Meeting.

You have the following four options in relation to your SLR Shares. The SLR Directors encourage you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your SLR Shares.

1.1 Option 1: Vote in favour of the Scheme Resolution at the Scheme Meeting

The SLR Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting in the absence of a SLR Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders.¹³

The reasons for the SLR Directors' unanimous recommendation are set out at **sections 2.1 to 2.8** of this Scheme Booklet.

If you wish to support the Scheme, you can do so by voting in favour of the Scheme Resolution at the Scheme Meeting. For directions on how to participate in and vote at the Scheme Meeting, and important voting information generally, please refer to **section 5**.

1.2 Option 2: Vote against the Scheme Resolution at the Scheme Meeting

If, despite the SLR Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme Resolution at the Scheme Meeting.

However, you should note if all of the conditions precedent to the Scheme are satisfied or waived (where applicable) and the Scheme becomes Effective, the Scheme will bind all Scheme Shareholders (being those SLR Shareholders who remain SLR Shareholders at the Record Date), including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

In these circumstances, your SLR Shares will be transferred to RED by operation of the Scheme and you will receive the Scheme Consideration.

1.3 Option 3: Sell your SLR Shares on the ASX

The Scheme does not preclude you from selling your SLR Shares on market for cash, if you wish, provided you do so before close of trading in SLR Shares on ASX on the Effective Date (currently expected to be 5:00 pm on Friday, 7 June 2024) at which time trading in SLR Shares on ASX will end.

If you are considering selling your SLR Shares on ASX you should have regard to the prevailing trading prices of SLR Shares at that time and compare those to the Scheme Consideration. You should also have regard to the taxation consequences associated with selling your SLR Shares on the ASX compared to exchanging those shares for the Scheme Consideration. You should contact your stockbroker for information on how to effect that sale, and you should also consult with your financial, taxation, legal or other professional adviser before making any decisions.

If you sell your SLR Shares on market for cash, you:

- (a) will not be entitled to receive the Scheme Consideration in respect of the SLR Shares you sell;
- (b) may incur a brokerage charge;
- (c) may incur CGT; and
- (d) will not be able to participate in any SLR Competing Proposal or SLR Superior Proposal (should one emerge) in respect of the SLR Shares sold, noting that, as at the date of this Scheme Booklet, the SLR Directors are not aware of any proposed or potential SLR Competing Proposal or SLR Superior Proposal.

1.4 Option 4: Do nothing

If, despite the SLR Directors' unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the conditions precedent to the Scheme are satisfied or waived (where applicable) and the Scheme becomes Effective, the Scheme will bind all Scheme Shareholders (being those SLR Shareholders who remain SLR Shareholders at the Record Date), including those who do not vote at all and those that vote against the Scheme Resolution at the Scheme Meeting.















In these circumstances, your SLR Shares will be transferred to RED by operation of the Scheme and you will receive the Scheme Consideration.

If you want to receive the Scheme Consideration, your vote is important. If the Scheme is not approved by the Requisite Majorities of SLR Shareholders, you will not be entitled to receive any Scheme Consideration.

¹³ In relation to the unanimous recommendation of the SLR Directors, SLR Shareholders should have regard to the interests of the SLR Directors in the outcome of the Scheme vote which may differ from those of other SLR Shareholders, as further described in **section 4.4**. SLR Shareholders should also have regard to footnote 2 above.

2. Relevant Voting Considerations

Set out below is a summary of the key reasons why the SLR Directors unanimously recommend that SLR Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting. Also set out below are some of the reasons why you may decide to vote against the Scheme Resolution, notwithstanding the unanimous recommendation of the SLR Board in relation to the Scheme and the conclusion of the Independent Expert that the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders, in the absence of a SLR Superior Proposal.

Reasons to vote in favour of the Scheme Resolution at the Scheme Meeting	Further information:
 The Scheme will create a leading diversified mid-tier gold company with complementary operations and growth opportunities in tier 1 jurisdictions	Section 2.1
 The Scheme combines two complementary gold businesses to deliver benefits to SLR Shareholders not available on a standalone basis	Section 2.2
 The Scheme will immediately create a sector leading balance sheet and cash generative platform that is well positioned to internally fund optimisation projects and growth initiatives	Section 2.3
 The Scheme combines two complementary board and management teams, to drive value creation for Merged Group shareholders	Section 2.4
 The increased scale and asset diversification of the Merged Group has the potential to drive enhanced market significance and investor appeal	Section 2.5
 The SLR Directors unanimously recommend the Scheme, and the Independent Expert has concluded the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders, in the absence of a SLR Superior Proposal. ¹⁴	Section 2.6
 No SLR Superior Proposal has emerged since the Announcement Date	Section 2.7
 SLR Shareholders may be eligible for CGT roll-over relief in respect of the disposal of their Scheme Shares	Section 2.8
Reasons to vote against the Scheme Resolution at the Scheme Meeting	Further information:
 You may disagree with the unanimous recommendation of the SLR Directors or the conclusion of the Independent Expert in relation to the Scheme	Section 2.9
 The exposure of SLR Shareholders to SLR's assets is diluted in the Merged Group	Section 2.10
 The Scheme may change the risk profile for SLR Shareholders compared to SLR as a standalone entity	Section 2.11
 You may consider that a SLR Superior Proposal may materialise in the future were SLR to continue as an independent company	Section 2.12
 The potential tax consequences of the Scheme may not suit your current financial position or tax circumstances	Section 2.13
 The exact value of the Scheme Consideration is not certain and will depend on the price at which RED Shares trade on ASX after the Implementation Date	Section 2.14

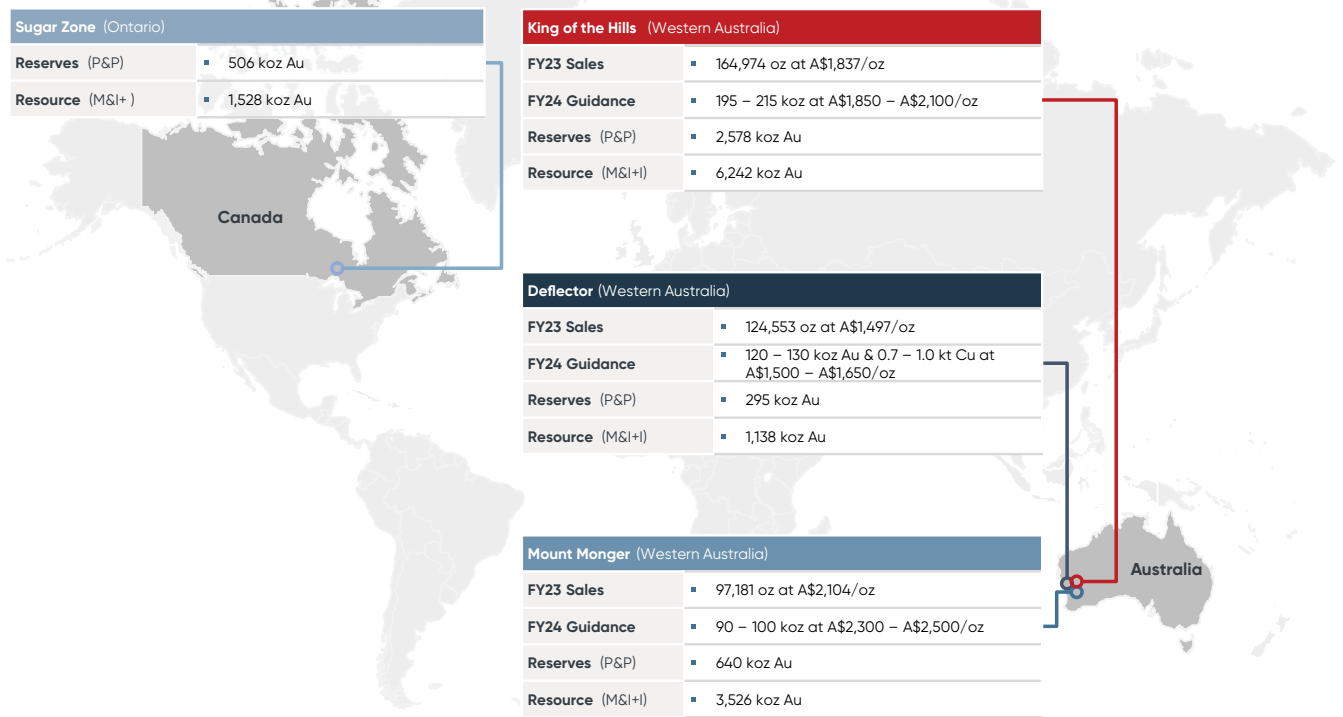
¹⁴ In relation to the unanimous recommendation of the SLR Directors, SLR Shareholders should have regard to the interests of the SLR Directors in the outcome of the Scheme vote which may differ from those of other SLR Shareholders, as further described in **section 4.4**. SLR Shareholders should also have regard to footnote 2 above.

REASONS TO VOTE IN FAVOUR OF THE SCHEME RESOLUTION

2.1 The Scheme will create a leading diversified mid-tier gold company with complementary operations and growth opportunities in tier 1 jurisdictions

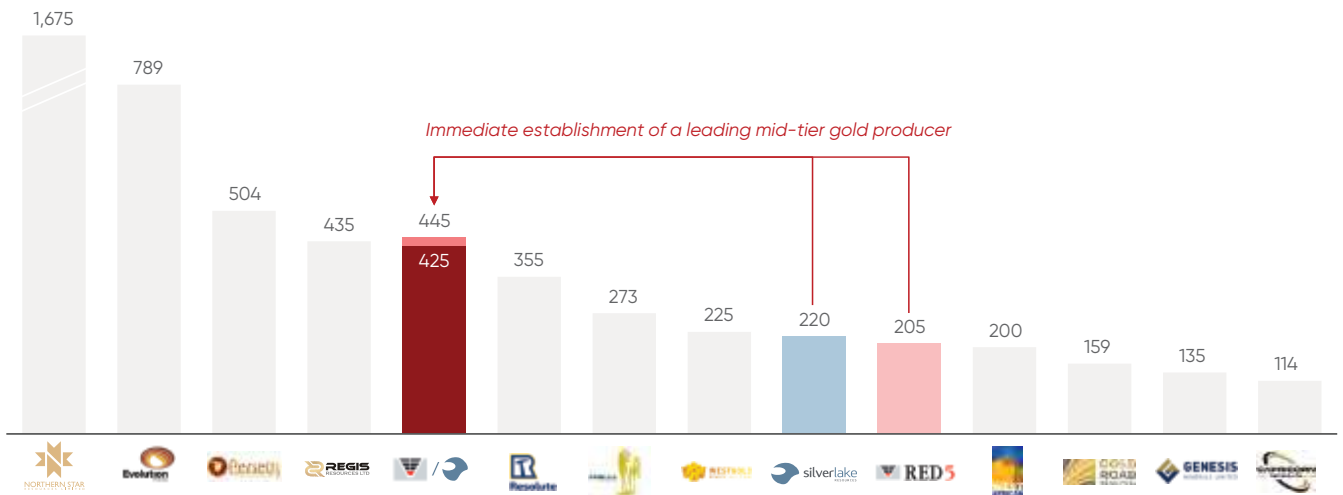
The Merged Group will have a diversified and complementary portfolio of high-quality assets across the tier 1 gold jurisdictions of Western Australia and Ontario, Canada.

Figure 1.1: Merged Groups Assets and Operations



Combined, these assets create a leading mid-tier gold company with a pro forma FY24 production of approximately 445koz¹⁵ and significant Ore Reserve and Mineral Resource inventories of up to 4.0Moz and 12.4Moz, respectively.¹⁶

Figure 1.2: Gold production – FY2024G (koz Au)¹⁷



¹⁵ Based on the upper end of each of RED’s FY24 gold sales guidance of 195 – 215koz and SLR’s FY24 gold sales guidance of 210 – 230koz.

¹⁶ Further information on the Mineral Resources and Ore Reserves of SLR and RED, which underpin this figure, are set out in **sections 6.2(c)** and **7.2(d)**, respectively.

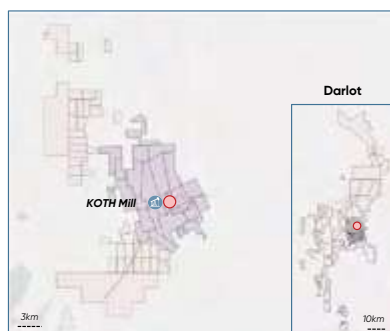
¹⁷ Where available, figures represent the mid-point of management’s guidance for FY24. CY24 guidance presented for Resolute, Gold Road and West African Resources. The 425koz number reflects the mid-point of RED and SLR gold production whilst the 445koz number references the aggregate top end of guidance for these two companies. Refer to **Appendix 1** for further information.

2.2 The Scheme combines two complementary gold businesses to deliver benefits to SLR Shareholders not available on a standalone basis

The Scheme, if implemented, will result in the creation of a complementary portfolio with the combination of SLR's established and proven cash generative operations in Western Australia and fully permitted and infrastructure-supported Sugar Zone operation in Ontario, Canada, paired with RED's longer life King of the Hills operation and its newly constructed processing facility which has optimisation and growth potential. The combination will benefit from operational diversification within Western Australia driving increased operational flexibility, increased labour and supply chain scale and the implementation of learnings from each operation to instil appropriate practice and optimisation across the portfolio.

The complementary asset portfolio is expected to reduce corporate overheads through the removal of duplication, including in relation to IT, infrastructure, office, rent, accounting systems, insurance, ASX listing costs and regulatory compliance costs. Going forward, the Merged Group's operating footprint in Western Australia has the potential to generate procurement savings and operational efficiencies.

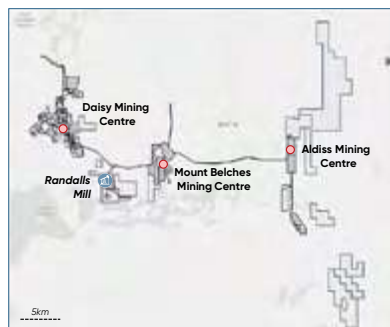
Figure 1.3: Merged Group Assets and Operations¹⁸



King of the Hills

Newly established Western Australian gold mine with long mine life and staged development optionality

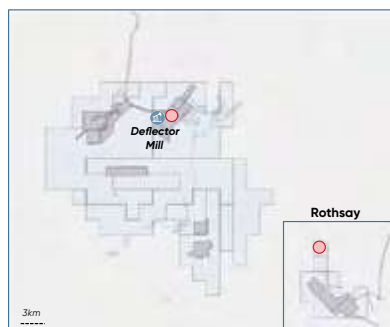
- Long, modern, low cost process plant to drive economies of scale
- KOTH open pit provides baseload long life mill feed visibility to cornerstone a leading region hub
- Organic exploration to target extension, near mine and regional targets



Mount Monger

Proven, highly endowed gold camp with increasing life of mine visibility

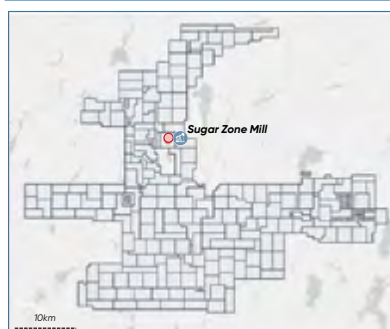
- Proven strategy to leverage installed mining and process infrastructure
- Sustained & growing baseload feed visibility with commencement of mining at Santa
- Enhanced baseload feed visibility provides exploration optionality for high grade extensions and discoveries



Deflector

One of Western Australia's highest grade and lowest cost gold operations

- Proven and consistent strong free cash flow generator since acquisition in 2019
- Emerging life of mine extension opportunities to leverage infrastructure and development
- Accelerated exploration program to prove up near mine extensions and regional targets within trucking distance of mill



Sugar Zone

Infancy provides a differentiated opportunity in a prominent metals province

- Fully permitted operation with mine, services & access infrastructure in place
- FY23 investment in mining, process & services infrastructure reset the foundations for operations
- First of its kind 93,000 metre drill program in FY24 (as of Dec-23, 46,991 metres have been completed)



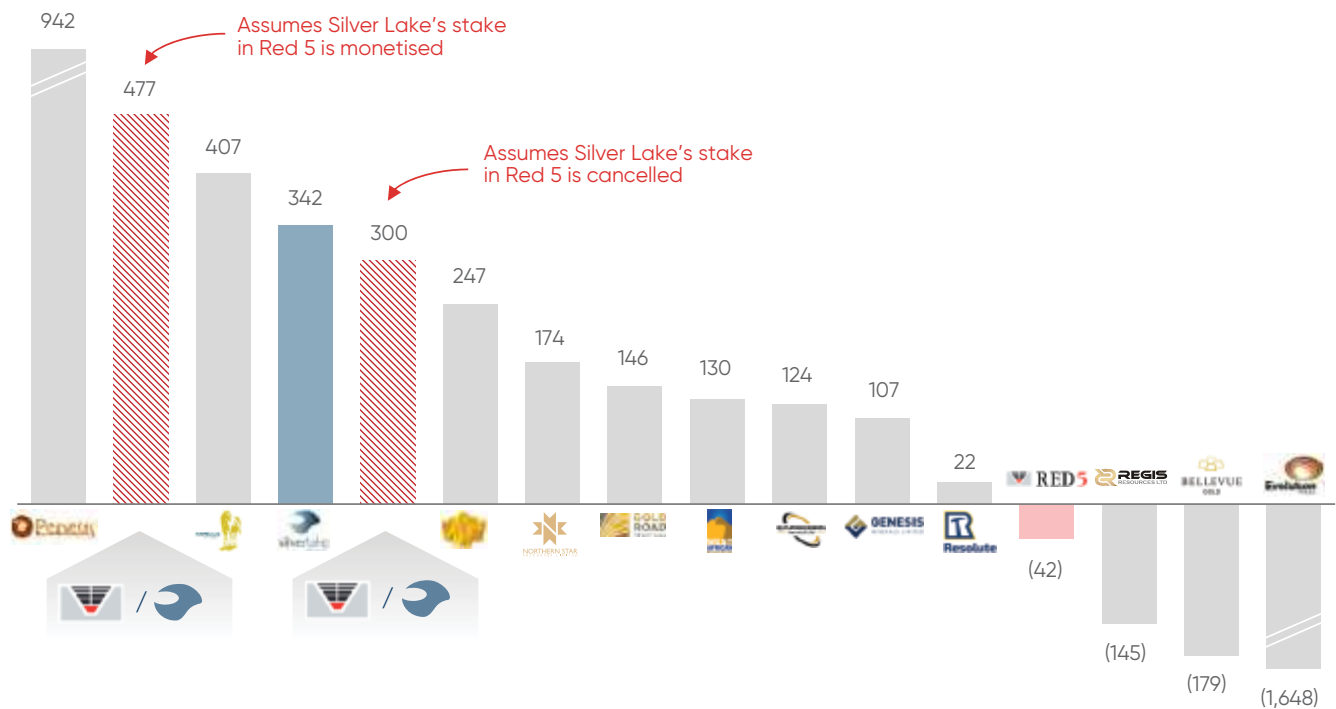
¹⁸ King of the Hills data includes Darlot (114koz Au Ore Reserves, 1.8 Moz Au Mineral Resource), FY23 Darlot gold sales include gold production from the Darlot process plant in July of 2,661 ounces, Mount Monger FY24 guidance includes \$398/oz non-cash inventory charge.

2.3 The Scheme will immediately create a sector leading and cash generative platform that is well positioned to internally fund optimisation projects and growth initiatives

The Merged Group will have a pro forma net cash and listed investments position of \$486 million¹⁹, inclusive of the value of SLR's shareholding in RED (or \$309 million, exclusive of the value of SLR's shareholding in RED), based on the closing price of RED Shares as at the Last Practicable Date, with strong near-term cash flow generation and a long mine life growth asset to drive sustainable production through the cycle. This balance sheet strength and cashflow generation provides financial flexibility to invest in a larger pool of low capital intensity asset optimisation opportunities across the Merged Group's mining hubs.

In addition, the pro forma market capitalisation of the Merged Group of over \$2.93 billion²⁰ which, when combined with the sector leading balance sheet and forecast continued strong cashflow generation, is expected to enable the Merged Group to evaluate future consolidation opportunities from a position of strength.

Figure 1.4: Pro forma Balance Sheet – Net Cash/(Debt) Balance²¹



¹⁹ Based on RED's net debt position as at 31 March 2024 and SLR's net cash position as at 31 March 2024 and listed investments position as at ASX market close on the Last Practicable Date. SLR's shares in RED will be monetised or cancelled post implementation of the Scheme in accordance with section 259D of the Corporations Act

²⁰ Based on the closing price of RED Shares as at the Last Practicable Date of \$0.43 per RED Share and the 6.8 billion pro forma RED Shares on issue post-implementation of the Scheme adjusted for the vesting of performance rights under the Scheme as outlined in the Scheme Implementation Deed. See sections 4.10 and 12.2 for more information.

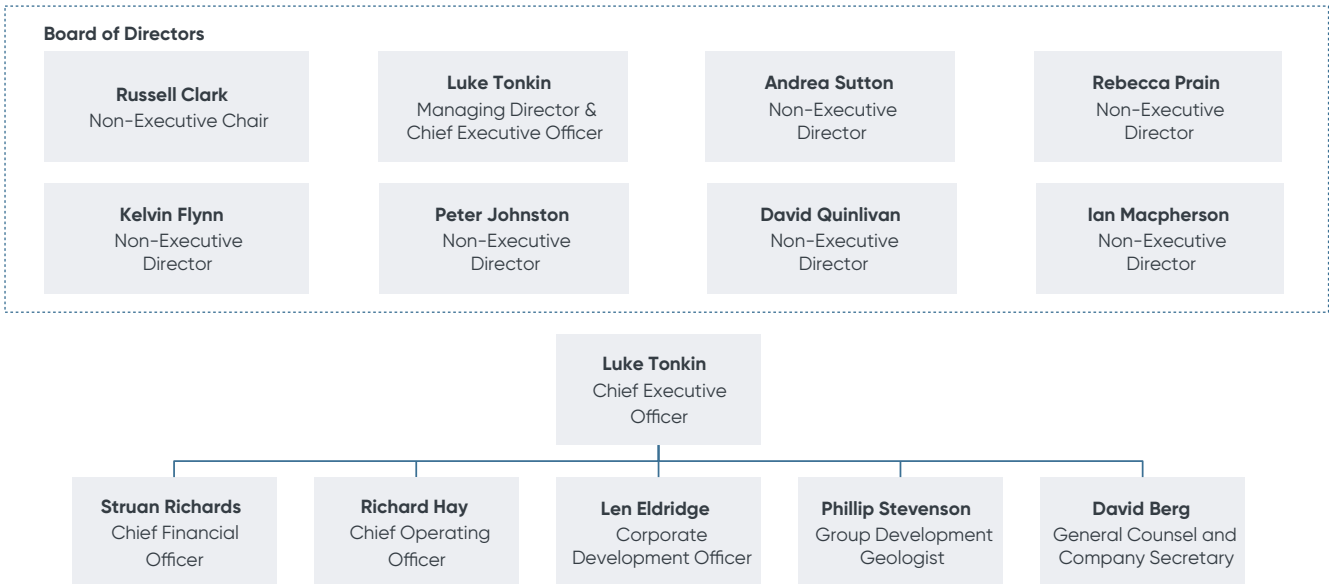
²¹ Balance sheet data as at 31 March 2024 unless otherwise stated, includes gold bullion and excludes leases. Merged Group net cash position based on SLR's shareholding in RED as at ASX market close on the Last Practicable Date of \$0.43 per RED Share, which is to be monetised or cancelled post transaction completion in accordance with section 259D of the Corporations Act (excludes estimated transaction stamp duty of approximately \$30 million and transaction costs associated with the proposed combination). Genesis Minerals net cash position includes approximately \$43 million of transaction costs in relation to the acquisition of St Barbara's Leonora assets, the acquisition of 100% of Dacian, and the acquisition of the Bruno-Lewis and Kyte projects (payment anticipated in 2024) and \$31 million in drawn debt from its asset finance facility. Resolute figures are reported in United States dollars (USD), translated to Australian dollars (AUD) at an exchange rate of 1 AUD = 0.65 USD. Regis Resources' net debt position reflects 31 December 2023 data. Capricorn Metals' and Evolution's net debt position reflects closing cash and bullion position as at 31 March 2024 and debt position as at 31 December 2023. Refer to Appendix 1 for further information.

2.4 The Scheme combines two complementary board and management teams, to drive value creation for Merged Group shareholders

The Merged Group brings together two complementary and experienced board and senior management teams with a proven track record of delivering consistent, high quality operational performance driven by a strong focus on capital efficiency and cashflow generation.

Figure 1.5: Merged Group Board of Directors and Key Management Personnel

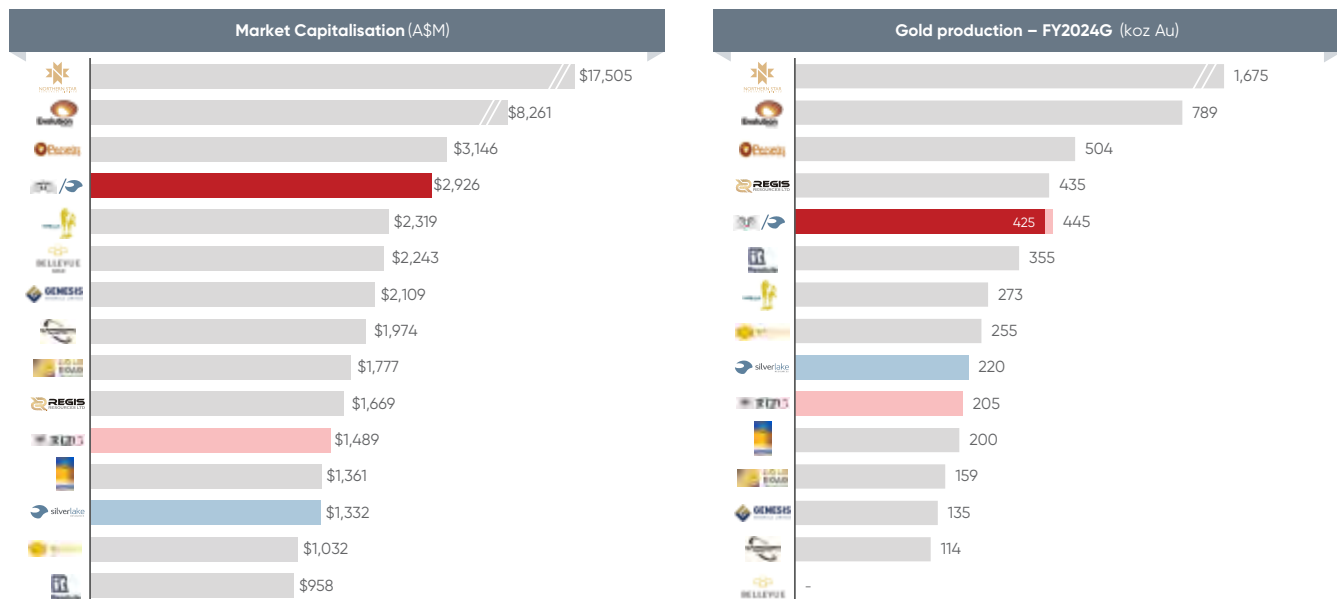
MergeCo Board of Directors and Senior Management



2.5 The increased scale and asset diversification of the Merged Group has the potential to drive enhanced market significance and investor appeal

If the Scheme is implemented, the Merged Group is expected to become a leading diversified mid-tier ASX gold producer, which is larger, stronger and more resilient, offering increased liquidity and scale to a broad range of investors.

Figure 1.6: Merged Group market capitalisation and pro forma FY24 production guidance²²



²² S&P Capital IQ data as at ASX market close on the Last Practicable Date. Merged Group pro forma market capitalisation based on the closing price of RED Shares as at the Last Practicable Date of \$0.43 per RED Share and the 6.8 billion pro forma RED Shares on issue post-implementation of the Scheme (adjusted for the vesting of performance rights under the Scheme as outlined in the Scheme Implementation Deed. See sections 4.10 and 12.2 for more information. Where available, production figures represent the mid-point of management’s guidance for FY24. CY24 guidance presented for Resolute, Gold Road and West African Resources. The 425koz number reflects the mid-point of RED and SLR gold production whilst the 445koz number references the aggregate top end of guidance for these two companies. Refer to Appendix 1 for further information.

2.6 The SLR Directors unanimously recommend the Scheme, and the Independent Expert has concluded the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders, in the absence of a SLR Superior Proposal

Before agreeing the terms of the Scheme in accordance with the Scheme Implementation Deed between SLR and RED, the SLR Directors considered:

- (a) the opportunities associated with, and challenges facing, the continued operation of SLR as a standalone entity;
- (b) the strategic rationale and potential advantages of a merger with RED (including the benefits expected to be realised as a result of the Scheme as outlined in **sections 2.1 to 2.8** above);
- (c) the potential disadvantages of the Scheme, as set out in **sections 2.10 to 2.15** below;
- (d) the possibility of a SLR Superior Proposal arising after the Announcement Date; and
- (e) the potential key risks relating to the Scheme, the Merged Group, and SLR as a standalone entity (as summarised in **section 9**).

The decision of the SLR Directors to recommend the Scheme to SLR Shareholders follows a due diligence assessment by SLR of RED and consideration of strategic options for SLR in regard to various corporate, asset and financial options available to SLR to enhance value for SLR Shareholders.

The SLR Directors consider that the potential advantages of the Scheme outweigh the potential disadvantages of the Scheme. Therefore, the SLR Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting in the absence of a SLR Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders.

Refer to **section 4.4** for information about the interests of SLR Directors in the outcome of the Scheme, which may differ from those of other SLR Shareholders.

Additionally, each SLR Director intends to vote all SLR Shares held or controlled by them in favour of the Scheme at the Scheme Meeting, subject to the same qualifications set out above. Refer to **section 6.7(a)** for details of each SLR Director's interests in SLR securities.

The Independent Expert has concluded the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders, in the absence of a SLR Superior Proposal.

The Independent Expert's Report, which contains the detailed reasons for its conclusion, is included in **Appendix 2**.

2.7 No SLR Superior Proposal has emerged since the Announcement Date

There is the potential for a SLR Superior Proposal to emerge. However, as at the date of this Scheme Booklet, no SLR Superior Proposal has emerged.

If a SLR Superior Proposal is received, this will be announced to ASX, and the SLR Directors will carefully consider the proposal and advise SLR Shareholders of their recommendation.

2.8 SLR Shareholders may be eligible for CGT roll-over relief in respect of the disposal of their Scheme Shares

The disposal of the SLR Shares to RED in accordance with the Scheme will give rise to a CGT event. The time of the CGT event should be the date the SLR Shares are disposed of, which will occur on the Implementation Date.

SLR Shareholders who make a capital gain from the disposal of their SLR Shares may be eligible to choose CGT scrip for scrip roll-over relief (provided certain conditions are met).

Refer to **section 10** for further information on the Australian tax consequences of the Scheme.

POTENTIAL REASONS TO VOTE AGAINST THE SCHEME RESOLUTION

2.9 You may disagree with the unanimous recommendation of the SLR Directors and the Independent Expert's conclusion in relation to the Scheme

You may disagree with the views of the SLR Directors that the potential advantages of the Scheme outweigh the potential disadvantages of the Scheme, and therefore disagree with the unanimous recommendation of the SLR Directors to vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a SLR Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable, and in the best interests of, SLR Shareholders.

You may also disagree with the conclusions of the Independent Expert that the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders, in the absence of a SLR Superior Proposal. Refer to **Appendix 2** for a copy of the Independent Expert's Report.

2.10 The exposure of SLR Shareholders to SLR's assets is diluted in the Merged Group

Following implementation of the Scheme, SLR Shareholders will hold approximately 48.3% of the issued share capital of the Merged Group on a fully diluted basis. Accordingly, SLR Shareholders will have a reduced exposure to SLR's existing asset portfolio.

You may wish SLR to remain an independent entity because you invested in SLR to seek exposure to a company with the specific characteristics of SLR and you do not want to have an investment exposure in RED and its assets.

2.11 The Scheme may change the risk profile for SLR Shareholders compared to SLR as a standalone entity

An investment in the Merged Group will provide exposure to different risks and benefits than those to which SLR Shareholders are currently exposed. A non-exhaustive summary of the key specific and general risks relating to the Merged Group is set out in **section 9**. Although the SLR Directors consider that many of these risks are risks to which SLR is already exposed due to the nature of its existing business and operations, the operational profile, size, and nature of assets in the Merged Group will be different from that of SLR as a standalone entity and you may consider this to be a significant change in risk profile from SLR as a standalone entity.

2.12 You may consider that a SLR Superior Proposal may materialise in the future were SLR to continue as an independent company

You may believe there is a possibility a SLR Superior Proposal could emerge in the foreseeable future. However, you should be aware that as at the date of this Scheme Booklet, no Superior Proposal has been received.

If a SLR Superior Proposal emerges, this will be announced to ASX and the SLR Directors will carefully reconsider the Scheme and advise SLR Shareholders of their recommendation.

Importantly, the Scheme does not prevent SLR Shareholders from benefitting from a proposal for the Merged Group in the future, if one were to emerge.

2.13 The potential tax consequences of the Scheme may not suit your current financial position or tax circumstances

If the Scheme is implemented, you may incur tax on the transfer of your SLR Shares. Please refer to **section 10** for further information on the Australian tax implications of the Scheme.

For Scheme Shareholders who hold their SLR Shares in a capital account, the disposal of SLR Shares to RED in accordance with the Scheme will give rise to a CGT event. The time of the CGT event should be the date the SLR Shares are disposed of, which will occur on the Implementation Date.

SLR intends to apply (on behalf of SLR Shareholders) for a class ruling from the Commissioner of Taxation, to confirm the key Australian income tax consequences of the Scheme, including whether Australian resident SLR Shareholders, who would otherwise make a capital gain on disposal of their Scheme Shares, may be eligible to obtain scrip for scrip roll-over capital gains tax relief. Such relief will not be available if a Scheme Shareholder makes a capital loss in respect of the Scheme or does not meet the necessary criteria.

All SLR Shareholders are advised to seek independent professional advice about their particular individual circumstances including, for non-resident SLR Shareholders, any foreign tax consequences.

2.14 The exact value of the Scheme Consideration is not certain and will depend on the price at which RED Shares trade on ASX after the Implementation Date

The Scheme Consideration is fixed at a ratio of 3.434 New RED Shares for every Scheme Share. The exact value that Scheme Shareholders receive for their SLR Shares may move adversely from the market value of the Scheme Consideration on the date of this Scheme Booklet or the Scheme Meeting.

Alternatively, if there is an increase in the relative price of RED Shares, the effective value you receive for your SLR Shares may move favourably from the market value of the Scheme Consideration on the date of this Scheme Booklet or the Scheme Meeting.

In addition, the Sale Agent will be issued the New RED Shares that would otherwise be issued to Ineligible Shareholders pursuant to the Scheme and will sell them as soon as reasonably practicable after the Implementation Date at the then-prevailing market price for RED Shares. Although the quantum of these sales is expected to be small, it is possible such sales may exert downward pressure on the price of RED Shares during the applicable period.

OTHER RELEVANT CONSIDERATIONS

2.15 The Scheme may be implemented even if you do not vote, or vote against the Scheme Resolution

Even if you do not vote, or if you vote against the Scheme Resolution at the Scheme Meeting, the Scheme will be implemented if the conditions precedent to the Scheme are satisfied or waived (where applicable), and the Scheme becomes Effective. If this occurs and you are a Scheme Shareholder, your SLR Shares will be transferred to RED and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

2.16 Costs of the Scheme

SLR has already incurred, and will incur, significant costs in respect of the proposal to implement the Scheme. These costs include negotiation with RED on the Scheme, retention of advisers, provision of information to RED, facilitating RED's access to due diligence, engaging with ASIC, ASX and the Court, engagement of the Independent Expert and Independent Technical Specialist and the preparation of this Scheme Booklet. If the Scheme is not implemented in circumstances where no Superior Proposal emerges and is completed, SLR will not receive any material value for the costs it has incurred in connection with the Scheme. Refer to **section 12.5(d)** for further information.

Under the Scheme Implementation Deed, a Reimbursement Fee of \$9.6 million (excluding GST) may become payable by SLR to RED or by RED to SLR, in certain circumstances. Failure by SLR Shareholders to approve the Scheme Resolution at the Scheme Meeting will not trigger an obligation to pay the Reimbursement Fee. Further details of the circumstances in which the Reimbursement Fee may become payable are set out in **section 11.12**.

2.17 No brokerage will be payable on the transfer of your SLR Shares pursuant to the Scheme

Scheme Shareholders (including Ineligible Shareholders) will not pay brokerage fees on the disposal of their SLR Shares pursuant to the Scheme. Brokerage (and other costs) will however be deducted from the proceeds of sale by the Sale Agent of New RED Shares that would otherwise have been issued to Ineligible Shareholders. Refer to **section 4.14** for further information.

2.18 Warranties by Scheme Shareholders

If the Scheme becomes Effective, each Scheme Shareholder will be deemed to have given certain warranties in favour of RED, including that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the time of transfer of them to RED in accordance with the Scheme, be fully paid and free from various encumbrances and interests of third parties; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights attaching to them as defined in the Scheme) to RED under this Scheme.

2.19 Implementation of the Scheme is subject to a number of conditions precedent which remain outstanding as at the date of this Scheme Booklet

In addition to the need to obtain SLR Shareholder and Court approval, the Scheme is subject to a number of conditions precedent. These are outlined in **section 11.2** and are set out in full in Schedule 1 of the Scheme Implementation Deed. All these conditions precedent need to be satisfied or waived (as applicable) in order for the Scheme to proceed.

The SLR Directors have reviewed the conditions precedent and do not consider them to be unduly onerous or inconsistent with market practice for a transaction of this nature. As at the date of this Scheme Booklet, the SLR Directors are not aware of any matter that will, or is likely to, result in a breach or non-fulfilment of any of those conditions.

2.20 All or nothing outcome

If all of the conditions precedent for the Scheme are satisfied or waived (as applicable) and the Scheme becomes Effective:

- (a) the Scheme will bind all Scheme Shareholders, including those who did not vote on the Scheme and those who voted against it, meaning that all Scheme Shareholders will relinquish their ownership of their SLR Shares and will receive the Scheme Consideration (noting that Ineligible Shareholders will receive the net proceeds of sale by the Sale Agent of New RED Shares that would otherwise have been issued to them pursuant to the Scheme); and
- (b) SLR will become a wholly owned subsidiary of RED and will be delisted from ASX.

Conversely, if all of the conditions precedent for the Scheme are not satisfied or waived (as applicable), the status quo will be preserved, meaning that:

- (c) Scheme Shareholders will retain their SLR Shares, and will continue to retain the benefits of that investment as well as be exposed to the risks associated with that investment. These risks include risks specific to SLR's business as outlined in **section 9**;
- (d) the existing SLR Board and management will continue to operate SLR's business; and
- (e) the advantages of the Scheme will not be realised and equally some of the disadvantages of the Scheme will no longer be relevant, such advantages and disadvantages set out at **section 2** of this Scheme Booklet.

Further information regarding the implications of the Scheme not being implemented are set out in **section 9.5**.

3. Frequently Asked Questions

The following table provides brief answers to questions you may have in relation to the Scheme but it must be read in conjunction with the more detailed information included in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

Question	Answer	Further information
Overview of the Scheme		
What is a scheme of arrangement?	<p>A "scheme of arrangement" is a statutory procedure under Part 5.1 of the Corporations Act that can be used to enable one company to acquire another company.</p> <p>Schemes are commonly used in Australia to effect the acquisition of shares in a publicly listed company.</p> <p>If the Scheme becomes Effective, RED will acquire all of the SLR Shares in exchange for the Scheme Consideration and SLR will become a wholly owned Subsidiary of RED.</p>	N/A
Why have I received this Scheme Booklet?	<p>This Scheme Booklet has been made available to you because you are a SLR Shareholder. SLR Shareholders are being asked to vote on the Scheme Resolution, which, if approved and if the other conditions to the Scheme are satisfied or waived (as applicable), will result in RED acquiring all of your SLR Shares for the Scheme Consideration. If you have sold your SLR Shares, please disregard this Scheme Booklet.</p> <p>This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution at the Scheme Meeting. The Scheme Resolution needs to be passed by the Requisite Majorities in order for the Scheme to proceed.</p>	Section 5
What is the Scheme?	<p>The Scheme is a proposed acquisition by RED of SLR to be implemented by way of a scheme of arrangement under Part 5.1 of the Corporations Act between SLR and SLR Shareholders under which all of the SLR Shares held by Scheme Shareholders will be transferred to RED in consideration for the issuance by RED of the Scheme Consideration.</p> <p>The Scheme requires the approval of both the Requisite Majorities of SLR Shareholders at the Scheme Meeting, as well as the approval of the Court.</p> <p>A summary of the key terms of the Scheme Implementation Deed is set out in section 11. A copy of the Scheme is included at Appendix 3 of this Scheme Booklet.</p>	Section 5.1 and Appendix 3
What is the Scheme Consideration?	<p>If the Scheme proceeds, the Scheme Consideration of being 3.434 New RED Shares for every 1 Scheme Share, will be issued to Scheme Shareholders (excluding Ineligible Shareholders).</p> <p>Ineligible Shareholders will receive the Scheme Consideration in the form of cash, pursuant to the procedure set out in section 4.14.</p>	Section 4.2
What is the SLR Directors' recommendation?	<p>The SLR Directors have carefully considered the advantages and disadvantages of the Scheme and unanimously recommend you vote in favour of the Scheme Resolution at the Scheme Meeting in the absence of a SLR Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders.²³</p> <p>Information regarding each SLR Director's interests in the outcome of the Scheme vote is set out in section 4.4.</p> <p>See the question titled "<i>How do your SLR Directors intend to vote?</i>" for further information.</p>	Section 4.4
How do the SLR Directors intend to vote?	<p>Each SLR Director intends, in the absence of a SLR Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders, to vote, or procure the voting of, any SLR Shares held by them or on their behalf, in favour of the Scheme Resolution at the Scheme Meeting.</p> <p>Information regarding each SLR Director's interest in the outcome of the Scheme vote, and their interests in SLR securities, is set out in sections 4.4 and 6.7(a) respectively.</p>	Section 4.4

²³ In relation to the unanimous recommendation of the SLR Directors, SLR Shareholders should have regard to the interests of the SLR Directors in the outcome of the Scheme vote which may differ from those of other SLR Shareholders, as further described in **section 4.4**. SLR Shareholders should also have regard to footnote 2 above.

Question	Answer	Further information
<p>What is the Independent Expert's conclusion?</p>	<p>SLR has engaged BDO Corporate Finance (WA) Pty Ltd to act as the Independent Expert in connection with the Scheme.</p> <p>The Independent Expert has concluded, and as at the Last Practicable Date continues to conclude, that the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders in the absence of a SLR Superior Proposal.</p> <p>The reasons why the Independent Expert reached its conclusions are set out in Independent Expert's Report in Appendix 2. The SLR Directors encourage you to read the Independent Expert's Report in full before deciding how to vote on the Scheme.</p> <p>If the Independent Expert changes its conclusion, this will be announced to the ASX. In this circumstance, the SLR Directors will consider the revised opinion and advise SLR Shareholders of their recommendation.</p>	<p>Appendix 2</p>
<p>What will be the effect of the Scheme?</p>	<p>If the Scheme becomes Effective:</p> <ul style="list-style-type: none"> ▪ all your SLR Shares will be transferred to RED; ▪ in exchange, you will receive the Scheme Consideration of 3.434 New RED Shares for each SLR Share you hold (unless you are an Ineligible Shareholder, in which case you will receive cash); and ▪ SLR will become a wholly owned subsidiary of RED and will be removed from the official list of ASX. <p>See the question titled "<i>What if I am an Ineligible Shareholder</i>" for more information about how Ineligible Shareholders will receive the Scheme Consideration.</p>	<p>Section 4</p>
<p>Is a SLR Superior Proposal likely? What happens if a SLR Superior Proposal emerges?</p>	<p>The Scheme Implementation Deed contains certain exclusivity arrangements applicable to SLR. For example, it restricts SLR from taking certain actions that may encourage or solicit a SLR Competing Proposal, obliges SLR to disclose certain information to RED in the event a SLR Competing Proposal emerges and also gives RED a right to match a SLR Superior Proposal in certain circumstances. The Scheme Implementation Deed contains a fiduciary out in respect of the exclusivity restrictions on SLR in certain circumstances.</p> <p>Until the Scheme becomes Effective, there is nothing preventing third parties from making unsolicited SLR Competing Proposals. However, as at the date of this Scheme Booklet, no SLR Competing Proposal or SLR Superior Proposal has emerged. If an actual, proposed or potential SLR Competing Proposal emerges, a '<i>matching right</i>' obligation arises where SLR must, among other things, provide RED with the material terms and conditions of the actual, proposed or potential SLR Competing Proposal. This must include the identity of the person making the actual, proposed or potential SLR Competing Proposal as well as the price, the form of consideration, the conditions precedent, the proposed deal protection arrangements and the timetable. RED will then have at least five Business Days after this information is provided to make a RED Counterproposal, which must be considered by the SLR Board in good faith. If the SLR Board determines that the RED Counterproposal (taking into account all of its terms and conditions) would provide an equivalent or superior outcome for SLR Shareholders as a whole compared with the actual, proposed or potential SLR Competing Proposal, then SLR and RED must use reasonable endeavours to agree and enter such documentation as is reasonably necessary to implement the RED Counterproposal.</p> <p>It is possible that, if SLR were to continue as an independent company, a SLR Superior Proposal may materialise in the future.</p> <p>Further information regarding Competing Proposals, Superior Proposals, fiduciary outs and the reciprocal exclusivity arrangements for each of SLR and RED and each of its Representatives is set out in section 11.</p>	<p>Section 11.10(b)</p>

Question	Answer	Further information
<p>What happens if a RED Competing Proposal emerges?</p>	<p>The Scheme Implementation Deed also contains certain exclusivity arrangements applicable to RED. For example, it restricts RED from undertaking certain actions that may encourage or solicit a RED Competing Proposal, obliges RED to disclose certain information to SLR in the event a SLR Competing Proposal emerges, and also gives SLR a right to match a RED Superior Proposal in certain circumstances. The Scheme Implementation Deed contains a fiduciary out in respect of the exclusivity restrictions on RED in certain circumstances.</p> <p>At the date of this Scheme Booklet, RED has confirmed that no RED Competing Proposal or RED Superior Proposal has emerged.</p> <p>If an actual, proposed or potential RED Competing Proposal emerges, a ‘<i>matching right</i>’ obligation arises where RED must, among other things, provide SLR with the material terms and conditions of the actual, proposed or potential RED Competing Proposal. This must include the identity of the person making the actual, proposed or potential RED Competing Proposal as well as the price, the form of consideration, the conditions precedent, the proposed deal protection arrangements and the timetable. Then SLR will have at least five Business Days after this information is provided to make a SLR Counterproposal, which must be considered by the RED Board in good faith. If the RED Board determines that the SLR Counterproposal (taking into account all of its terms and conditions) would provide an equivalent or superior outcome for RED Shareholders as a whole compared with the actual, proposed or potential RED Competing Proposal, then RED and SLR must use reasonable endeavours to agree and enter such documentation as is reasonably necessary to implement the SLR Counterproposal.</p> <p>Further information regarding Competing Proposals, Superior Proposals, fiduciary outs and reciprocal exclusivity arrangements for each of SLR and RED and their Related Entities is set out in section 11.</p>	<p>Section 11.10(a)</p>
<p>What are the risks for me if the Scheme is implemented?</p>	<p>SLR Shareholders who receive New RED Shares under the Scheme may be subject to certain risks relating to the Scheme, the Merged Group and SLR, as summarised (non-exhaustively) in section 9.5.</p>	<p>Section 9.5</p>
<p>If I wish to support the Scheme, what should I do?</p>	<p>If you wish to support the Scheme you should vote in favour of the Scheme Resolution at the Scheme Meeting.</p> <p>The SLR Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting in the absence of a SLR Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders.²⁴</p> <p>If you are a registered SLR Shareholder and are unable to attend the Scheme Meeting, which is being held in-person, you may be entitled to vote by proxy, corporate representative or attorney. See section 5.1 for directions on how to vote and important voting information generally.</p>	<p>Section 5.1</p>
<p>Questions about the Scheme</p>		
<p>What are the reasons to vote in favour of the Scheme Resolution?</p>	<p>Reasons why you should consider voting in favour of the Scheme Resolution at the Scheme Meeting include:</p> <ul style="list-style-type: none"> ▪ the Scheme will create a leading diversified mid-tier gold company with complementary operations and growth opportunities in tier 1 jurisdictions; ▪ the Scheme combines two complementary gold businesses to deliver benefits to SLR Shareholders not available on a standalone basis; ▪ the Scheme will immediately create a sector leading balance sheet and cash generative platform that is well positioned to internally fund optimisation projects and growth initiatives; ▪ the Scheme combines two complementary board and management teams, to drive value creation for Merged Group shareholders; ▪ the increased scale and asset diversification of the Merged Group has the potential to drive enhanced market significance and investor appeal; ▪ the Merged Group will have enhanced financial flexibility; ▪ the SLR Directors unanimously recommend the Scheme, and the Independent Expert has concluded the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders, in the absence of a SLR Superior Proposal;²⁵ ▪ no SLR Superior Proposal has emerged since the Announcement Date; and ▪ SLR Shareholders may be eligible for CGT roll-over relief in respect of the disposal of their Scheme Shares. 	<p>Sections 2.1 to 2.8</p>

²⁴ In relation to the unanimous recommendation of the SLR Directors, SLR Shareholders should have regard to the interests of the SLR Directors in the outcome of the Scheme vote which may differ from those of other SLR Shareholders, as further described in **section 4.4**. SLR Shareholders should also have regard to footnote 2 above.

²⁵ In relation to the unanimous recommendation of the SLR Directors, SLR Shareholders should have regard to the interests of the SLR Directors in the outcome of the Scheme vote which may differ from those of other SLR Shareholders, as further described in **section 4.4**. SLR Shareholders should also have regard to footnote 2 above.

Question	Answer	Further information
What are the reasons to vote against the Scheme Resolution?	<p>Reasons why you might consider voting against the Scheme Resolution include:</p> <ul style="list-style-type: none"> ▪ you may disagree with the unanimous recommendation of the SLR Directors or the conclusion of the Independent Expert in relation to the Scheme; ▪ the exposure of SLR Shareholders to SLR's assets is diluted in the Merged Group; ▪ the Scheme may change the risk profile for SLR Shareholders compared to SLR as a standalone entity; ▪ you may consider that a SLR Superior Proposal may materialise in the future were SLR to continue as an independent company; ▪ the potential tax consequences of the Scheme may not suit your current financial position or tax circumstances; and ▪ the exact value of the Scheme Consideration is not certain and will depend on the price at which RED Shares trade on ASX after the Implementation Date. 	Sections 2.9 to 2.14
What happens if I vote against the Scheme Resolution?	<p>If, despite the SLR Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme Resolution at the Scheme Meeting.</p> <p>However, you should note that if the Scheme Resolution is approved by the Requisite Majorities of SLR Shareholders and by the Court, and all other conditions to the Scheme are satisfied or waived (where applicable), your SLR Shares will be transferred to RED in consideration for RED issuing to you or the Sale Agent on your behalf, as applicable, the Scheme Consideration. This will occur even if you voted against the Scheme Resolution at the Scheme Meeting.</p> <p>If the Scheme Resolution is not approved by the Requisite Majorities of SLR Shareholders or the Court, the Scheme will not be implemented. In these circumstances, SLR will remain an independent company and you will remain a SLR Shareholder. Further detail regarding the consequences of the Scheme not being implemented is set out in the question "What happens if the Scheme is not approved?".</p>	Section 4.6
What happens if the Scheme Resolution is not approved?	<p>If the Scheme is not approved by the Requisite Majorities of SLR Shareholders or the Court, the Scheme will not be implemented.</p> <p>Further, if any of the conditions precedent to the Scheme are not satisfied or waived (as applicable), including if the Scheme is not approved by the Requisite Majorities of SLR Shareholders and by the Court, the Scheme Implementation Deed may be terminated and the Scheme will not be implemented.</p> <p>The consequences of the Scheme not being implemented include:</p> <ul style="list-style-type: none"> ▪ Scheme Shareholders will retain their SLR Shares, and will continue to retain the benefits of their investment in SLR as a standalone entity, as well as be exposed to the risks associated with that investment; ▪ the existing SLR Board and management will continue to operate SLR's business; ▪ the advantages of the Scheme will not be realised and equally some of the disadvantages of the Scheme will no longer be relevant. These advantages and disadvantages are set out at section 2 of this Scheme Booklet; ▪ SLR's Share price may vary to the extent the market reflects an assumption the Scheme will be completed and in the absence of a SLR Superior Proposal; and ▪ SLR will have incurred transaction costs for which it may receive no reimbursement. 	Section 9.5
Are there conditions that need to be satisfied before the Scheme can proceed?	<p>Implementation of the Scheme is subject to satisfaction of a number of conditions precedent, including SLR Shareholder and Court approval, no "material adverse change", "prescribed occurrence" or "regulated event" (each as defined in the Scheme Implementation Deed) occurring and certain other conditions precedent summarised in section 11.2.</p> <p>As at the date of this Scheme Booklet, the SLR Directors are not aware of any matter that will, or is likely to, result in a breach or non-fulfilment of any of those conditions precedent.</p> <p>If the conditions precedent are not satisfied or waived (as applicable), the Scheme will not proceed.</p>	Section 11.2
How will the Scheme be implemented?	<p>If the Scheme becomes Effective, no further action is required on the part of the Scheme Shareholders in order to implement the Scheme. Under the Scheme, SLR is given authority to effect a valid transfer of all SLR Shares to RED and to enter the name of RED in the SLR Register as holder of all SLR Shares. If the Scheme becomes Effective, each SLR Shareholder (other than Ineligible Shareholders) will be deemed to have agreed to become a holder of RED Shares in accordance with the Scheme and to have accepted the New RED Shares issued to that holder under the Scheme subject to, and to be bound by, RED's constitution.</p>	Section 4.6

Question	Answer	Further information
Can the Scheme Implementation Deed be terminated?	<p>The Scheme Implementation Deed can be terminated in certain circumstances. These are summarised in section 11.11.</p> <p>If the Scheme Implementation Deed is terminated, the Scheme will not proceed. In certain circumstances, the termination of the Scheme Implementation Deed may trigger payment of a Reimbursement Fee of A\$9.6 million by SLR or RED to the other.</p> <p>See the question titled <i>"Is there a reimbursement or break fee payable?"</i> for more information.</p>	Section 11.11
Is there a reimbursement or break fee payable?	<p>Under the Scheme Implementation Deed, a Reimbursement Fee of A\$9.6 million (excluding GST) is payable by SLR to RED, and by RED to SLR, if certain events occur.</p> <p>The circumstances in which Reimbursement Fees are payable by SLR and RED are set out in section 11.12.</p>	Section 11.12
What are the tax implications of the Scheme?	<p>If the Scheme becomes Effective, there will be tax consequences for SLR Shareholders which may include tax being payable on any gain on disposal of their SLR Shares.</p> <p>Section 10 provides a general description of the Australian tax consequences of the Scheme. The tax consequences of the Scheme may vary depending on the nature and characteristics of each SLR Shareholder and their individual circumstances.</p> <p>It is recommended you seek professional tax advice in regard to the income tax implications associated with the Scheme.</p>	Section 10
Questions about your entitlements		
Who is entitled to participate in the Scheme?	<p>Each person who is a SLR Shareholder as at the Record Date (which as at the date of this Scheme Booklet is expected to be 5.00 pm on Wednesday, 12 June 2024) will be entitled to participate in the Scheme.</p>	Section 4.3
What are the New RED Shares being issued as Scheme Consideration?	<p>The New RED Shares being issued as Scheme Consideration to SLR Shareholders (who are not Ineligible Shareholders) are new fully paid ordinary shares in RED which will rank equally in all respects with all other RED Shares on issue as at the Implementation Date.</p>	Section 4.2
Will I be able to trade my New RED Shares on ASX?	<p>Yes, RED Shares currently trade on ASX, and if the Scheme is implemented, the New RED Shares will trade on ASX. It is expected that you will be able to trade your New RED Shares on a normal settlement basis from the Business Day following the Implementation Date.</p> <p>Please note that the exact number of New RED Shares that will be issued to you will not be confirmed until you receive your holding statement (or other evidence of ownership) following the Implementation Date. Should you deal in your New RED Shares before receiving your holding statement (or other evidence of ownership), it is your responsibility to ensure that you do not commit to sell more New RED Shares than will be issued to you.</p> <p>See the question <i>"When can I trade my RED Shares?"</i> for further information.</p>	Sections 4.15 and 4.16
Can I choose to receive cash instead of New RED Shares?	<p>No. There is no option for Scheme Shareholders to elect to receive cash instead of New RED Shares.</p> <p>Ineligible Shareholders will receive the net proceeds of the sale of New RED Shares that would have been issued to them as Scheme Consideration. See the question titled <i>"What if I am an Ineligible Shareholder?"</i> for further information.</p>	Section 4.2
Can I split my shares?	<p>If RED forms the opinion that two or more SLR Shareholders have, before the Record Date, been a party to:</p> <ul style="list-style-type: none"> ▪ splitting a holding of SLR Shares into two or more parcels of SLR Shares whether or not it results in any change in beneficial ownership of the SLR Shares; or ▪ share division in an attempt to obtain unfair advantage by reference to rounding (in respect to fractional entitlements), <p>(Share Splitting), RED may give notice to such SLR Shareholders attributing the SLR Shares held by all of them to one of them (specifically identified in such notice). This notice deems the SLR Shareholder identified in such notice to be the holder of all those shares the subject of the Share Splitting.</p>	Section 4.12

Question	Answer	Further information
Who is an Ineligible Overseas Shareholder?	<p>You are an Ineligible Overseas Shareholder if you are a SLR Shareholder whose address shown in the SLR Register as at the Record Date is in an Ineligible Jurisdiction or who is otherwise determined to be an Ineligible Overseas Shareholder.</p> <p>If you are an Ineligible Overseas Shareholder, you are an Ineligible Shareholder and you will not receive the Scheme Consideration in the form of New RED Shares.</p> <p>See the question titled <i>"What if I am an Ineligible Shareholder?"</i> for more information.</p>	Section 4.13(a)
Who is a Small Parcel Shareholder and Relevant Small Parcel Shareholder?	<p>You are a Small Parcel Shareholder if you are a SLR Shareholder (other than an Ineligible Overseas Shareholder) who, based on your holding of SLR Shares on the Record Date, would, on implementation of the Scheme, be entitled to receive less than a Marketable Parcel of RED Shares (assessed by reference to the highest closing price of RED Shares on the ASX during the period beginning on the date this Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration.</p> <p>A Small Parcel Shareholder who either:</p> <ul style="list-style-type: none"> ▪ has not provided the Share Registry with a duly completed Opt-In Notice so that it is received prior to 5.00 pm on the date that is two Business Days prior to the Record Date (the Opt-In Deadline Time); or ▪ has provided the Share Registry with a duly completed Opt-In Notice so that it is received prior to the Opt-In Deadline Time, and has also provided the Share Registry with a duly completed Withdrawal Form prior to the Opt-In Deadline Time, <p>is a Relevant Small Parcel Shareholder. As at the date of this Scheme Booklet, the Record Date is expected to be Wednesday, 12 June 2024.</p> <p>If you are a Relevant Small Parcel Shareholder, you are an Ineligible Shareholder, and you will not receive the Scheme Consideration in the form of New RED Shares.</p> <p>See the question titled <i>"What if I am an Ineligible Shareholder?"</i> for more information.</p>	Section 4.13(b)
If I have given an Opt-In Notice but no longer wish to receive New RED Shares, can I withdraw my Opt-In Notice?	<p>Yes.</p> <p>If you have given the Share Registry an Opt-In Notice but wish to withdraw that Opt-In Notice, you may do so by providing the Share Registry with a duly completed Withdrawal Form in accordance with the instructions on the Withdrawal Form so that it is received by the Opt-In Deadline Time.</p> <p>If the Share Registry receives your valid Withdrawal Form by the Opt-In Deadline Time, you will not be issued the Scheme Consideration in the form of New RED Shares on the Implementation Date, and you will be a Relevant Small Parcel Shareholder.</p> <p>See the question titled <i>"What if I am an Ineligible Shareholder?"</i> for more information.</p>	Section 4.13(b)
What if I am an Ineligible Shareholder?	<p>If you are:</p> <ul style="list-style-type: none"> ▪ an Ineligible Overseas Shareholder; or ▪ a Relevant Small Parcel Shareholder; <p>RED will not issue New RED Shares to you. However, your SLR Shares will be part of the Scheme.</p> <p>The number of New RED Shares that would otherwise have been issued to you under the Scheme will instead be issued to the Sale Agent, who will sell those New RED Shares and remit the proceeds of such sale to SLR, net of costs.</p> <p>Promptly after the last sale of New RED Shares by the Sale Agent, SLR will remit to you your pro rata share of the net proceeds from the sale of the New RED Shares sold through the Sale Agent in accordance with the procedure set out in section 4.14.</p> <p>Where the issue of New RED Shares to which a Scheme Shareholder (other than an Ineligible Overseas Shareholder or a Relevant Small Parcel Shareholder) would otherwise be entitled to receive the New RED Shares would result in a breach of law:</p> <ul style="list-style-type: none"> ▪ RED will issue the maximum possible number of New RED Shares to that Scheme Shareholder without giving rise to a breach of law (as applicable); and ▪ any further New RED Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such breach, will instead be issued to the Sale Agent and dealt with in accordance with the procedure set out in section 4.14 as if that Scheme Shareholder was an Ineligible Shareholder. 	Section 4.14

Question	Answer	Further information
<p>What if I receive a Relevant Foreign Resident Declaration Form?</p>	<p>Scheme Shareholders with an address outside Australia (or whom RED reasonably believes are a "relevant foreign resident"), will be provided (either together with this Scheme Booklet or separately) with a Relevant Foreign Resident Declaration Form. Using this Relevant Foreign Resident Declaration form, a Scheme Shareholder may provide RED with a declaration that:</p> <ul style="list-style-type: none"> ▪ the registered holder of the relevant SLR Shares is an Australian tax resident (residency declaration); or ▪ the SLR Shares held by the registered holder are not indirect Australian real property interests (interest declaration). <p>Please refer to section 10 for the definition of "indirect Australian real property interest".</p> <p>For these Scheme Shareholders, unless a signed Relevant Foreign Resident Declaration Form giving a valid residency declaration or interest declaration, or a notice of variation granted by the Commissioner of Taxation to vary the withholding amount to nil, is provided to RED, if RED believes foreign resident CGT withholding is applicable to the relevant SLR Shareholder it may be required to withhold and pay to the Commissioner of Taxation a withholding amount of 12.5% from the Scheme Consideration issued to those Scheme Shareholders.</p>	<p>Section 10</p>
<p>What happens if the market price of RED Shares increases or decreases?</p>	<p>The implied value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the RED Share price.</p> <p>Irrespective of any movements in the RED Share price you, (or the Sale Agent, as applicable), will receive the Scheme Consideration, being 3.434 New RED Shares for every Scheme Share held on the Record Date.</p>	<p>Section 4.2</p>
<p>How will fractional entitlements to RED Shares be treated?</p>	<p>If, pursuant to the calculation of your Scheme Consideration, you would be entitled to a fraction of a New RED Share, then subject to there being no share splitting (as set out in section 4.12) your fractional entitlement to New RED Shares of:</p> <ul style="list-style-type: none"> ▪ 0.5 or more will be rounded up to the nearest whole number; and ▪ less than 0.5 will be rounded down to the nearest whole number. 	<p>Section 4.2</p>
<p>How are SLR Performance Rights being treated under the Scheme?</p>	<p>As at the Last Practicable Date, SLR has 25,816,949 SLR Performance Rights on issue which, under the terms of the SLR Employee Incentive Plan, will vest and be exercised upon the Scheme being approved by SLR Shareholders at the Scheme Meeting. It is a condition precedent to the Scheme that all SLR Performance Rights are cancelled or vested and exercised on or prior to the Delivery Time on the Second Court Date.</p> <p>Mr Luke Tonkin and certain SLR senior executives have entered into voluntary escrow arrangements in respect of approximately 50% of the SLR Shares issued to them as a result of the vesting of a portion of the SLR Performance Rights they own or control (and the New RED Shares subsequently issued in respect of those SLR Shares upon implementation of the Scheme).</p> <p>For further details regarding these arrangements, see section 4.10.</p>	<p>Section 4.10</p>
<p>What warranties do I give?</p>	<p>Under the Scheme, each Scheme Shareholder is deemed to have warranted to RED on the Implementation Date (and is deemed to have authorised SLR to warrant to RED on the Implementation Date as agent and attorney for the Scheme Shareholder) that:</p> <ul style="list-style-type: none"> ▪ all their Scheme Shares (including any rights and entitlements attaching to those SLR Shares) will, at the date of the transfer of them to RED, be fully paid and free from all mortgages, charges, security interests, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and ▪ they have the power and capacity to sell and to transfer their SLR Shares, and all rights and entitlements attaching to those SLR Shares to RED. <p>Under the Scheme, SLR undertakes that it will provide the above warranties to RED as agent and attorney of each Scheme Shareholder.</p>	<p>Section 4.7</p>
<p>When will I be issued the Scheme Consideration?</p>	<p>If the Scheme is implemented, RED will issue your New RED Shares to you (or, if you are an Ineligible Shareholder, to the Sale Agent) on the Implementation Date, which as at the date of this Scheme Booklet is expected to be Wednesday, 19 June 2024. RED will send, or procure the sending of, holding statements (or other evidence of ownership) for those New RED Shares to Scheme Shareholders (except Ineligible Shareholders) in respect of the Scheme Consideration following the implementation Date.</p>	<p>Section 4.3</p>
<p>Will I have to pay brokerage fees on the disposal of my SLR Shares?</p>	<p>Scheme Shareholders (including Ineligible Shareholders) will not pay brokerage fees on the disposal of their SLR Shares, pursuant to the Scheme. Brokerage (and other costs) however will be deducted from the proceeds of sale by the Sale Agent of New RED Shares that would otherwise have been issued to Ineligible Shareholders (refer to section 4.13 for further information).</p>	<p>Section 2.9</p>

Question	Answer	Further information
Will I be entitled to scrip-for-scrip capital gains tax (CGT) roll-over relief?	SLR intends to apply (on behalf of SLR Shareholders) for a class ruling from the Commissioner of Taxation, to confirm the key Australian income tax consequences of the Scheme, including whether Australian resident SLR Shareholders, who would otherwise make a capital gain on disposal of their Scheme Shares, may be eligible to obtain scrip for scrip roll-over capital gains tax relief. Such relief will not be available if a Scheme Shareholder makes a capital loss in respect of the Scheme or does not meet the necessary criteria.	Section 10
When can I trade my New RED Shares?	<p>RED covenants to use all reasonable endeavours to ensure that the New RED Shares will be quoted on the official list of ASX and commence trading on a normal settlement basis on the first Business Day after the Implementation Date (which for the avoidance of doubt, is five Trading Days after the Record Date (or on such other date agreed to in writing by SLR and RED).</p> <p>Once this has occurred and you have received the Scheme Consideration, you can trade your New RED Shares on ASX.</p> <p>See question "Will I be able to trade my New RED Shares on ASX" and section 4.16 for further details.</p>	Section 4.16
Questions about the Scheme Meeting and voting		
Who can vote?	<p>If you are registered as a SLR Shareholder at 5:00 pm on Wednesday, 29 May 2024, you will be entitled to vote on the Scheme Resolution to be proposed at the Scheme Meeting.</p> <p>For further details, see section 5.1.</p>	Section 5.1
When and where will the Scheme Meeting be held?	<p>The Scheme Meeting to approve the Scheme is scheduled to be held in person at 10:00 am on Friday, 31 May at Level 6, Brookfield Tower Two, 123 St Georges Terrace, Perth WA 6000.</p> <p>The SLR Board strongly encourages SLR Shareholders to consider lodging a directed proxy in the event they are not be able to participate in the Scheme Meeting.</p> <p>Further details of the Scheme Meeting, including how to vote and how to ask questions, are contained in section 5. The Notice of Scheme Meeting is contained in Appendix 5.</p>	Section 4.6 and Appendix 5
What am I being asked to vote on?	<p>You are being asked to vote on whether to approve the Scheme by voting on the Scheme Resolution at the Scheme Meeting. See the question titled "What is the Scheme?" for further detail.</p> <p>The text of the Scheme Resolution is set out in the Notice of Scheme Meeting in Appendix 5.</p>	Appendix 5
What are my options?	<p>You have the following four options in relation to your SLR Shares. SLR encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your SLR Shares. You may:</p> <ul style="list-style-type: none"> ▪ vote in favour of the Scheme Resolution at the Scheme Meeting; ▪ vote against the Scheme Resolution at the Scheme Meeting; ▪ sell your SLR Shares on the ASX; or ▪ do nothing. 	Section 1
What vote is required to approve the Scheme Resolution?	<p>The Scheme Resolution needs to be approved by the Requisite Majorities of SLR Shareholders, which are:</p> <ul style="list-style-type: none"> ▪ (headcount test) unless the Court orders otherwise, a majority in number (more than 50%) of SLR Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and ▪ (voting test): at least 75% of the total number of votes cast on the resolution at the Scheme Meeting. <p>Even if the Scheme Resolution is approved at the Scheme Meeting, the Scheme is still subject to other outstanding conditions precedent including the approval of the Court.</p>	Section 4.6
How do I vote?	<p>You may vote at the Scheme Meeting:</p> <ul style="list-style-type: none"> ▪ by attending the Scheme Meeting physically in person; or ▪ by appointing a proxy or attorney to attend the Scheme Meeting or, in the case of corporate shareholders, a corporate representative to attend the Scheme Meeting physically and vote on their behalf. <p>For further detail regarding voting at, and appointing a proxy, attorney or corporate representative for, the Scheme Meeting, see section 5.1 and Appendix 5.</p>	Section 5.1

Question	Answer	Further information
Is voting compulsory?	No, voting is not compulsory. However, your vote is important. If you cannot attend the Scheme Meeting you should appoint a proxy, attorney or corporate representative (if applicable) to vote on your behalf. For further detail regarding voting at, and appointing a proxy, attorney or corporate representative for, the Scheme Meeting, see section 5.1 and Appendix 5 .	Section 5.1
Why should I vote?	Your vote will be important in determining whether the Scheme will proceed. As set out in this Scheme Booklet, the SLR Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting in the absence of a SLR Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders. ²⁶ Some considerations that may be relevant to your vote are set out in further detail in section 2 .	Section 2
What happens if I do not vote, or vote against the Scheme Resolution?	If you do not vote, or vote against the Scheme Resolution at the Scheme Meeting, and the conditions precedent to the Scheme are satisfied or waived (where applicable), and the Scheme becomes Effective, your SLR Shares will be transferred to RED in consideration for RED providing to you the Scheme Consideration for your SLR Shares. If the Scheme is not approved by SLR Shareholders at the Scheme Meeting, or otherwise does not become Effective, SLR will remain an independent company and you will remain a SLR Shareholder. See the question titled " <i>What happens if the Scheme is not approved</i> " for further information.	Section 9.5.
How will voting at the Scheme Meeting be conducted?	Voting at the Scheme Meeting will be conducted by way of a poll. This means that every SLR Shareholder at the Scheme Meeting who is present in person, or by proxy, attorney or corporate representative, will have one vote for each SLR Share held by them.	Section 4.6 and Appendix 5
What if I cannot, or do not wish to, attend the Scheme Meeting?	If you cannot, or do not wish to, attend the Scheme Meeting, you may appoint a proxy, attorney or corporate representative to vote on your behalf. For further details regarding voting and appointing proxies, attorneys and corporate representatives for the Scheme Meeting, see section 5.1 .	Section 5.1
When will the result of the Scheme Meeting be available?	The results of the Scheme Meeting will be announced to ASX shortly after its conclusion and will also be made available on SLR's website at https://www.silverlakeresources.com.au/ .	N/A
Can I attend the Court and oppose the Court approval of the Scheme?	If you wish to oppose approval by the Court of the Scheme at the Court hearing to be held on the Second Court Date, you may do so by filing with the Court, and serving on SLR, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on SLR at least one Business Day before the Second Court Date.	Section 4.6

Questions about RED

Who is RED?	RED is a mid-tier Australian gold producer with established mines located in the Leonora District of Western Australia. RED is listed on the ASX with the ticker ASX: RED. RED owns and operates the new long-life King of the Hills (KOTH) Gold Mine, located approximately 900 kilometres north-east of Perth and 25 kilometres north of Leonora in Western Australia. The KOTH Gold Mine comprises a centralised up to 5.5Mtpa processing hub, which is fed by three mines: (i) KOTH Open Pit; (ii) KOTH Underground; and (iii) Darlot Underground, a satellite mine 100 kilometres north of KOTH. KOTH has a Mineral Resource estimate of 4.5Moz and an Ore Reserve of 2.5Moz. Darlot has a Mineral Resource of 1.8Moz and an Ore Reserve of 0.1Moz. The RED Group also holds a royalty interest in the Siana Gold Project in the Philippines. See section 7 for further information on RED and section 8 for further information on the Merged Group.	Section 7 and Section 8
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²⁶ In relation to the unanimous recommendation of the SLR Directors, SLR Shareholders should have regard to the interests of the SLR Directors in the outcome of the Scheme vote which may differ from those of other SLR Shareholders, as further described in **section 4.4**. SLR Shareholders should also have regard to footnote 2 above.

Question	Answer	Further information
Why does RED wish to implement the Scheme?	<p>RED wishes to implement the Scheme as the creation of the Merged Group will combine two complementary gold producers to create an approximately 445kozpa, diversified, leading mid-tier gold company with a strong balance sheet positioned for growth.</p> <p>The Scheme is expected to provide the shareholders of RED and SLR with the opportunity to participate in a stronger combined group with enhanced market significance well positioned for a valuation re-rate. The Merged Group will have, among other things:</p> <ul style="list-style-type: none"> ▪ diversified operations and growth opportunities in tier 1 jurisdictions; ▪ a sector leading net cash and listed investments position of A\$486 million (inclusive of the value of SLR's shareholding in RED) or \$309 million (exclusive of the value of SLR's shareholding in RED), based on the closing price of RED Shares as at the Last Practicable Date;²⁷ ▪ a strong near-term cash flow generation and a long mine life asset to drive sustainable production through the cycle; and ▪ an enhanced balance sheet which provides a strong platform for growth and greater financial flexibility to invest in a larger pool of low capital intensity asset optimisation opportunities. <p>Further detail on the anticipated advantages of the Scheme is set out at sections 2.1 to 2.8.</p>	Section 8.2
As at the date of this Scheme Booklet, has a RED Competing Proposal emerged?	<p>RED has confirmed that as at the date of this Scheme Booklet, no RED Competing Proposal or RED Superior Proposal has emerged.</p> <p>See the question titled "<i>What happens if a RED Competing Proposal emerges</i>" for more information.</p>	Section 11.10(a)
Questions about the Merged Group		
What is the Merged Group?	<p>If the Scheme is implemented RED will become the parent company of the Merged Group, and SLR will become a wholly-owned Subsidiary of RED.</p> <p>Information in relation to the Merged Group is contained in section 8.</p>	Section 8
What are RED's intentions in relation to the Merged Group if the Scheme proceeds?	<p>If the Scheme is implemented, the Merged Group board and senior management intend to undertake a review of the Merged Group's operations covering strategic, financial and commercial operating matters to determine and implement improvements to maximise value for the Merged Group's shareholders. Final decisions regarding such matters will be made by the Merged Group board in light of material information and circumstances at the relevant time.</p> <p>Following implementation of the Scheme, the Merged Group intends to rebrand under a new name to be announced in due course. The Merged Group will have its head office located in Perth, Western Australia.</p> <p>Further information in relation to the Merged Group is contained in section 8.5(b) in relation to the Merged Group's corporate strategy and operational overview if the Scheme is implemented.</p> <p>SLR Shareholders should be aware that if the Scheme proceeds, there will be various risks associated with an investment in the Merged Group, some of which are described in section 9.</p>	Sections 8.5, 8.5(b) and section 9
Who will the directors be?	<p>If the Scheme is implemented, it is intended that the board of the Merged Group will be as follows:</p> <ul style="list-style-type: none"> ▪ Russell Clark (Non-Executive Chair); ▪ Luke Tonkin (Managing Director and Chief Executive Officer); ▪ Andrea Sutton (Non-Executive Director); ▪ Rebecca Prain (Non-Executive Director); ▪ Kelvin Flynn (Non-Executive Director); ▪ Peter Johnston (Non-Executive Director); ▪ David Quinlivan (Non-Executive Director); and ▪ Ian Macpherson (Non-Executive Director). 	Section 8.4

²⁷ Based on RED's net debt position as at 31 March 2024 and SLR's net cash position as at 31 March 2024 and listed investments position as at ASX market close on the Last Practicable Date. SLR's approximately 11.7% stake in RED (on a fully diluted basis as at the Last Practicable Date) is to be monetised or cancelled post-implementation of the Scheme in accordance with section 259D of the Corporations Act.

Question	Answer	Further information				
Who will the senior management be?	<p>If the Scheme is implemented, it is intended that the senior management team of the Merged Group will be as follows:</p> <ul style="list-style-type: none"> ▪ Luke Tonkin (Managing Director and Chief Executive Officer); ▪ Struan Richards (Chief Financial Officer); ▪ Richard Hay (Chief Operating Officer); ▪ David Berg (General Counsel and Company Secretary); ▪ Phillip Stevenson (Group Development Geologist); and ▪ Len Eldridge (Corporate Development Officer) 	Section 8.4				
Who will the substantial shareholders of the Merged Group be?	<p>If the Scheme is implemented, and upon accelerated vesting of the RED Performance Rights and RED Retention Rights, Scheme Shareholders will own 48.3% of RED with RED Shareholders (which includes SLR, given SLR's current 11.7% shareholding in RED, on a fully diluted basis) owning the remaining 51.7% on a fully diluted basis. SLR's shareholding in RED will either be monetised or cancelled post-implementation of the Scheme in accordance with section 259D of the Corporations Act.</p> <p>Based on their respective shareholdings in RED and SLR as at the Last Practicable Date, the holders of 5% or more of the issued capital of the Merged Group, if the Scheme is implemented (excluding SLR's current shareholding in RED), would be:</p> <table border="1"> <thead> <tr> <th>Shareholder</th> <th>Voting Power</th> </tr> </thead> <tbody> <tr> <td>Van Eck Inc and associates</td> <td>9.54%</td> </tr> </tbody> </table> <p>If the Scheme is implemented, RED will control the approximately 411.7 million ordinary shares in RED that are currently held by SLR, representing approximately 6.0% of RED's issued share capital post-implementation of the Scheme (on a fully diluted basis). These shares will either be monetised or cancelled in accordance with section 259D of the Corporations Act. See the question titled "<i>What is happening with SLR's current shareholding in RED?</i>" for further detail.</p>	Shareholder	Voting Power	Van Eck Inc and associates	9.54%	Section 8.6
Shareholder	Voting Power					
Van Eck Inc and associates	9.54%					
General questions						
What is happening with SLR's current shareholding in RED?	<p>As at the Last Practicable Date, SLR owns approximately 411.7 million ordinary shares in RED which represents approximately 11.7% of RED's issued share capital on a fully diluted basis.</p> <p>Following implementation of the Scheme, SLR's shareholding in RED will either be monetised or cancelled in accordance with the requirements of section 259D of the Corporations Act, at the discretion of the board of the Merged Group.</p>	Section 12.1				
Can I sell my SLR Shares now?	<p>You can sell your SLR Shares on market any time before the close of trading on the Effective Date at the then prevailing market price. SLR intends to apply to ASX for SLR Shares to be suspended from quotation on ASX from close of trading on the Effective Date (which is currently expected to be 5:00 pm on Friday, 7 June 2024).</p> <p>You will not be able to sell your SLR Shares on market after this time.</p> <p>If you sell your SLR Shares on market, you may be required to pay brokerage, and different tax consequences may apply compared to those that would arise if you retained your SLR Shares until the Scheme is implemented.</p> <p>See section 1 for further information on your options.</p>	Section 1				
Will I incur brokerage or stamp duty?	<p>Scheme Shareholders will not incur any brokerage or stamp duty on the transfer of their Scheme Shares under the Scheme.</p>	Section 2				
What other information is available?	<p>You should read the detailed information in relation to the Scheme provided in this Scheme Booklet.</p> <p>Further information in relation to SLR or RED can be obtained from ASX on its website www.asx.com.au.</p> <p>See the question titled "<i>Who can help answer my questions about the Scheme?</i>" for further information.</p>	N/A				
Who can help answer my questions about the Scheme?	<p>If you require further information or have questions in relation to the Scheme, please contact the SLR Shareholder Information Line on 1300 907 699 (within Australia) or +61 1300 907 699 (outside Australia), Monday to Friday between 7:00 am and 5:00 pm, excluding public holidays.</p>	N/A				

4. Summary of the Scheme

4.1 The Scheme

On 5 February 2024, SLR and RED announced that they had entered into a Scheme Implementation Deed pursuant to which it is proposed that RED will acquire all of the issued shares in SLR by way of a scheme of arrangement under Part 5.1 of the Corporations Act.

A summary of the key terms of the Scheme Implementation Deed is contained in **section 11**. A copy of the Scheme Implementation Deed is available on www.asx.com.au. A copy of the Scheme is contained at **Appendix 3** of this Scheme Booklet.

If the Scheme is implemented, RED will acquire all of the SLR Shares held by SLR Shareholders and SLR will become a wholly owned subsidiary of RED.

The Scheme is subject to, among other things, approval by the Requisite Majorities of SLR Shareholders at the Scheme Meeting and approval by the Court pursuant to section 411(4)(b) of the Corporations Act at the Second Court Hearing. For further details of the conditions precedent to the Scheme, which include the approvals referred to in this paragraph, see **section 11.2**.

If the Scheme becomes Effective, RED will issue the New RED Shares comprising the Scheme Consideration to Scheme Shareholders (or to the Sale Agent for sale through the Sale Agent) on the Implementation Date, and RED will register the registered holders of the New RED Shares in the RED Share Register.

RED has executed the Deed Poll on Wednesday, 17 April 2024 pursuant to which RED has agreed, subject to the Scheme becoming Effective, to acquire the SLR Shares held by Scheme Shareholders for the Scheme Consideration.

4.2 Scheme Consideration

If the Scheme is implemented, each Scheme Shareholder (other than Ineligible Shareholders) will receive scrip for scrip consideration of 3.434 New RED Shares for every Scheme Share held at the Record Date.

Any person who is a SLR Shareholder as at the Record Date (which as at the date of this Scheme Booklet is expected to be 5:00 pm on Wednesday, 12 June 2024) will be a Scheme Shareholder.

At the Last Practicable Date, the implied value of the Scheme Consideration is approximately \$1.48 per SLR Share. However, the implied value of the Scheme Consideration will vary with the market price of RED Shares. The value of the New RED Shares may increase or decrease after the Implementation Date if the market price of RED Shares moves. Scheme Shareholders will not, and are not entitled to, receive the Scheme Consideration in the form of cash (unless they are Ineligible Shareholders).

The New RED Shares issued to Scheme Shareholders and the Sale Agent under the Scheme will rank equally in all respects with all existing RED Shares on issue as at the Implementation Date. See **section 7.9** for more information regarding the rights attaching to the New RED Shares.

In the case of any Scheme Shares held in joint names, any Scheme Consideration will be issued to and registered in the names of the joint holders.

RED has no obligation to issue and will not issue any New RED Shares to an Ineligible Shareholder and instead will issue the New RED Shares that would otherwise have been issued to the Ineligible Shareholder to the Sale Agent to be dealt with in accordance with the terms of the Scheme. More information about the provision of the Scheme Consideration to Ineligible Shareholders is set out in **sections 4.3** and **4.14**.

Details on certain Australian tax considerations in relation to the Scheme Consideration can be found in **section 10**.

4.3 Provision of Scheme Consideration

On the Implementation Date RED must, in accordance with the terms of the Scheme and the Deed Poll:

- (a) issue, or cause to be issued, to each Scheme Shareholder that is not an Ineligible Shareholder such number of New RED Shares as that Scheme Shareholder is entitled to, and procure that the name and address of each Scheme Shareholder is entered in the RED Share Register in respect of those New RED Shares;
- (b) issue, or cause to be issued, to the Sale Agent such number of New RED Shares as each Ineligible Shareholder would otherwise be entitled and procure that the Sale Agent will deal with those New RED Shares in accordance with the procedure set out in **section 4.14**; and
- (c) ensure that within 15 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the registered address of each Scheme Shareholder who is not Ineligible Shareholder, representing the number of New RED Shares issued to that Scheme Shareholder pursuant to the Scheme.

More information about the provision of the Scheme Consideration to Ineligible Shareholders is set out in **sections 4.3** and **4.14**.

4.4 The SLR Directors' unanimous recommendation, voting intentions and contingent benefits

The SLR Directors believe the Scheme is in the best interests of SLR Shareholders, and they unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting in the absence of a SLR Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SLR Shareholders. Each SLR Director will receive contingent benefits if the Scheme becomes Effective and disclosures in relation to these interests of the SLR Directors in the outcome of the Scheme are set out below.

Each of the SLR Directors will vote or procure the voting of any SLR Shares controlled or held by, or on behalf of, such SLR Director at the time of the Scheme Meeting, in favour of the Scheme at the Scheme Meeting, in the absence of a SLR Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of SLR Shareholders.

The SLR Directors have formed their conclusion and made their recommendation on the Scheme based on the matters set out in **section 2**.

A SLR Director may also change their recommendation if, due to a change in fact or law occurring, they reasonably determine (having obtained written legal advice) they should not provide or continue to maintain any recommendation because, among other things, they have an interest in the Scheme that renders it inappropriate to maintain any such recommendation. SLR must pay to RED the SLR Reimbursement Fee if, before the Scheme becomes Effective, at any time before the Delivery Time on the Second Court Date, any SLR Director withdraws, adversely changes, adversely modifies or adversely qualifies their recommendation, voting intention or support for the Scheme, subject to the exceptions set out at clauses 10.2(c)(iii) and 10.2(c)(iv) of the Scheme Implementation Deed.

In relation to the unanimous recommendation and voting intentions of the SLR Directors, SLR Shareholders should note that each SLR Director has certain interests and contingent benefits in the outcome of the Scheme vote which may differ from those of SLR Shareholders if the Scheme is implemented, as set out below:

(a) Mr Luke Tonkin

In relation to the recommendation and voting intention of Mr Luke Tonkin, SLR Shareholders should have regard to the fact that, if the Scheme becomes Effective:

- (i) Mr Tonkin will be appointed as Managing Director and Chief Executive Officer of the Merged Group on terms summarised in **section 8.4(c)**;
- (ii) As at the Last Practicable Date, Mr Tonkin owns or controls 764,186 SLR Shares which, if the Scheme is implemented, will be acquired by RED in exchange for New RED Shares by way of the Scheme Consideration;²⁸ and
- (iii) As at the Last Practicable Date, Mr Luke Tonkin owns or controls 2,632,659 SLR Performance Rights, which will vest and be converted into SLR Shares if the Scheme Resolution is passed by the Requisite Majorities at the Scheme Meeting.²⁹ Mr Luke Tonkin has entered into voluntary escrow arrangements, pursuant to which approximately 50% of the new SLR Shares issued to him upon the vesting and exercise of his SLR Performance Rights with a vesting date of 30 June 2025 and 30 June 2026, being approximately 1,063,420 SLR Shares (and the 3,651,785 New RED Shares that will be issued to Mr Luke Tonkin in respect of those SLR Shares upon implementation of the Scheme) will be subject to escrow restrictions until 30 June 2025. The remaining 1,063,420 SLR Shares issued to Mr Luke Tonkin upon the vesting and exercise of his SLR Performance Rights with a vesting date of 30 June 2025 and 30 June 2026 are not subject to escrow restrictions (and the remaining 3,651,785 New RED Shares that will be issued to Mr Luke Tonkin in respect of those SLR Shares upon implementation of the Scheme).³⁰

The interests of SLR Directors in SLR and RED securities are set out in **section 6.7(a)** of this Scheme Booklet.

Mr Luke Tonkin considers that, despite his interest in the outcome of the Scheme, given the importance of the Scheme to SLR Shareholders, and his proposed role as Managing Director and Chief Executive Officer of the Merged Group, it remains important and appropriate for him to provide a recommendation to SLR Shareholders regarding the Scheme.

(b) Mr David Quinlivan

In relation to the recommendation and voting intention of SLR's Chairman Mr David Quinlivan, SLR Shareholders should have regard to the fact that, if the Scheme becomes Effective it is intended that Mr David Quinlivan will be appointed as a non-executive director of the Merged Group, on the terms summarised in **section 6.7(a)**.

As at the Last Practicable Date, Mr David Quinlivan had a beneficial interest in 25,000 RED Shares, which are held by Borden Holdings Pty Ltd as trustee for the Quinlivan Super Fund.

Mr David Quinlivan considers these arrangements are not of such materiality to him that they impact on his consideration of the Scheme and that as such, despite these arrangements, it remains important and appropriate for him to provide a recommendation to SLR Shareholders regarding the Scheme as the current Chairman of SLR.

Other than as set out above, as at the Last Practicable Date, Mr David Quinlivan did not have any interests in any securities of SLR or RED.

Details of the SLR Directors' interests in SLR and RED securities are set out in **section 6.7(a)**.

(c) Ms Rebecca Prain and Mr Kelvin Flynn

In relation to the recommendation and voting intentions of Ms Rebecca Prain and Mr Kelvin Flynn, SLR Shareholders should have regard to the fact that, if the Scheme becomes Effective it is intended that Ms Rebecca Prain and Mr Kelvin Flynn, who are both non-executive SLR Directors, will be appointed as non-executive directors of the Merged Group, on the terms summarised in **section 6.7(a)**.

²⁸ Based on the closing price of RED Shares as at the Last Practicable Date of \$0.43 per RED Share, the value of these New RED Shares is approximately \$1.128 million.

²⁹ If the Scheme Resolution is not approved prior to 30 June 2024, 505,819 SLR Performance Rights with a vesting date of 30 June 2024 owned or controlled by Mr Luke Tonkin will be tested in accordance with their terms and either vest or lapse.

³⁰ Based on the closing price of RED Shares as at the Last Practicable Date of \$0.43 per RED Share, the value of the New RED Shares that will be issued to Mr Luke Tonkin on the Implementation Date in respect of the new SLR Shares that he will receive as a result of the vesting and exercise of his SLR Performance Rights is approximately \$3.887 million.

Ms Rebecca Prain and Mr Kelvin Flynn each consider that these arrangements are not of such materiality to them that they impact on their consideration of the Scheme and that as such, despite these arrangements, they consider it is appropriate for them to provide a recommendation to SLR Shareholders regarding the Scheme.

As at the Last Practicable Date, neither Ms Rebecca Prain nor Mr Kelvin Flynn had any interest in any securities of SLR or RED.

Details of the SLR Directors' interests in SLR securities are set out in **section 6.7(a)**.

4.5 Independent Expert's Report

SLR has engaged BDO Corporate Finance (WA) Pty Ltd to act as the Independent Expert in connection with the Scheme.

The Independent Expert has reviewed the terms of the Scheme and concluded, and as at the Last Practicable Date continues to conclude, that the Scheme is fair and reasonable to, and in the best interests of, SLR Shareholders in the absence of a SLR Superior Proposal.

The Independent Expert's Report is set out in **Appendix 2**. The SLR Directors encourage you to read the Independent Expert's Report in full before deciding how to vote on the Scheme at the Scheme Meeting, including the reasons for the Independent Expert's conclusion and the assumptions on which the conclusions are based.

4.6 Key steps to implement the Scheme

The key steps to implement the Scheme and relevant information concerning these steps are set out below.

All dates following the Scheme Meeting are indicative only and may be subject to change. SLR will announce to ASX any change to the dates in the timetable set out in the "*Important Dates and Indicative Timetable for the Scheme*" section of this Scheme Booklet.

(a) Step 1: Scheme Meeting and SLR Shareholder approval

Scheme Meeting

The SLR Board has decided to hold the Scheme Meeting in person and the Court has ordered that a meeting of SLR Shareholders be held at 10:00 am on Friday, 31 May 2024, at Level 6, Brookfield Tower Two, 123 St Georges Terrace, Perth WA 6000, to consider the Scheme.

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Scheme or as to how SLR Shareholders should vote (on this matter SLR Shareholders must reach their own decision); or
- (ii) has prepared, or is responsible for, the content of this Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Further information about attending and voting at the Scheme Meeting can be found in **section 5.1** and the Notice of Scheme Meeting in **Appendix 5**.

Requisite Majorities

The Scheme is conditional, among other things, on approval of the Scheme Resolution by the Requisite Majorities of SLR Shareholders at the Scheme Meeting, which are:

- (iii) **(headcount test)** unless the Court orders otherwise, a majority in number (more than 50%) of SLR Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- (iv) **(voting test)** at least 75% of the total number of votes which are cast at the Scheme Meeting.

Voting on the Scheme Resolution will be conducted by way of a poll. SLR Shareholders (who are present in person, or by proxy, attorney or corporate representative) will have one vote for each SLR Share that they hold.

The Scheme Resolution is set out in the Notice of Scheme Meeting in **Appendix 5**.

Guidance on eligibility for voting, and instructions on how to participate in and vote at the Scheme Meeting are set out in **section 5** and in the and Notice of Scheme Meeting in **Appendix 5**.

Voting is not compulsory. However, your vote is important and the SLR Directors encourage you to vote by attending the Scheme Meeting in person or alternatively by appointing a proxy, attorney or corporate representative in accordance with the instructions in **section 5.3(b)**. The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and announced to the ASX (www.asx.com.au).

Please note that the Scheme Meeting may be postponed or adjourned if satisfaction or waiver (where permitted) of a condition precedent is delayed. Any postponement or adjournment of the Scheme Meeting will be announced to ASX.

Steps 2 to 5 described below will only occur if the Scheme Resolution is approved by the Requisite Majorities at the Scheme Meeting.

(b) Step 2: Second Court Date and approval of the Scheme

In accordance with section 411(4)(b) of the Corporations Act, in order to become Effective, the Scheme (with or without modification) must be approved by an order of the Court. SLR will apply to the Court for an order approving the Scheme (the **Scheme Order**) if:

- (i) the Scheme Resolution is approved by the Requisite Majorities at the Scheme Meeting (including where the requirement to pass the headcount test is waived by the Court); and
- (ii) all of the other conditions precedent that are capable of satisfaction or waiver (where permitted) by the Second Court Date have been satisfied or waived by that time (see **section 11.2** for further details of the conditions precedent).

The date on which the Court hears SLR's application is the Second Court Date.

SLR's application to the Court to grant the Scheme Order will be heard by the Court at the Second Court Date. As at the date of this Scheme Booklet, the Second Court Date is proposed to take place on Thursday, 6 June 2024. The Court may refuse to make the Scheme Order even if the Scheme Resolution is approved by the Requisite Majorities at the Scheme Meeting. You should be aware that the Second Court Date may be postponed for a number of reasons, including a delay in satisfying a condition precedent.

ASIC has been requested to issue a written statement indicating that it has no objection to the Scheme. Typically, ASIC provides this statement shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

Any SLR Shareholder and, with the Court's permission, any other interested person, has a right to seek leave to appear at the Second Court Date to oppose the approval of the Scheme by the Court, or to make submissions to the Court in relation to the Scheme. If you wish to oppose approval of the Scheme by the Court at the Second Court Date, you may do so by filing with the Court, and serving on SLR, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on SLR at least one Business Day prior to the Second Court Date.

If the Court refuses to make any orders or confirmations for the purposes of approving the Scheme (including the Scheme Order), SLR has agreed with RED in the Scheme Implementation Deed to appeal the Court's decision to the fullest extent possible (except to the extent that the parties agree otherwise, or legal advice is received from a sufficiently qualified barrister that, in their view, an appeal would have negligible prospect of success before the End Date) (**Appeal**).

(c) **Step 3: Effective Date and suspension of trading in SLR Shares**

If the Court makes the Scheme Order at the Second Court Date (or following any Appeal), SLR will lodge an office copy of the Scheme Order with ASIC. Once lodged, the Scheme will become Effective and binding on SLR, RED and each Scheme Shareholder. The date on which this occurs is the Effective Date.

It is expected that trading in SLR Shares will be suspended from close of trading on the Effective Date. If the Scheme Order is made (and the Second Court Date occurs on the expected date), the Effective Date is expected to be Friday, 7 June 2024.

(d) **Step 4: Record Date and entitlement to Scheme Consideration**

The Record Date for the Scheme is expected to be 5:00 pm on Wednesday, 12 June 2024, the date which is two Trading Days after the Effective Date (or on such other date after the Effective Date as SLR and RED may agree in writing). Only SLR Shareholders who appear on the SLR Register at 5:00 pm on the Record Date will be entitled to receive the Scheme Consideration.

For the purposes of determining who is a Scheme Shareholder, dealings in SLR Shares will only be recognised if:

- (i) in the case of dealings of the type to be effected using CHES, the transferee is registered in the SLR Register as the holder of the relevant SLR Shares on or before the Record Date; and
- (ii) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the SLR Share Register is kept. SLR will not accept for registration, nor recognise for any purpose (except a transfer to RED pursuant to this Scheme and any subsequent transfer by RED or its successors in title) any transfer or transmission application or other request received after the Record Date, or received prior to the Record Date but not in registrable or actionable form, as appropriate.

If the Scheme becomes Effective, no Scheme Shareholder may dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date except as in accordance with the Scheme and any such disposal will be void and of no legal effect whatsoever. SLR will maintain the SLR Share Register in its form as at the Record Date until the Scheme Consideration has been issued to the Scheme Shareholders and RED has been entered in the SLR Share Register as the holder of all the Scheme Shares. The SLR Register in this form will solely determine entitlements to the Scheme Consideration.

After the Record Date, and subject to the provision of the Scheme Consideration and registration of RED in the SLR Share Register as the holder of the Scheme Shares, any statements of holding in respect of Scheme Shares will cease to have effect as documents of title in respect of those shares (other than statements of holding in favour of RED or its successors in title). After the Record Date, each entry current on the SLR Register as at the Record Date (other than entries in respect of RED or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the SLR Shares relating to that entry.

(e) **Step 5: Implementation**

Once the Scheme is Effective, on the Implementation Date (which is five Trading Days after the Record Date or such other date as ordered by the Court or agreed in writing between SLR and RED), the SLR Board and RED Board will take or procure the following steps required for the Scheme to be implemented:

- (i) all of the SLR Shares held by Scheme Shareholders on the Record Date will be transferred to RED and, in exchange, each Scheme Shareholder (other than Ineligible Shareholders, who should refer to **section 4.13**) will be issued New RED Shares as the Scheme Consideration;
- (ii) RED will issue to the Sale Agent the New RED Shares in respect of the SLR Shares held on the Record Date by all Ineligible Shareholders. RED will procure that the Sale Agent sells those RED Shares as soon as reasonably practicable following the Implementation Date. The Sale Agent must promptly remit the net proceeds of the sale of those RED Shares (after deducting any applicable selling costs, taxes and charges) to SLR, who will then remit such proceeds to Ineligible Shareholders;
- (iii) RED will register the holders of the New RED Shares in the RED Share Register; and
- (iv) SLR will enter the name of RED in the SLR Register as the holder of the SLR Shares.

All SLR Shares validly recorded on the SLR Register at 5:00 pm on the Record Date will be transferred to RED on the Implementation Date without any need for further actions by SLR Shareholders.

SLR will request that ASX remove SLR from the official list of the ASX from the close of trade on the Trading Day immediately following the Implementation Date.

4.7 Warranty provided by each Scheme Shareholder

Each Scheme Shareholder warrants to SLR on the Implementation Date and is deemed to have authorised SLR to warrant to RED on the Implementation Date as agent and attorney for the Scheme Shareholder by virtue of clause 6.5 of the Scheme that:

- (a) all their Scheme Shares (including any rights attaching to them as defined in the Scheme) transferred to RED under the Scheme will, as at the date of the transfer, be fully paid and free from all security interests (as defined in the Scheme) and other interests of third parties of any kind whether legal or otherwise, and restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights attaching to them as defined in the Scheme) to RED under this Scheme.

SLR undertakes that it will provide such warranty to RED as agent and attorney of each Scheme Shareholder.

4.8 Deed Poll

On Wednesday, April 17 2024, RED executed a Deed Poll in favour of the Scheme Shareholders, pursuant to which RED undertakes to:

- (a) provide the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (b) undertake and perform all other actions attributed to it under the Scheme.

A copy of the Deed Poll is contained in **Appendix 4** of this Scheme Booklet.

4.9 Despatch of holding statements (or other evidence of ownership) in respect of New RED Shares

RED will provide or procure the provision of the New RED Shares comprising the Scheme Consideration, and evidence of ownership of the Scheme Consideration, to the Scheme Shareholders (other than Ineligible Shareholders) by procuring that:

- (a) the name and address of each such Scheme Shareholder is entered into the RED Share Register on the Implementation Date in respect of the New RED Shares to which it is entitled to; and
- (b) within 15 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the registered address of each such Scheme Shareholder representing the number of New RED Shares issued to the Scheme Shareholder pursuant to this Scheme.

4.10 Treatment of SLR Performance Rights

At the Last Practicable Date, SLR had 25,816,949 SLR Performance Rights on issue, of which 25,761,962 were unvested.

The SLR Performance Rights were issued under the SLR Employee Incentive Plan, which was last approved by SLR Shareholders at SLR's annual general meeting held on 19 November 2021. The key terms of the SLR Employee Incentive Plan were summarised in the notice of meeting for SLR's 2021 annual general meeting, released to the ASX on 19 October 2021. Each SLR Performance Right entitles the holder to receive one new SLR Share, subject to satisfaction of the vesting conditions as outlined in the SLR Employee Incentive Plan.

It is a condition precedent to the Scheme that all SLR Performance Rights are cancelled, or vest and are exercised (if applicable), and the resulting new SLR Shares issued, in accordance with their terms on or prior to the Delivery Time on the Second Court Date.

Under the terms of the SLR Employee Incentive Plan, all unvested SLR Performance Rights issued under that plan will vest, and all unvested and vested SLR Performance Rights will be exercised, if and when SLR Shareholders approve the Scheme. As at the Last Practicable Date, SLR holds 4,117,716 SLR Shares through an employee share trust that will be used to partly settle the exercise of vested SLR Performance Rights, such that only an additional 3,828,613 new SLR Shares will need to be issued to settle the exercise of these vested SLR Performance Rights.

Mr Luke Tonkin (SLR's Managing Director) has entered into voluntary escrow arrangements in respect to approximately 50% of the new SLR Shares that will be issued to him upon vesting and exercise of his SLR Performance Rights with a vesting date of 30 June 2025 and 30 June 2026, being approximately 1,063,420 SLR Shares (and the 3,651,785 New RED Shares that will be issued in respect of those SLR Shares upon the implementation of the Scheme). The voluntary escrow restrictions are subject to the Scheme becoming Effective and apply until 30 June 2025. The remaining 1,063,420 SLR Shares issued to Mr Luke Tonkin upon the vesting and exercise of his SLR Performance Rights with a vesting date of 30 June 2025 and 30 June 2026 (and the 3,651,785 New RED Shares that will be issued to Mr Luke Tonkin in respect of those SLR Shares on implementation of the Scheme) are not subject to any escrow restrictions. No escrow applies to any of the new SLR Shares that will be issued to Mr Luke Tonkin upon vesting and exercise of SLR Performance Rights with a vesting date of 30 June 2024 (and the New RED Shares that will be issued to Mr Luke Tonkin in respect of those SLR Shares on implementation of the Scheme).³¹

Further information regarding the arrangements in respect of Mr Luke Tonkin's SLR Performance Rights, and the interests of the SLR Directors in SLR and RED securities, is set out in **sections 4.4** and **6.7(a)** respectively.

In addition, certain senior executives of SLR have entered into voluntary escrow arrangements in respect of approximately 50% of the new SLR Shares that will be issued to them upon vesting and exercise of their SLR Performance Rights with a vesting date of 30 June 2025 and 30 June 2026 (and the New RED Shares that will be issued in respect of those SLR Shares upon the implementation of the Scheme). The voluntary escrow restrictions are subject to the Scheme becoming Effective and apply until 30 June 2025. The relevant interests of certain senior executives of SLR in SLR Performance Rights is set out in the table below.

³¹ Based on the closing price of RED Shares as at the Last Practicable Date of \$0.43 per RED Share, the value of the New RED Shares that will be issued to Mr Luke Tonkin on the Implementation Date in respect of the new SLR Shares that he will receive as a result of the vesting and exercise of his SLR Performance Rights is approximately \$3.887 million.

Figure 2.1 – SLR Performance Rights held by certain SLR senior management

Name	SLR Performance Rights held as at Last Practicable Date	Treatment
Mr Struan Richards	<ul style="list-style-type: none"> ▪ 553,248 SLR Performance Rights with a vesting date of 30 June 2026 	<p>If the Scheme Resolution is approved by SLR Shareholders at the Scheme Meeting, all SLR Performance Rights will vest and be exercised.</p> <p>Approximately 276,624 SLR Shares issued to Mr Struan Richards as a result of vesting of the SLR Performance Rights (and the 949,927 New RED Shares that will be issued in respect of those SLR Shares upon implementation of the Scheme) will be subject to escrow restrictions as described in this section.</p> <p>The remaining 276,624 SLR Shares issued to Mr Struan Richards upon vesting and exercise of the SLR Performance Rights (and the remaining 949,927 New RED Shares that will be issued in respect of those SLR Shares upon implementation of the Scheme) will not be subject to escrow restrictions.</p>
Mr Len Eldridge	<ul style="list-style-type: none"> ▪ 187,887 SLR Performance Rights with a vesting date of 30 June 2024; ▪ 353,204 SLR Performance Rights with a vesting date of 30 June 2025; and ▪ 537,801 SLR Performance Rights with a vesting date of 30 June 2026. 	<p>If the Scheme Resolution is approved by SLR Shareholders at the Scheme Meeting, all SLR Performance Rights will vest.</p> <p>If the Scheme Resolution is not approved prior to 30 June 2024, the 187,887 SLR Performance Rights with a vesting date of 30 June 2024 will be tested in accordance with their terms and either vest or lapse. Any SLR Shares issued as a result of the vesting of these SLR Performance Rights (and the New RED Shares issued in respect of those SLR Shares upon implementation of the Scheme) will not be escrowed.</p> <p>Approximately 445,503 SLR Shares issued to Mr Len Eldridge as a result of vesting of the SLR Performance Rights with vesting dates of 30 June 2025 and 30 June 2026 (and the 1,529,857 New RED Shares that will be issued in respect of those SLR Shares upon implementation of the Scheme) will be subject to escrow restrictions as described in this section.</p> <p>The remaining 445,502 SLR Shares issued to Mr Len Eldridge upon vesting and exercise of the SLR Performance Rights with vesting dates of 30 June 2025 and 30 June 2026 (and the 1,529,855 New RED Shares that will be issued in respect of those SLR Shares upon implementation of the Scheme) will not be subject to escrow restrictions.</p>
Mr David Berg	<ul style="list-style-type: none"> ▪ 214,955 SLR Performance Rights with a vesting date of 30 June 2024; ▪ 359,228 SLR Performance Rights with a vesting date of 30 June 2025; and ▪ 546,973 SLR Performance Rights with a vesting date of 30 June 2026 	<p>If the Scheme Resolution is approved by SLR Shareholders at the Scheme Meeting, all SLR Performance Rights will vest.</p> <p>If the Scheme Resolution is not approved prior to 30 June 2024, the 214,955 SLR Performance Rights with a vesting date of 30 June 2024 will be tested in accordance with their terms and either vest or lapse. Any SLR Shares issued as a result of the vesting of these SLR Performance Rights (and the New RED Shares issued in respect of those SLR Shares upon implementation of the Scheme) will not be escrowed.</p> <p>Approximately 453,101 SLR Shares issued to Mr David Berg as a result of vesting of the SLR Performance Rights with vesting dates of 30 June 2025 and 30 June 2026 (and the 1,555,948 New RED Shares that will be issued in respect of those SLR Shares upon implementation of the Scheme) will be subject to escrow restrictions as described in this section.</p> <p>The remaining 453,100 SLR Shares issued to Mr David Berg upon vesting and exercise of these SLR Performance Rights with vesting dates of 30 June 2025 and 30 June 2026 (and the 1,555,946 New RED Shares that will be issued in respect of those SLR Shares upon implementation of the Scheme) will not be subject to escrow restrictions.</p>

For the avoidance of doubt, in the event that the Scheme does not become Effective before the End Date, the outstanding SLR Performance Rights will continue to be tested in accordance with their terms and will either vest or lapse accordingly during the time specified financial year.

4.11 Fractional Entitlements

If, pursuant to the calculation of your Scheme Consideration, you would be entitled to a fraction of a New RED Share, then subject to none of the circumstances outlined in **section 4.12** occurring, your fractional entitlement to a New RED Share of:

- (a) 0.5 or more will be rounded up to the nearest whole number; and
- (b) less than 0.5 will be rounded down to the nearest whole number.

4.12 Share Splitting

If RED forms the opinion (acting reasonably) that two or more SLR Shareholders have, before the Record Date, been a party to:

- (a) splitting a holder of SLR Shares into two or more parcels of SLR Shares whether or not it results in any change of legal or beneficial ownership of the SLR Shares; or
- (b) division in an attempt to obtain unfair advantage by reference to rounding (in respect to fractional entitlements),

(Share Splitting), RED may give notice to such SLR Shareholders attributing the SLR Shares held by all of them to one of them (specifically identified in such notice). This notice deems the SLR Shareholder identified in such notice to be the holder of all those shares the subject of the Share Splitting.

4.13 Ineligible Shareholders

(a) Ineligible Overseas Shareholders

Restrictions in certain foreign countries may make it impractical or unlawful for New RED Shares to be issued under the Scheme to SLR Shareholders in those countries.

Scheme Shareholders whose address is shown in the SLR Register as being in a place outside Australia, the European Union (excluding Austria and France), Hong Kong, Liechtenstein, New Zealand, Singapore, Switzerland, United Arab Emirates (excluding financial zones), United Kingdom and the United States are Ineligible Shareholders unless RED has determined it is lawful and not unduly onerous or impracticable for RED to issue such a SLR Shareholder with New RED Shares on implementation of the Scheme.

RED is under no obligation to issue and allot, and will not issue, any New RED Shares to any Ineligible Overseas Shareholder. Instead, if the Scheme becomes Effective, on the Implementation Date RED will issue the New RED Shares to which the Ineligible Overseas Shareholders would otherwise have been entitled to the Sale Agent for sale. See **section 4.14** for further information about the sale of New RED Shares through the Sale Agent.

(b) Small Parcel Shareholders

A Scheme Shareholder (other than an Ineligible Overseas Shareholder) who, based on their holding of Scheme Shares, would on the Implementation Date be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) (**Marketable Parcel**) of New RED Shares (assessed by reference to the highest closing price of RED Shares on the ASX during the period beginning on the date this Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration will be a Small Parcel Shareholder.

You will cease to be a Small Parcel Shareholder if you would, on implementation of the Scheme, be entitled to receive a Marketable Parcel of New RED Shares (assessed by reference to the highest closing price of RED Shares on the ASX during the period beginning on the date this Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration. If you cease to be a Small Parcel Shareholder in this way you will not need to do anything and you will receive New RED Shares as Scheme Consideration (or if you are an Ineligible Overseas Shareholder, you will receive cash following the sale of the New RED Shares to which you were entitled by the Sale Agent).

A Small Parcel Shareholder who either:

- (i) has not provided the Share Registry with a duly completed Opt-In Notice prior to 5:00 pm on the date that is two Business Days prior to the Record Date (the **Opt-In Deadline Time**); or
- (ii) has provided the Share Registry with a duly completed Opt-In Notice prior to the Opt-In Deadline Time, and has also provided the Share Registry with a Withdrawal Form (as referred to below) by the Opt-In Deadline Time,

is a Relevant Small Parcel Shareholder. As at the date of this Scheme Booklet, the Record Date is expected to be Wednesday, 12 June 2024.

RED is under no obligation to issue and allot, and will not issue, any New RED Shares to any Relevant Small Parcel Shareholders. Instead, if the Scheme becomes Effective, RED will issue the New RED Shares to which Relevant Small Parcel Shareholders would otherwise have been entitled to the Sale Agent for sale. See **section 4.14** for further information about the sale of New RED Shares through the Sale Agent.

For an Opt-In Notice to be effective, it must be duly completed and returned to the Share Registry, in accordance with the instructions on the Opt-In Notice, so that it is received prior to the Opt-In Deadline Time.

Any Small Parcel Shareholder who has provided an Opt-In Notice but wishes to withdraw that notice may do so by providing a duly completed Withdrawal Form to the Share Registry in accordance with the instructions on the Withdrawal Form so that it is received by the Opt-In Deadline Time. If a Small Parcel Shareholder provides a valid Withdrawal Form to the Share Registry by the Opt-In Deadline Time, that shareholder will not be issued the Scheme Consideration in the form of New RED Shares on the Implementation Date. Instead, RED will issue the New RED Shares to which Relevant Small Parcel Shareholders would otherwise have been entitled to the Sale Agent for sale. See **section 4.14** for further information about the sale of New RED Shares through the Sale Agent.

An Opt-In Notice has been made available to each SLR Shareholder either physically or electronically. If you have not received, or cannot access, an Opt-In Notice or would like to request a Withdrawal Form, please contact the SLR Shareholder Information Line on 1300 907 699 (within Australia) or +61 1300 907 699 (outside of Australia), Monday to Friday between 7:00 am and 5:00 pm, excluding public holidays.

(c) Other Ineligible Shareholders

Where the issue of New RED Shares to which a Scheme Shareholder (other than an Ineligible Overseas Shareholder or a Small Parcel Shareholder) would otherwise be entitled under the Scheme to the Scheme Consideration would result in a breach of law:

- (i) RED will issue the maximum possible number of New RED Shares to that Scheme Shareholder without giving rise to such breach; and
- (ii) any further New RED Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such breach, will instead be issued to the Sale Agent to be dealt with in accordance with **section 4.14** as if that Scheme Shareholder was an Ineligible Shareholder.

4.14 Sale of New RED Shares through Sale Agent

If you are an Ineligible Shareholder, the New RED Shares that would otherwise have been issued to you will instead be issued to the Sale Agent on the Implementation Date (**Relevant New RED Shares**).

RED will procure that, as soon as reasonably practicable after the Implementation Date, the Sale Agent:

- (a) in consultation with RED, sells or procures the sale of all of the Relevant New RED Shares on the ASX in such manner, at such price and on such terms as the Sale Agent determines in good faith (and at the risk of Ineligible Shareholders); and
- (b) remits to SLR the proceeds of sale (after deducting any applicable brokerage, stamp duty, currency conversion costs and other selling costs, taxes and charges).

Promptly after the last sale of the Relevant New RED Shares in accordance with the procedure described immediately above, and receiving the net proceeds of such sale, SLR must pay, or procure the payment, to each Ineligible Shareholder the amount calculated in accordance with the following formula and rounded down to the nearest cent:

$$(A \div B) \times C$$

Where:

- (a) **A** is the number of Relevant New RED Shares
- (b) **B** is the total number of Relevant New RED Shares which would have been issued to all Ineligible Shareholders and which were issued to the Sale Agent for sale; and
- (c) **C** is the proceeds of sale (after deducting any applicable brokerage, stamp duty, currency conversion costs and other selling costs, taxes and charges).

Each Ineligible Shareholder acknowledges and agrees that:

- (a) none of RED, SLR or the Sale Agent give any assurance as to the price that will be achieved for the sale of the Relevant New RED Shares; and
- (b) RED, SLR and the Sale Agent each expressly disclaim any fiduciary duty to any Ineligible Shareholder which may arise in connection with the sale and remittance process described in this **section 4.14**.

SLR must pay or procure that each Ineligible Shareholder is paid any amounts owing under the sale process described in this **section 4.14** by either (in SLR's absolute discretion):

- (a) making a deposit in an account with any Australian bank notified by that Ineligible Shareholder to SLR (or the SLR Registry) and recorded in or for the purposes of the SLR Register at the Record Date; or
- (b) sending, or procuring the sending of, a cheque in the name of the Ineligible Shareholder to that Ineligible Shareholder's address as recorded in the SLR Register as at the Record Date (in the case of joint holders, the cheque will be drawn in the name of the joint holders and sent to the holder whose name appears first in the SLR Register as at the Record Date or to the joint holders).

Payment to each Ineligible Shareholder of the proceeds of the sales conducted by the Sale Agent as described in this **section 4.14** satisfies in full each Ineligible Shareholder's right and entitlement to the Scheme Consideration under the Scheme.

4.15 Dealing with your New RED Shares

If the Scheme is implemented, all of the SLR Shares held by Scheme Shareholders as at the Record Date will be transferred to RED on the Implementation Date and in exchange, each Scheme Shareholder (other than Ineligible Shareholders) will be issued New RED Shares. If you wish to sell the New RED Shares issued to you, you may do so on ASX, once trading in those New RED Shares commences.

4.16 Commencement of trading in RED Shares on ASX

Trading in New RED shares issued under the Scheme on ASX is expected to commence on a deferred settlement basis on Monday, 10 June 2024.

Trading in New RED Shares issued under the Scheme on ASX is expected to commence on a normal settlement basis on the first Business Day after the Implementation Date, or such other date and time agreed between SLR and RED. The Implementation Date is currently expected to be Wednesday, 19 June 2024. The actual dates will be announced to ASX.

4.17 Delisting of SLR

It is intended that SLR will apply to ASX for:

- (a) termination of the official quotation of SLR Shares on ASX; and
- (b) removal of SLR from the official list of ASX,

in each case with effect from the close of trading on the Trading Day immediately following the Implementation Date. The Implementation Date is currently anticipated to be Wednesday, 19 June 2024).

4.18 End Date

The Scheme will lapse, and be of no further effect, if:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
- (b) the Effective Date does not occur before the End Date.

The End Date is currently 4 November 2024 (unless extended in accordance with the Scheme Implementation Deed).

5. Scheme Meeting Information

5.1 Introduction

This section contains information relating to voting entitlements and information on how to vote at the Scheme Meeting for SLR Shareholders.

5.2 Scheme Meeting

(a) Time and location

The Scheme Meeting to approve the Scheme is scheduled to be held at 10:00 am on Friday, 31 May 2024 at Level 6, Brookfield Tower Two, 123 St Georges Terrace, Perth WA 6000.

Further information about attending the Scheme Meeting can be found in the Notice of Scheme Meeting in **Appendix 5**.

(b) Requisite Majorities

At the Scheme Meeting, the Scheme Resolution will be proposed to the Scheme Meeting, which must be approved by the Requisite Majorities, being:

- (i) **(headcount test)** unless the Court orders otherwise, a majority in number (more than 50%) of SLR Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- (ii) **(voting test)** at least 75% of the total number of votes which are cast at the Scheme Meeting,

for the Scheme to become Effective.

(c) Scheme Resolution and Notice of Scheme Meeting

The Scheme Resolution is set out in the Notice of Scheme Meeting in **Appendix 5**.

5.3 Entitlement and ability to vote at the Scheme Meeting

If you are registered as a SLR Shareholder as at 5:00 pm on Wednesday, 29 May 2024, you will be entitled to vote on the Scheme Resolution at the Scheme Meeting. Voting on the Scheme Resolution will be by poll.

(a) Voting

SLR Shareholders entitled to vote at the Scheme Meeting can vote:

- (i) by attending the Scheme Meeting physically in person;
- (ii) by appointing a proxy or attorney to attend the Scheme Meeting or, in the case of corporate shareholders, a corporate representative to attend the Scheme Meeting physically and vote on their behalf.

(b) Appointing a proxy

SLR Shareholders who are unable to attend the Scheme Meeting are strongly encouraged to submit their votes by proxy instead. A Proxy Form has been made available to all SLR Shareholders.

Online

SLR Shareholders who have elected to receive notices of meeting electronically will receive an email with a personalised link to a website which can be used to appoint a proxy online by following the instructions on that website.

Proxy Forms can be lodged online at www.investorvote.com.au (Control Number: 183716) by following the below instructions:

SLR Shareholders who have not elected to receive notices of meetings electronically will need to visit www.investorvote.com.au (Control Number: 183716), enter their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) and their postcode or, in the case of overseas shareholders, their country as shown on the front of the Proxy Form.

SLR Shareholders who access the site through their personalised link will need their postcode or, in the case of overseas shareholders, their country.

You will be taken to have signed a Proxy Form and appointed a proxy if you submit your proxy online in accordance with the instructions on the website. Please read the instructions for online proxy submissions carefully before you lodge your proxy.

The online proxy appointment must be received by SLR by no later than 10:00 am on Wednesday, 29 May 2024 to be effective.

Hard copy

SLR Shareholders who have not elected to receive notices of meeting virtually will receive a letter which includes a hard copy of the Proxy Form.

SLR Shareholders may appoint a proxy by completing and returning the Proxy Form to the Share Registry, Computershare, by either posting it in the reply-paid envelope provided (only for use in Australia) or by sending, delivering, faxing or lodging it online as follows:

(i) Mail to:

Computershare Investor Services Pty Limited
GPO Box 1282
Melbourne VIC 3001
Australia

(ii) Fax to:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

(iii) Online:

See online instructions above.

(iv) Mobile device: Scan the QR code on your Proxy Form and follow the prompts. You will need your postcode or, in the case of overseas shareholders, the country as shown on your Proxy Form.**(v) By Custodians:** For intermediary online subscribers only (custodians), please visit www.intermediaryonline.com to submit your voting intentions.

The signed Proxy Form (and an original or certified copy of any power of attorney under which it has been signed, unless already provided) must be received by SLR or the Share Registry, by no later than 10:00 am on Wednesday, 29 May 2024 (being 48 hours before the Scheme Meeting), to be effective.

For further information on proxy voting, please refer to the instructions set out in the Notice of Meeting in **Appendix 5** and the Proxy Form.

(c) Appointing a corporate representative

A SLR Shareholder or proxy, which is a body corporate, may appoint an individual to act as its representative to vote at the Scheme Meeting. The appointment must comply with section 250D of the Corporations Act.

If a representative of a SLR Shareholder or proxy, which is a body corporate is to attend the Scheme Meeting the appropriate "Appointment of Corporate Representative" form will need to be produced prior to admission along with an original or certified copy of any power of attorney under which it is signed.

A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

(d) Appointing an attorney

SLR Shareholders who wish to vote by attorney at the Scheme Meeting should, if they have not already presented an appropriate power of attorney to SLR, deliver to SLR's Share Registry or SLR an original or certified copy of the power of attorney by no later than 10:00 am on Wednesday, 29 May 2024 (being 48 hours before the Scheme Meeting).

5.4 Alternative arrangements

If it becomes necessary or appropriate to make alternative or supplementary arrangements to hold the Scheme Meeting, SLR Shareholders will be given as much notice as possible. Any changes to the Scheme Meeting will be communicated by SLR via ASX announcement.

5.5 Asking questions at the Scheme Meeting

SLR Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their questions to redmerger@slrld.com prior to 10:00 am on Thursday, 30 May 2024 (being 24 hours before the Scheme Meeting).

Alternatively SLR Shareholders will have an opportunity to ask questions at the Scheme Meeting in person at appropriate times during the Scheme Meeting.

6. SLR Information

6.1 Introduction

The information contained in this **section 6** has been prepared by, and is the responsibility of, SLR (unless otherwise stated). The information in relation to SLR has been prepared as at the Last Practicable Date (unless stated otherwise). Additional information is included in the Independent Expert's Report included in **Appendix 2**. RED does not assume any responsibility for the accuracy or completeness of the information in this **section 6**.

6.2 Overview of SLR

(a) Corporate Profile

SLR is a diversified, ASX 200 gold producer with operations in the Eastern Goldfields and Murchison regions of Western Australia and Ontario, Canada, with SLR's head office being in Perth, Western Australia. SLR's three operations, which are wholly owned, are:

- (i) the Mount Monger Operation (**MMO**), approximately 50 km south east of Kalgoorlie, Western Australia;
- (ii) the Deflector Operation (**Deflector**), approximately 450 km north of Perth and 160 km east of Geraldton, Western Australia (including the Rothsay Underground Mine located approximately 300 km north of Perth); and
- (iii) the Sugar Zone Operation (**Sugar Zone**), approximately 30 km North of White River, Ontario on the trans-Canada highway

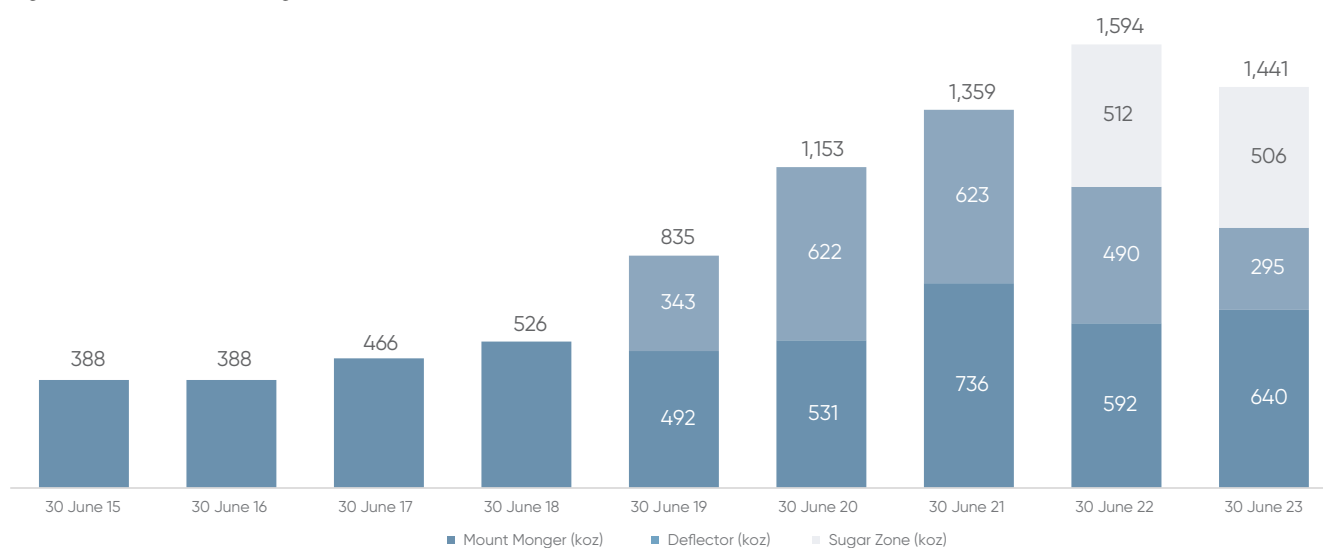
In FY23 SLR produced 261,604oz of gold and 1,483 tonnes of copper (267,478 ounces of gold equivalent) achieving FY23 sales guidance with 260,372oz of gold and 1,325 tonnes of copper sold at an AISC of \$1,941/oz.

In FY24, production and sales will be derived from the Western Australian operations, as SLR completes the first of its kind 93,000 metre drill program at Sugar Zone. SLR has made a strong start to FY24 with first half production of 121,699oz of gold and 541 tonnes of copper (123,716oz of gold equivalent) for sales of 122,781oz of gold and 534 tonnes of copper at an AISC of A\$1,791p/oz positioning SLR to build on its nine year track record of delivering on its annual sales guidance (210,000 to 230,000oz for FY24 at an AISC of \$1,850 to \$2,050/oz, including a non-cash inventory charge associated with the treatment of stockpiles at MMO).

In parallel with meeting its production and cost guidance commitments to the market for nine consecutive years, SLR has established an enviable track record of free cash flow generation resulting in an organically generated, sector-leading balance sheet with cash, bullion and liquid investments of \$420 million as at 31 December 2023. The free cash flow generation has continued to build SLR's financial strength whilst continuing to internally fund investment in organic and inorganic growth opportunities, with SLR's last capital raising being completed in 2014.

The investment in organic growth through exploration and low capital intensity project development, coupled with acquisitions, has created a strong Ore Reserve and Mineral Resource platform with Ore Reserves of 1.4 million ounces and Mineral Resources of 6.2 million oz as at 30 June 2023.

Figure 3.1: SLR Ore Reserve growth over time



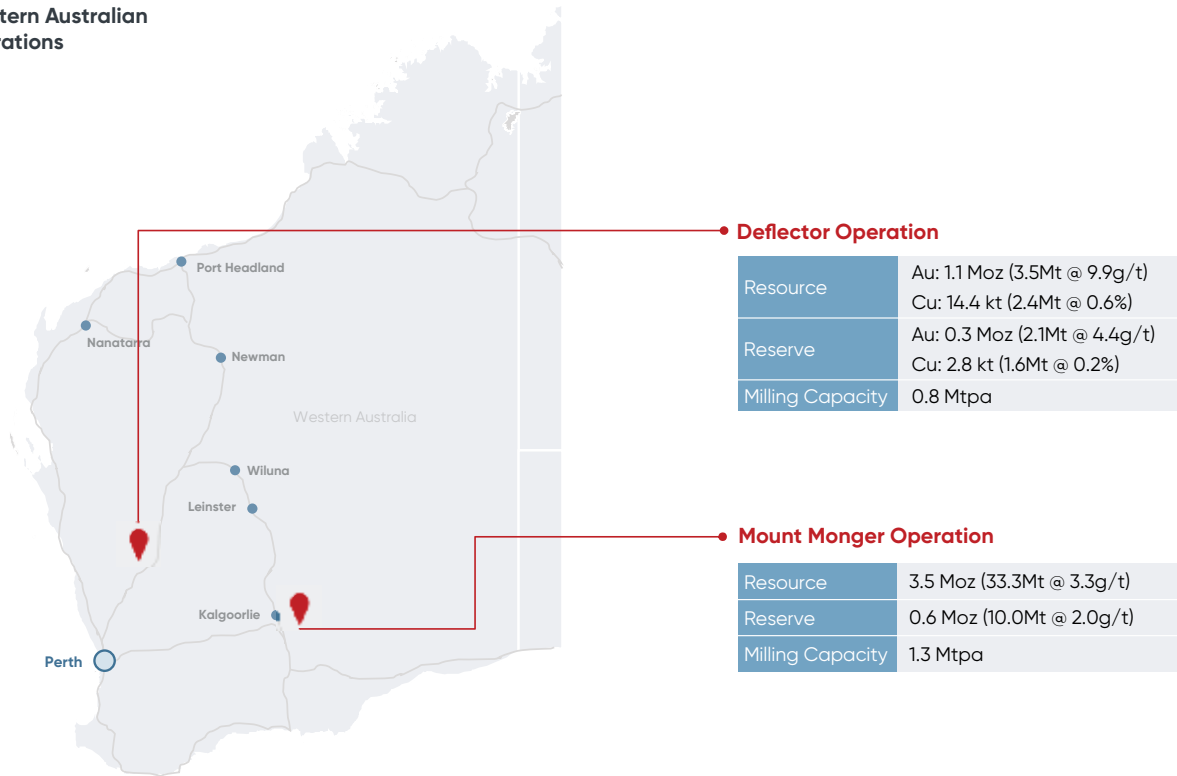
SLR is a member of the S&P ASX 200, S&P ASX 300, VanEck GDX, and VanEck GDX-J indices.

(b) Assets and operations

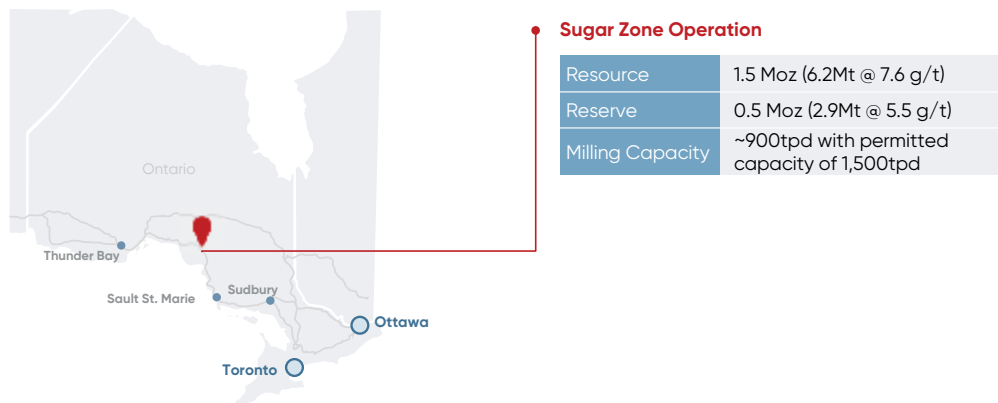
SLR's three operations are located in the tier 1 mining jurisdictions of Western Australia and Ontario, Canada. Each operation is supported by extensive mining, process and services infrastructure with the relevant Ore Reserve and Mineral Resource inventory for each operation creating the potential to leverage installed infrastructure for low capital intensity growth and life of mine extension opportunities.

Figure 3.2: SLR Operations³²

Western Australian operations



Canadian operations



Mount Monger Operation

MMO is located approximately 50km southeast of Kalgoorlie, Western Australia, and is a highly endowed gold camp with an established track record of gold production and discovery. Through continued exploration and investment, MMO has transitioned to larger, longer life mining centres which have delivered multiple high-grade ore sources and increased life of mine visibility.

There are three independent mining centres at MMO (Daisy Complex, Mount Belches and Aldiss mining centres) which host both open pit and underground operations. SLR maintains an iterative approach to mine and mill feed scheduling at MMO, prioritising highest returning and cash generative operations to preserve ore body optionality and margin. In FY24 mine production will be sourced from underground production at the Daisy Complex mining centre and Tank South at the Aldiss mining centre.

All ore mined at MMO is treated at the centrally located approximately 1.25mtpa Randalls Mill. The Randalls Mill utilises a comminution circuit comprising a 3 stage crushing with primary and secondary ball mills leading to conventional gravity and CIL circuits. SLR has built a significant ore stockpile position of 76,190oz at MMO as at 31 December 2023.

³² Ore Reserve and Mineral Resources refer to gold (Au) unless otherwise stated.

In FY23, MMO produced 95,559oz with sales of 97,181oz at an AISC of A\$2,104 /oz. FY23 run of mine production was predominantly sourced from the Daisy Complex as SLR successfully developed the Tank South underground mine which commenced stoping in March 2023. As at 30 June 2023, MMO had Ore Reserves of 640,000oz and Mineral Resources of 3.5 million oz. SLR has made a strong start to FY24 at MMO, with first half production of 51,070oz and sales of 50,426oz at an AISC of A\$2,275/oz (including a non-cash inventory charge of \$208/oz), resulting in MMO being well positioned to meet FY24 guidance of 90,000oz to 100,000oz at an AISC of A\$2,300 to A\$2,500/oz (including a non cash inventory charge of A\$398/oz).

Exploration success has created a pipeline of projects at MMO to further leverage on the established infrastructure and enhance mine life visibility. In January 2024, SLR announced the next project to progress through to development with an upgraded operating strategy to mine the larger stage 2 Santa open pit and Flora Dora from the commencement of mining and enhance base load mill feed visibility and supplement high grade underground feed sources.

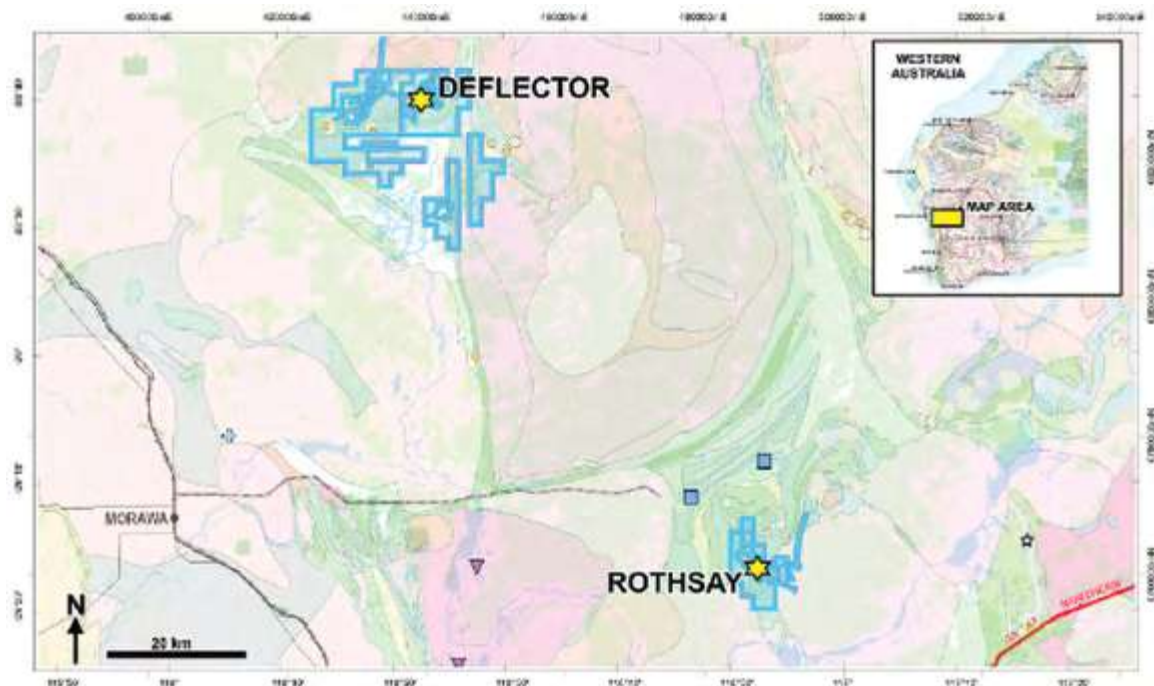
Figure 3.3: MMO Operation



Deflector Operation

Deflector is in the Midwest region of Western Australia, 450km north of Perth and 160km east of the Western Australian regional city of Geraldton, and comprises the Deflector and Rothsay underground mines and the Deflector processing facility.

Figure 3.4: Deflector Operation



SLR acquired Deflector through the acquisition of Doray Minerals Limited in 2019. Following this acquisition, SLR's investment in exploration at Deflector resulted in the discovery of Deflector South West in September 2019. In December 2019 SLR completed the acquisition of Egan Street Resources Limited which owned the Rothsay project located approximately 120km from Deflector. The discovery of Deflector South West and the introduction of a second wholly owned ore source allowed SLR to invest in the optimisation of the Deflector processing facility with the addition of a CIP circuit to treat the flotation tails which enabled the processing facility to treat a broader range of mineralisation in addition to increased throughput and gold recovery.

Mine production is sourced from the Deflector underground mine and Rothsay satellite underground mine. The Deflector mine comprises two main mining areas – Deflector Main and Deflector South West – and is adjacent to the Deflector processing facility. The Rothsay underground mine is a high-grade satellite ore source, with ore road-hauled approximately 197km to Deflector.

The Deflector processing facility comprises a three stage crushing circuit and single ball mill comminution circuit, into a gravity circuit for gold recovery, into a sulphide flotation circuit with flotation tails treated by a CIP circuit. The CIP circuit including a new tailings facility was commissioned in June 2021 and in its first year of operation delivered a 10% and 14% increase in throughput and gold recovery. In FY23 the processing facility treated 731,574 tonnes with average gold recovery of 97%.

In FY23, Deflector produced a record 127,069oz of gold and 1,483 tonnes of copper (132,943oz of gold equivalent) for record sales of 124,553oz and 1,325 tonnes copper at an AISC of A\$1,497p/oz. As at 30 June 2024, Deflector had Ore Reserves of 295,000oz and Mineral Resources of 1.1 million oz. SLR has built on the record FY23 performance with a strong first half FY24 performance delivering sales of 65,107oz of gold and 534 tonnes of copper at an AISC of A\$1,416/oz resulting the Deflector being well positioned to meet FY24 guidance of 120,000oz to 130,000oz of gold and 700 to 1,000 tonnes of copper at an AISC of A\$1,500 to A\$1,650/oz.

Following the successful ramp up of Deflector South West, SLR has pivoted exploration from grade control to resource definition and discovery. Ongoing underground drilling has identified mineralisation beyond the current Deflector South West Mineral Resource limits and drilling will be ongoing to determine the potential for further extensions. In January 2024, two underground rigs were mobilised to Deflector to drill potential extensions to the high grade gold/copper Spanish Galleon lodes which remain open in multiple directions and has the potential to be a new high grade mining front accessible from existing mine development.

Sugar Zone Operation

SLR acquired Sugar Zone and the associated 81,287 hectare land package in February 2022 through a process under the *Companies' Creditors Arrangement Act* (Canada) (**CCAA**), following the default by Harte Gold Corp. under its finance facilities. Sugar Zone is located approximately 30km north of White River or midway between Thunder Bay and Sault St. Marie, and within the province of Ontario, Canada.

The Sugar Zone operation is in its infancy with underground mining having commenced in late 2018, and with previous operations and exploration constrained by the capital structure and insufficient liquidity which ultimately resulted in Harte Gold Corp defaulting on its debt facilities in 2021.

Following the acquisition in 2022, SLR commenced a period of investment to upgrade the mining, processing and services infrastructure to a standard consistent with SLR's Australian operations. In parallel with the upgrade of infrastructure, SLR acquired a new underground mining and loading fleet (comprising four jumbos, two production drill rigs and six loaders), which is expected to deliver increased availability and support the transition to in cycle bolting to deliver a step change in productivity and lower costs when mining and processing activities restart.

In July 2023, SLR announced it will complete a 93,000 metre drill program throughout FY24 to deliver a step change in ore body knowledge. To facilitate the program, including the development of three dedicated exploration drives, mining and processing activities were idled in August 2023.

The processing plant at Sugar Zone has installed capacity of approximately 1,000t/pd or 360,000t/pa, with permitted capacity of 1,500t/pd or approximately 545,000t/pa. The plant has excess crushing capacity following the installation of a new crushing circuit in 2022 and with the project mine constraint, mill optimisation projects have yet to be completed post the new crusher installation to determine the potential limits of the plant under its current configuration. The plant flowsheet is a two stage crusher and ball mill comminution circuit with a gravity circuit for gold recovery and sulphide flotation circuit to produce a gold concentrate. In FY23 the plant treated 259,476 tonnes with average gold recovery of 95%.

Sugar Zone has an Ore Reserve of 506,000oz and a Mineral Resource of 1.5 million oz as at 30 June 2023. SLR has made strong progress on the 93,000 metre drill program which is the core focus for the site in FY24. Through the first half of FY24 approximately 46,991 metres were completed with results beginning to be returned towards the end of December 2023, with 3 underground and 2 surface rigs continuing to progress the program.

(c) Ore Reserves and Mineral Resources

SLR's Ore Reserves and Mineral Resource estimates as at 30 June 2023 are set out in the tables below.

Figure 3.5: Table of Ore Reserves and Mineral Resources estimates as at 30 June 2023

Gold Jun-23	Measured Ore Resources			Indicated Ore Resources			Inferred Ore Resources			Total Ore Resources		
	Tonnes ('000s)	Grade (Au g/t)	Ounces (Au '000s)	Tonnes ('000s)	Grade (Au g/t)	Ounces (Au '000s)	Tonnes ('000s)	Grade (Au g/t)	Ounces (Au '000s)	Tonnes ('000s)	Grade (Au g/t)	Ounces (Au '000s)
Mount Monger												
Aldiss	-	-	-	5,970	2.0	386	2,442	1.7	136	8,412	1.9	522
Daisy Complex	576	5.3	99	3,149	4.9	493	2,589	7.9	661	6,314	6.2	1,253
Mount Belches	449	5.4	78	11,740	3.0	1,117	3,870	3.6	450	16,059	3.2	1,645
Randalls Mining Centre	13	4.8	2	129	2.7	11	32	2.9	3	174	2.9	16
Stockpile	2,384	1.2	90	-	-	-	-	-	-	2,384	1.2	90
Mount Monger	3,422	2.4	269	20,988	3.0	2,007	8,933	4.4	1,250	33,343	3.3	3,526
Deflector												
Deflector	630	9.3	188	1,095	11.9	420	707	9.0	204	2,432	10.4	812
Rothsay	130	2.1	9	579	9.9	184	408	10.1	133	1,117	9.1	326
Deflector	760	8.0	197	1,674	11.2	604	1,115	9.4	337	3,549	9.9	1,138
Sugar Zone												
Sugar Zone	-	-	-	2,650	8.4	717	1,120	7.3	262	3,770	8.1	979
Middle Zone	-	-	-	1,741	6.9	387	736	6.8	161	2,477	6.9	548
Stockpile	2	5.8	0	-	-	-	-	-	-	2	5.8	0
Sugar Zone	2	5.8	0	4,391	7.8	1,105	1,856	7.1	423	6,249	7.6	1,528
Total Gold Ore Resources	4,184	3.5	466	27,053	4.3	3,716	11,904	5.3	2,010	43,141	4.5	6,192

Copper	Measured Ore Resources			Indicated Ore Resources			Inferred Ore Resources			Total Ore Resources		
	Tonnes ('000s)	Grade (% Cu)	Cu (Tonnes)	Tonnes ('000s)	Grade (% Cu)	Cu (Tonnes)	Tonnes ('000s)	Grade (% Cu)	Cu (Tonnes)	Tonnes ('000s)	Grade (% Cu)	Cu (Tonnes)
Deflector	630	0.7%	4,200	1,095	0.6%	6,900	707	0.5%	3,300	2,432	0.6%	14,400

Gold Jun-23	Proved Ore Reserves			Probable Ore Reserves			Total Ore Reserves		
	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)
Mount Monger									
Aldiss Mining Centre	-	-	-	909	2.4	71	909	2.4	71
Daisy Mining Centre	100	6.9	22	378	7.7	94	478	7.5	116
Mount Belches	45	3.5	5	6,202	1.8	358	6,247	1.8	363
Mount Monger Stockpiles	2,384	1.2	90	-	-	-	2,384	1.2	90
Mount Monger	2,530	1.4	118	7,489	2.2	522	10,018	2.0	640
Deflector									
Deflector	533	4.1	71	1,058	4.2	142	1,592	4.2	213
Rothsay	130	2.1	9	353	6.5	74	483	5.3	82
Deflector	663	3.7	80	1,411	4.7	216	2,075	4.4	295
Sugar Zone									
Sugar Zone	2	5.8	0	2,872	5.5	506	2,874	5.5	506
Total gold Ore Reserves	3,193	1.9	197	11,772	3.3	1,244	14,965	3.0	1,441

Copper	Proved Ore Reserves			Probable Ore Reserves			Total Ore Reserves		
	Tonnes ('000s)	Grade (% Cu)	Cu (Tonnes)	Tonnes ('000s)	Grade (% Cu)	Cu (Tonnes)	Tonnes ('000s)	Grade (% Cu)	Cu (Tonnes)
Deflector	533	0.2%	900	1,058	0.2%	1,800	1,592	0.2%	2,800

Notes:

- Mineral Resources are reported inclusive of Ore Reserves.
- Data is rounded to thousands of tonnes, thousands of ounces gold, and hundreds of tonnes copper. Discrepancies in totals may occur due to rounding.
- All Mineral Resource and Ore Reserve estimates are produced in accordance with the JORC Code.
- The Table 1 Checklists of Assessment and Reporting Criteria relating to the updated JORC Code Mineral Resources and Ore Reserves estimates for significant projects that are reported for the first time or when those estimates have materially changed are contained in the announcement titled "Mineral Resource and Ore Reserve Statement" dated 27 September 2023 which is available to view on SLR's website at <https://www.silverlakeresources.com.au/> or by visiting the ASX website under ASX code 'SLR' at www.asx.com.au.

See **section 12.11** for the Competent Persons Statements and other disclosures required under the ASX Listing Rules in respect of all Mineral Resource and Ore Reserve data contained in this **section 6**.

(d) Production and cost guidance**Figure 3.6: SLR FY24 production and cost guidance**

FY24 guidance	Consolidated	Mount Monger	Deflector	Sugar Zone
Gold sales (koz)	210 – 230	90 – 100	120 – 130	
Copper sales (t)	700 – 1,000	-	700 – 1,000	
All in sustaining costs (A\$/oz)	A\$1,850 – A\$2,050	A\$2,300 – A\$2,500	A\$1,500 – A\$1,650	
Capital underground development excluded from AISC (A\$m)	21	-	21	
Open pit waste stripping excluded from AISC (A\$m)	20	20	-	
Growth capital (A\$m)	44	7	2	35
Exploration (A\$m)	43	7	8	28

Notes:

- Underground capital development expenditure in the Deflector region associated with the development of the Deflector South West decline and Rothsay northern decline has been excluded from the AISC.
- Deflector region expected stockpile build of ~19,000oz in FY24.
- MMO open pit waste stripping associated with the commencement of open pit mining at Santa in April 2024 with an elevated strip ratio of approximately 33:1 for FY24 relative to the life of mine strip ratio of 9:1 (refer chart 10).
- MMO non-cash inventory movement associated with the treatment of stockpiles of approximately A\$207/oz or approximately A\$88/oz at a group level.
- Sugar Zone growth capital includes costs associated with the support of the exploration program, infrastructure upgrades and maintaining the operation in a state of operational readiness.
- Sugar Zone exploration includes development costs of the three dedicated exploration drives.
- \$4.1 million of exploration is included in AISC at Deflector and MMO.
- \$11.3 million of corporate cost allocation are included in the MMO. and Deflector AISC.

(e) Financing arrangements

As at the date of this Scheme Booklet, SLR, its wholly owned Subsidiary Silver Lake (Integral) Pty Ltd and the Commonwealth Bank of Australia (**CBA**) are party to a common terms deed dated 24 December 2014 (and as amended and restated from time to time), (**Common Terms Deed**) under which SLR and CBA enter into hedging arrangements from time to time. These hedging arrangements are secured over the assets of SLR and Silver Lake (Integral) Pty Ltd.

As at 31 December 2023, SLR's forward gold hedging program was as follows:

6 months ending:	Quantity (oz Au)	Price (A\$/oz)
30 June 2024	24,000	\$2,841
31 December 2024	26,000	\$2,841
30 June 2025	30,000	\$3,145
31 December 2025	30,000	\$3,145
TOTAL	110,000	\$3,007

SLR does not, however, currently have any outstanding or undrawn debt either under the Common Terms Deed or otherwise. As illustrated in the historical financial information in **section 6.3**, SLR has historically maintained a healthy cash and cash equivalents balance, with limited debt. There have, however, been some instances where SLR has entered into financing arrangements, including the following in the last 24 months.

- (i) in September and October 2023, SLR acquired approximately 411.7 million RED Shares (which, as at the Last Practicable Date represents approximately 11.7% of the total issued capital of RED on a fully diluted basis) for approximately \$107 million. As part of the funding of this acquisition, SLR executed a short term cash facility of \$130 million, which was subsequently closed out in November 2023.
- (ii) On 15 February 2022, SLR entered into a secured prepay gold facility with CBA (**Gold Prepay Facility**), raising \$30.5 million. Under the Gold Prepay Facility, SLR delivered a total of 11,928oz of gold to CBA between March 2022 and February 2023. The Gold Prepay Facility is secured by way of mining mortgages over MMO and a general security interest over all assets of SLR and its Subsidiary Silver Lake (Integra) Pty Ltd. The Gold Prepay was settled in full by February 2023.

CBA has given its consent to the change in control of SLR and the delisting of SLR from the ASX that will occur on or following implementation of the Scheme for the purposes of the Common Terms Deed. This consent was granted on the condition that CBA and SLR will not enter into any additional hedging arrangements under the Common Terms Deed until post-implementation of the Scheme. As at the date of this Scheme Booklet, the consent has not been withdrawn.

As at the date of this Scheme Booklet, SLR and RED have yet to determine the optimum balance sheet structure for the Merged Group upon implementation of the Scheme. It is possible that, as a result of these determinations, SLR may seek to terminate, vary or amend the Common Terms Deed (to the extent it is permitted under the Common Terms Deed).

6.3 Historical financial information

The selected historical financial information in this section (**SLR Historical Financial Information**) has been extracted from SLR's audited financial statements for FY22 and FY23 and the reviewed interim financial statements for the six months ended 31 December 2023.

This section contains the following historical financial information of SLR:

- (a) Historical consolidated statement of profit or loss and other comprehensive income for FY22, FY23 and the six months ended 31 December 2023;
- (b) Historical consolidated balance sheet as at 31 December 2023, 30 June 2023 and 30 June 2022; and
- (c) Historical consolidated statement of cash flows for FY22, FY23 and the six months ended 31 December 2023.

Further historical financial information can be found on SLR's website (www.silverlakeresources.com.au).

(a) Basis of presentation of historical financial information

The SLR Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act. Unless otherwise stated, the SLR Historical Financial Information also complies with the recognition and measurement requirements of International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

The SLR Historical Financial Information as presented in the tables below is in abbreviated form and does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in the financial statements and the notes to the financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

A number of figures, amounts, percentages prices, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding. Amounts in this **section 6.3** have been rounded to the nearest thousand Australian dollars.

The SLR Historical Financial Information has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Copies of SLR's financial statements for FY22, FY23 and the six month period ended 31 December 2023, are available on the SLR website at <https://www.silverlakeresources.com.au/> or by visiting the ASX website under ASX code 'SLR' at www.asx.com.au.

The SLR financial statements for:

- (i) FY22 and FY23 were audited by KPMG in accordance with Australian Auditing Standards (**Auditing Standards**). KPMG issued an unqualified audit opinions on these financial statements; and
- (ii) the six month period ended 31 December 2023 were subject to review by KPMG. KPMG issued an unqualified review opinion for these financial statements.

(b) **Historical consolidated statement of profit or loss and other comprehensive income**

Set out below is SLR's consolidated statement of profit or loss for FY22, FY23 and the six months ended 31 December 2023.

Figure 3.7: SLR historical consolidated statement of profit or loss and other comprehensive income

	6 months ended 31 December 2023 \$'000	12 months ended 30 June 2023 \$'000	12 months ended 30 June 2022 \$'000
Revenue	374,384	719,628	634,566
Cost of sales	(303,181)	(639,031)	(518,525)
Gross profit/(loss)	71,203	80,597	116,041
Other income	61	228	252
Profit on sale of assets	16	412	(1,008)
Exploration expensed/impaired	(6,883)	(5,044)	(3,187)
Gain on bargain purchase	-	-	28,827
Administrative expenses	(11,335)	(23,744)	(17,515)
Results from operating activities	53,062	52,449	123,410
Finance income	21,759	13,516	676
Finance expenses	(2,047)	(6,640)	(8,751)
Net finance income/(costs)	19,712	6,876	(8,075)
Profit/(loss) before income tax	72,774	59,325	115,335
Income tax expense	(23,096)	(28,489)	(37,654)
Profit/(loss) for the period	49,678	30,836	77,681
Net profit/(loss) for the period	49,678	30,836	77,681
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Exchange differences arising on translating foreign operations	(5,552)	1,963	7,690
Total comprehensive income for the period	44,126	32,799	85,371

As noted in **section 6.3(a)**, the financial information presented in the tables above should be read in conjunction with the financial statements for the respective periods.

(c) **Historical consolidated balance sheet**

Set out below is SLR's consolidated balance sheet as at 30 June 2022, 30 June 2023 and 31 December 2023.

Figure 3.8: SLR historical consolidated balance sheet

	As at 31 December 2023 \$'000	As at 30 June 2023 \$'000	As at 30 June 2022 \$'000
Current assets			
Cash and cash equivalents	278,681	328,285	304,298
Trade and other receivables	10,324	14,136	15,078
Inventories	105,620	92,473	83,887
Prepayments	371	875	1,230
Total current assets	394,996	435,769	404,493
Non-current assets			
Inventories	44,344	53,711	63,356
Exploration, evaluation and development expenditure	430,991	435,967	402,146
Property, plant and equipment	214,177	235,651	247,604
Investments	135,998	12,838	7,968
Deferred tax assets	-	77,786	65,112
Goodwill	90,695	90,695	90,695
Total non-current assets	916,205	906,648	876,881
Total assets	1,311,201	1,342,417	1,281,374
Current liabilities			
Trade and other payables	74,250	90,672	83,317
Lease liabilities	18,133	23,479	22,382
Employee benefits	8,039	7,243	7,617
Deferred revenue	-	-	20,467
Rehabilitation and restoration provision	-	-	90
Total current liabilities	100,422	121,394	133,873
Non-current liabilities			
Lease liabilities	17,364	21,134	24,465
Rehabilitation and restoration provision	48,855	48,093	46,833
Deferred tax liabilities	8,695	63,385	22,020
Total non-current liabilities	74,914	132,612	93,318
Total liabilities	175,336	254,006	227,191
Net assets	1,135,865	1,088,411	1,054,183
Equity			
Share capital	1,095,436	1,095,436	1,096,268
Reserves	15,486	17,710	13,486
Accumulated losses	24,943	(24,735)	(55,571)
Total equity	1,135,865	1,088,411	1,054,183

As noted in **section 6.3(a)**, the financial information presented in the tables above should be read in conjunction with the financial statements for the respective periods. Note that SLR's deferred tax balances as at 31 December 2023 are presented on a net basis, as shown in SLR's 31 December 2023 interim financial report.

(d) Historical consolidated statement of cash flows

Set out below is SLR's consolidated statement of cash flows for FY22, FY23 and the six month period ended 31 December 2023.

Figure 3.9: SLR historical consolidated statement of cash flows

	6 months ended 31 December 2023 \$'000	12 months ended 30 June 2023 \$'000	12 months ended 30 June 2022 \$'000
Cash flows from operating activities			
Receipts from sales	377,363	700,254	632,852
Payments to suppliers and employees	(231,319)	(458,845)	(383,769)
Net cash from operating activities	146,044	241,409	249,083
Cash flow from investing activities			
Interest received	5,581	6,353	676
Acquisition of plant and equipment	(12,043)	(34,438)	(14,904)
Proceeds from sale of plant and equipment	20	300	-
Acquisition of investments	(107,007)	(1,979)	(1,722)
Proceeds from divestments	-	3,487	375
Payments for exploration, evaluation and development	(67,359)	(155,116)	(112,084)
Cash acquired in a business combination	-	-	7,165
Harte Gold transaction	-	-	(134,720)
Net cash used in investing activities	(180,808)	(181,393)	(255,214)
Cash flows from financing activities			
Share buy back	-	(3,037)	(1,064)
Proceeds from borrowings	130,000	-	-
Repayment of borrowings	(130,000)	-	-
Repayment of lease liabilities	(13,799)	(27,561)	(33,025)
Payment of stamp duty	-	-	(3,316)
Return of insurance bond	-	-	1,444
Proceeds from gold pre-pay arrangement	-	-	30,572
Repayment of gold pre-pay arrangement	-	-	(10,223)
Finance costs paid	(1,131)	(5,448)	(2,928)
Net cash used in financing activities	(14,930)	(36,046)	(18,540)
Net (decrease)/increase in cash and cash equivalents	(49,694)	23,970	(24,671)
Cash and cash equivalents at beginning of year	328,285	304,298	328,890
Effects of foreign exchange rate changes on cash and cash equivalents	90	17	79
Cash and cash equivalents at end of year	278,681	328,285	304,298

As noted in **section 6.3(a)**, the financial information presented in the tables above should be read in conjunction with the financial statements for the respective periods.

(e) Management commentary on historical financials**(i) Consolidated balance sheet**

SLR reported cash and cash equivalents of \$278 million at 31 December 2023, which had decreased from \$328.3 million at 30 June 2023 predominantly due to the strategic investment in RED. SLR acquired approximately 411.7 million RED Shares between 18 September and 5 October 2023 for \$107.0 million, representing, as at the Last Practicable Date, approximately 11.7% of the RED Shares on issue on a fully diluted basis. Cash and cash equivalents was bolstered by the positive cash generation from the business, with underlying free cash flow of \$58.4 million achieved in the six months to 31 December 2023. The result was underpinned by a realised average gold sale price of \$2,986/oz and strong operating results from SLR's operations.

Inventories at 31 December 2023 were \$105.6 million and \$44.3 million for current and non-current assets respectively, which consist primarily of ore stock piles of \$108.7 million. Stockpiles at 31 December 2023 were approximately 2.2 million tonnes containing approximately 76,190oz gold.

Property plant and equipment decreased by \$21.5 million from 30 June 2023 to 31 December 2023 as a result of continued depreciation across the operations, partially offset by capital expenditure for work in progress projects during the period.

Exploration, evaluation and development relates to the capitalised mine development and capitalised exploration costs across the SLR Group. Additions for the six months ended 31 December include \$12.0 million on exploration and evaluation expenditure and \$59.5 million of expenditure related to decline development at underground mines, development of the Santa Complex open pit mine and capitalised exploration costs for operations in production phase. Notwithstanding the additional expenditure, the total balance of exploration, evaluation and expenditure decreased by \$5.1 million from 30 June 2023 to 31 December 2023 as a result of continued amortisation across the mines.

Investments totalled \$136.0 million at 31 December 2023, with the balance increasing materially from 30 June 2023 due to the strategic stake in RED, (which was acquired for \$107 million) and subsequent mark to market revaluation of investments of \$16.2m at 31 December 2023.

Trade and other payables decreased by \$16.4 million from 30 June 2023 to 31 December 2023 mostly due to idling operations at Sugar Zone and the timing of end of month payments.

(ii) Consolidated statement of profit or loss and other comprehensive income

Revenue for the six months to 31 December 2023 totalled \$374.4 million from the sale of 124,771oz of gold equivalent at an average realised gold sale price of A\$2,986/oz and a copper price of A\$12,589/t. Revenue for the year to June 2023 totalled \$719.6 million from the sale of 260,372oz of gold and 1,325 tonnes of copper at an average realised gold sale price of A\$2,694/oz and A\$12,812/t of copper, compared with revenue of \$634.6 million from 251,735oz of gold and 907 tonnes of copper during the year ended 30 June 2022.

SLR recorded a net profit after tax of \$49.7 million, \$30.8 million and \$77.7 million for the periods ended 31 December 2023, 30 June 2023 and 30 June 2022 respectively, demonstrating the consistent profitability of SLR.

SLR has achieved consistent underlying Earnings before Interest, Tax, Depreciation and Amortisation (**EBITDA**) margins of between 35% and 44% in the period covered under SLR Historical Financial Information. A reconciliation between the statutory profit after tax and the Group's EBITDA (excluding significant items) is outlined in the table below. It should be noted that EBITDA (excluding significant items) is a non-IFRS financial measure, which comprises net profit after tax, adjusted to exclude significant items such as tax, net finance costs, profit/loss on disposal of assets, depreciation and amortisation. A reconciliation between the net profit after tax and EBITDA (excluding significant items) is set out below. The SLR Directors consider the use of these non-IFRS measures allows investors to understand results from SLR's operations and more easily compare the historical financial performance of SLR's operations from period to period. The non-IFRS information provided may not be comparable to similar measures disclosed by other entities because of different methods used by other entities in calculating EBITDA. EBITDA (excluding significant items) should not be considered as a substitute for other measures of performance or liquidity reported in accordance with IFRS or other generally accepted accounting principles.

Figure 3.10: Reconciliation between NPAT and EBITDA (excluding significant items)

Reconciliation of Statutory Profit after Tax to EBITDA (excluding significant items)	Six months to 31 December 2023 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Statutory profit after tax:	49,678	30,836	77,681
<i>Adjustments for:</i>			
Depreciation and amortisation	104,100	190,089	167,880
Income tax expense	(19,712)	28,489	37,654
Net finance (income)/costs (includes change in value of listed investments)	23,096	(6,876)	8,075
Business development adjustments (FY22 includes gain on bargain purchase)	-	1,229	(27,924)
Exploration expensed	6,883	5,044	3,187
Other	(18)	(412)	1,007
EBITDA (excluding significant items)	164,027	248,399	267,560
EBITDA Margin	44%	35%	42%

(iii) Consolidated statement of cash flows

SLR's operations have achieved strong overall margins for the SLR Group in recent years, and as such SLR has generated positive cash from operating activities. Cash flow from operating activities for the six months ended 31 December was \$146.0 million, while for the year ended 30 June 2023 and 30 June 2022, cash flow from operating activities was \$241.4 million and \$249.1 million respectively.

Cash flows from investing activities for the six months to 31 December 2023 were \$180.8 million in outflows, which included \$107.0 million paid in respect of the investment in RED Shares in late 2023. Cash outflows from investing activities for the year ended 30 June 2023 was \$181.4 million, primarily reflecting the investment in exploration and mine development activities.

Cash flows from financing activities for the six months to 31 December 2023 included a short-term cash facility of \$130 million which was used to facilitate the acquisition in the investment in RED and was subsequently closed out within the period. In addition, in February 2022, SLR entered into the Prepay Facility with CBA, raising \$30,572,000. Under the Prepay Facility, SLR delivered a total of 11,928 ounces of gold to CBA between March 2022 and February 2023. The Prepay Facility was settled in full by February 2023.

(iv) Other notes to the SLR Historical Financial information

Harte Gold Corp. was a TSX-listed gold mining company which owned and operated the Sugar Zone mine in Ontario, Canada, and was acquired by SLR in February 2022 through a process under the CCAA. The transaction included SLR acquiring the credit facilities provided by BNP to Harte Gold Corp., settlement of all debt facility obligations owed by Harte Gold Corp. to Appian Capital Advisory LLP (**Appian**) and a Debtor in Possession loan. In addition, SLR settled all of Harte Gold Corp's 'out of the money' hedge book and purchased the net smelter royalty from Appian. As the acquisition of Harte Gold Corp. occurred through a court approved CCAA process and resulted in no payments to previous equity holders, the consideration amount for accounting was deemed to be nil. As the consideration for accounting purposes was deemed to be nil, to initially recognise the net assets tabled above, a gain on bargain purchase of \$28.8 million was recognised in the statement of profit or loss as the excess of fair value of net assets acquired over consideration paid.

(f) Material changes in SLR's financial position and financial performance

To the knowledge of the SLR Directors, and except as disclosed in this Scheme Booklet, the financial position and financial performance of SLR has not materially changed since 31 December 2023.

An electronic copy of SLR's financial report for the 6 month period ended 31 December 2023 is available free of charge from SLR's website at <https://www.silverlakeresources.com.au/> or by visiting the ASX website under ASX code 'SLR' at www.asx.com.au.

(g) Forecast financial information

SLR has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. SLR has concluded that, as at the date of the Scheme Booklet, it would be misleading to provide forecast financial information, other than the production and cost guidance set out in **section 6.2(d)**, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

In its quarterly activities report released to the ASX on 31 January 2024, SLR maintained its FY24 group sales guidance of 210,000 to 230,000oz at AISC of \$1,850 to \$2,050/oz, including a non-cash inventory charge associated with the treatment of stockpiles at MMO.

SLR Shareholders should refer to the Independent Expert Report for the Independent Expert's conclusion regarding valuations of SLR and RED.

6.4 Directors and Senior Management of SLR**(a) Directors of SLR**

At the date of this Scheme Booklet, the SLR Directors are:

Executive Director	Biography
Mr Luke Tonkin Managing Director	Refer to section 8.4(a) .
Non-Executive Directors	Biography
Mr David Quinlivan Non-Executive Chairman	Refer to section 8.4(a) .
Ms Rebecca Prain Non-Executive Director	Refer to section 8.4(a) .
Mr Kelvin Flynn Non-Executive Director	Refer to section 8.4(a) .

If the Scheme is implemented, the SLR Directors will be appointed to the Merged Group board as described in **section 8.4**.

(b) SLR Senior Management

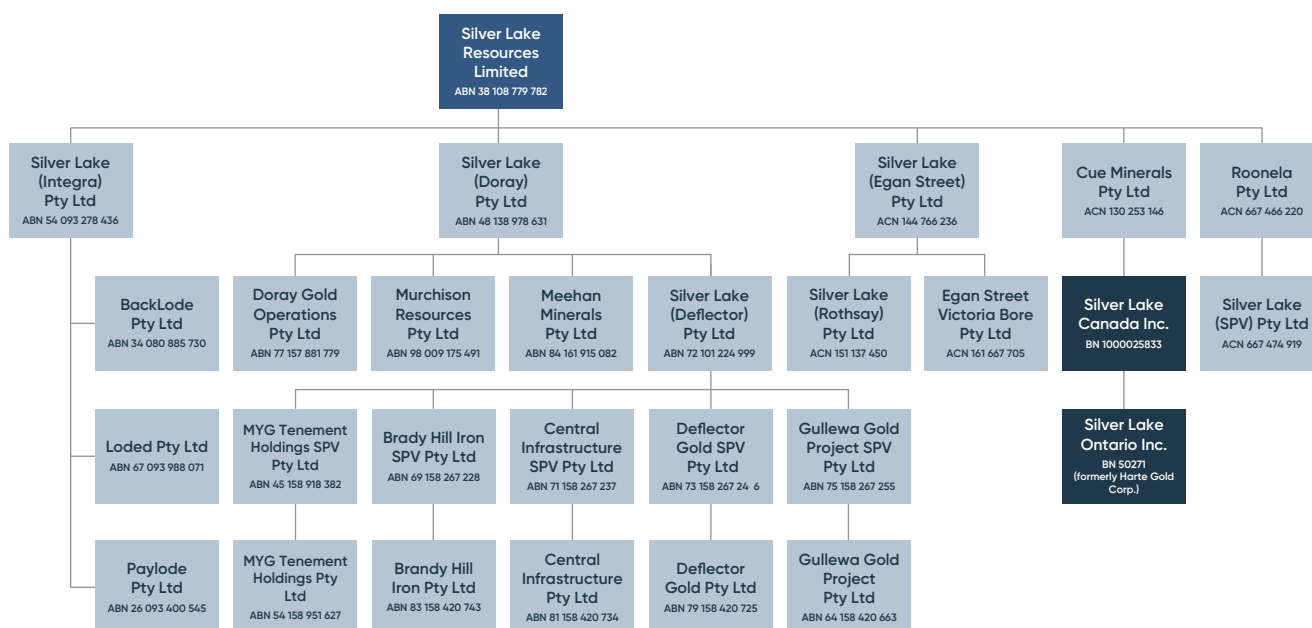
At the date of this Scheme Booklet, the senior management personnel of SLR are:

Name	Role
Mr Struan Richards	Chief Financial Officer
Mr Len Eldridge	Corporate Development Officer
Mr David Berg	General Counsel & Company Secretary
Mr Steven Harvey	Chief Operating Officer
Mr Phillip Stevenson	Group Development Geologist

If the Scheme is implemented, the SLR's senior management team will be reconstituted in the Merged Group as described in **section 8.4**.

6.5 Corporate structure

Figure 3.11: SLR corporate structure as at the Last Practicable Date



Note: The shares in Silver Lake Canada Inc. are held by both SLR and Cue Minerals Pty Ltd.

6.6 SLR issued capital

(a) SLR issued securities

As at the Last Practicable Date, the total securities of SLR on issue were as follows:

- (i) 934,744,333 SLR Shares; and
- (ii) 25,816,949 SLR Performance Rights.

The SLR Performance Rights were issued under SLR Employee Incentive Plan to Mr Luke Tonkin and to SLR senior executives and employees in accordance with certain vesting terms as determined by the SLR Board. The SLR Performance Rights have a nil exercise price and varying expiry dates and conditions for vesting (tranches) as determined by the SLR Board. Each SLR Performance Right entitles the holder to receive 1 SLR Share on vesting on the vesting date.

The following table details the number of SLR Performance Rights on issue and in what tranches as at the Last Practicable Date:

Figure 3.12: SLR Performance Rights on issue

Tranche	Outstanding total	Vesting Date
SLR FY20 Performance Rights (vested)	54,987	30 June 2022
SLR FY22 Performance Rights (unvested)	3,190,471	30 June 2024
SLR FY23 Performance Rights (unvested)	7,826,823	30 June 2025
SLR FY24 Performance Rights (unvested)	14,744,668	30 June 2026

Under the terms of the SLR Employee Incentive Plan, all unvested SLR Performance Rights issued under that plan will vest and all vested and unvested SLR Performance Rights will be exercised if and when SLR Shareholders approve the Scheme.

The SLR Employee Incentive Plan was approved by SLR Shareholders at SLR's 2021 annual general meeting held on 19 November 2021, and a summary of the SLR Employee Incentive Plan is attached to SLR's 2021 notice of annual general meeting dated 19 October 2021 available on its website at: <https://www.silverlakeresources.com.au/investors/asx-announcements>.

For further information on the treatment of SLR Performance Rights and the escrow arrangements in respect of the SLR Shares issued to Mr Luke Tonkin and certain other SLR senior executive employees upon the vesting and exercise of SLR Performance Rights if and when SLR Shareholders approve the Scheme Resolution at the Scheme Meeting, please refer to **section 4.10**.

(b) Recent SLR Share price history

The following chart shows the closing price and corresponding daily volume traded for SLR over the last 12 months up to and including the Last Practicable Date:

Figure 3.13: Last 12 months trading history of SLR Shares



Source: IRESS

(c) Last 12 months trading history of SLR Shares

At the Last Practicable Date:

- (i) the last recorded traded price of SLR Shares was \$1.43;
- (ii) the 30 day VWAP of SLR Shares was \$1.25;
- (iii) the 60 day VWAP of SLR Shares was \$1.16;
- (iv) the 90 day VWAP of SLR Shares was \$1.16;
- (v) the highest recorded traded price of SLR Shares in the previous three months was \$1.43 on 17 April 2024; and
- (vi) the lowest recorded traded price of SLR Shares in the previous three months was \$1.01 on 19 February 2024.

The closing price of SLR Shares immediately before public announcement of the Scheme on 5 February 2024 was \$1.27 on 2 February 2024 (being the last Trading Day prior to the Announcement Date).

The current price of SLR Shares on ASX can be obtained from the ASX website (www.asx.com.au) or <https://www.silverlakeresources.com.au/>

(d) Substantial holders

As at the Last Practicable Date, so far as known to SLR based on publicly available information, there are no substantial holders of SLR Shares, except as set out below:

Substantial Holder	SLR Shares	Voting Power
VanEck Inc and associates	87,714,372	10.5%
Dimensional Fund Advisers and associates	51,234,840	5.0%
The Vanguard Group, Inc and associates	46,863,469	5.0%

6.7 Key Interests of SLR Directors and senior management

(a) Interests in SLR securities

The number, description and amount of SLR marketable securities controlled or held by, or on behalf of, a SLR Director as at the Last Practicable Date is:

Director	SLR Shares	SLR Performance Rights
Mr Luke Tonkin	764,186	2,632,659

Note: Mr Luke Tonkin has a beneficial interest in the SLR Shares and SLR Performance Rights outlined above, the registered holder of which is Cynthon Pty Ltd which is the corporate trustee of the Cynthon Family Trust, of which Mr Tonkin is a beneficiary.

See **section 4.10** for details regarding the treatment of Mr Tonkin's SLR Performance Rights in connection with the Scheme.

On 7 November 2023, Mr Luke Tonkin (in a beneficial capacity) was issued 1,286,285 SLR Performance Rights under the SLR Employee Incentive Plan. No SLR Director has acquired or disposed of a Relevant Interest in marketable securities in SLR in the four month period ending on the date immediately before the date of this Scheme Booklet.

(b) Interests in RED securities

As at the Last Practicable Date, other than Mr David Quinlivan who through Borden Holdings Pty Ltd (as trustee for the "Quinlivan Super Fund"), has a beneficial interest in 25,000 RED Shares, no other SLR Director holds a legal or beneficial interest in any RED Shares or any other marketable securities of RED.

No SLR Director acquired or disposed of a Relevant Interest in any RED Shares or other marketable securities of RED in the four month period ending on the date immediately before the date of this Scheme Booklet.

(c) Agreements or arrangements connected with or conditional on the Scheme

There are no agreements or arrangements that are or will be made between any SLR Director and RED, or any other person in connection with, or conditional on the outcome of the Scheme, other than the following matters:

- (i) the appointment of Mr Luke Tonkin (who is currently Managing Director of SLR) as Managing Director and Chief Executive Officer of the Merged Group following, and subject to, the implementation of the Scheme (see **section 4.4**);
- (ii) the appointment of Mr David Quinlivan (who is currently non-executive Chairman of SLR) as a non-executive director of the Merged Group following, and subject to, the implementation of the Scheme (see **section 4.4**);
- (iii) the appointment of Ms Rebecca Prain and Mr Kelvin Flynn (each of whom are currently SLR Directors) as non-executive directors of the Merged Group following, and subject to, implementation of the Scheme (see **section 4.4**);
- (iv) the accelerated vesting and exercise of, and the issue of new SLR Shares upon such vesting and exercise of, up to 2,632,659 SLR Performance Rights held by Mr Luke Tonkin, and the voluntary escrow arrangements entered into by Mr Luke Tonkin in relation to a portion of the SLR Shares issued to him upon the vesting and exercise of his SLR Performance Rights (and the New RED Shares that will be issued in respect of those SLR Shares upon implementation of the Scheme) (see **section 4.4**);
- (v) the accelerated vesting and exercise of, and the issue of new SLR Shares upon such vesting and exercise, of SLR Performance Rights held by certain members of senior management of SLR, and the voluntary escrow arrangements entered into by those members of senior management in relation to a portion of the new SLR Shares issued to them upon the vesting and exercise of their SLR Performance Rights (and the New RED Shares that will be issued in respect of those SLR Shares upon implementation of the Scheme) (see **section 4.10**);
- (vi) each of Mr Struan Richards, Mr David Berg, Mr Len Eldridge and Mr Phillip Stevenson are expected to enter into employment agreements with RED in connection with their employment as part of the Merged Group, conditional upon implementation of the Scheme (see **section 8.4**); and
- (vii) each of Mr Luke Tonkin, Mr David Quinlivan, Ms Rebecca Prain and Mr Kelvin Flynn, Mr Struan Richards, Mr David Berg, Mr Len Eldridge and Mr Phillip Stevenson have entered, or will enter, into deeds of indemnity, access and insurance with RED (see **section 8.4(e)**).

(d) Interests in contracts with RED

None of the SLR Directors have any interest in any contract entered into by RED.

(e) Other termination benefits

If the Scheme is implemented, the position of Chief Operating Officer of SLR, currently held by Mr Steven Harvey, will become redundant. In these circumstances, the Merged Group will offer Mr Steven Harvey employment in a different role. Alternatively, his contract of employment may be terminated in accordance with its terms.

Except as set out above and elsewhere in this **section 6.7**, there are no payments or other benefits that are proposed to:

- (i) be made or given to any director, secretary or executive officer of SLR as compensation for loss of, or as consideration for or in connection with his or her retirement from, office in SLR or in a Related Body Corporate of SLR; or
- (ii) be made or given to any director, secretary or officer of any Related Body Corporate of SLR as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that body corporate or in SLR.

(f) Deeds of indemnity, access and insurance

SLR has entered into deeds of indemnity, insurance and access with the SLR Directors and various executive officers, on customary terms.

SLR pays premiums in respect of a directors and officers insurance policy for the benefit of the SLR Directors and executive officers. SLR may, prior to the Implementation Date, enter into arrangements to secure directors and officers run-off insurance for any and all directors and executive officers of each member of the SLR Group for up to a seven year period from the Implementation Date. Pursuant to clause 9.3 of the Scheme Implementation Deed, RED provides various undertakings in support of that insurance.

Clause 9.1 of the Scheme Implementation Deed also provides for certain releases by RED of each director, officer or employee of any member of the SLR Group as is customary for transactions such as the Scheme.

(g) Other interests of SLR Directors

Except as disclosed in **sections 4.4** and **6.7**, no SLR Director has any other interest, whether as a director, member, or creditor of SLR or otherwise, which is material to the Scheme, other than in their capacity as a holder of SLR Shares or SLR Performance Rights.

6.8 SLR Directors' intentions for the business of SLR

If the Scheme is implemented, SLR will become a wholly owned Subsidiary of RED, and SLR's Subsidiaries will in turn become part of the RED Group. If the Scheme is implemented, it is intended that the board and management team of the Merged Group will be constituted as set out in **section 8.4**.

It is for the Merged Group board to determine its intentions as to:

- (a) the continuation of the business of SLR (as part of the Merged Group's business);
- (b) any major changes, if any, to be made to the business of SLR, including any redeployment of the fixed assets of SLR;
- (c) the future employment of the present employees of SLR.

The proposed intentions of the Merged Group board (which, following implementation of the Scheme will include the current SLR Directors) is set out in **section 8.5**.

If the Scheme is not implemented, the current intentions of the SLR Directors are to continue to operate SLR in the ordinary course of business. See **section 9.5** for a summary of certain possible risks for SLR if the Scheme is not implemented.

6.9 Publicly available information

As an ASX listed company and a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act, SLR is subject to regular reporting and disclosure requirements of the Corporations Act and ASX Listing Rules. Broadly, these require it to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

Additionally, copies of documents lodged with ASIC in relation to SLR may be obtained using services provided by ASIC, information in respect of which can be found on the ASIC website at www.asic.gov.au. Please note, ASIC may charge a fee in respect of such services.

SLR Shareholders may obtain an electronic copy of the below documents free of charge from SLR's website at <https://www.silverlakeresources.com.au/> or by visiting the ASX website under ASX code 'SLR' at www.asx.com.au.

- (a) The SLR 2023 Annual Report (being the annual financial report most recently lodged with ASIC before lodgement of this Scheme Booklet with ASIC);
- (b) the half-year report lodged with ASIC by SLR for the six month period ended 31 December 2023 (being the most recent half-year report since the lodgement with ASIC of the SLR 2023 Annual Report and before lodgement of this Scheme Booklet with ASIC); and
- (c) any continuous disclosure notice given to ASX by SLR since the lodgement with ASIC of the SLR 2023 Annual Report and before lodgement of this Scheme Booklet with ASIC,

Further announcements concerning developments at SLR may be made and placed on these websites after the date of this Scheme Booklet.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet, that has not been disclosed in this Scheme Booklet.

A list of announcements made by SLR to ASX from the date of SLR's 2023 annual report to the Last Practicable Date is set out below.

Date	Announcement
11 April 2024	Ceasing to be a substantial holder for ENR
11 April 2024	Notification of cessation of securities
8 April 2024	March Quarter Sales Results
5 April 2024	Scheme Booklet lodged with ASIC
21 February 2024	Half Year Financial Results Summary
21 February 2024	Appendix 4D and Interim Financial Report
05 February 2024	Presentation – Red 5 and Silver Lake Resources to Merge
05 February 2024	RED: Red 5 Investor Webcast Presentation – Silver Lake Merger
05 February 2024	Red 5 and Silver Lake Resources to Merge
05 February 2024	RED: Red 5 and Silver Lake Resources to Merge
30 January 2024	Quarterly Activities Report
10 January 2024	Becoming a substantial holder
09 January 2024	Notification of cessation of securities – SLR
09 January 2024	Notification regarding unquoted securities – SLR
08 January 2024	December Quarter Sales Results
05 January 2024	Ceasing to be a substantial holder
28 December 2023	Becoming a substantial holder
22 December 2023	Notification regarding unquoted securities – SLR
24 November 2023	Results of AGM
24 November 2023	Chairman's Address to Shareholders
24 November 2023	Corporate Presentation – November 2023
13 November 2023	Change of Director's Interest Notice
07 November 2023	Notification regarding unquoted securities – SLR
26 October 2023	Quarterly Activities Report
24 October 2023	Appendix 4G
24 October 2023	Corporate Governance Statement
24 October 2023	Annual Report to shareholders

6.10 Litigation

As far as the SLR Directors are aware, as at the Last Practicable Date, no member of the SLR Group is subject to any material legal disputes or is party to any material litigation proceedings.

6.11 Further information

For a summary of the risks associated with the Scheme, refer to **section 9**. In particular, **section 9.5** outlines certain risks to SLR if the Scheme does not proceed.

7. RED Information

7.1 Introduction

The information contained in this **section 7** has been prepared by, and is the responsibility of, RED (unless otherwise stated). The information in relation to RED has been prepared as at the Last Practicable Date (unless stated otherwise). Additional information is included in the Independent Expert's Report included in **Appendix 2**. SLR does not assume any responsibility for the accuracy or completeness of the information in this **section 7**.

7.2 Overview of RED

(a) Corporate Profile

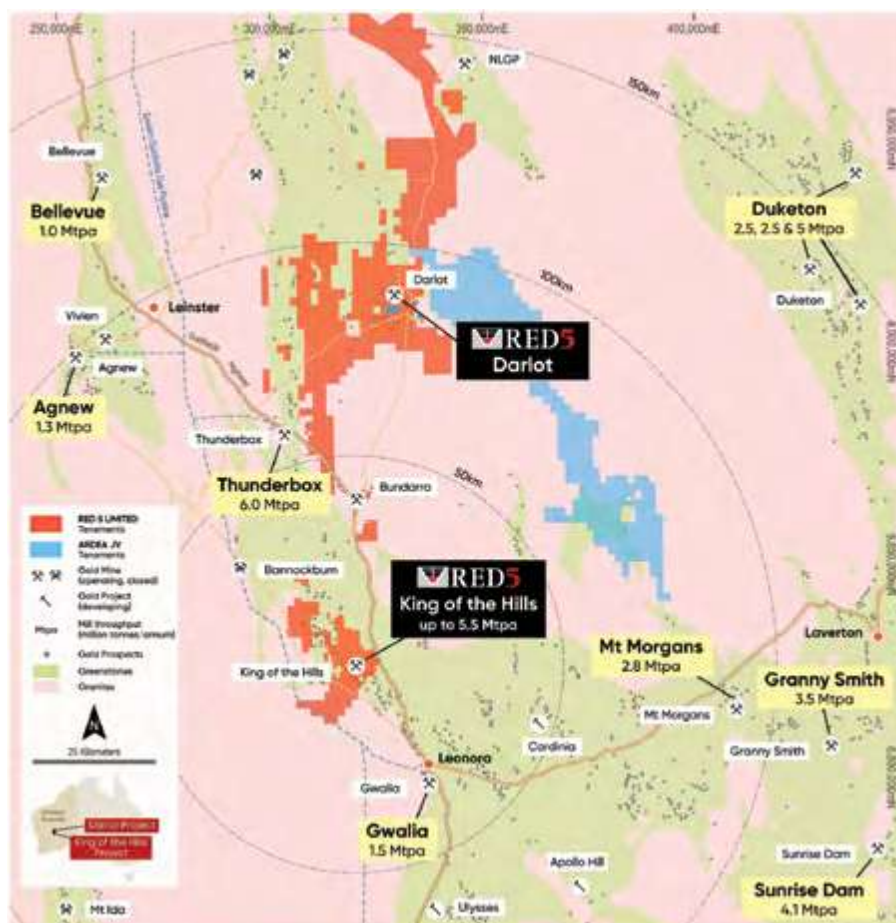
RED is a mid-tier Australian gold producer that was listed on the ASX in October 1996. RED holds an extensive 2,555 square kilometre strategic tenement package in the world-class Leonora-Leinster mineral district in the northern goldfields of Western Australia.

RED owns and operates the KOTH Gold Mine, comprising the KOTH open pit and underground operations and the Darlot satellite operation located near Leonora, and holds a royalty interest in the Siana Gold Project in the Philippines.

RED acquired KOTH and Darlot from Saracen Mineral Holdings and Gold Fields Limited, respectively, in October 2017. These landmark acquisitions provided the company with immediate production and cash flow, with Darlot being in production upon acquisition and underground mining commencing at KOTH shortly after transaction completion. Since acquiring these assets, RED has delivered on its development strategy and rapidly progressed the construction and establishment of the KOTH processing plant as a central processing hub in the Leonora region. Following the completion of a pre-feasibility study in August 2019 and a final feasibility study in September 2020 for an integrated open pit and underground bulk mining and standalone processing operation at KOTH, construction commenced in October 2020, first gold was poured in June 2022 and commercial production declared in December 2022. Over this period, RED has also delivered a significant increase in the KOTH Mineral Resource to 4.5Moz and KOTH Ore Reserve to 2.5Moz, providing baseload feed for the processing plant for many years to come.

In addition to its operations, RED's tenements also offer significant near mine and regional exploration upside, with active exploration programs being undertaken at both KOTH and Darlot.

Figure 4.1: RED operations



(b) Strategy

RED's existing business strategy is firmly anchored in the company vision of being a successful multi-operational exploration and mining company, providing benefits to all stakeholders, through the consistent application of technical excellence and responsible and sustainable industry practices.

(c) Key assets and operations

RED's production centre at the KOTH Gold Mine comprises a centralised processing hub capable of a processing rate of up to 5.5Mtpa of ore, which is fed by three mines:

- (i) KOTH Open Pit;
- (ii) KOTH Underground; and
- (iii) Darlot Underground.

RED delivered total gold production from its KOTH Open Pit, KOTH Underground and Darlot Underground mines of 165,544 ounces for the year ended 30 June 2023, recovered from 4,252,673 tonnes of ore processed at an average head grade of 1.31g/t Au.

RED's existing operations have a combined Ore Reserve of 2.6Moz and Mineral Resource of 6.4Moz and are forecast to produce 195,000 – 215,000oz of gold in FY24 at an AISC of A\$1,850 – A\$2,100/oz.

(iv) KOTH Processing Plant

RED's wholly owned KOTH Gold Mine comprises the KOTH Open Pit, KOTH Underground mine and KOTH processing plant, and is located approximately 900 kilometres north-east of Perth and approximately 25 kilometres north of Leonora, in the highly-endowed Goldfields region of Western Australia.

The KOTH processing plant comprises a conventional carbon-in-leach (CIL) plant, a semi-autogenous (SAG) grinding mill, a 6Mtpa gyratory crusher, a 380-room village, and is powered by a 30MW hybrid gas-solar power station connected to the Goldfields gas pipeline.

The plant operates at an annualised throughput run-rate of 5.0Mtpa but has recently achieved throughput rates of up to 5.5Mtpa, which is significantly higher than the original nameplate design of 4.0Mtpa (as-built installed capacity was 4.7Mtpa) and establishes it as the largest and most cost-efficient processing hub in the Leonora district. The plant is designed for future expansion of up to 6.0Mtpa with minimal interruption to operations and relatively low capital expenditure.

Production for RED in FY23 was 165,544oz (KOTH process plant 162,883oz and Darlot process plant 2,661oz, before the Darlot mill was placed on care & maintenance) and production for the 6 months ended 31 December 2023 was 108,027oz (all from the KOTH process plant).

(v) KOTH Gold Mine

In FY23, RED completed a total of 146,729 grade control drill metres in the KOTH Open Pit. This comprised of 137,031 metres drilled in Stage 1 and 9,698 metres drilled in Stage 2. For KOTH Underground, 75,365 drill metres were completed in FY23.

In the first half of FY24, 2.71Mt of ore was mined from the KOTH Open Pit at an average grade of 0.74g/t Au and 0.50Mt of ore was mined from KOTH Underground at an average grade of 1.86g/t Au.

The KOTH Gold Mine Mineral Resource, as at 30 June 2023, is 96.5Mt @ 1.4g/t for 4.5Moz of contained ounces gold. This estimate includes historic stockpiles, ROM material and underground broken stocks.

The combined open pit and underground Ore Reserve at KOTH, which includes regional open pit reserves, as at 30 June 2023 is 69.5Mt @ 1.1g/t for 2.46Moz of contained ounces gold.

(vi) Darlot Gold Mine

RED's wholly owned Darlot Gold Mine is located approximately 100 km north of KOTH in the Goldfields region of Western Australia. The mine is operated through RED's 100%-owned subsidiary company, Darlot Mining Company Pty Ltd.

Darlot is currently operated as a satellite mine, with ore being hauled to and treated at the KOTH processing plant. Darlot's 1.0Mtpa processing plant went into care and maintenance in July 2022, enabling Darlot to become a high-grade feed source for the KOTH processing plant and delivering a step-change improvement in Darlot's unit production costs.

In the first half of FY24, 0.358Mt of ore was mined from Darlot Underground at an average head grade of 2.90g/t Au.

The Darlot Gold Project Mineral Resource, as of 30 June 2023, which includes all stockpiles, ROM, and underground broken stocks, is 16.6Mt @ 3.3g/t for 1.8Moz of contained gold.

The Darlot Gold Project Ore Reserves as at 30 June 2023 is 1.4Mt @ 2.5g/t for 114koz of contained ounces gold.

(vii) Royalty Interest in Siana Gold Project

The RED Group holds a 3.25% Net Smelter Return (**NSR**) royalty in the Siana Gold Project, payable for up to 619,000oz gold, with an estimated future face value of US\$36.0 million (based on a US\$1,800/oz gold price). The Siana Gold Project is owned by TVI Resource Development (Phils) Inc and is located in Surigao del Norte Province on the island of Mindanao in the Philippines.

RED previously developed and operated the gold mine until 2017, when it was placed into care and maintenance. RED divested its interests in the Philippine-affiliated company, Greenstone Resources Corporation, which holds the Siana Gold Project and the Mapawa Gold Project in the Philippines, in September 2021 to TVI Resource Development (Phils) Inc.

Siana restarted operations in FY23. The first royalty from Siana was received in the second half of FY23, amounting to \$0.4 million, which is included in other income.

(viii) **Exploration**

Drilling programs are currently being undertaken across RED's tenement holdings, with the aim of de-risking the mine plan and identifying new mining areas. The primary focus has been on underground extension drilling at both KOTH and Darlot, and selective surface based programmes on shallower deposits at KOTH. RED expects to maintain these focus areas in the near term.

In addition, RED has progressed exploration activities at certain tenements adjacent to Darlot that are subject to a farm-in and joint venture agreement with Ardea Exploration Pty Ltd (**Ardea**). In November 2023, RED advised Ardea that it had met the expenditure requirements for RED to earn an 80% interest in these tenements and commence the formation of an unincorporated joint venture. As at the Last Practicable Date, Ardea had yet to complete its audit of RED's expenditure and confirm RED's 80% interest in the relevant tenements.

(d) **Ore Reserves and Mineral Resources**(i) **KOTH****Figure 4.2: KOTH Ore Reserves**

Project	Cut-off Au (g/t)	Mining Method	Classification	Tonnes (kt)	Grade Au (g/t)	Contained Au (koz)
King of the Hills	0.4	OP	Proved	4,644	0.8	122
			Probable	54,188	1.2	2,010
			Sub Total	58,831	1.1	2,132
	1.4	UG	Proved	0	0.0	0
			Probable	2,524	1.8	148
			Sub Total	2,524	1.8	148
King of the Hills – Sub Total			61,355	1.2	2,280	
Rainbow	0.3	OP	Proved	0	0.0	0
			Probable	2,054	0.8	56
			Sub Total	2,054	0.8	56
Centauri	0.3	OP	Proved	0	0.0	0
			Probable	326	1.2	13
			Sub Total	326	1.2	13
Cerebus-Eclipse	0.3	OP	Proved	0	0.0	0
			Probable	1,490	1.0	47
			Sub Total	1,490	1.0	47
KOTH and KOTH Regional – Sub Total			3,869	0.9	116	
Stockpiles	0.0	OP	Probable	1,682	0.4	24
Broken Stocks	Variable	UG	Proved	18	1.7	1
ROM	Variable	All	Proved	2,543	0.5	43
Stockpiles – Sub Total				4,244	0.5	68
King of the Hills Gold Project (at 30 June 2023)	Variable	All	Proved	7,206	0.7	166
			Probable	62,262	1.1	2,297
Grand Total				69,468	1.1	2,464

Figure 4.3: KOTH Mineral Resources

Project	Cut-off Au (g/t)	Mining Method	Classification	Tonnes (kt)	Grade Au (g/t)	Contained Au (koz)	
King of the Hills	0.4	OP	Measured	4,056	1.1	142	
			Indicated	55,658	1.3	2,375	
			Inferred	9,009	1.2	359	
				Sub Total	68,722	1.3	2,876
	1.0	UG	Measured	37	2.3	3	
			Indicated	11,901	2.4	911	
			Inferred	4,622	2.0	297	
				Sub Total	16,560	2.3	1,211
	Variable	All	Measured	4,092	1.1	145	
Indicated			67,559	1.5	3,286		
Inferred			13,630	1.5	657		
King of the Hills – Sub Total				85,282	1.5	4,087	
Regional Resources	Variable	OP	Indicated	5,410	1.4	242	
			Inferred	1,610	1.3	67	
Regional Resources – Sub Total				7,020	1.4	308	
King of the Hills and Regional Resources	Variable	OP	Measured	4,056	1.1	142	
			Indicated	61,068	1.3	2,617	
			Inferred	10,619	1.2	425	
				Sub Total	75,742	1.3	3,184
	1.0	UG	Measured	37	2.3	3	
			Indicated	11,901	2.4	911	
			Inferred	4,622	2.0	297	
				Sub Total	16,560	2.3	1,211
	KOTH and KOTH Regional – Sub Total				92,302	1.5	4,395
Stockpiles	0.0	OP	Indicated	1,682	0.4	24	
Broken Stocks	Variable	UG	Measured	18	1.7	1	
ROM	Variable	UG	Measured	2,543	0.5	43	
Stockpiles – Sub Total				4,244	0.5	68	
King of the Hills Gold Project (at 30 June 2023)	Variable	All	Measured	6,654	0.9	189	
			Indicated	74,651	1.5	3,552	
			Inferred	15,240	1.5	723	
Grand Total				96,545	1.4	4,463	

(ii) Darlot

Figure 4.4: Darlot Ore Reserves

Project	Cut-off Au (g/t)	Mining Method	Classification	Tonnes (kt)	Grade Au (g/t)	Contained Au (koz)
Darlot	1.7 – 2.4	UG	Proved	0	0.0	0
			Probable	1,341	2.6	110
Darlot Gold Project – Sub Total				1,341	2.6	110
Broken Stocks	Variable	UG	Proved	12	2.9	1
ROM	Variable	UG	Proved	39	2.3	3
Stockpiles – Sub Total				51	2.4	4
Darlot Gold Project (at 30 June 2023)	Variable	All	Proved	51	2.4	4
			Probable	1,341	2.6	110
Grand Total				1,393	2.5	114

Figure 4.5: Darlot Mineral Resources

Project	Cut-off Au (g/t)	Mining Method	Classification	Tonnes (kt)	Grade Au (g/t)	Contained Au (koz)
Darlot	2.0	UG	Measured	2	7.4	1
			Indicated	7,170	4.2	971
			Inferred	4,541	3.9	568
			Sub Total	11,713	4.1	1,540
Great Western	1.5	UG	Measured	0	0.0	0
			Indicated	57	4.0	7
			Inferred	142	3.1	14
			Sub Total	199	3.4	22
Underground – Sub Total				11,912	4.1	1,561
Darlot Region	0.5	OP	Measured	100	1.0	3
			Indicated	810	1.2	31
			Inferred	3,508	1.5	166
			Sub Total	4,418	1.4	200
Great Western	0.5	OP	Measured	6	2.8	1
			Indicated	83	2.7	7
			Inferred	97	1.9	6
			Sub Total	186	2.3	14
Open pit – Sub Total				4,604	1.4	214
Darlot Gold Project – Sub Total				16,516	3.3	1,775
Broken Stocks	Variable	UG	Measured	12	2.9	1
ROM	Variable	UG & OP	Measured	39	2.3	3
Stockpiles – Sub Total				51	2.4	4
Darlot Gold Project (at 30 June 2023)	Variable	All	Measured	159	1.6	8
			Indicated	8,120	3.9	1,017
			Inferred	8,288	2.8	754
Grand Total				16,567	3.3	1,779

See **section 12.11** for the Competent Persons Statements and other disclosures required under the ASX Listing Rules in respect of all Mineral Resource and Ore Reserve data contained in this **section 7**.

(e) Production and cost guidance

On 26 July 2023, RED issued FY24 production guidance of 195,000 – 215,000oz at an AISC of A\$1,850 – A\$2,100/oz. These guidance ranges were re-affirmed by RED on 31 January 2024.

RED has also forecast growth capital expenditure of \$40 – \$46 million for FY24. The majority of this growth capital expenditure will comprise capitalised deferred waste for the KOTH Open Pit Stage 2 stripping programme.

(f) Financing and gold hedging arrangements

RED executed a \$175.0 million debt facility commitment on 17 March 2021 with a syndicate comprising BNP Paribas (Australia branch), The Hongkong and Shanghai Banking Corporation Limited (Sydney Branch), and Macquarie Bank Limited. The terms of the debt facility were adjusted in December 2022 (**Syndicated Facility Agreement**).

The key terms of the project financing facilities at the time of inception include:

- (i) A\$160.0 million senior secured project loan facility;
- (ii) A\$15.0 million cost overrun and working capital facility;
- (iii) loan term of 5.75 years, maturing on 30 September 2026;
- (iv) an interest rate in respect of the senior secured project loan facility of BBSY-bid plus a margin of 4.0% – 4.5% p.a.;
- (v) certain financial and non-financial covenants; and
- (vi) guaranteed and secured on a first-ranking basis over all Australian assets of RED and its Subsidiaries Greenstone Resources (WA) Pty Ltd, Opus Resources Pty Ltd and Darlot Mining Company Pty Ltd.

Non-substantive amendments have periodically been made to the Syndicated Facility Agreement concerning the repayment schedule, margin and financial covenants. As at 31 December 2023, \$102.8 million was outstanding with \$99 million scheduled to be repaid in the 6 months ending 30 June 2024. The final quarterly repayment is scheduled to be made on 30 June 2026.

Under the Syndicated Facility Agreement which governs the long-term debt, RED is subject to financial and non-financial covenants for which it must report on a quarterly basis or in the event of a default. RED has been compliant under those covenants to date.

A requirement under the Syndicated Facility Agreement was for RED to enter into a specified quantity of gold forwards contracts with the syndicate of lenders. As at 31 December 2023, the following gold forward contracts are remaining to be settled:

6 months ending	Quantity (oz Au)	Price (A\$/oz)
30 June 2024	51,251	\$2,312
31 December 2024	55,984	\$2,470
30 June 2025	46,700	\$2,549
31 December 2025	44,962	\$2,797
30 June 2026	47,319	\$2,797
31 December 2026	10,223	\$2,797
TOTAL	256,439	\$2,584

Implementation of the Scheme will constitute a "Review Event" under the Syndicated Facility Agreement which, among other things, gives the lenders under the Syndicated Facility Agreement rights to accelerate repayment of outstanding debt and out of the money hedge positions by RED. RED has obtained a waiver from the lenders under the Syndicated Facility Agreement of the occurrence of any "Review Event" under the Syndicated Facility Agreement as a result of implementation of the Scheme, and of any rights arising in favour of the lenders in connection with any such "Review Event". RED has also obtained the consent of the lenders under the Syndicated Facility Agreement to the acquisition by RED of a new subsidiary, being SLR, as a result of the Scheme, and consent to the exclusion of certain costs relating to the Scheme such as legal fees, tax adviser fees, and financial adviser fees, from counting towards calculations to determine whether RED remains in compliance with its various covenants under the Syndicated Facility Agreement, as at certain upcoming dates, including 31 March 2024 and 30 June 2024.

As at the date of this Scheme Booklet, RED and SLR have yet to determine the optimum balance sheet structure for the Merged Group upon implementation of the Scheme. Once determined, this is likely to lead to a repayment or refinance, or potentially a restructure, of the existing debt the subject of the Syndicated Facility Agreement.

(g) **Key contracts**

RED anticipates that its supply chain options may expand following implementation of the Scheme, utilising the relationships which SLR has with suppliers not currently within RED's supply chain. In addition, RED expects to derive greater efficiencies and cost reductions in supply chain contracts because of greater volume/economy of scale if the Scheme is implemented.

The most significant contract that RED is party to as at the date of this Scheme Booklet is the contract for mining services at KOTH with Macmahon Contractors Pty Ltd, a subsidiary of ASX-listed Macmahon Holdings Limited. This contract is for the provision of open pit and underground mining services at KOTH. Under the terms of the contract, the open pit mining services commenced in January 2022 and have a term of five (5) years from the commencement of open pit mining services. Underground mining services commenced in March 2022 and have a term of five (5) years from the commencement of underground mining services. The contract contains provisions enabling RED to terminate the contract for convenience upon 90 days' written notice and payment of an early termination payment.

7.3 Historical financial information

The selected historical financial information in this section (**RED Historical Financial Information**) has been extracted from RED's audited financial statements for the financial years ended 30 June 2023 and 30 June 2022 and the reviewed interim financial statements for the six-month period ended 31 December 2023.

(a) **Basis of presentation of historical financial information**

The RED Historical Financial Information presented in this Scheme Booklet is in abbreviated form and does not contain all presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act and should therefore be read in conjunction with the financial statements of RED for the respective periods, including the description of the significant accounting policies contained in those financial statements and the notes to those financial statements. The RED historical consolidated statements of profit or loss and other comprehensive income, RED historical consolidated balance sheets and RED historical consolidated statements of cash flows are extracted from the financial statements for FY22 and FY23, and the half-year ended 31 December 2023, which have been lodged with ASIC and are available from RED's website (www.red5limited.com) or by visiting the ASX website under ASX code 'RED' at www.asx.com.au. The RED financial statements for:

- (i) the years ended 30 June 2022 and 30 June 2023 were audited by KPMG in accordance with the Auditing Standards. KPMG issued unqualified audit opinions on these financial statements; and
- (ii) the half-year ended 31 December 2023 were subject to review by KPMG. KPMG issued unqualified review conclusions on these financial statements.

The significant accounting policies used in the preparation of the RED Historical Financial Information are consistent with those set out in RED's annual report for FY22 and FY23. The RED Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in Auditing Standards) adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act. The consolidated financial statements comply with International Financial Reporting Standards (**IFRSs**) adopted by the International Accounting Standards Board (**IASB**).

(b) **Historical consolidated statement of profit or loss and other comprehensive income**

Set out in the following table is the RED historical consolidated statement of profit or loss and other comprehensive income for FY22, FY23 and the six months ended 31 December 2023.

Figure 4.6: RED historical consolidated statement of profit or loss and other comprehensive income

\$'000	6 months ended 31 December 2023 \$'000	12 months ended 30 June 2023 \$'000	12 months ended 30 June 2022 \$'000
Sales revenue	283,470	422,745	164,962
Cost of sales	(237,761)	(394,620)	(196,049)
Gross profit/(loss)	45,709	28,125	(31,087)
Other income and expenses			
Other income	597	811	208
Administration and other expenses	(3,297)	(8,825)	(13,371)
Exploration expenditure	(3,257)	(7,181)	(2,522)
Financing income	253	61	8
Financing expenses	(11,042)	(21,721)	(2,815)
Total other income and expenses	(16,746)	(36,855)	(18,492)
(Loss)/profit before income tax expense	28,963	(8,730)	(49,579)
Income tax benefit/(expense)	-	-	915
Net (loss)/profit from continuing operations	28,963	(8,730)	(48,664)
Profit/(loss) from discontinued operation (net of tax)	-	-	20,049
Net (loss)/profit after income tax for the year	28,963	(8,730)	(28,615)
Other comprehensive income/(loss)			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	(7)	(54)	631
Reclassified to profit or loss on sale of subsidiary	-	-	(26,504)
Cashflow hedge movements	-	-	(1,444)
Total comprehensive profit for the year	28,956	(8,784)	(55,932)
Net (loss)/profit after income tax attributable to:			
Non-controlling interest	-	-	(86)
Members of parent entity	28,963	(8,730)	(28,529)
	28,963	(8,730)	(28,615)
Total comprehensive profit attributable to:			
Non-controlling interest	-	-	(83)
Members of parent company	28,956	(8,784)	(55,849)
	28,956	(8,784)	(55,932)
	Cents	Cents	Cents
(Loss)/profit per share attributable to shareholders			
Basic and diluted earnings/(loss) per share	0.84	(0.31)	(1.21)
Basic and diluted earnings/(loss) per share – continuing operations	0.83	(0.31)	(2.06)

(c) **Historical consolidated balance sheet**

Set out in the following table is the RED historical consolidated balance sheet as at 30 June 2022, 30 June 2023 and 31 December 2023.

Figure 4.7: RED historical consolidated balance sheet

\$'000	As at 31 December 2023 \$'000	As at 30 June 2023 \$'000	As at 30 June 2022 \$'000
Assets			
Current Assets			
Cash and cash equivalents	28,321	20,112	32,526
Trade and other receivables	22,367	28,973	19,025
Inventories	68,492	76,550	41,415
Total Current Assets	119,180	125,635	92,966
Non-Current Assets			
Property, plant and equipment	274,074	289,329	303,378
Mine properties	231,279	228,498	131,416
Exploration and evaluation assets	10,924	10,767	41,133
Trade and other receivables	6,168	8,168	8,180
Inventories	26,914	7,911	-
Intangible assets	141	169	292
Total Non-Current Assets	549,500	544,842	484,399
Total Assets	668,680	670,477	577,365
Liabilities			
Current Liabilities			
Trade and other payables	67,515	63,683	64,174
Financial liability	39,412	21,854	19,376
Provisions	1,652	447	1,296
Employee benefits	5,611	7,130	8,316
Lease liabilities	18,320	18,557	18,490
Total Current Liabilities	132,510	111,671	111,652
Non-Current Liabilities			
Financial liability	63,061	104,286	152,894
Provisions	60,162	59,239	47,681
Employee benefits	917	797	739
Lease liabilities	55,682	64,413	81,604
Total Non-Current Liabilities	179,822	228,735	282,918
Total Liabilities	312,332	340,406	394,570
Net Assets	356,348	330,071	182,795
Equity			
Contributed equity	597,426	596,668	443,160
Other equity	-	930	930
Reserves	4,724	8,168	6,918
Accumulated losses	(245,785)	(275,678)	(268,196)
Total Equity Attributable to Equity Holders of the Company	356,365	330,088	182,812
Non-controlling interests	(17)	(17)	(17)
Total Equity	356,348	330,071	182,795

(d) **Historical consolidated statement of cash flows**

Set out in the following table is the RED historical consolidated statement of cash flows for FY22, FY23 and the six months ended 31 December 2023.

Figure 4.8: RED historical consolidated statement of cash flows

\$'000	6 months ended 31 December 2023 \$'000	12 months ended 30 June 2023 \$'000	12 months ended 30 June 2022 \$'000
Cash flows from operating activities			
Cash received from customers	286,812	420,013	158,606
Payments to suppliers and employees	(190,067)	(366,325)	(157,055)
Payments for exploration and evaluation	(3,257)	(7,181)	(2,522)
Sundry receipts	662	473	223
Interest received	253	61	8
Interest paid	(147)	(376)	(791)
Net operating cash flows used in discontinued operations	-	-	(828)
Net cash from/(used in) operating activities	94,256	46,665	(2,359)
Cash flows from investing activities			
Payments for property, plant equipment and intangibles	(7,538)	(29,499)	(94,844)
Payments for mine development	(37,262)	(95,786)	(82,729)
Payments for exploration and evaluation	(157)	(880)	(3,998)
Disposal of discontinued operation, net of cash	-	-	21,467
Net cash used in investing activities	(44,957)	(126,165)	(160,104)
Cash flows from financing activities			
Proceeds from issue of shares	-	158,904	-
Payments for share issue transaction costs	-	(6,838)	-
Proceeds from borrowings	-	-	175,000
Repayment of loans	(25,000)	(47,250)	-
Receipt from restricted cash	2,000	-	13,000
Payments of borrowing costs and interest	(5,278)	(12,021)	(2,730)
Payments of lease liabilities	(12,827)	(25,616)	(8,409)
Net cash from financing activities	(41,105)	67,179	176,861
Net (decrease)/increase in cash and cash equivalents	8,194	(12,321)	14,398
Cash at the beginning of the period	20,112	32,526	17,415
Effect of exchange rate fluctuations on cash held	15	(93)	713
Cash and cash equivalents at the end of the period	28,321	20,112	32,526

(e) Management commentary on historical financials**(i) Commentary on RED's historical statement of profit or loss and other comprehensive income for the six months ended 31 December 2023**

RED reported a profit after tax of \$29.0 million for the 6 months ended 31 December 2023 (31 December 2022: loss of \$28.5 million), driven by revenue of \$283.5 million (31 December 2022: \$159.8 million) from the sale of 107,470oz (31 December 2023: 63,105oz) of gold at an average realised price of A\$2,614/oz (31 December 2022: A\$2,455/oz). Underpinning the improvement in financial performance was the KOTH open pit reaching the main part of the Stage 1 ore body in February 2023 providing continuity of baseload ore feed, sustained improvement in productivity and mining rates at the KOTH underground operation and lower mining costs at Darlot through the reduction in contract hire personnel and equipment.

Administration and other expenses of \$3.3 million for the period were lower than the comparative period (\$8.0 million) due to the reversal of previously recognised share-based payment expenses following the forfeiture of performance rights that did not vest. Financing expenses of \$11.0 million remained consistent with the comparable period despite the reduction in average principal balance due to higher underlying base interest rates. No tax expense was recognised in the period due to the ability of RED to utilise carry forward losses that remain available for use.

(ii) Commentary on RED's historical statement of profit or loss and other comprehensive income for FY23

RED reported a loss after tax of \$8.7 million for the year ended 30 June 2023 (30 June 2022: loss after tax of \$55.9 million), with revenue of \$422.7 million (30 June 2022: \$165.0 million) from the sale of 164,974oz (30 June 2022: 64,315oz) of gold at an average realised price of A\$2,542/oz (30 June 2022: A\$2,526/oz). The reduction in the loss after tax was due to the continued ramp-up in the rate of mining and production at KOTH and the comparative period containing a loss of \$26.5 million resulting from the sale of the Siana gold project in the Philippines that was completed in FY22.

Administration and other expenses of \$8.8 million were \$4.6 million lower than the comparable period reflecting a reduction in corporate office support required as the KOTH construction program completed and transitioned to site-based operations. Financing expenses of \$21.7 million were \$18.9 million higher than the comparable period because of the draw down on the Syndicated Facility Agreement to partially fund the development and commissioning of the KOTH project.

(iii) Commentary on RED's historical statement of financial position for the six months ended 31 December 2023

Non-current assets remain broadly consistent with the prior period as a result of amortisation of previously capitalised assets being largely offset by additional open waste stripping costs at KOTH and capitalisation of other mine development activities.

A decrease in current assets of \$6.4 million as at 31 December 2023 was largely due to the reclassification of low grade (0.3-0.5g/t Au) run-of-mine ore stockpiles to non-current assets due to the mine plan indicating that the low grade stockpiles were not going to be utilised in the following 12 months.

Current liabilities increased by \$20.8 million primarily as a result of a \$17.5 million increase in the current portion of amounts scheduled for repayment under the Syndicated Facility Agreement. Non-current liabilities decreased by \$48.9 million due to the re-classification to current of part of the Syndicated Finance Facility Agreement and the reduction in lease liability amounts payable due to scheduled monthly debt liability amortisation payments during the period.

(iv) Commentary on RED's historical statement of financial position for FY23

The increase in current assets as at 30 June 2023 was primarily driven by an increase in run-of-mine ore stockpiles to \$52.2 million following the ramp-up of open pit mining at KOTH leading to an increase in low grade ore stockpiles. An increase in stores, spares and consumables to support the then new KOTH process plant also contributed.

Non-current assets increased by \$60.4 million during the year primarily due to increased capitalisation of open waste stripping at the KOTH open pit \$53.3 million. Low grade historic run-of-mine stockpiles with net realisable value of \$79 million were classified from current assets to non-current assets during the year.

Current liabilities at 30 June 2023 remained consistent with the prior period at \$111.7 million. Non-current liabilities decreased by \$54.2 million during the year largely due to the commencement of debt principal repayments under RED's Syndicated Facility Agreement.

(v) Commentary on RED's historical statement of cash flows for the six months ended 31 December 2023

Cash flows from operating activities of \$94.3 million for the 6 months ended 31 December 2023 were \$66.8 million higher than the comparable period of the 6 months ended 31 December 2022. The increase was driven by sales proceeds of \$286.8 million (31 December 2022: \$162.2 million) from the sale of 107,470oz (31 December 2023: 63,105oz) of gold at an average realised price of A\$2,614/oz (31 December 2022: A\$2,455/oz). The comparative period of the 6 months ended 31 December 2022 was a period of ramp-up of mining and processing at KOTH, whereas the current period reflects a post ramp-up steady-state.

Investing cash flows of \$45.0 million were \$47.0 million lower than the comparable period of the 6 months ended 31 December 2022. The comparable period reflected expenditure on the completion of site infrastructure and facilities, and pre-production stripping costs at KOTH. Within the current period investing cash flows, \$37.2 million is for expenditure on mine properties that primarily comprise capitalised deferred waste stripping costs for the KOTH open pit (Stages 1 and 2) and capitalised underground development costs at KOTH and Darlot.

Net cash used in financing activities for the period was \$41.1m compared to the 6 month period ended 31 December 2022 which was a net inflow of \$44.8 million. Within the period ended 31 December 2023, \$25.0 million of debt principal payments were made and payments for finance leases, borrowing costs and interest amounted to \$18.1 million.

(vi) Commentary on RED's historical statement of cash flows for FY23

Cash flows from operating activities of \$46.7 million for the year ended 30 June 2023 were \$49.1 million higher than the previous year (FY22: outflow of \$2.4 million). The improvement was predominantly driven by higher sales proceeds of \$420.0 million (30 June 2022: \$158.6 million) from the sale of 164,974oz (30 June 2022: 64,315oz) of gold at an average realised price of A\$2,542/oz (30 June 2022: A\$2,526/oz). The increase in gold sales and proceeds from sales in FY2023 reflect the ramp-up of mining and processing at KOTH.

Cash flows used in investing activities for the year ended 30 June 2023 of \$126.2 million decreased by \$33.9 million compared to FY22. This decrease was primarily due to the FY22 period containing the bulk of the expenditure for property, plant and equipment at KOTH as part of the construction of the process plant and site infrastructure. Within the FY23 investing cash flows, \$95.8 million is for expenditure on mine properties that primarily comprise capitalised deferred waste stripping costs for the KOTH open pit (Stage 1), site infrastructure costs including construction of Tails Storage Facility #5 and capitalised underground development costs at KOTH and Darlot.

Net cash from financing activities of \$67.2 million was \$109.7 million lower than the previous financial year (FY22: \$176.9 million). Within FY23, net proceeds from the issue of shares of \$152.1 million was received which was partly offset by debt, interest and lease liability payments of \$84.8 million. The comparative period of FY22 saw the full draw down of \$175.0 million under the Syndicated Facility Agreement.

(f) **Material changes in RED's financial position and financial performance**

To the knowledge of RED, and except as disclosed in this **section 7.3** or elsewhere in this Scheme Booklet, the financial position and financial performance of RED has not materially changed since 31 December 2023.

An electronic copy of the annual financial report of RED for FY23 (**RED 2023 Annual Report**) is available on the ASX's website www.asx.com.au under ASX code 'RED' or on RED's website at <https://www.red5limited.com/site/content/>

(g) **Forecast financial information**

RED has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. RED has concluded that, as at the date of the Scheme Booklet, it would be misleading to provide forecast financial information beyond annual unit cost guidance, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

In its quarterly activities report released to the ASX on 31 January 2024, RED reiterated its FY2024 AISC guidance range of A\$1,850 – A\$2,100/oz, and growth capital expenditure would range from A\$40 million to A\$46 million. This guidance is on the basis of RED only prior to implementation of the Scheme.

SLR Shareholders should refer to the Independent Expert's Report for the Independent Expert's conclusion regarding valuations of RED and SLR.

7.4 Directors and key senior management

(a) **Board of Directors**

As at the date of this Scheme Booklet, the RED Directors are:

Executive Directors	
Mr Mark Williams (Managing Director)	Mr Williams has been a non-executive director of RED since January 2014 and Managing Director since April 2014. He was previously General Manager of the Tampakan Copper-Gold Project in the southern Philippines from 2007 to 2013. Mr Williams has over 30 years of mining experience operating within a diverse range of open cut, underground, quarrying and civil engineering environments across the developed markets of Australia, United Kingdom and New Zealand, as well as the emerging markets of Philippines, Vietnam, Thailand and South Pacific
Non-Executive Director	
Mr Russell Clark (Non-Executive Chairperson)	Refer to section 8.4(a) .
Ms Andrea Sutton (Non-Executive Director)	Refer to section 8.4(a) .
Mr Peter Johnston (Non-Executive Director)	Refer to section 8.4(a) .
Mr Ian Macpherson (Non-Executive Director)	Refer to section 8.4(a) .

If the Scheme is implemented, the RED Board will be reconstituted as described in **section 8.4**.

(b) **Senior management**

As at the date of this Scheme Booklet, RED's senior management are as follows:

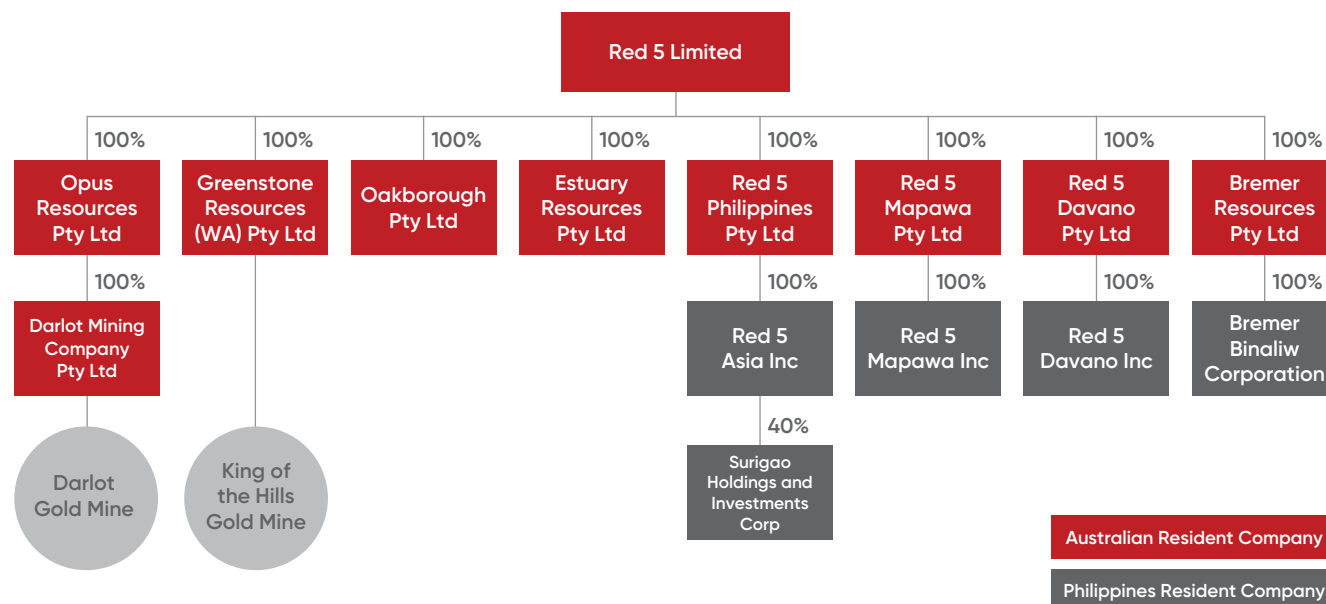
Name	Role
Mr Richard Hay	Chief Operating Officer
Mr David Coyne	Chief Financial Officer & Joint Company Secretary
Mr Byron Dumpleton	Chief Geologist
Ms Lisa Wynne	Joint Company Secretary

If the Scheme is implemented, the RED's senior management team will be reconstituted as described in **section 8.4**.

7.5 Corporate Structure

RED has several Subsidiaries, which are incorporated in Australia and the Philippines. The RED Group corporate structure is set out below:

Figure 4.9: RED Corporate Structure



Note: Surigao Holdings and Investments Corp (**SHIC**) are reported in RED's financial statements on a consolidated basis, despite RED's 40% ownership, due to RED having control over the entity by way of the SHIC shareholder agreement.

If the Scheme is implemented, SLR will become a wholly owned Subsidiary of RED, and SLR's Subsidiaries will in turn become part of the RED Group.

7.6 Corporate Governance

The RED Board is responsible for the corporate governance of RED.

Details of RED's key policies and the charters for the RED Board and each of its committees are available on RED's website <https://www.red5limited.com/site/about-red5/corporate-governance>.

7.7 RED's issued securities

(a) RED issued securities

As at the Last Practicable Date the total securities of RED on issue were as follows:

- (i) 3,463,800,549 RED Shares; and
- (ii) 50,642,518 RED Performance Rights; and
- (iii) 3,549,877 RED Retention Rights.

The RED Performance Rights and RED Retention Rights have been issued to the RED Directors and employees under the terms of the RED Employee Incentive Plan approved by RED shareholders on 25 October 2022. Further information in relation to the RED Performance Rights can be found in **section 12.2**.

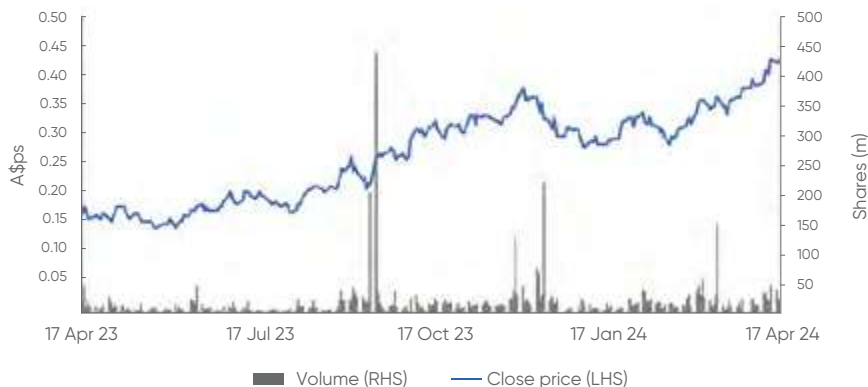
(b) Substantial holders

As at the Last Practicable Date, so far as known to RED based on publicly available information, there are no substantial holders of RED Shares, except as set out below:

Substantial Holder	RED Shares held	Voting Power (on a non-diluted basis)
Silver Lake Resources Limited and associates	411,662,268	11.88%
Van Eck Associates Corporation and associates	343,054,817	9.90%
Victor Smorgon Group Entities and associates	229,525,669	6.63%
Franklin Resources Inc., and associates	221,304,132	6.39%
Regal Funds Management Pty Ltd and associates	186,947,632	5.40%
UBS Group AG and its related bodies corporate	176,085,542	5.08%

(c) Recent trading performance of RED Shares

The following chart shows the closing RED Share price and corresponding daily volume traded on the ASX over the last 12 months up to and including the Last Practicable Date.



(d) Last 12 months trading history of RED Shares

At the Last Practicable Date:

- (i) the last recorded traded price of RED Shares was \$0.43;
- (ii) the 30-day VWAP of RED Shares was \$0.38;
- (iii) the 60-day VWAP of RED Shares was \$0.36;
- (iv) the 90-day VWAP of RED Shares was \$0.34;
- (v) the highest recorded traded price of RED Shares in the previous three months was \$0.44 on 17 April 2024; and
- (vi) the lowest recorded traded price of RED Shares in the previous three months was \$0.29 on 19 February 2024

The closing price of RED Shares immediately before public announcement of the Scheme on 5 February 2024 was \$0.33 on 2 February 2024 (being the last Trading Day prior to the Announcement Date).

The current price of RED Shares on ASX can be obtained from the ASX website (www.asx.com.au) or <https://www.red5limited.com/site/content/>

7.8 Dividends

RED has not paid or declared any dividends in the past 2 financial years or in the 6 months ended 31 December 2023. Under the terms of the Syndicated Facility Agreement, RED is prohibited from paying dividends prior to the repayment of all monies owed unless written consent is obtained from the syndicate of lenders.

7.9 Rights and liabilities attaching to RED Shares

(a) Introduction

The rights and liabilities attaching to the New RED Shares which will be issued to SLR Shareholders (other than Ineligible Shareholders) as the Scheme Consideration if the Scheme is implemented will be the same as those attaching to existing RED Shares and will rank equally with all issued fully paid ordinary shares of RED from the date of their allotment. These rights and liabilities are set out in RED's constitution and are subject to the Corporations Act and the ASX Listing Rules.

Set out below is a summary of some of the key rules in the RED constitution relating to the rights and liabilities attaching to the RED Shares. This summary does not purport to be exhaustive and must be read subject to the full text of RED's constitution, available at the ASX website (www.asx.com.au) and the RED website (www.red5limited.com).

SLR Shareholders should seek their own independent advice in relation to their rights and liabilities as potential holders of RED Shares in specific circumstances, if the Scheme is implemented.

(b) Issue of further shares

The RED Board may, subject to the RED constitution, Corporations Act and the ASX Listing Rules issue, allot or grant options for, or otherwise dispose of, shares in RED on such terms as the RED Board decides.

(c) Transfer of Shares

Subject to the RED constitution and to any restrictions attached to a RED Shareholder's shares, RED Shares may be transferred in accordance with the ASX Settlement Operating Rules, the Corporations Act and the ASX Listing Rules or by a written transfer in any usual form or in any other form approved by the RED Board. The RED Board may decline to register a transfer of RED Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the Listing Rules.

(d) Voting rights

Subject to the RED constitution and to any rights or restrictions attached to any shares or class of shares, at a general meeting of RED, every RED Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each RED Share held. In the case of an equality of votes on a resolution, the chairperson of the meeting has a casting vote in addition to any deliberative vote.

(e) Meetings of Members

Each RED Shareholder is entitled to receive notice of, attend and vote at general meetings of RED and to receive all notices, accounts and other documents required to be sent to RED Shareholders under the RED constitution, Corporations Act and ASX Listing Rules. RED must give at least 28 days' written notice of a general meeting.

(f) Dividends

The RED Board may pay any interim and final dividends that, in its judgement, the financial position of RED justifies. The RED Board may also pay any dividend required to be paid under the terms of issue of a RED Share. Subject to the ASX Settlement Operating Rules, the RED Board may fix a record date for a dividend and the timing and method of payment.

(g) Non-marketable parcel

In accordance with the RED constitution and the ASX Listing Rules, the RED Board may sell RED Shares that constitute less than a marketable parcel by following the procedures set out in the constitution. An unmarketable parcel of RED Shares is generally a holding of RED Shares with a market value of less than \$500.

(h) Winding up

Subject to the RED constitution, the Corporations Act and any rights or restrictions attached to any RED Shares or classes of shares, if RED is wound up and the property of the company available for distribution among the members is more than sufficient to pay:

- (i) all the debts and liabilities of the company; and
- (ii) the costs, charges and expenses of the winding up,

RED Shareholders will be entitled to a share in any surplus property of RED in proportion to the number of RED Shares held by them.

7.10 RED Employee Incentive Plan

As at the date of this Scheme Booklet, RED has an employee incentive plan (**RED Employee Incentive Plan**) in place. Offers of performance rights to executive directors and other employees are made under the RED Employee Incentive Plan.

The RED Board, through the remuneration and nomination Committee (**RED Remuneration and Nomination Committee**) is responsible for defining RED's remuneration strategy and determining the structure and quantum of remuneration for senior executives to support and drive the achievement of RED's strategic objectives. Executive remuneration levels are reviewed annually by the Remuneration Committee with reference to the remuneration guiding principles and market movements.

Post-implementation of the Scheme, the Merged Group intends to review RED's existing employee incentive arrangements (including the RED Employee Incentive Plan) in connection with determining the optimal incentive arrangements for the Merged Group going forward.

(a) Short term incentive (STI) plan

Under RED's short term incentive plan, senior executives may be eligible to receive STI awards. The STI is offered annually and is measured over a single financial year. In FY23, no STI awards were paid as the gateway hurdle was not met, however a discretionary cash STI was awarded to Mr Richard Hay for his contribution to the ramp-up of the KOTH operations. Ordinary, STI awards are paid in 50% and 50% equity following the conclusion of the performance period, however the RED Board retains discretion to make payment in 100%. The 50% equity component is typically settled by the award of services rights that are generally subject to a service condition requiring the relevant employee to remain employed by RED as at the last day of the financial year following the financial year in which the STI was earned. The actual award amount paid to an executive is based on meeting KPIs set in advance of the financial year. The KPIs comprise financial and non-financial objectives which directly align the individual's reward to RED's annual business plans and outcomes.

(b) Long term incentive (LTI) plan

RED's long term incentive plan (**RED LTI Plan**) has been designed to align long term executive reward with shareholders' interests.

Under the RED LTI Plan, RED Directors, senior executives and other key employees identified by the RED Board can receive RED Performance Rights and RED Retention Rights for nil consideration. The vesting of those RED Performance Rights and RED Retention Rights will be subject to the satisfaction of any vesting conditions over the 3-year performance period.

The table below summarises the RED long term incentive securities on issue as at the date of this Scheme Booklet:

Vesting Date	Vesting Condition	Number
30 June 2024	Total shareholder return	6,958,501
30 June 2024	Ore Reserve growth	2,982,209
31 December 2024	RED Retention Rights	8,686,439
30 June 2025	Total shareholder return	3,722,753
30 June 2025	Ore Reserve growth	19,804,838
30 June 2026	Total shareholder return	8,487,778
30 June 2026	Ore Reserve growth	3,549,877
TOTAL		54,192,395

Further information in relation to the RED Performance Rights and RED Retention Rights can be found in **section 12.2**.

7.11 Litigation

RED is the eighth defendant in District Court of Western Australia proceedings *Cheng v Bullseye Mining Limited* (PER CIV 1987/2020). In summary:

- (a) The action was commenced by Mr Sam Cheng against Bullseye Mining Limited (**Bullseye**) to recover unpaid consultancy fees in the amount of \$580,000.
- (b) In response, Bullseye counterclaimed against Mr Cheng and seven other defendants (including RED) alleging that the defendants conspired with each other for the sole or predominant purpose of causing harm and injury to Bullseye.
- (c) The claim against RED relates to a takeover bid that RED made for Bullseye in 2018. In short, Bullseye claims the takeover bid was designed to cause harm to Bullseye and to facilitate the other defendants acquiring Bullseye at a reduced price.
- (d) RED contends that the takeover bid was undertaken for a legitimate commercial purpose and therefore refutes the claims against it.

As at the Last Practicable Date, the action filed by Bullseye Mining Limited remains subject to ongoing proceedings in the District Court of Western Australia.

Other than the foregoing, as at the Last Practicable Date, RED is not involved in any material legal disputes and is not party to any material litigation.

7.12 Interests in SLR securities

As at the Last Practicable Date, other than Mr Peter Johnston who through Hathor Investments Pty Ltd (as trustee for the "Johnston Super Fund") has a beneficial interest in 1.5 million SLR Shares, neither RED nor any RED Director holds a relevant interest in SLR Shares or any other SLR securities.

Except for the Scheme Consideration and as otherwise described in this Scheme Booklet, none of RED or any of its Related Bodies Corporate or any of their respective Associates has provided or agreed to provide consideration for any SLR Shares or other SLR securities under any purchase or agreement during the period of four months before the date of this Scheme Booklet.

(a) RED securities held by RED Directors

The number, description and amount of RED securities controlled or held by, or on behalf of, each RED Director as at the Last Practicable Date are:

Director	RED Shares	RED Performance Rights
Mr Russell Clark	Nil	Nil
Mr Mark Williams	16,919,404 Ordinary Shares	8,697,951
Ms Andrea Sutton	500,000 Ordinary Shares	Nil
Mr Peter Johnston	200,000 Ordinary Shares	Nil
Mr Keith Ian Macpherson	2,047,500 Ordinary Shares	Nil

(b) Other interests of RED Directors

If the Scheme is implemented, the employment agreement for Mr Mark Williams, RED's current Managing Director and Chief Executive Officer, will be terminated within three months of the Implementation Date. Mr Mark Williams will be entitled to a termination payment in lieu of notice of up to 12 months annual total fixed remuneration, and may be eligible for an additional payment under RED's FY24 short term incentive plan to ensure that the amount paid to Mr Mark Williams under the FY24 short term incentive plan equates to the "Target/Plan" amounts available to be earned by Mr Mark Williams. Any termination benefits to be paid to Mr Mark Williams are subject to the limits that apply under the Corporations Act Unvested RED Performance Rights held by Mr Mark Williams shall be subject to accelerated vesting upon termination of Mr Mark Williams' employment agreement.

Except as provided for above and otherwise in this Scheme Booklet, the RED Directors have no interest in the outcome of the Scheme, except as provided for in the Scheme Booklet.

(c) Disclosure of interests

Except as otherwise provided in this Scheme Booklet, no:

- (i) RED Director or proposed RED Director;
 - (ii) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet for or on behalf of RED; or
 - (iii) promoter, stockbroker or underwriter of RED or the Merged Group,
- (together the **Interested Persons**) holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:
- (iv) the formation or promotion of RED or the Merged Group;
 - (v) property acquired or proposed to be acquired by RED in connection with the formation or promotion of RED or the Merged Group or the offer of RED Shares under the Scheme; or
 - (vi) the offer of RED Shares under the Scheme.

(d) Disclosure of fees and other benefits

Except as otherwise disclosed in this Scheme Booklet, RED has not paid any fees, or provided or agreed to provide any benefit:

- (i) to a RED Director or proposed director of RED to induce them to become or qualify as a RED Director;
- (ii) for services provided by any Interested Persons in connection with:
- (iii) the formation or promotion of RED or the Merged Group; or
- (iv) the offer of RED Shares under the Scheme.

7.13 Collateral benefits

Except as otherwise disclosed in this Scheme Booklet, in the four months before the date of this Scheme Booklet, neither RED nor any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an associate, to vote in favour of the Scheme Resolution at the Scheme Meeting or dispose of SLR Shares which benefit is not offered to all SLR Shareholders under the Scheme.

7.14 Publicly available information about RED

RED is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure requirements of the Corporations Act and ASX Listing Rules. Specifically, as a company listed on the ASX, RED is subject to the ASX Listing Rules which require (subject to some exceptions) continuous disclosure of any information RED has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Copies of these announcements can be obtained free of charge from RED's website at www.red5limited.com/site/investor-centre/ASX-Announcements or by visiting the ASX website at www.asx.com.au. Further announcements concerning developments at RED may be made and placed on these websites after the date of this Scheme Booklet.

ASIC also maintains a record of documents lodged with it by RED which can be obtained using services provided by ASIC, information in respect of which can be found on the ASIC website at www.asic.gov.au. Please note, ASIC may charge a fee in respect of such services.

On request to RED and free of charge, SLR Shareholders may obtain a copy of:

- (a) the RED 2023 Annual Report (being the annual financial report most recently lodged with ASIC before lodgement of this Scheme Booklet with ASIC);
- (b) the half-year report lodged with ASIC by RED for the 6 month period ended 31 December 2023 (being the most recent half-year report since the lodgement with ASIC of the RED 2023 Annual Report and before lodgement of this Scheme Booklet with ASIC); and
- (c) any continuous disclosure notice given to ASX by RED since the lodgement with ASIC of the RED 2023 Annual Report and before lodgement of this Scheme Booklet with ASIC.

As at the date of this Scheme Booklet, there is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

A list of announcements made by RED to ASX from the date of the RED 2023 Annual Report to the Last Practicable Date is included below.

Date	Announcement
16/04/2024	Becoming a substantial holder
15/04/2024	Becoming a substantial holder
9/04/2024	Ceasing to be a substantial holder
9/04/2024	Corporate Presentation – Gold Forum Europe
8/04/2024	March Qtr Puts Red 5 On Track To Deliver Top End of Guidance
5/04/2024	SLR: Scheme Booklet lodged with ASIC
5/04/2024	Scheme Booklet lodged with ASIC
4/04/2024	Becoming a substantial holder
21/03/2024	Ceasing to be a substantial holder
20/03/2024	Becoming a substantial holder
12/03/2024	Change in substantial holding
01/03/2024	S&P DJI Announces March 2024 Quarterly Rebalance
22/02/2024	Half year financial results
22/02/2024	Appendix 4D and half year accounts
5/02/2024	Proposed issue of securities – RED
5/02/2024	SLR: Presentation – Red 5 and Silver Lake Resources to Merge
5/02/2024	Red 5 Investor Webcast Presentation – Silver Lake Merger
5/02/2024	SLR: Red 5 and Silver Lake Resources to Merge
5/02/2024	Red 5 and Silver Lake Resources to Merge
31/01/2024	East Coast Roadshow Presentation

Date	Announcement
31/01/2024	December Quarterly Webcast Presentation
31/01/2024	December 2023 Quarterly Activities Report
12/01/2024	Notification regarding unquoted securities - RED
8/01/2024	December Qtr Positions Red 5 to Achieve Top End of Guidance
3/01/2024	Change of Director's Interest Notice (M Williams)
3/01/2024	Application for quotation of securities - RED
22/12/2023	Notification regarding unquoted securities - RED
22/12/2023	Notification of cessation of securities - RED
21/12/2023	Ceasing to be a substantial holder
20/12/2023	Change in substantial holding
18/12/2023	Change in substantial holding
15/12/2023	Becoming a substantial holder
13/12/2023	Change in substantial holding
11/12/2023	Change of Director's Interest Notice (M Williams)
11/12/2023	Change in substantial holding
6/12/2023	Becoming a substantial holder
5/12/2023	Notification regarding unquoted securities - RED
14/11/2023	Red 5 Resources Rising Star Investor Presentation
13/11/2023	Darlot Drilling Update
6/11/2023	Final Director's Interest Notice - S Tombs
6/11/2023	Final Director's Interest Notice - C Loosemore
6/11/2023	Results of Annual General Meeting
6/11/2023	AGM Presentation
6/11/2023	AGM Chairmans Address
26/10/2023	Red 5 Sustainability Report
18/10/2023	September Quarterly Results Investor Call Presentation
18/10/2023	September 2023 Quarterly Activities Report
5/10/2023	Strong Quarter Underpins Acceleration of Debt Reduction
4/10/2023	Revised Notice of Annual General Meeting/Proxy Form
4/10/2023	Notice of Annual General Meeting/Proxy Form
29/09/2023	Appendix 4G
29/09/2023	Red 5 Corporate Governance Statement
29/09/2023	Annual Report to shareholders

7.15 Other material information

Except as otherwise disclosed in this Scheme Booklet, the RED Board is not aware of any information, as at the date of this Scheme Booklet, that is material to the making of a decision in relation to the Scheme which has not been previously disclosed to SLR Shareholders.

8. Merged Group Information

This section of the Scheme Booklet contains information in relation to the Merged Group if the Scheme is implemented and reflects the intentions for the Merged Group as at the date of this Scheme Booklet. Additional information is included in the Independent Expert's Report attached in **Appendix 2**.

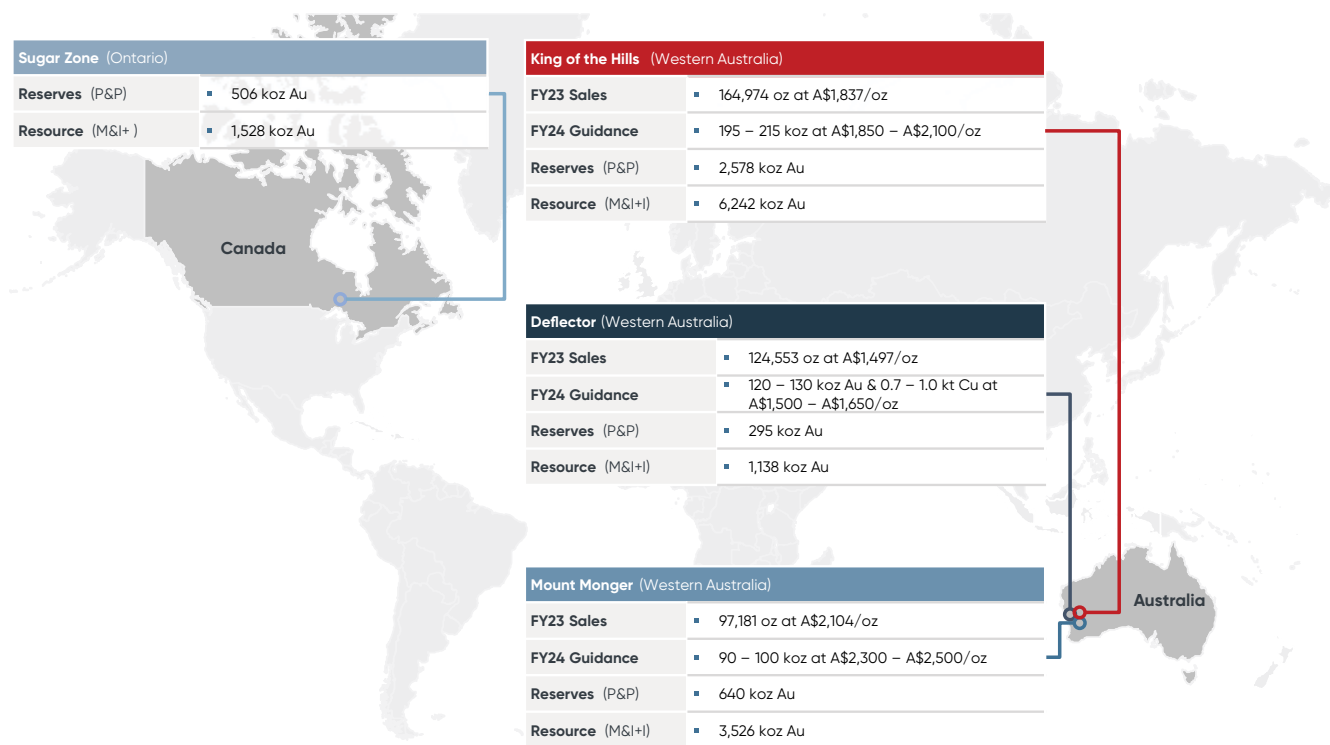
8.1 Overview

Following implementation of the Scheme, the Merged Group's portfolio will include four established mining hubs in the tier 1 gold jurisdictions of Western Australia and Ontario, Canada, namely:

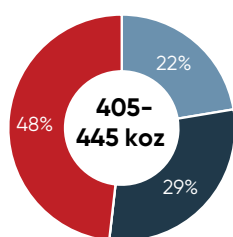
- (a) **Mt Monger Operation:** Consists of three independent and self-sufficient mining centres, being the Daisy Complex, Mount Belches and Aldiss mining centres. These mining centres feed the 1.25Mtpa Randalls processing plant.
- (b) **Deflector Operation:** Comprises the Deflector and Rothsay underground mines and the 0.8Mtpa Deflector processing facility;
- (c) **King of the Hills:** which includes the KOTH and Darlot mines and the King of the Hills processing hub facility, located in the Leonora district of Western Australia. The Darlot underground mine represents a satellite ore source, with mined ore road-hauled to KOTH for processing; and
- (d) **Sugar Zone:** includes the Sugar Zone project and associated 81,287 hectare land package in Northern Ontario, Canada.

These assets are described in more detail in **sections 6.2** and **7.2**.

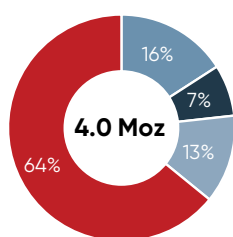
Figure 5.1: Merged Group Assets and Operations



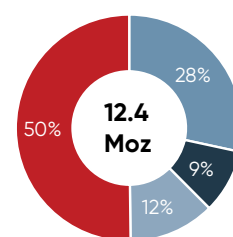
MergeCo pro forma FY24 Gold Sales Guidance



MergeCo pro forma Reserves (P&P)



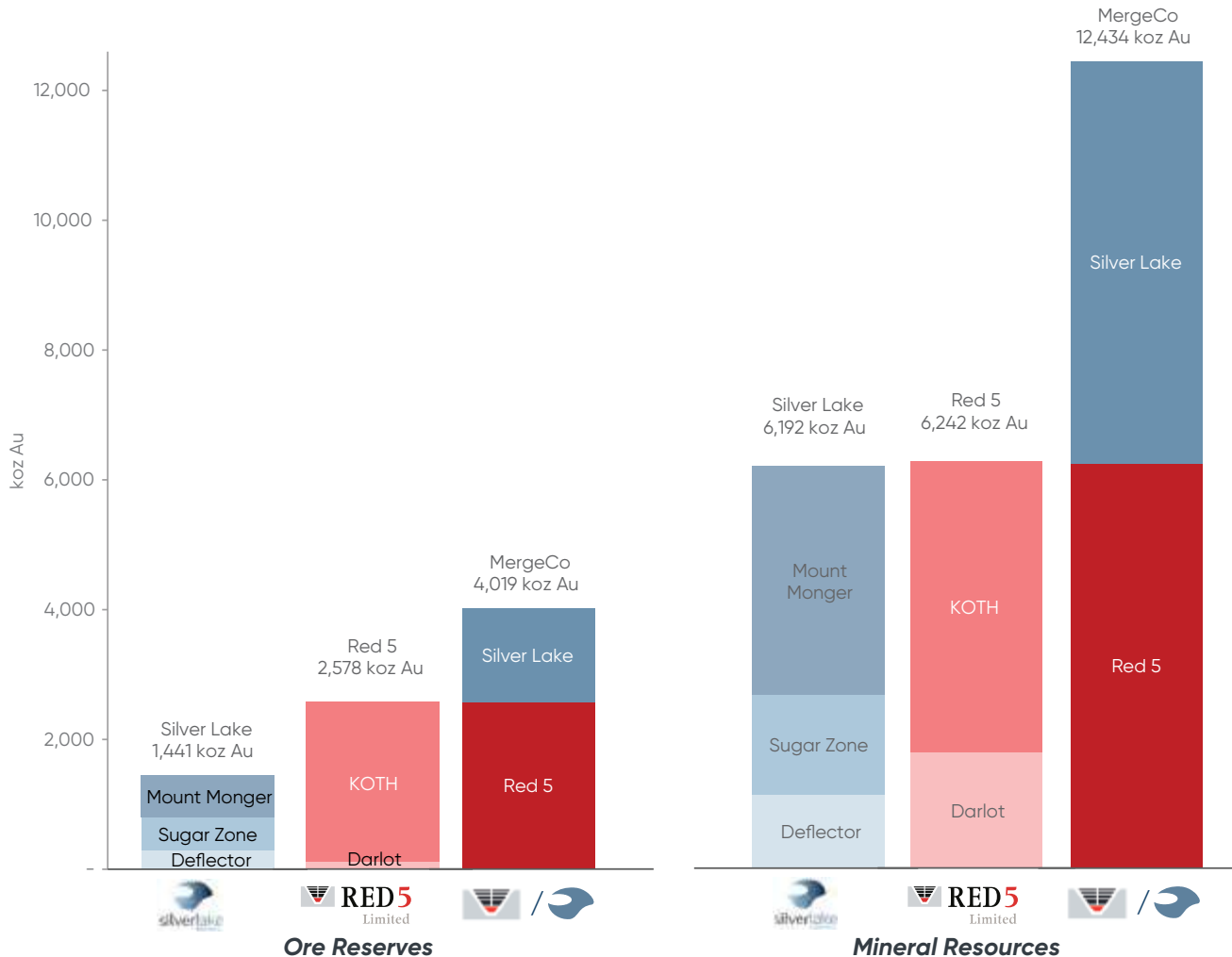
MergeCo pro forma Resources (M&I+)



■ Mount Monger ■ Deflector ■ Sugar Zone ■ KOTH

Following implementation of the Scheme, the combined assets will create a leading mid-tier gold company with a pro forma FY24 production of approximately 445koz³³ and significant Ore Reserve and Mineral Resource inventories of 4.0 million and 12.4 million oz, respectively. All Ore Reserves and Mineral Resources are located within established mining operations exclusively in tier-1 jurisdictions and benefit from established mine, process and services infrastructure.

Figure 5.2: Gold Ore Reserves and Mineral Resources (koz Au)



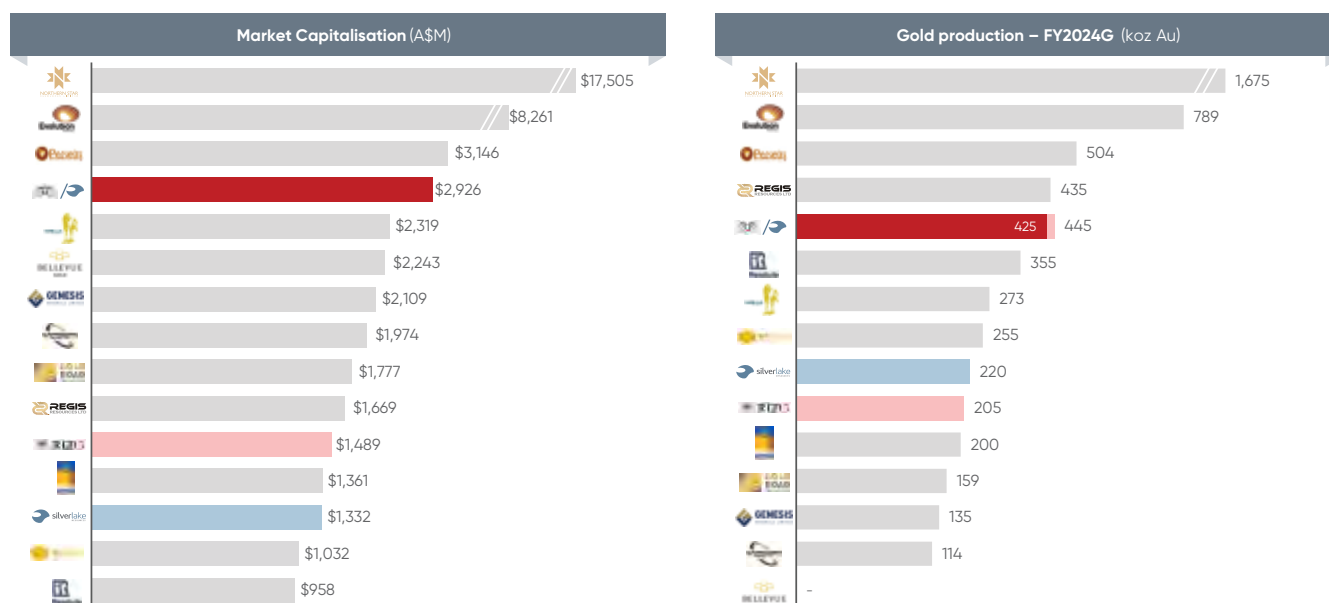
The Merged Group's pro forma FY24 production is expected to establish the Merged Group as a leading diversified, mid-tier gold producer, boasting relevant scale on a global scale. With its installed infrastructure and processing capacity, the Merged Group is well-positioned to uphold its standing among its peers, without greenfield project development. This not only mitigates the inherent risks associated with timing, capital and regulatory approvals associated with the development of greenfield operations but also ensures the sustained competitiveness of the Merged Group within the industry.

Figure 5.3: Merged Group FY24^{(a)(34)}

	Unit	King of the Hills	Deflector	Mount Monger	Merged Group
Gold sales	Koz	195 – 215	120 – 130	90 – 100	405 – 445
Copper sales	Tonnes	-	700 – 1,000	-	700 – 1,000
AISC	A\$/oz	1,850 – 2,100	1,500 – 1,650	2,300 – 2,500	1,850 – 2,074

³³ Based on the upper end of each of RED's FY24 gold sales guidance of 195koz – 215koz and SLR's FY24 sales guidance of 210koz – 230koz.

³⁴ MMO AISC includes non-cash inventory charge associated with treatment of stockpiles at MMO of approximately \$398/oz.

Figure 5.4: Merged Group market capitalisation and pro forma FY24 production guidance³⁵

8.2 Rationale for the Scheme

The merger of SLR and RED pursuant to the Scheme represents a logical combination of two complementary gold producers. The SLR Directors and the RED Directors believe that the Scheme will provide shareholders of the Merged Group with important benefits, which are detailed in **sections 2.1 to 2.8**.

8.3 Corporate structure

On implementation of the Scheme, SLR will be a wholly owned Subsidiary of RED, and each of SLR's Subsidiaries will form part of the RED Group.

The existing corporate structures of the SLR Group and the RED Group are listed in **sections 6.5** and **7.5**, respectively.

8.4 Board and Management

(a) Merged Group Board

It is intended that if the Scheme is implemented, the RED Board and SLR Board will be reconstituted as follows, comprising four appointees of RED and four appointees of SLR.

Name	Role	Biography
Mr Russell Clark <i>Currently Chairperson of RED</i>	Chairperson	Mr Russell Clark has been RED's non-executive Chairman since his appointment to the Board on 1 July 2023. Mr Clark is an internationally experienced mining professional and director with over 40 years of experience in senior corporate, operational and project development roles. During his career, Mr Clark served as Managing Director and CEO of Grange Resources for five years, and he managed Newmont's Australian and New Zealand Operations as Group Executive of Operations, including overseeing the KCGM mine in Kalgoorlie. Prior to that, he held a number of general manager roles for Normandy Mining. He is a qualified Mining Engineer and has worked across Australia, North and South America, Africa, Europe and the Asia Pacific. Mr Clark is currently Chair of CZR Resources (ASX:CZR), Chair of Pearl Gull Iron (ASX:PLG) and a Non-Executive Director of Tungsten Mining (ASX:TGN). He is a Fellow of the Australian Institute of Company Directors (AICD).
Mr Luke Tonkin <i>Currently Managing Director of SLR</i>	Managing Director and Chief Executive Officer	Mr Luke Tonkin is a Mining Engineering graduate of the Western Australian School of Mines and his extensive operations and management career spans over 38 years within the minerals and mining industry. He is a past Chairman of the Western Australian School of Mines Advisory Board. Mr Luke Tonkin has held senior management roles at WMC Resources Ltd, Sons of Gwalia Ltd and was Managing Director of Mount Gibson Iron Ltd for 7 years. Most recently he was Chief Executive Officer and Managing Director of Reed Resources Ltd.

³⁵ S&P Capital IQ data as at ASX market close on the Last Practicable Date. Merged Group pro forma market capitalisation based on the closing price of RED Shares as at the Last Practicable Date of \$0.43 per RED Share and the 6.8 billion pro forma RED Shares on issue post-implementation of the Scheme adjusted for the vesting of performance rights under the Scheme as outlined in the Scheme Implementation Deed. See **sections 4.10** and **12.2** for more information. Where available, production figures represent the mid-point of management's guidance for FY24. CY24 guidance presented for Resolute, Gold Road and West African Resources. The 425koz number reflects the mid-point of RED and SLR gold production whilst the 445koz number references the aggregate top end of guidance for these two companies. Refer to **Appendix 1** for further information.

Name	Role	Biography
Ms Rebecca Prain <i>Currently a non-executive director of SLR</i>	Non-Executive Director	<p>Ms Rebecca Prain holds a Bachelor of Science degree in Geology from the University of Otago, New Zealand and has 35 years' experience in the mining industry as a geologist and mining services provider. She has held a variety of technical and management roles throughout her career and is currently the Managing Director of Cube Consulting, a specialist resource estimation and mining engineering services group that provides geological and mining engineering expertise and systems.</p> <p>Ms Rebecca Prain's experience includes technical and advisory roles to multiple Australian, North American and Southeast Asian mining companies, with a particular focus on the implementation and use of specialist resource estimation and mining software.</p> <p>In 2021 Ms Rebecca Prain was also recognised for her work in the mentoring of women in the Western Australian mining industry.</p>
Mr David Quinlivan <i>Currently non-executive chairman of SLR</i>	Non-Executive Director	<p>Mr David Quinlivan is a Mining Engineer with significant mining and executive leadership experience having 11 years of service at WMC Resources Limited, followed by a number of high-profile mining development positions. Since 1989, Mr David Quinlivan has served as Principal of Borden Mining Services, a mining consulting services firm, where he has worked on a number of mining projects in various capacities. He has served as Chief Executive Officer of Sons of Gwalia Ltd (post appointment of administrators), Chief Operating Officer of Mount Gibson Iron Ltd, President and Chief Executive Officer of Alacer Gold Corporation and Chairman of Churchill Mining PLC.</p>
Mr Kelvin Flynn <i>Currently non-executive director of SLR</i>	Non-Executive Director	<p>Mr Kelvin Flynn is a qualified Chartered Accountant with 33 years' experience in investment banking and corporate advisory roles including private equity and special situations investments in the mining and resources sector. He has held various leadership positions in Australia and Asia, having previously held the position of Executive Director/Vice President with Goldman Sachs and Managing Director of Alvarez & Marsal in Asia. He has worked in complex financial workouts, turnaround advisory and interim management. He is the Managing Director of the specialist alternative funds manager and corporate advisory firm Harvis, which focuses on investments and advice in the real estate and mining and resources sectors.</p> <p>Mr Kelvin Flynn is currently a director of privately held Global Advanced Metals Pty Ltd. Mr Flynn was also previously a Non-Executive Director of Atrum Coal Ltd. from 1 December 2022 to 31 March 2024, Mineral Resources Limited from 22 March 2010 until 31 January 2024 and Mutiny Gold Ltd from 31 March 2014 to 31 January 2015 until its successful merger with Doray Minerals Ltd.</p>
Ms Andrea Sutton <i>Currently non-executive director of RED</i>	Non-Executive Director	<p>Ms Andrea Sutton has been a non-executive director of RED since November 2020 and was appointed Acting Chair from 13 March 2023 until 30 June 2023.</p> <p>Ms Andrea Sutton is a qualified chemical engineer with over 25 years' experience with Rio Tinto and ERA. Between 2013 and 2017, Ms Sutton was Chief Executive and Managing Director of ERA, then a Non-Executive Director from 2018 to 2020. Prior to this, Ms Andrea Sutton had extensive executive and operational leadership roles across Rio Tinto. This experience included Head of Health, Environment, Safety and Security; General Manager Operations at the Bengalla Mine and General Manager of Infrastructure, Iron Ore.</p> <p>Her current board appointments include Chair of WA Water Corporation, and Non-Executive Director of Illuka Resources, Perenti, Infrastructure WA, ANSTO (Australian Nuclear Science and Technology Organisation) and NAWO (National Association of Women in Operations).</p>
Mr Peter Johnston <i>Currently non-executive director of RED</i>	Non-Executive Director	<p>Mr Peter Johnston was appointed a RED non-executive Director on 10 July 2023.</p> <p>Mr Peter Johnston is a highly experienced Australian mining executive and Board Director who has more than 35 years of operational and project development experience. Mr Peter Johnston's career has seen him hold senior roles with major resource companies including Head of Global Nickel Assets for Glencore, Managing Director and Chief Executive Officer of Minara Resources and Executive General Manager at WMC Resources for Olympic Dam, the Nickel Division and the Copper and Fertilisers Division.</p> <p>Mr Peter Johnston is currently Chair of Jervois Mining and Non-Executive Director of Tronox (US). He is the former Non-Executive Chair of the Minerals Council of Australia, Chairman of the Chamber of Mines of WA and held previous long-term NED roles with SLR, NRW Holdings and Emeco. He is a Fellow of the Australian Institute of Company Directors (AICD) and of the Australasian Institute of Mining & Metallurgy.</p>
Mr Ian Macpherson <i>Currently non-executive director of RED</i>	Non-Executive Director	<p>Mr Ian Macpherson has been a non-executive director of RED since April 2014. He is a Chartered Accountant with over 35 years' experience in the provision of financial and corporate advisory services.</p> <p>As former partner at Arthur Andersen & Co, Mr Ian Macpherson managed a specialist practice providing corporate and financial advice to the mining and mineral exploration industry. In 1990, he established Ord Partners (later to become Ord Nexia) and has specialised in the area of corporate advice with particular emphasis on capital structuring, equity and debt raising, corporate affairs and stock exchange compliance for publicly listed companies.</p> <p>Mr Ian Macpherson is currently Executive Chair of RBR Group Limited.</p>

(b) Senior management

It is intended that if the Scheme is implemented, the senior management of the Merged Group will be as follows:

Name	Role	Biography
Mr Luke Tonkin <i>Currently Managing Director of SLR</i>	Managing Director and Chief Executive Officer	Refer to section 8.4(a) .
Mr Struan Richards <i>Currently Chief Financial Officer of SLR</i>	Chief Financial Officer	Mr Struan Richards has extensive mining and resources experience across all phases of exploration, development, and production cycles for a broad range of commodities. Prior to joining SLR in 2023, Mr Struan Richards held a number of executive, management and advisory positions across the mining sector. Most recently, Mr Richards served as CFO of Tianqi Lithium Energy Australia, and previously held roles with IGO Limited, Barrick Gold Corporation and BDO. Mr Struan Richards is a member of the Chartered Accountants Australia and New Zealand and holds an MBA from University of Western Australia.
Mr Richard Hay <i>Currently Chief Operating Officer of RED</i>	Chief Operating Officer	Mr Richard Hay is a qualified geologist with over 30 years' gold mining experience. Mr Richard Hay's career has seen him hold a number of executive and operational leadership roles. Prior to joining Red 5, Mr Richard Hay served as Managing Director and Chief Executive Officer of Gascoyne Resources. Earlier in his career, Mr Richard Hay also served as General Manager at Evolution Mining's Mt Carlton gold operation after a successful 14-year career with Barrick Gold.
Mr Len Eldridge <i>Currently Corporate Development Officer of SLR</i>	Corporate Development Officer	Mr Len Eldridge has 20 years' experience in the resources industry with a strong mix of capital markets skills and relevant industry experience from several senior roles within global mining companies and investment banking. Mr Len Eldridge has previously held roles with Macquarie Bank, Equinox Minerals Ltd, Mount Gibson Iron Ltd and JCP Investment Partners.
Mr David Berg <i>Currently General Counsel & Company Secretary of SLR</i>	General Counsel & Company Secretary	Mr David Berg has worked both in the resources industry and as a lawyer in private practice, advising on corporate governance, M&A, capital raisings, commercial contracts and litigation. Mr David Berg has previously held company secretarial and senior legal positions with Mount Gibson Iron Ltd and Ascot Resources Ltd. Prior to this Mr David Berg worked in the corporate and resources groups of Herbert Smith Freehills and King & Wood Mallesons.
Mr Phillip Stevenson <i>Currently Group Development Geologist of SLR</i>	Group Development Geologist	Mr Phillip Stevenson is a Geologist with 15 years' experience in the resource industry which includes extensive hands-on experience in mine geology, resource and reserve development and exploration predominantly in Australia. Prior to re-joining SLR Mr Phillip Stevenson was Exploration Manager of Saturn Metals Limited and previously held the role of Geology Manager at Silver Lakes Deflector mine. Mr Phillip Stevenson has also held roles with Doray Minerals, IGO and Jabiru Metals across a broad range of commodities.

(c) Senior management remuneration

If the Scheme is implemented it is intended that SLR's managing director, Mr Luke Tonkin, will be appointed as Managing Director and Chief Executive Officer of the Merged Group on the terms summarised below.

Mr Luke Tonkin and RED have entered into a binding terms sheet setting out the terms of Mr Luke Tonkin's employment with RED, which is conditional on the Scheme being implemented. It is intended that the binding term sheet will be replaced by a full form executive services agreement which will incorporate the following key terms:

Item	Mr Luke Tonkin's employment terms
Contract duration	Commencing on implementation of the Scheme, and continuing until terminated by either party.
Notice period for termination by the Merged Group	6 months' notice of payment in lieu thereof or, where a redundancy event occurs, the minimum notice period required under the <i>Fair Work Act 2009</i> (Cth) and payment of 12 months' total fixed remuneration (TFR).
Notice period for termination by Mr Luke Tonkin	6 months' notice.
Total fixed remuneration (TFR)	\$1.064 million (inclusive of superannuation)
STI opportunity	100% of TFR
LTI opportunity	133% of TFR
Performance rights	For each financial year commencing on and after 1 July 2024, Mr Luke Tonkin will be entitled to participate in RED's short term incentive (STI) plan and long term incentive (LTI) plan, which will be generally consistent with his existing SLR terms of employment. For FY25 and FY26, Mr Luke Tonkin's STI and LTI opportunity will be as follows: <ul style="list-style-type: none"> ▪ STI opportunity – 100% of total fixed remuneration; and ▪ LTI opportunity – 133% of total fixed remuneration.
Any other provisions	On the same terms as Mr Luke Tonkin's existing executive services agreement with SLR, including duties, leave entitlements and confidentiality.

Under the Corporations Act, a listed company (such as SLR, RED and the Merged Group) must put its most recent remuneration report to a shareholder vote at each annual general meeting. RED's annual report for FY23, released to the ASX on 29 September 2023, includes a remuneration report within the RED Directors' report. In accordance with the Corporations Act, RED's remuneration report is required to include a discussion of the RED Board's policy in relation to remuneration of key management personnel of RED.

RED's annual report for FY24 will be released in the second half of 2024 and will contain RED's remuneration report for that financial year. This report will contain certain information on the employment arrangements for key management personnel of the Merged Group. In the second half of 2025, an annual report in respect of the Merged Group's first full financial year ending 30 June 2025 will be made available. That annual report will contain a remuneration report detailing the full year actual remuneration of the Merged Group's key management personnel and directors, and the remuneration policy of the Merged Group. Shareholders of the Merged Group will have the opportunity to vote on that remuneration report, including full year actual remuneration paid or awarded, at the Merged Group's annual general meeting in 2025.

Post implementation of the Scheme, the Merged Group intends to review RED's existing employee incentive arrangements in connection with determining the optimal incentive arrangements for the Merged Group going forward.

(d) Non-executive director remuneration

Under RED's constitution and the ASX Listing Rules, the total aggregate amount paid to all non-executive directors for their services as directors in any financial year cannot exceed the amount fixed by RED in general meeting. The amount has been fixed at \$850,000 per annum (including superannuation), as approved by RED shareholders at RED's 2021 annual general meeting held on 24 November 2021 (**NED Fee Cap**).

For FY23, the aggregate amount payable to RED's non-executive directors was \$643,753, leaving an amount of \$206,247 "unused" under the NED Fee Cap. If the aggregate amount payable to RED's non-executive directors for the financial year ending 30 June 2024 is similar to the previous financial year, a similar portion of the NED Fee Cap will be "unused". If the Scheme is implemented, the RED Board will grow from five to eight members (to become the Merged Group board, as set out in **section 8.4(a)**). If implementation of the Scheme occurs prior to 30 June 2024, it is anticipated that the fees to be paid to the incoming non-executive directors of the Merged Group (being Mr David Quinlivan, Ms Rebecca Prain and Mr Kelvin Flynn) on a pro rata basis based on the period from implementation of the Scheme until 30 June 2024, will fall within the "unused" portion of the NED Fee Cap, so as not to exceed the NED Fee Cap in respect of the financial year ending 30 June 2024.

Following 30 June 2024, it is the Merged Group's intention to seek shareholder approval to raise the NED Fee Cap to \$1.8 million for FY25 and beyond, so as to accommodate the additional non-executive directors on the Merged Group board, and to ensure that the Merged Group's remuneration arrangements are market-competitive such that it can attract and retain high calibre individuals with the requisite skills, competence and experience for the Merged Group. It is anticipated that shareholder approval to increase the NED Fee Cap to \$1.8 million will be sought either at or before RED's next annual general meeting (currently expected to be held in November 2024).

The fees payable to each non-executive director of the Merged Group following implementation of the Scheme for FY24 and FY25 are as set out below (all exclusive of superannuation):

Role	FY24	FY25
Non-executive Chair	\$167,083	\$260,000
Non-executive Director	\$100,000	\$168,000
Audit Committee Chair	\$15,000	\$20,000
Other Committee Chair	\$10,000	\$15,000
Committee member	Nil	Nil

Until such time as the NED Fee Cap increase is approved by the Merged Group's shareholders, non-executive director fees for FY25 referenced above will be pro-rated down if necessary to ensure that the Merged Group remains within the current NED Fee Cap.

Each of the non-executive directors listed above has entered into or, in the case of those non-executive directors proposed to be appointed on Implementation of the Scheme, will enter into, a letter of employment with the Merged Group confirming the terms of each non-executive director's appointment and their roles and responsibilities.

As mentioned in **section 8.4(d)**, the Merged Group's shareholders will have the opportunity to vote on the Merged Group's remuneration report in respect of the financial year ending 30 June 2025 (which, if the Scheme is implemented prior to 30 June 2024, will be the Merged Group's first full financial year) at the annual general meeting of the Merged Group held in 2025.

(e) Deeds of indemnity, access and insurance

Each director and certain officers of the Merged Group (including the incoming directors, being Mr Luke Tonkin, Mr David Quinlivan, Ms Rebecca Prain, Mr Kelvin Flynn, and Mr Struan Richards, Mr David Berg, Mr Len Eldridge and Mr Phillip Stevenson) have entered, or will enter, into a deed of indemnity, access and insurance under which RED agrees to provide the director or officer with rights relating to indemnity for legal expenses and liabilities arising out of office (subject to the limitations imposed by law including under section 199A of the Corporations Act), and which also contains provisions governing the conduct of litigation involving a director or officer, access to company documents and information, and payment of directors and officers insurance policy premiums.

8.5 Intentions in respect of the Merged Group

This section sets out the intentions of RED in relation to the Merged Group if the Scheme is implemented. These intentions are based on facts and information known to RED and SLR at the time of preparing this Scheme Booklet that concern RED and SLR as well as the general economic and business environment and are statements of current intention only. Accordingly, may vary as new information becomes available or circumstances change. Final decisions on these matters will only be made in light of all material facts and circumstances at the relevant time.

(a) Continuation of RED and SLR's business

If the Scheme is implemented, it is the current intention of RED that the Merged Group will continue to manage the operating assets of the Merged Group in substantially the same manner as the businesses of SLR and RED are currently separately operated, subject to the review referred to in paragraph (b) below.

(b) Corporate strategy and operational overview

If the Scheme is implemented the Merged Group currently intends to:

- (i) undertake a review of its operations, covering strategic, operational and financial matters to determine the optimal strategy for the Merged Group;
- (ii) optimise the capital structure and capital allocation given the funding flexibility and broadened capital deployment opportunities across the Merged Group;
- (iii) conduct an evaluation of organic and external growth opportunities to maximise value for the Merged Group's shareholders;
- (iv) pursue potential cost optimisations through unlocking procurement, logistics and corporate synergies;
- (v) leveraging the expanded board and management teams' expertise to identify additional opportunities across the portfolio;
- (vi) continue responsible corporate governance and management to protect the interest of all stakeholders; and
- (vii) facilitate the sale or cancellation of SLR's existing shareholding in RED, as further described in **section 12.1**.

(c) Directors, senior management and employees

Refer to **sections 8.4(a)** and **8.4(b)** for information regarding the Merged Group's intentions for the composition of the Merged Group board of directors and senior management.

As at the date of this Scheme Booklet, certain members of SLR and RED senior management have been informed that their employment will be terminated in accordance with their employment agreements if the Scheme is implemented. Refer to **section 6.7(e)** and **section 7.12(b)**.

RED expects to be able to provide continued employment to the vast majority of SLR's existing workforce, subject to the arrangements regarding the composition of the Merged Group board of directors and senior management as noted in this **section 8.4**, and the outcome of the operational review referred to in **section 8.5(b)(i)**.

(d) Employee incentive arrangements

SLR's existing employee incentive plans will no longer be applicable following implementation of the Scheme. Post-implementation of the Scheme, the Merged Group intends to review RED's existing employee incentive arrangements in connection with determining the optimal incentive arrangements for the Merged Group going forward.

(e) Corporate office, trading name and listing

Following implementation of the Scheme, the Merged Group intends to rebrand under a new name to be announced in due course (and subject to shareholder approval). The Merged Group will have its head office located in Perth, Western Australia. The Merged Group intends to remain listed on the ASX. It is intended that SLR will be removed from the official list of the ASX following implementation of the Scheme.

(f) Debt facilities

Post-implementation of the Scheme, the optimum balance sheet structure for the Merged Group will be determined and effected. This may lead to a repayment or refinance, or potentially a restructure, of the existing debt the subject of the existing Syndicated Facility Agreement (see **section 7.2(f)** for more detail on the Syndicated Facility Agreement).

8.6 Merged Group capital structure on implementation

(a) Issued capital

The table below summarises the share capital structure of the Merged Group on implementation of the Scheme (assuming that no other SLR Shares (other than as a result of the vesting and exercise of SLR Performance Rights and RED Retention Rights) or RED Shares (other than as a result of the vesting and exercise of RED Performance Rights and RED Retention Rights), are issued between the Last Practicable Date and the Implementation Date):

Description	Number
RED Shares on issue as at the Last Practicable Date	3,463,800,549
RED Shares to be issued under the Scheme	3,287,217,190
Pro forma issued capital of the Merged Group on implementation ³⁶	6,805,210,134

³⁶ The pro forma Merged Group issued capital includes the new RED shares that will be issued upon vesting and exercise of the RED Performance Rights and RED Retention Rights on implementation of the Scheme, and also includes the approximately 411.7 million RED Shares that are held by SLR as at the Last Practicable Date and will be either sold and/or cancelled within 12 months of the Implementation Date. For further information see **section 12.1**.

Further information regarding the proposed treatment of RED Performance Rights and RED Retention Rights pursuant to the Scheme is set out in **section 12.2**.

(b) **Pro-forma ownership**

On implementation of the Scheme, and subject to all existing RED Performance Rights and RED Retention Rights vesting and being exercised, SLR Shareholders will own approximately 48.3% of the Merged Group on a fully diluted basis.

(c) **Substantial shareholders**

Based on the respective shareholdings in RED and SLR as at the Last Practicable Date, the holders of 5% or more of the issued capital of the Merged Group, if the Scheme is implemented, would be:

Substantial Holder	Number of RED Shares Held	Voting Power
Van Eck Inc and associates	644,265,970	9.54%
SLR's shareholding in RED	411,662,268	6.05%

8.7 Rights attaching to New RED Shares

The rights and liabilities attaching to the New RED Shares that form part of the Scheme Consideration are described in **section 7.9**.

8.8 Pro forma financial information in relation to the Merged Group

In this Scheme Booklet references to "*Pro forma historical financial information of the Merged Group*" are references to the pro forma historical financial information of the Merged Group during the relevant period or at the relevant time, being the corporate group that will be formed as it will exist immediately following implementation of the Scheme.

The pro forma historical financial information in this section is presented in an abbreviated form and does not contain all disclosures, presentations, statements or comparatives that are usually provided in an annual financial report prepared in accordance with the Corporations Act.

By its nature, pro forma historical financial information is illustrative only. Consequently, it does not purport to reflect the actual financial performance, financial position or cash flows of the Merged Group if it had operated on a combined basis for the relevant periods. Past performance is not a guide to future performance, nor should the pro forma financial information be seen as an indication of future decisions that are yet to be made by the board of the Merged Group.

The pro forma financial information of the Merged Group has been prepared in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the AASB, and should be read in conjunction with the risk factors in **section 9**, the other information contained in this Scheme Booklet, and the accounting policies of SLR and RED as disclosed in the SLR 2023 Annual Report and RED 2023 Annual Report.

(a) **Pro forma historical financial information in relation to the Merged Group**

The Merged Group pro forma historical financial information provided in this Scheme Booklet comprises:

- (i) the Merged Group pro forma historical consolidated statement of profit or loss and other comprehensive income for the six month period ended 31 December 2023;
- (ii) the Merged Group pro forma historical consolidated statement of financial position as at 31 December 2023; and
- (iii) the Merged Group pro forma historical consolidated statement of cash flows for the 6 month period ended 31 December 2023.

The Merged Group pro forma historical financial information has been derived from RED's financial statements for the six month period ended 31 December 2023, SLR's financial statements for the six month period ended 31 December 2023, and the pro forma adjustments described in **section 8.8(b)** below. Further information regarding SLR's financial statements for FY22, FY23 and the six month period ended 31 December 2023 is set out in **section 6.3**, and further information regarding RED's financial statements for FY22, FY23 and the six month period ended 31 December 2023 is set out in **section 7.3**.

(b) **Pro forma adjustments**

Pro forma adjustments have been made to reflect the impact of certain transactions as if they occurred during the six months to, or as at, 31 December 2023. These adjustments have been categorised into those relating to: (i) statement of profit or loss and other comprehensive income; (ii) statement of financial position; and (iii) cash flows:

- (i) The following pro forma adjustments have been made to the Merged Group pro forma historical consolidated statement of profit or loss and other comprehensive income for the six month period ended 31 December 2023:

Item	Adjustment	Description
Finance Income	Mark to market revaluation of SLR's investment in RED	As at the Last Practicable Date, SLR owns approximately 11.7% of the total issued share capital of RED (on a fully diluted basis), which was revalued through mark to market adjustments of \$20.6 million during the six month period ended 31 December 2023. On implementation of the Scheme, this investment is reclassified to Treasury Shares, and accordingly there should not be any mark to market revaluation recorded.

The Merged Group pro forma historical consolidated statement of profit or loss and other comprehensive income has not been adjusted to reflect any transaction costs or transactions associated with the implementation of the Scheme (including stamp duty, accelerated vesting of RED and SLR Performance Rights, employee termination costs and associated income tax expense), noting that these adjustments have been considered in the Merged Group pro forma historical consolidated statement of financial position which is set out below.

- (ii) The following pro forma adjustments have been made to the Merged Group pro forma historical consolidated statement of financial position:

Item	Adjustment	Description
Reserves/Share Capital	Performance rights	<p>The RED Board intends to exercise its power under the RED Employee Incentive Plan to accelerate the vesting of the RED Performance Rights if the Scheme is implemented. In addition, there will be an accelerated vesting of outstanding SLR Performance Rights if and when SLR Shareholders approve the Scheme Resolution at the Scheme Meeting. Refer to section 4.10 for further information on the treatment of the SLR Performance Rights, and to section 12.2 for further information on the treatment of the RED Performance Rights and RED Retention Rights, pursuant to the Scheme.</p> <p>In accordance with AASB 2 <i>Share based payments</i>, an adjustment has been included to account for the accelerated expensing of share-based payments and the reclassification of previously expensed performance rights in reserves to share capital. For the purpose of the adjustment, it is assumed that all SLR Performance Rights, RED Performance Rights and RED Retention Rights will vest, irrespective of whether the Implementation Date is before or after 30 June 2024.</p>
Cash and cash equivalents/ Trade and other payables	Transaction related costs	An adjustment has been made to reflect transaction costs, which includes an estimate for stamp duty payable to the Western Australian State Revenue Office and advisory fees. These adjustments have been made to cash and cash equivalents and trade and other payables based on the presumed payment timing of the expenditures.
Interest bearing liabilities (current and non-current)	Reclassification of debt	As at the date of this Scheme Booklet, RED have yet to determine the optimum balance sheet structure for the Merged Group, however it is possible that the current debt in RED will be repaid from the Merged Group cash balance. Accordingly, an adjustment has been made to reclassify all debt from non-current to current liabilities.
Investments/ Treasury Shares	Classification of SLR's investment in RED	SLR's shareholding in RED, which, as at the Last Practicable Date represents approximately 11.7% of the total issued capital in RED (on a fully diluted basis) has been reclassified from Investments (non-current asset) to Treasury Shares (equity). Treasury shares are a contra-equity account which is valued at cost.
Deferred tax liability	Taxation adjustments	<p>An adjustment has been made to account for SLR joining the RED tax consolidated group on Implementation date. As part of the tax cost setting process on an entity joining a tax consolidated group, the tax cost base of certain assets of SLR are reset, which has an impact on deferred tax assets (DTA) and deferred tax liabilities (DTL).</p> <p>A further tax adjustment has been made to reflect a portion of tax losses and deductible temporary difference that have not been recognised as a DTA due to the uncertainty that the realisation will be probable, except to the extent that they offset DTLs. It is noted that the outstanding DTL relates to temporary differences under the Ontario Mining Tax, which is a separate tax regime, and it is anticipated the Merged Group will have a net DTL position.</p>
Exploration, Evaluation & Development expenditure/ Goodwill	Purchase price accounting adjustment	<p>The pro forma adjustments have been made to the Merged Group pro forma historical statement of financial position to reflect the expected Purchase Price Accounting (PPA) adjustment that would likely occur on consolidation of RED and SLR on implementation of the Scheme. As part of this PPA adjustment, the book value of assets and liabilities of SLR were considered relative to their market values¹ and the purchase price paid by RED². It has been assumed that uplift under the PPA adjustment will be attributable to exploration, evaluation and development expenditure (EE&D), and as such the goodwill balance that is currently part of the SLR assets is reclassified to EE&D assets, on the basis that the consideration equals the fair value of the net assets acquired.</p> <p>¹ <i>The Merged Group pro forma historical financial information has been prepared using preliminary purchase price accounting estimates. The Australian Accounting Standards provides the acquirer up to one year from the acquisition date to record any material adjustments to the initial acquisition date estimates based on new information obtained about facts and circumstances that existed at the acquisition date. RED has not finalised the identification and valuation of SLR's assets and liabilities (including for tax purposes) and can only be done on implementation of the Scheme. Accordingly, the historical carrying value of the assets and liabilities recognised in the 31 December 2023 Statement of Financial Position for RED and SLR are assumed to equal their value in accordance with AASB 3 Business Combinations, generally fair value, with the exception of exploration evaluation & development and goodwill (where provisional fair values have been estimated).</i></p> <p>² <i>An assumed purchase price paid has been taken to be the 5-day value weighted average share price of RED on 14 March 2024, being \$0.3556 per share, multiplied by the number of New RED Shares to be issued by RED on implementation of the Scheme of 3,287,217,190 New RED Shares.</i></p>

(iii) The following pro forma adjustments have been made to the Merged Group pro forma historical cash flow statement:

Item	Adjustment	Description
Acquisition of investment	Adjustment to SLR's investment in RED	The acquisition of SLR's shareholding in RED has been adjusted in the pro forma cash flow on the basis that this outflow was connected with the proposed merger between SLR and RED and would not have otherwise occurred in the ordinary course of business.

(c) **Merged Group Pro Forma Historical Income Statement of Financial Position**

Set out below is the Merged Group's pro forma historical income statement of profit or loss and other comprehensive income of the Merged Group for the six months ended 31 December 2023.

Figure 5.4: Merged Group pro forma historical income statement of profit or loss and other comprehensive income for the six months ended 31 December 2023

	RED 31-Dec-23 \$'000	SLR 31-Dec-23 \$'000	Pro forma adjustments 31-Dec-23 \$'000	Merged Group 31-Dec-23 \$'000
Revenue	283,470	374,384	-	657,853
Other income	597	61	-	658
Total Revenue	284,067	374,445	-	658,511
Cost of sales	(237,760)	(303,181)	-	(540,941)
Administrative expenses	(3,297)	(11,335)	-	(14,632)
Results from operating activities	43,010	59,929	-	102,938
Profit/(loss) on sale of assets	-	16	-	16
Exploration expenditure	(3,257)	(6,883)	-	(10,141)
Earnings before interest and tax	39,753	53,061	-	92,814
Finance income	253	21,759	(20,608)	1,404
Finance expense	(11,042)	(2,047)	-	(13,089)
Net finance expenses	(10,789)	19,712	(20,608)	(11,685)
Profit before income tax	28,963	72,774	(20,608)	81,128
Income tax expense	-	(23,096)	-	(23,096)
Profit for the year	28,963	49,678	(20,608)	58,033

(d) **Merged Group Pro Forma Historical Statement of Financial Position as at 31 December 2023**

Set out below is the pro forma historical statement of financial position of the Merged Group as at 31 December 2023.

Figure 5.5: Merged Group pro forma historical statement of financial position as at 31 December 2023

	RED 31-Dec-23 \$'000	SLR 31-Dec-23 \$'000	Pro forma adjustments 31-Dec-23 \$'000	Merged Group 31-Dec-23 \$'000
Current Assets				
Cash and cash equivalents	28,321	278,681	(18,559)	288,443
Trade and other receivables	22,367	10,324	-	32,691
Inventories	68,492	105,620	-	174,112
Prepayments	-	371	-	371
Total Current Assets	119,180	394,995	(18,559)	495,617
Non-Current Assets				
Trade and other receivables	6,168	-	-	6,168
Inventories	26,914	44,344	-	71,258
Exploration, evaluation & development expenditure	242,203	430,991	128,141	801,336
Property, plant & equipment	274,074	214,177	-	488,251
Investments	-	135,998	(127,615)	8,383
Intangibles	141	-	-	141
Goodwill	-	90,695	(90,695)	-
Total Non-Current Assets	549,500	916,206	(90,169)	1,375,537
Total Assets	668,680	1,311,201	(108,727)	1,871,154
Current Liabilities				
Trade and other payables	(67,515)	(74,251)	(28,000)	(169,766)
Interest bearing liabilities	(39,412)	-	(63,061)	(102,473)
Finance lease	(18,320)	(18,133)	-	(36,453)
Employee benefits	(5,611)	(8,039)	342	(13,308)
Rehabilitation & restoration provision	(1,652)	-	-	(1,652)
Total Current Liabilities	(132,510)	(100,423)	(90,719)	(323,652)
Non-Current Liabilities				
Interest bearing liabilities	(63,061)	-	63,061	-
Finance lease	(55,682)	(17,364)	-	(73,046)
Employee benefits	(917)	-	144	(773)
Rehabilitation & restoration provision	(60,162)	(48,855)	-	(109,017)
Deferred tax liability	-	(8,695)	5,173	(3,522)
Total Non-Current Liabilities	(179,822)	(74,913)	68,377	(186,358)
Total Liabilities	(312,332)	(175,337)	(22,342)	(510,010)
Net Assets	356,348	1,135,865	(131,069)	1,361,143
Equity				
Share capital	597,426	1,095,436	83,627	1,776,489
Treasury shares			(107,007)	(107,007)
Reserves	4,724	15,486	(19,147)	1,063
Retained earnings	(245,785)	24,942	(88,542)	(309,385)
Non-controlling equity	(17)	-	-	(17)
Total Equity	356,348	1,135,865	(131,069)	1,361,143

(e) Merged Group Pro Forma Historical Cash Flows

Set out below is the pro forma historical cash flows of the Merged Group for the six month period ended 31 December 2023.

Figure 5.6: Merged Group pro forma historical cash flows for the six month period ended 31 December 2023

	RED 31-Dec-23 \$'000	SLR 31-Dec-23 \$'000	Pro forma adjustments 31-Dec-23 \$'000	Merged Group 31-Dec-23 \$'000
Cash flows from operating activities				
Cash receipts from customers	286,812	377,363		664,174
Cash payments to suppliers and employees	(192,663)	(231,319)		(423,982)
Net cash generated from operating activities	94,148	146,044		240,192
Cash flows from investing activities				
Interest received	253	5,581		5,834
Acquisition of plant and equipment	(7,538)	(12,043)		(19,580)
Proceeds from sale of plant and equipment	-	19		19
Exploration, evaluation and development expenditure	(37,419)	(67,359)		(104,778)
Acquisition of investment	-	(107,007)	107,007	0
Net cash generated from/(used) in investing activities	(44,703)	(180,807)	107,007	(118,504)
Cash flows from financing activities				
Proceeds from borrowings	2,000	130,000		132,000
Repayment of borrowings	(25,000)	(130,000)		(155,000)
Repayment of Finance Lease	(12,827)	(13,799)		(26,626)
Interest Bearing Loans	(5,278)	-		(5,278)
Interest paid	(147)	(1,131)		(1,278)
Net cash generated from/(used in) financing activities	(41,251)	(14,931)		(56,182)
Net increase/(decrease) in cash and cash equivalents	8,194	(49,694)	107,007	(65,506)
Cash and cash equivalents at beginning of period	20,112	328,284		348,396
Effects of foreign exchange	16	91		107
Cash and cash equivalents at end of period	28,321	278,681	107,007	414,009

8.9 Financing and gold hedging arrangements

Information regarding the current financing and gold hedging arrangements of SLR and RED is set out in **sections 6.2(e)** and **7.2(f)**, respectively. As at the date of this Scheme Booklet, SLR and RED have yet to determine the balance sheet structure for the Merged Group upon implementation of the Scheme.

As at the expected Implementation Date, RED's hedged ounces represent approximately 8% of RED's Ore Reserves and approximately 5% of the Merged Group's pro forma Ore Reserves. Since the Announcement Date, the gold price has seen increased volatility. The increase in the gold price as at the Last Practicable Date relative to the Announcement Date has increased the value of unhedged gold sales of both SLR and RED and, correspondingly, has increased the out-of-the-money hedge book position for both companies. It is the view of the SLR Board that the potential advantages of the Scheme for SLR (as further detailed in **sections 2.1 to 2.8**), outweigh any mark to market movements in the hedge book positions of both SLR and RED, which are ultimately a function of a volatile gold price and not a reflection of the ability to deliver the hedged ounces out to September 2026. No assurance can be given as to the future price of gold.

8.10 Financial forecasts

SLR and RED have given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information for the Merged Group. The SLR Board and RED Board have concluded that, as at the date of this Scheme Booklet, it would be misleading to provide forecast financial information for the Merged Group, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

In its quarterly activities report released to the ASX on 31 January 2024, SLR maintained its FY24 group sales guidance of 210,000 to 230,000oz at AISC of \$1,850 to \$2,050/oz, including a non-cash inventory charge associated with the treatment of stockpiles at MMO. This guidance is on the basis of SLR only prior to implementation of the Scheme.

In its quarterly activities report released to the ASX on 31 January 2024, RED reiterated its FY2024 AISC guidance range of A\$1,850 – A\$2,100/oz, and growth capital expenditure would range from A\$40 million to A\$46 million. This guidance is on the basis of RED only prior to implementation of the Scheme.

SLR Shareholders should refer to the Independent Expert Report for the Independent Expert's conclusion regarding valuations of SLR and RED.

8.11 Risks associated with the Merged Group

The SLR Board and RED Board consider that there are a number of potential risks associated with an investment in the Merged Group. These are summarised in **section 9**.

8.12 Merged Group's register of securityholders

In accordance with Australian law, the Merged Group's register of shareholders will be maintained in Australia by RED's current Australian registry, being:

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth WA 6000.

9. Risk Factors

9.1 Introduction

In considering the Scheme, SLR Shareholders should be aware that there are a number of risks, both general and specific, associated with the Scheme. This **section 9** describes a number of risks associated with:

- (a) the implementation of the Scheme (**section 9.2**);
- (b) the business and operations of the Merged Group (**sections 9.3 and 9.4**); and
- (c) SLR if the Scheme is not implemented (**section 9.5**).

A number of these risks are inherent to the exploration, development and mining of natural resources and are therefore, or are otherwise, risks to which SLR Shareholders are already exposed. However, the nature of the Merged Group's business will differ from that of SLR as a standalone entity and SLR Shareholders may be subject to new or additional risks in respect of the Merged Group.

The risks presented in this **section 9** are not an exhaustive list of all risks and risk factors related to the Scheme, the Merged Group, or SLR. Additional risks and uncertainties not currently known to SLR or RED may also have an adverse impact on the Merged Group's business (or SLR's business on a standalone basis if the Scheme is not implemented). The risk factors may also change over time.

This **section 9** does not take into account the investment objectives, financial situation, position or particular needs of SLR Shareholders. Each SLR Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

In the event the Scheme is not implemented, Scheme Shareholders will continue to hold their SLR Shares and will continue to be exposed to various risk factors, including those which currently apply to a shareholding in SLR. Many of the risk factors described as applicable to the Merged Group in **section 9.3** also apply to a continuing investment in SLR as a standalone entity.

9.2 Risks related to the Scheme

(a) The RED Shares issued in connection with the Scheme may have a market value different than expected

Pursuant to the Scheme, each Scheme Shareholder (excluding Ineligible Shareholders) will be entitled to receive scrip consideration of 3,434 New RED Shares for every Scheme Share held at the Record Date. The implied value of the Scheme Consideration will depend on the price at which the RED Shares trade on ASX after the Effective Date and is not fixed. The exchange ratio was agreed in the Scheme Implementation Deed and will not be adjusted to reflect changes in the market price of SLR Shares or RED Shares. As a result, the market value represented by the exchange ratio will also vary.

Further, for Ineligible Shareholders, there is no guarantee as to the price at which the New RED Shares may be sold by the Sale Agent as described in **section 4.14** (or the timing).

The price of the Merged Group's shares following implementation of the Scheme will vary and may be volatile as a result of a number of factors, including the financial and operating performance of the Merged Group and general market conditions. Media, investor and analyst perceptions in relation to the Scheme and/or the Merged Group may also impact the price of the RED Shares issued as Scheme Consideration and/or shares in the Merged Group following implementation of the Scheme. There can be no guarantee that there will continue to be an active market for the Merged Group's shares or that the price of such shares will increase following implementation of the Scheme. None of SLR, RED, or their respective boards warrant the future performance of the Merged Group or any return on an investment in the Merged Group.

(b) Completion of the Scheme is subject to various conditions precedent that must be satisfied or waived

Completion of the Scheme is subject to a number of conditions precedent. There can be no certainty, nor can SLR or RED provide any assurance, that these conditions precedent will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of other conditions precedent to the Scheme which are outside the control of SLR and RED, including, but not limited to, approval of the Scheme by the Requisite Majorities of SLR Shareholders and approval by the Court of the Scheme at the Court hearing to be held on the Second Court Date (see **section 4.6(b)** for more information regarding the Second Court Date).

If for any reason the conditions precedent to the Scheme are not satisfied or waived (where applicable) and the Scheme is not implemented, or there is a significant delay in implementing the Scheme, the market price of SLR Shares may be adversely affected.

In the event the Scheme is not implemented, Scheme Shareholders will continue to hold their SLR Shares and will continue to be exposed to risk factors associated with a shareholding in SLR. Many of the risk factors described as applicable to the Merged Group in **section 9.3** also apply to a continuing investment in SLR as a stand-alone entity.

(c) The Scheme Implementation Deed may be terminated by SLR or RED in certain circumstances, in which case SLR may not be able to realise the potential benefits of the Scheme

Each of SLR and RED has the right to terminate the Scheme Implementation Deed in certain circumstances (see **section 11.11** for more detail). Accordingly, there is no certainty that the Scheme Implementation Deed will not be terminated by either SLR or RED before the implementation of the Scheme.

If the Scheme Implementation Deed is terminated, SLR provides no assurance that the SLR Board will be able to find a party willing to offer an equivalent or greater price for the SLR Shares than the consideration offered under the terms of the Scheme and there is a risk that SLR will not be able to achieve as a standalone entity the benefits that the Scheme would have provided. In this case, Scheme Shareholders will continue to be exposed to risk factors associated with a shareholding in SLR as a stand-alone entity.

(d) The issuance of RED Shares could adversely affect the market price of RED Shares

If the Scheme is implemented, a number of additional RED Shares will be available for trading in the public market. The increase in the number of RED Shares may lead to increased sales of such shares or the perception that increased sales may occur, either of which may adversely affect the market for, and the market price of, RED Shares and/or shares in the Merged Group following implementation of the Scheme.

(e) Publicity and media

Public attitudes towards the Scheme could result in negative press coverage and other adverse public statements affecting SLR and RED. This may adversely impact SLR and/or RED's share price, or the Merged Group's ability to take advantage of various business and other market opportunities. The direct and indirect effects of negative publicity, and the demands of responding to and addressing it, may have a material adverse effect on the Merged Group's business, operations and financial performance.

(f) Consents

The successful implementation of the Scheme may require SLR to obtain consents or waivers from third parties to ensure that it is not in breach of its obligations under contracts to which a member of the SLR Group is a counterparty, including contracts containing change of control provisions.

While SLR will endeavour to obtain any such necessary consents or waivers and is not aware of any reason why it would not be successful in obtaining such consents or waivers, no assurance can be given that such consents or waivers will be obtained, including in a timely manner or on terms that are not adverse to SLR.

(g) Tax consequences for Scheme Shareholders

If the Scheme is implemented, there may be tax consequences for Scheme Shareholders. The tax consequences for Scheme Shareholders will vary depending on a number of factors, including their place of residence for tax purposes and their individual tax circumstances.

A summary of the general Australian income tax, stamp duty and GST consequences for Scheme Shareholders is set out in **section 10**.

SLR Shareholders are encouraged to seek independent professional advice regarding the individual tax consequences applicable to them.

9.3 Specific risks related to the Merged Group**(a) Change in risk and investment profile**

If the Scheme is implemented, SLR Shareholders will be exposed to risk factors which may or currently do apply to RED, and to certain additional risks relating to the Merged Group and the integration of the two companies.

These include risks relating to the operation of a suite of assets broader both in nature and scale than SLR currently owns.

(b) Failure to realise the benefits of the Scheme, including potential synergies

After implementation of the Scheme, the Merged Group will seek to pursue the strategies, operational objectives and benefits contemplated by this Scheme Booklet. There is a risk that the Merged Group may not be able to realise those strategies, operational objectives and benefits (in whole or in part) or that realisation is delayed or not to the extent anticipated (for whatever reason, including matters beyond the control of the Merged Group), including, among other things, the ability to successfully integrate the businesses of SLR and RED and organisational and cultural compatibility. This could have an adverse impact on the Merged Group's business, operations, and financial performance.

(c) Integration risks

There are risks associated with conducting the business activities and operations previously operated by a different entity. While SLR and RED expect that value can be added for shareholders of both SLR and RED if the Scheme is implemented, the risk exists that any integration or strategy implementation may take longer than expected or may incur additional costs so that the full benefits and anticipated synergies of the Scheme are only achieved in part or not at all. This may adversely impact the Merged Group's business, operations and financial performance.

(d) Accounting treatment of SLR Group assets in the Merged Group

Following implementation of the Scheme, the Merged Group will be required to perform a fair value assessment of all of the assets and liabilities of the Merged Group, including tangible and intangible assets, which may differ from the preliminary assessments noted in **section 6.3**. As a result of that fair value assessment, the Merged Group's charges (for example, depreciation and amortisation expenses) and asset carrying values may be substantially different to the corresponding charges and asset carrying values applied by SLR and RED as standalone entities and, to that extent, may adversely impact upon the future financial performance and financial results of the Merged Group.

The Merged Group will also be subject to risks arising as a result of any future changes in accounting policies applied by the Merged Group which may have an adverse impact on the Merged Group.

Changes to Accounting Standards may also adversely affect the Merged Group's reported earnings performance in any given reporting period and its consolidated statement of financial position from time to time.

9.4 General risks relating to the Merged Group

The following risks factors apply consistently to RED (and the RED Group) prior to and after implementation of the Scheme (after which time the RED Group would include the SLR Group, as part of the Merged Group).

(a) Fluctuations in the price of gold and other commodities

The profitability of the Merged Group is primarily dependent on the world market price of gold. Volatility in the gold price creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained despite a fall in the spot gold price. If the market gold price falls below the Merged Group's future production costs and remains at that level for a sustained period, it may not be economically feasible to continue production. A number of factors may affect the prevailing gold price, many of which are beyond the control of RED, SLR or the Merged Group. These factors include, but are not limited to, speculative positions taken by investors or traders in gold, changes in global demand for gold (as an investment and/or for other uses), global and regional recessions or reduced economic activity and/or inflationary expectations, financial market expectations regarding the rate of inflation, the strength of the US dollar (which is the currency in which gold trades internationally), gold hedging and de-hedging by gold producers, decisions made by central banks and multilateral organisations to purchase, hold or sell portions of their gold reserves, changes in production costs in major gold producing regions and domestic or international political or geopolitical events, unrest or hostilities. Historically, the gold price has fluctuated widely.

The possible adverse consequences of future gold price decline include, but are not limited to, the Merged Group's operations becoming uneconomic as projected future revenues no longer justify the costs of operation or development; a decline in the revenues of the Merged Group to a point at which its operations are uneconomic, which may result in the Merged Group ceasing production; the value of the Merged Group's assets declining, causing the Merged Group to write down asset values (thereby incurring losses); and restatement of the Merged Group's Mineral Resources and Ore Reserves for gold. All of these circumstances could have an adverse impact on the Merged Group's operations, business and financial performance.

A declining gold price can also impact operations by requiring a reassessment of the feasibility of mine plans and certain projects and initiatives. The development of new ore bodies, commencement and timing of open pit cut backs, commencement of development projects and the ongoing commitment to exploration projects can all potentially be impacted by a decline in the prevailing gold price. Even if a project is determined to be economically viable, the need to conduct such a reassessment could potentially cause substantial delays and/or may interrupt operations, which may have an adverse impact on the financial performance of the Merged Group.

The Merged Group may also be exposed to risks associated with fluctuations in the price of copper concentrate and, depending on the future activities of the Merged Group, other commodities. The price of copper concentrate and other commodities is affected by numerous factors, many of which are beyond the Merged Group's control.

No assurance can be given as to the prices the Merged Group will achieve for its products. Changes in commodity prices, including prices for gold, copper concentrate and other commodities, and associated pricing for impurities and treatment charges, may have a positive or negative effect on the Merged Group's financial performance.

The risks associated with such fluctuations and volatility may be reduced by any commodity price hedging the Merged Group may undertake, however commodity price hedging arrangements come with inherent risks (some of which are summarised further below).

(b) Inherent risks in relation to mining operations

Mining operations generally involve a high degree of inherent risk. The Merged Group's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, including: unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins or slides, flooding, pit wall failure, periodic interruption due to inclement or hazardous weather conditions, and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other production facilities, personal injury or death, damage to property, environmental damage and possible legal liability. Mining operations are subject to hazards such as fire, flooding, equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. Mining operations can also suffer from poor design or poor reliability of equipment, and adverse impacts to supply chain and transport of plant equipment and the workforce to and from site. The occurrence of any of these events could result in a prolonged interruption of operations, affect the profitability of the Merged Group's operations, lead to a loss of licences, damage community relations and affect the Merged Group's reputation.

Some of the Merged Group's operations are located in remote areas and are affected by severe climate and weather events, resulting in technical challenges for conducting both geological exploration and mining operations. Although the Merged Group will benefit from modern mining technology, the Merged Group may be unable to overcome problems related to weather, climate or general remoteness, either expeditiously or at a commercially reasonable cost, which could have an adverse impact on the Merged Group's business, operations and financial performance.

(c) Operating risks

The ability of the Merged Group to achieve production targets within anticipated timelines, or at all, or meet operating and capital expenditure estimates cannot be assured. These uncertainties are more pronounced over a longer period.

The Merged Group's assets and mining operations may be impacted by factors including, but not limited to: ore tonnes, throughputs, grade, metallurgical recovery and impurities, unanticipated metallurgical issues, ground conditions, operational environment, funding for development, availability of power supply, regulatory changes, availability of labour, contractual risks, experience of the workforce and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, cyclones, storms, floods, bushfires or other natural disasters, or outbreaks, continuations or escalation of disease (including pandemics).

Other risks also exist, including environmental hazards (including discharge of pollutants or hazardous chemicals), accidents and occupational and health hazards. Such occurrences could result in damage to, or destruction of, operational facilities, personal injury or death, heritage areas and places of social or cultural significance, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the Merged Group.

The Merged Group's financial performance could also be adversely impacted by increased prices for diesel, reagents and other supply chain commodities, increased cost of labour, and other input costs, general inflationary pressures and currency exchange rates.

Many of these risks are unpredictable and outside the control of the Merged Group. If faced by the Merged Group, these circumstances could result in the Merged Group not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. The Merged Group will endeavour to take appropriate actions to mitigate these operational risks (including by materially adhering to legislative requirements, properly documenting arrangements with counterparties, and adopting appropriate industry practice, policies and procedures) or to insure against them, but the occurrence of any one or combination of these events could have an adverse effect on the Merged Group's financial and operational performance.

(d) Replacement of Ore Reserves and exploration risk

The Merged Group may need to continually replace Ore Reserves depleted by production to maintain production levels over the long term for ongoing stability of the Merged Group's operations and financial performance. Ore Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. There is a risk that depletion of Ore Reserves will not be offset by discoveries or acquisitions, or that divestitures of assets will lead to a lower Ore Reserve base. The Ore Reserve base of the Merged Group may decline if Ore Reserves are mined without adequate replacement and the Merged Group may not be able to sustain production beyond the current mine lives, based on current production rates.

RED and SLR have each historically followed an exploration programme that has resulted in upgrades to Mineral Resources and Ore Reserves Estimates. However, exploration activities are speculative by nature and therefore are often unsuccessful. Such activities also require substantial expenditure and can take several years before it is known whether they will result in mines being developed. If a discovery is made, it may, in some cases, take up to a decade or longer from the initial phases of exploration drilling until mining is permitted and production is possible. There is no certainty that the expenditures made by the Merged Group towards the search for and evaluation of mineral deposits will ultimately result in economically viable production of commercial quantities of ore.

Whether a mineral deposit is commercially viable depends on a number of factors, including the particular attributes of the deposit, including but not limited to size, grade and proximity to infrastructure, commodity prices, government regulation, land tenure, land use, and environmental protection.

In addition, the exploitation of successful discoveries involves obtaining the necessary licences or permits from relevant authorities that may require conditions to be satisfied and the exercise of discretions by such authorities. No assurance can be given that the Merged Group will be successful in obtaining any required licences or permits, including on terms that are not adverse to the Merged Group.

Further, the decision to proceed to further exploitation may require the participation of other companies whose interest and objectives may not be the same as those of the Merged Group.

Accordingly, if the exploration activities undertaken by the Merged Group do not ultimately result in the economically viable production of commercial quantities of ore, there may be an adverse impact on the Merged Group's financial performance.

(e) Estimate risk in Mineral Resources and Ore Reserves

The Mineral Resources and Ore Reserves estimates contained in this Scheme Booklet are estimates only and no assurance can be given that any particular recovery level of metals will in fact be realised. SLR's and RED's respective Mineral Resources and Ore Reserves for their existing projects and operations are expressions of judgement based on industry practice, experience and knowledge, and are estimates only. Estimates of Mineral Resources and Ore Reserves are necessarily imprecise and depend to some extent on interpretations which may prove inaccurate and may need to be revised from time to time. No assurance can be given that the estimated Mineral Resources and Ore Reserves are accurate or that the indicated level of gold, copper or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques.

While these estimates are prepared in accordance with the JORC Code, they remain expressions of judgement based on knowledge, experience and industry practice, and may require revision based on actual production experience which could in turn affect the Merged Group's mining plans and ultimately its financial performance and value. Estimates that are valid when made may change significantly when new information becomes available. Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any or all of the Merged Group's Mineral Resources constitute or will be converted into Ore Reserves. Actual Mineral Resources and Ore Reserves may differ from those estimated, which could have an adverse effect on the Merged Group's operations, financial performance and financial position.

Various factors, such as commodity price fluctuations as well as increased production costs, may render a part of the Merged Group's Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render such Ore Reserves containing relatively lower grade mineralisation uneconomic. Estimated Ore Reserves may have to be re-estimated based on actual production experience. Any of these factors may require the Merged Group to reduce its Mineral Resources and Ore Reserves, which could have a negative impact on the Merged Group's operations, financial performance and financial position.

(f) Development risk

For development projects, estimates of Proved and Probable Ore Reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

The information provided in this Scheme Booklet in relation to RED's and SLR's assets is the current estimate of Mineral Resources and Ore Reserves, capital and operating costs, as determined from geological data obtained from drill holes and other exploration techniques and technical studies conducted to date.

These matters may change over time, which could have an adverse impact on the Merged Group's business, operations and financial performance.

(g) Gold hedging risk

Both RED and SLR currently have gold hedging programs in place for the forward sale of fixed quantities of gold production from operations and the Merged Group may in the future choose to enter into further hedging arrangements. No assurances can be made that future hedging arrangements will be available on terms favourable to the Merged Group, or at all.

There is a risk that the Merged Group may not be able to deliver the amount of gold required under these hedging arrangements if, for example, there is a production shortage. Furthermore, rising gold prices could result in part of the Merged Group's gold production being sold at less than the prevailing spot price at the time of sale. These circumstances could result in an adverse impact to the Merged Group's financial performance.

(h) Economic conditions

The operating and financial performance of the Merged Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, gold and copper concentrate commodity prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets, and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war, or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could have an adverse impact on the Merged Group's business, operations and financial performance. The Merged Group's future possible revenues and share prices may be affected by these factors, which are beyond the Merged Group's control.

(i) Share market conditions

The price at which the Merged Group's shares are quoted on ASX may increase or decrease due to a number of factors.

These factors may include, but are not limited to, the demand for and availability of shares in the Merged Group, fluctuations in the domestic and international market for listed securities, general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, investor sentiment, changes in the outlook for commodities, Australian and international economic conditions and outlook, announcement of new technologies, geopolitical instability, changes to government fiscal, monetary or regulatory policies and settings, country trade and importation policies, changes in legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which the Merged Group operates and general operational and business risks. These factors may cause the Merged Group's shares to trade in the future at prices below the RED or SLR share price on the Announcement Date. There is no assurance that the price of the Merged Group Shares will increase following implementation of the Scheme. The past performance of RED or SLR is not necessarily an indication as to the future performance of the Merged Group.

No assurance can be given that there will always be an active market for the Merged Group's shares.

(j) Debt and equity funding (including shareholder dilution)

The Merged Group's continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to raise additional funds for future operations and to repay or refinance debts as they fall due. It is difficult to predict the level of funding that may be required with any accuracy at this time. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms acceptable or favourable to the Merged Group or its shareholders.

If additional funds are raised through the issue of equity securities, the capital raising may be dilutive to the Merged Group's shareholders (if the Merged Group determines that a pro rata entitlement offer is not the most appropriate method of equity fundraising or shareholders elect not to participate in such entitlement offers) and such securities may, subject to requisite shareholder approval, have rights, preferences or privileges senior to those currently holding the Merged Group's shares. While the Merged Group will be subject to the constraints of the ASX Listing Rules regarding the percentage of capital that it is able to issue within a 12 month period (other than where exceptions apply), the Merged Group's shareholders at the time may be diluted as a result of such issues of shares in the Merged Group and capital raisings.

RED has an existing syndicated debt facility, in conjunction with an 'out of the money' gold hedge position with its lending syndicate. Refer to **section 7.2(f)** for details of the present financing and gold hedging arrangements of RED, including details of the proposed treatment of its existing debt facility following implementation of the Scheme. Refer to **section 6.2(e)** for details of the present financial arrangements of SLR.

In the future, the Merged Group may need to renegotiate its existing debt facility and 'out of the money' hedge position or may seek further facilities or replacement facilities with alternative financiers to satisfy its capital requirements. The terms on which debt financiers are willing to offer finance may vary from time to time depending on macro-economic conditions, the performance of the Merged Group and an assessment of the risks and intended use of funds. Debt finance, if available on terms acceptable to the Merged Group, may involve restrictions on financing and operating activities. In addition, recently some financial institutions, institutional investors and other sources of capital have begun to limit or eliminate their investment in mineral exploration and development, citing climate change and/or environmental concerns.

If sufficient funds are not available from either debt or equity markets to satisfy the Merged Group's short, medium or long-term capital requirements, when required, this may adversely impact the Merged Group's business, operations and financial performance.

(k) Metallurgical process risk

Mineral recoveries are dependent upon the metallurgical process, and by their nature contain elements of significant risk such as identifying a metallurgical process through test work to produce a saleable product, developing an economic process route to produce a saleable product, and variable mineralogy in the ore can result in inconsistent ore grades and metallurgical recovery rates affecting the economic viability of the Merged Group's projects.

(l) Exchange rate fluctuations

The Merged Group will be predominantly an Australian business that will report its financial results in Australian dollars. However, the functional currencies of the Merged Group and its subsidiaries will be varied, and will include Australian dollars, Canadian dollars, US dollars, and Philippine pesos. Movements in the exchange rates between these various currencies may have a material adverse impact on the Merged Group's financial performance. The risks associated with exchange rate volatility may be reduced to an extent by any currency hedging arrangements the Merged Group may undertake, however there can be no assurance as to the efficacy of such currency hedging arrangements.

(m) Labour costs and availability

The safe and efficient operation of the Merged Group's business partially depends on its ability to retain and attract skilled labour. Mining projects are often in remote locations and employees often work based on a fly-in, fly-out or drive-in, drive-out schedule. As a result, there can be shortages of labour that make it challenging to recruit and retain employees. Tightening of the labour market due to a shortage of skilled labour, combined with a high industry turnover rate and growing competition for skilled labour, may impact upon the Merged Group's ability to hire and retain employees and may lead to exposure to increased labour costs where the demand for labour is strong. A shortage of skilled labour could limit growth prospects or lead to a decline in productivity and an increase in training costs and could adversely affect safety performance and materially adversely impact revenues and, if costs increase or productivity declines, operating margins.

Any disputes with employees (through personal injuries, industrial matters or otherwise), change in labour regulations or laws in the jurisdictions in which the Merged Group operates, or other developments in the area may cause labour disputes, work stoppages or other disruptions in production that could adversely impact the Merged Group's business, operations and financial performance. There may also be political, community or reputational risks associated with labour issues.

(n) Key personnel

The Merged Group will be dependent on the experience, skills and knowledge of its key personnel, both in Australia and Canada, to successfully manage its business. Recruiting and retaining qualified personnel will be crucial to the ongoing success of the Merged Group. As there may be a limited number of persons with the requisite experience and skills to serve in the Merged Group's key personnel positions if existing personnel leave the Merged Group, the Merged Group may not be able to locate or employ qualified personnel on acceptable terms.

The loss of any of the Merged Group's key personnel, the inability to recruit necessary staff as needed or the increased cost to recruit or retain the necessary staff, may cause a significant disruption to the Merged Group and adversely impact the Merged Group's operations, financial performance and financial position and future growth plans.

(o) Environmental risk

The operations and activities of the Merged Group will be subject to the environmental laws and regulations of Australia, Canada and any other places in which it may conduct business in the future. As with all mining operations and exploration projects, the Merged Group's operations and activities are expected to have an impact on the environment. Both RED and SLR currently attempt to conduct their operations and activities to a high standard of environmental obligation, including compliance with all environmental laws and regulations, and it is the intention that, following implementation of the Scheme, the Merged Group will do the same. Nevertheless, significant liability could be imposed on the Merged Group for damages, clean-up costs or penalties in the event of any non-compliance with environmental laws or regulations. This could have an adverse impact on the Merged Group's business, operations and financial performance.

Additionally, environmental laws and regulations are increasingly evolving to require stricter standards and enforcement behaviours, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility (and liability) for companies and their officers, directors and employees. Changes in environmental laws and regulations deal with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of mining properties, greenhouse gas emissions, the storage, treatment and disposal of wastes, the effects of mining on the water table and groundwater quality. Changes in environmental legislation could increase the cost of the Merged Group's exploration, development and mining activities or delay or preclude those activities altogether.

Environmental hazards may exist on the assets or properties in which the Merged Group holds an interest and these hazards may be unknown to the Merged Group at present. There is the potential that the Merged Group may need to bear the burden of rectification of such hazards that arise and become known to the Merged Group.

Neither RED nor SLR can predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Merged Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Merged Group to incur significant expenses and undertake significant investments which could have material adverse effect on the Merged Group's business, operations and financial performance.

(p) Occupational Health and Safety

RED and SLR's operations are subject to a variety of industry specific health and safety laws and regulations which are formulated to improve and to protect the safety and health of employees.

Mining and mining-related operations and activities can potentially be hazardous. Workplace incidents may occur for various reasons, including as a result of non-compliance with occupational health and safety laws and regulations in Western Australia and Ontario, Canada. Whilst the Merged Group will seek to implement appropriate practice systems and procedures in respect of occupational health and safety, the Merged Group may be liable for workplace incidents including industrial accidents, workplace incidents, and any fatalities that occur to the Merged Group's employees or other persons under such applicable occupational health and safety laws. If the Merged Group is liable under such laws, in whole or part, the Merged Group may be liable for significant penalties, which may adversely impact the Merged Group's operations, financial performance and financial position, as well as negatively affecting the Merged Group's reputation. Such workplace incidents may not be covered, or may be inadequately covered, by the Merged Group's insurance policies. Additionally, any accidents or injuries that occur at any of the Merged Group's operations could result in delays or stoppages to operations and activities.

Any changes to the occupational health and safety laws and regulations in the jurisdictions in which the Merged Group operates may result in increased costs of, or uncertainties in relation to, compliance with such laws and regulations.

(q) Key Contractors

The Merged Group may continue to use external contractors or service providers for many of its activities in Australia and Canada, and as such the failure of any current or proposed contractors, subcontractors or other service providers to perform their contractual obligations may negatively impact the business and operations of the Merged Group. The Merged Group cannot guarantee that such parties will fulfil their contractual obligations and there is no guarantee that the Merged Group would be successful in enforcing any of its contractual rights through legal action or that any legal remedies obtained will place the Merged Group in a similar position to that which it would have been in had the relevant parties performed their obligations in accordance with their contractual obligations. Further, any insolvency or managerial failure by any such contractors or other service providers may adversely impact the Merged Group's business, operations and financial performance.

Further, certain contracts to which the Merged Group is a party may require renewal from time to time. Whilst the Merged Group has no reason to anticipate any difficulties obtaining such renewals, no assurance can be given that these such contracts will be renewed on terms that are as favourable to the Merged Group as the existing terms. Delays in obtaining any required renewals of contracts, or obtaining renewals on terms that are unfavourable or detrimental to the Merged Group, may adversely impact the Merged Group's business, operations and financial performance.

(r) Native Title and First Nations

In the jurisdictions in which the Merged Group operates, legal rights applicable to mining concessions are different and separate from legal rights applicable to surface lands, accordingly, title holders of mining concessions in such jurisdictions must agree with surface land owners on compensation in respect of mining activities conducted on such land.

The *Native Title Act 1993* (Cth) recognises certain rights of Indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Merged Group to carry out exploration or obtain production tenements. In applying for certain production tenements, the Merged Group must observe the provisions of Native Title legislation (where applicable) and Aboriginal Heritage legislation which protects Aboriginal sites and objects of significance. In certain circumstances the consent of registered Native Title holders and claimants must be obtained prior to carrying out certain activities on land to which their rights or claim relates. It is possible that the conditions imposed by Native Title holders and claimants on such consent may be on terms unacceptable to the Merged Group. If any known, or currently as yet undiscovered, Aboriginal Heritage sites are present on the tenements of the Merged Group there is a risk that the presence of such sites may limit or prevent exploration or mining activity on the affected areas of those tenements. The failure to obtain the approval of the relevant minister to impact the Aboriginal Heritage sites can result in offences being committed and significant fines or orders to stop work being made. In addition, the Merged Group may be required to pay compensation under applicable Native Title and Aboriginal Heritage legislation and determinations if certain circumstances materialise or events occur. Significant liability could be imposed on the Merged Group for damages or penalties in the event of any non-compliance with Native Title or Aboriginal Heritage legislation or regulations. This could have an adverse impact on the Merged Group's operations, business and financial performance.

RED currently holds a number of section 18 consents under the *Aboriginal Heritage Act 1972* (WA) in respect of its existing activities and has commenced engagement with the Watarra Aboriginal Corporation to enter into a Regional Heritage Management Plan. If RED is unable to reach agreement on a cultural heritage management plan (**CHMP**) or put in place Aboriginal cultural heritage agreements, this may present a risk to future approvals required and the timing and conduct of RED's future activities. Practically, without a CHMP or an Aboriginal cultural heritage agreement in place, it may be more challenging for RED to engage with Aboriginal stakeholders to conduct Aboriginal cultural heritage surveys which are needed to mitigate the potential risk to Aboriginal cultural heritage posed by RED's activities.

In addition, the Merged Group may be subject to native title laws and regulations in any foreign jurisdictions in which it operates presently or in the future. Compliance with such laws and regulations, and the acquisition of rights or approvals to explore, develop and operate its projects in these jurisdictions, may delay or restrict its operations and activities, and may result in additional costs being incurred by the Merged Group or otherwise adversely impact the Merged Group's financial performance.

SLR currently holds permits required for its existing operations at Sugar Zone in Ontario, Canada. The grant of any additional permits or approvals that the Merged Group may require in the future will require the applicable governmental authority (and project proponent) to consult with and potentially accommodate Indigenous groups. Opposition by Indigenous groups in respect of the Merged Group's future activities or operations may result in delays in obtaining new permits, permit amendments or permit renewals which are needed to ensure ongoing viability of those operations. This, in turn, may adversely impact the Merged Group's business, operations and financial performance.

(s) Community relations and social license to operate

The Merged Group's relationships with the communities in which it conducts its operations and activities will be important to ensure the future success of its existing operations and the development of its projects. While SLR and RED believe their existing relationships (as applicable) with these communities are strong, there is an increasing level of public concern and scrutiny relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organisations (**NGOs**), some of which oppose globalisation and resource development, can be vocal critics of the mining industry and its practices. A failure by the Merged Group to adequately respond to changes in environmental laws (including those relating to climate change) or to comply with regulations governing land access, as well as adverse publicity generated by such NGOs or others related to the mining industry generally, or the Merged Group's operations specifically, could have an adverse impact on the Merged Group's business, operations and financial performance, and reputation, and may impact the Merged Group's relationships with the communities in which it operates.

(t) No certainty the Merged Group will pay dividends

Any future determination as to the payment of dividends by the Merged Group will be at the discretion of the board of the Merged Group and will depend on the financial condition of the Merged Group, future capital requirements and general business and other factors considered relevant to the board of the Merged Group. No assurance in relation to the future payment of dividends or franking credits attaching to dividends can be given by the Merged Group.

(u) Shareholder dilution

In the future, the Merged Group may elect to issue shares or engage in capital raisings to facilitate employee share plans, fund acquisitions, undertake other strategic initiatives, or to support working capital. While the Merged Group will be subject to the provisions of the ASX Listing Rules regarding the percentage of capital it is able to issue within a 12 month period (including applicable exemptions to any restrictions), shareholders of the Merged Group at the time may be diluted as a result of any issues of Merged Group shares. See paragraph (j) above for further detail regarding risks relating to the Merged Group's debt and equity funding.

(v) Regulatory risk

The operations of SLR and RED (and therefore, the operations of the Merged Group following implementation of the Scheme) are subject to various federal, state and local laws and regulations in the jurisdictions in which SLR and RED (and the Merged Group, following implementation of the Scheme) operate. The laws include those relating to mining, prospecting, development permit and licensing requirements, industrial relations, environment, land use, water, royalties, native title and cultural heritage, mine safety and occupational health. These laws and regulations (and the interpretation of such laws and regulations) are subject to change and there is the potential for significant penalties to be levelled on the Merged Group for failure to comply with such laws and regulations and/or failure to take satisfactory corrective action for any failure to comply. This may have an adverse impact on the Merged Group's business, operations and financial performance.

Renewals of existing approvals, licences and permits, or the granting of new approvals, licences and permits required for the Merged Group's ongoing activities, including approvals for capacity extensions of tails storage facilities, is subject to the discretion of authorities including governments and regulatory agencies and in some cases, local communities. No assurance can be given that the Merged Group will be successful in obtaining extensions and/or grants of required approvals, licences and permits, including in a timely manner or subject to economically viable terms and conditions. Additionally, the occurrence of unforeseen circumstances or events may impact the Merged Group's ability to maintain compliance with the conditions of existing approvals, licences and permits. The failure of the Merged Group to comply with the conditions of existing approvals, licences and permits may adversely impact the Merged Group's business, operations and financial performance. The Merged Group may be subject to legal challenges on the validity of any approvals, licences and permits. Any of the circumstances described above may have a material adverse impact on the Merged Group's business, operations and financial performance, including in situations where the Merged Group is curtailed or prohibited from continuing or proceeding with its operations and activities as a result of a failure to obtain, renew or maintain required approvals, licences and permits.

(w) Closure and rehabilitation risk

At the completion of any existing or future mining operations, the Merged Group will be required to rehabilitate or otherwise close those operations in accordance with its approved plans and applicable laws and regulations. No assurance can be given that the cost, or time taken, to rehabilitate or otherwise close any mining operation will not exceed any estimates or provisions made by the Merged Group (or any existing estimates made by RED or SLR) in respect of such rehabilitation or closure. The ultimate cost of rehabilitation and/or closure of mining operations is uncertain and can vary as a result of many factors, including but not limited to changes in applicable laws and regulations or the emergence of new restoration techniques.

(x) Land access risk

Consistent land access is critical to the operations of the Merged Group. Immediate and continuing access to land within the Merged Group's licence and permit areas cannot in all cases be guaranteed as the Merged Group may be required to obtain or renew the consent of the owners and occupiers of the relevant land or surrounding land. Compensation may be required to be paid to the owners and occupiers by the Merged Group in order for the Merged Group to carry out its operations.

Various aspects of the Merged Group's future performance and profitability are dependent on the outcome of future negotiations with third parties. In addition to the outcome of negotiations on land access arrangements, future negotiation with the government is expected in respect of licence renewals, developing related infrastructure and work obligations and security for rehabilitation of areas of operation within the Merged Group's permits. Potential claims by community members and stakeholders, who may have concerns over the social or environmental impacts of the Merged Group's operations, have the potential to cause community unrest and activism, which may diminish the Merged Group's reputation.

(y) Joint ventures

To the extent that the Merged Group holds or acquires interests in any joint ventures or enters into any joint ventures in the future, the existence or occurrence of certain events and circumstances could have an adverse impact on the Merged Group's operations and financial partners, including but not limited to inconsistent economic, political or business interests or goals between joint venture partners, disagreements with joint venture partners on strategy for the most efficient development or operation of mines, the Merged Group's inability to control certain strategic decisions made in respect of assets, exercise of majority rights by joint venture partners, inability of joint venture partners to meet their financial and other obligations to the joint venture or third parties and litigation between joint venture partners regarding management, funding or other decisions related to the joint venture.

To the extent that the Merged Group is not the operator of a joint venture property, such that it will be unable to control the activities of the operator, the success of such operations will be beyond the Merged Group's control. In many cases the Merged Group will be bound by the decision made by the operator of such property, and will rely on the operator to manage the asset and provide accurate information in relation to such asset. The Merged Group can provide no assurance that all decisions of operators of assets it does not control will achieve expected or anticipated results. Further, operators of a joint venture asset may take decisions that may result in circumstances that have an adverse impact on the reputation of the Merged Group, or its relationship with stakeholders and the communities within which it operates.

Additionally, the Merged Group is subject to certain funding requirements in connection with its joint ventures. Joint venture funding requirements, as well as the ability of joint venture partners to meet their financial and other obligations, may have an adverse impact on the Merged Group's financial performance.

(z) Actions by governments or political events and change in laws

The Merged Group and its business could be adversely affected by new government laws, regulations or policies governing (among other things), taxation, exploration, production, exports, labour standards, occupational health and safety and environmental protection in the jurisdictions in which it operates (which includes Australia, Western Australia, Canada and Ontario). Any changes in laws, regulations or policies (or the interpretation of these laws, regulations or policies) in these jurisdictions or in jurisdictions in which the Merged Group may in future operate, may adversely impact the Merged Group's operations, business and financial performance.

In addition, the Merged Group and its business could be exposed to the risk of terrorism, civil unrest, nationalisation, renegotiation or nullification of existing contracts, leases, permits or other agreements, changes in laws and policy (including changes in exchange control policies regulating the repatriation of earnings or capital out of the relevant jurisdiction) and governmental reviews and investigations (including historical tax audits), as well as other unforeseeable risks in the jurisdictions in which it operates that could have an adverse impact on its business, operations and financial performance.

(aa) Changes in taxation rules and royalties or their interpretation

Any change to the current rate of income tax or mineral royalties in jurisdictions where the Merged Group does or may operate may impact on the profitability and performance of the Merged Group. Changes in tax law (including value added taxes and stamp duties), or changes in the way taxation laws are interpreted may impact the Merged Group's tax liabilities or the tax treatment of an investment in the Merged Group. In particular, both the level and basis of taxation may change.

In addition, an investment in shares in the Merged Group involves tax considerations which may differ for each individual shareholder. Each SLR Shareholder is encouraged to seek professional tax advice in connection with the Scheme and how they may be individually impacted.

(ab) Litigation risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that lack merit. Due to the inherent uncertainty of litigation, the litigation process could take away from management time and effort and the resolution of any particular legal proceeding to which the Merged Group is or may become subject could have a material effect on the Merged Group's financial position, results of operations or project development activities.

(ac) Investigations

The Merged Group may be subject to legal and regulatory investigations, reviews and other compliance queries from regulators and enforcement bodies from time to time. If adverse findings are made by a regulatory or enforcement body as a result of an investigation or review, there may be reputational consequences for the Merged Group, and a risk of civil and criminal penalties, statutory or regulatory sanctions, a requirement to pay compensation, infringement notices or fines. Further, the Merged Group may be subject to recommendations and directions to enhance its control framework, governance and systems. Any material investigation or adverse finding resulting from that investigation involving the Merged Group could have an adverse impact on the business, operations and financial performance of the Merged Group.

(ad) Insurance risk

The Merged Group will maintain insurance coverage to protect against certain risks with such scope of coverage and in such amounts as determined appropriate by the Merged Group board and management in the circumstances or to the extent commercially available. However, the insurance policies may not be sufficient to cover all of the potential risks associated with the Merged Group's operations. No assurance can be given that the Merged Group will be able to obtain or maintain insurance coverage at commercially reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover all risks or claims on acceptable terms, or that any insurance cover or policy will ultimately respond to a claim made. Losses, liabilities and delays arising from uninsured or underinsured events could have a material adverse impact on the operations, financial performance and financial position of the Merged Group.

(ae) Acquisition and divestment risk

From time to time, the Merged Group may evaluate opportunities for acquisition and divestment of assets and participate in discussions with third parties on a confidential basis. Neither these opportunities nor negotiations will be disclosed publicly until such time as the prospects of effecting a transaction are sufficiently certain and the materiality of any proposed transaction has been determined. The execution and implementation of any proposed transaction may impact the Merged Group's operations, business and financial performance, and lead to a change in the Merged Group's future capital, operating expenditure and funding requirements. However, no assurance is given that any such transaction will emerge or be consummated.

(af) Bribery and corruption

The Merged Group may suffer a significant loss resulting from historic or future fraud, bribery, corruption, other illegal acts by its employees, inadequate or failed internal processes or systems, or from external events, such as security threats affecting its ability to operate. The Merged Group will rely on its employees to follow policies and processes as well as applicable laws in their activities. Risk of illegal acts or failed systems will be managed through the Merged Group's infrastructure, controls, systems and people, complemented by a focus on enterprise-wide management of specific operational risks such as fraud, bribery and corruption, as well as personnel and systems risks. Specific programs, policies, standards and methodologies have been developed to support the management of these risks; however these cannot guarantee that such conduct does not occur and if it does, it can result in direct or indirect financial loss, reputational impact or regulatory consequences.

(ag) Power

The availability of energy resources such as grid power, diesel, gas and other fossil fuels may materially impact the operations and financial performance of the Merged Group. Any disruption to the availability of power and fuel supplies could materially disrupt the Merged Group's operations and the financial performance of the Merged Group in the absence of economically viable alternative supply sources.

(ah) Water risk

The effects of changes in rainfall patterns, water shortages and changing storm patterns and intensities may adversely impact the business, operations and financial performance of the Merged Group. There is no guarantee that there will be sufficient future water sources to support the Merged Group's future water demands in relation to its sites and operations, and this could adversely affect production and the Merged Group's ability to develop or expand projects and operations in the future. In addition, there can be no assurance that the Merged Group will be able to obtain alternative water sources of adequate quality on commercially reasonable terms or at all, particularly in the event of prolonged drought conditions.

Additionally, having and managing large quantities of water required at the Merged Group's operations poses potential health and safety risks, environmental risks, and the risk of damage to property, in the event of a spillage, loss of containment or other accident.

(ai) Climate change

The physical and non-physical impacts of climate change may affect the Merged Group's assets, its productivity, the markets in which it sells its products, and the communities in which the Merged Group operates. Risks related to the physical impacts of climate change include acute risks resulting from increased severity of extreme weather events and chronic risks resulting from longer-term changes in climate patterns.

Non-physical risks arise from a variety of policy, regulatory, legal, technology, financial and market responses to the challenges posed by climate change and the transition to a lower-carbon economy. Any changes to government regulation or policy relating to climate change, including relating to greenhouse gas emissions or energy intensive assets, may directly or indirectly impact the Merged Group's costs and operational efficiency.

The Merged Group may be adversely impacted by the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation, as well as changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further adversely impact the Merged Group and its business, operations and financial performance. While the Merged Group intends to manage these risks and limit any consequential impacts, there can be no guarantee that the Merged Group will not be adversely impacted by these occurrences.

(aj) Cyber risks

The Merged Group, as with all organisations, will be reliant on information technology for the effective operation of its business and operations. Any failure, unauthorised or erroneous use of the Merged Group's information and/or information systems may result in financial loss, disruption or damage to the reputation of the Merged Group.

The integrity, availability and reliability of data within the Merged Group's information technology systems may be subject to intentional or unintentional disruption. Given the increasing level of sophistication and scope of potential cyber-attacks, these attacks may lead to significant breaches of security which could jeopardise the Merged Group's sensitive information, financial transactions and/or ability to operate. SLR and RED believe they have appropriate data security mitigations in place, however no assurance can be given that this will be sufficient to prevent a successful cyber attack.

(ak) COVID-19

Notwithstanding COVID-19 vaccinations, measures taken in response to COVID-19 and easing of COVID-19 related restrictions, there remains a possibility of an economic downturn of unknown duration or severity in certain jurisdictions going forward depending on the emergence and impact of new COVID strains or other pandemics and the future response of governments and authorities.

(al) Force majeure events

Events may occur within or outside the jurisdictions in which the Merged Group operates, or may operate in the future, which could impact on the economies of those jurisdictions, the Merged Group's operations and the future price of the Merged Group's shares. These events include, but are not limited to, acts of terrorism, and outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of viruses and disease or other natural or man-made events or occurrences that can have an adverse impact on the demand for the Merged Group's products and its ability to operate its assets. The Merged Group only has a limited ability to insure against some of these risks, if it chooses to do so, having regards to the terms, conditions, exclusions and cost of the relevant policies.

9.5 Risks for SLR if the Scheme does not proceed

If the Scheme does not proceed, SLR will continue as a standalone entity and SLR Shareholders will retain their SLR Shares. In these circumstances SLR Shareholders will continue to be subject to all the risks that currently apply to an investment in SLR, which include many of the risk factors described in **section 9.4** as applicable to the Merged Group. However, SLR Shareholders should note the following additional risks that may materialise if the Scheme is not implemented:

(a) SLR Shareholders will not receive the Scheme Consideration

If the Scheme is not implemented, SLR Shareholders will retain their SLR Shares and will not receive the Scheme Consideration. If the Scheme is not implemented, SLR would remain listed on ASX and would continue to operate its business. In those circumstances, SLR Shareholders will continue to be exposed to the risks and benefits of owning SLR Shares.

(b) If the Scheme does not proceed, the price of a SLR Share may fall below its recent trading price, in the absence of a SLR Superior Proposal

The market price of a company's publicly traded securities is affected by many variables, some of which are not directly related to the company. Fluctuations in SLR's Share price could result from local, national and global economic and financial conditions, the market's response to the Scheme, changes in gold prices, market perceptions of SLR, regulatory changes affecting SLR's operations, variations in SLR's operating results and liquidity of financial markets. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of SLR Shares in the future if the Scheme does not proceed.

If the Scheme is not implemented and no SLR Superior Proposal emerges it is likely that the trading price of SLR Shares will fall to below the level at which it has been trading since the Scheme was announced (although this is difficult to predict with any degree of certainty).

(c) Key personnel

SLR is dependent on the experience, skills and knowledge of its key personnel, both in Australia and Canada, to successfully manage its business. As in all business organisations, there is an inherent risk that employees of SLR, including its key personnel, may retire or resign from time to time. The loss of any of SLR's key personnel, and any inability to, or delay in, recruit suitable replacements, may adversely affect SLR's business, operations and financial performance. As at the date of this Scheme Booklet, it is the SLR Board's expectation that, if the Scheme is not successfully implemented, a succession process will likely need to be implemented in respect of certain senior executive positions at SLR in the short to medium term. Consistent with good governance practices, the SLR Board has established appropriate succession plans for the Managing Director position for both short and medium term scenarios and is confident that any succession scenario can be managed in an orderly manner and with minimal disruption to SLR and its business.

(d) Transaction costs will be incurred

If the Scheme is not implemented, the costs of the transaction to be paid by SLR are expected to be approximately \$2.29 million (excluding GST). In these circumstances, SLR's transactions costs will be borne by SLR alone, subject to any offset by way of payment of the RED Reimbursement Fee to SLR, if applicable.

If the Scheme Implementation Agreement is terminated in certain circumstances, either SLR or RED may be liable to pay a Reimbursement Fee of A\$9.6 million to the other party. The Reimbursement Fee is not payable if the Scheme does not proceed merely because SLR Shareholders do not approve the Scheme by the requisite majorities. Further information in relation to the potential payment of Reimbursement Fees by SLR and RED is set out in **section 11.12** of this Scheme Booklet.

10. Australian Taxation Considerations

10.1 Introduction

This **section 10** provides a general summary of the Australian income tax, stamp duty and GST considerations for SLR Shareholders in relation to the Scheme. This summary is based on the applicable Australian tax laws and administrative practices as at the date of this Scheme Booklet.

This summary in this section is limited in scope and is relevant only for SLR Shareholders that hold their Scheme Shares on capital account. The information in this section relates only to Scheme Shares, and not to other rights held over Scheme Shares.

This **section 10** does not consider the Australian tax consequences for SLR Shareholders who:

- (a) hold their Scheme Shares as trading stock, as revenue assets, or otherwise in the course of carrying on a business or as part of a profit-making undertaking or scheme;
- (b) acquired their Scheme Shares through an employee share, option or rights scheme;
- (c) are subject to specific tax rules such as the taxation of financial arrangement rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (Tax Act), the investment manager regime in Division 832 of the Tax Act, or other tax rules such as those applicable to banks or financial institutions, insurance companies, tax exempt entities, special purpose vehicles (such as trusts, partnerships and superannuation funds) or permanent establishments; or
- (d) are exempt from Australian income tax.

The information contained in this summary is of a general nature only and is not intended to be an exhaustive opinion on all possible tax implications that could apply to SLR Shareholders in relation to the Scheme. This summary does not address any tax implications in jurisdictions outside of Australia.

Since the specific tax consequences of the Scheme for SLR Shareholders will depend on each Scheme Shareholder's individual circumstances, each SLR Shareholder should seek independent professional advice regarding the Australian and foreign tax consequences of the Scheme relevant to their own particular facts and circumstances.

10.2 ATO Class Ruling

SLR intends to apply (on behalf of SLR Shareholders) for a class ruling (**Class Ruling**) from the Commissioner of Taxation, to confirm the key Australian income tax consequences of the Scheme, including whether Australian resident SLR Shareholders, who would otherwise make a capital gain on disposal of their Scheme Shares, may be eligible to obtain scrip for scrip roll-over relief pursuant to Subdivision 124-M of the *Income Tax Assessment Act 1997* (Cth).

A Class Ruling is not expected to be issued by the Commissioner of Taxation until after the Implementation Date. If a final Class Ruling is published by the Commissioner of Taxation, it would be available on the Australian Taxation Office's website at www.ato.gov.au and will also be published on RED's website at <https://www.red5limited.com/site/content/>.

SLR Shareholders should review the final Class Ruling if it is issued by the Commissioner of Taxation. The income tax comments provided in the following sections are consistent with positions intended to be taken in SLR's intended application for the Class Ruling.

The Scheme is not conditional on the receipt of a finalised Class Ruling.

10.3 Australian resident SLR Shareholders

The below is a summary of the Australian income tax considerations for SLR Shareholders who are residents of Australia for income tax purposes.

(a) Capital gains tax

Under the Scheme, SLR Shareholders will dispose of their SLR Shares and, in return, receive RED Shares as Scheme Consideration.

For Australian income tax purposes, the disposal of SLR Shares should trigger a capital gains tax (CGT) event for the SLR Shareholder. A SLR Shareholder should make:

- (i) a capital gain to the extent that the capital proceeds received on disposal of their Scheme Shares are more than the cost base of the Scheme Shares disposed – this is subject to the application of a CGT roll-over relief applying (see below) and/or the availability of the CGT discount (see below); or
- (ii) a capital loss to the extent that the capital proceeds received on disposal of their Scheme Shares are less than the reduced cost base of the Scheme Shares disposed.

Capital losses can be offset against capital gains derived in the same income year or in later income years. Specific loss recoupment rules may apply (e.g. for SLR Shareholders who are companies for Australian income tax purposes) which must be satisfied if those carry forward capital losses are to be used in future years.

The capital proceeds received on disposal of Scheme Shares under the Scheme should be the market value of the RED Shares received as Scheme Consideration.

The cost base of each Scheme Share should generally be the amount of money paid, or market value of property given, to acquire the Scheme Share and certain incidental costs of acquisition and disposal (such as brokerage fees and legal costs). The reduced cost base of a Scheme Share is determined in a similar manner except that certain amounts are excluded from the calculation of the reduced cost base depending on the SLR Shareholder's individual circumstances.

(b) **CGT scrip for scrip roll-over**

CGT scrip for scrip roll-over relief under Subdivision 124-M of the Tax Act should be available to Australian resident SLR Shareholders in respect of the disposal of Scheme Shares and replacement with RED Shares. It is noted that RED will not make an election to deny SLR Shareholders roll-over relief. As noted above, SLR is approaching the ATO to obtain a class ruling in respect of the availability of scrip for scrip roll-over relief for SLR's Shareholders.

If a SLR Shareholder makes a choice to apply the roll-over relief:

- (i) any capital gain that the SLR Shareholder would have otherwise made on the disposal of their Scheme Shares should be disregarded;
- (ii) the existing cost base of the SLR Shareholder's Scheme Shares should effectively become the cost base of the replacement RED Shares received; and
- (iii) the replacement RED Shares received should be deemed to have been acquired by the SLR Shareholder when the disposed Scheme Shares were originally acquired.

CGT roll-over relief is not available if a SLR Shareholder makes a capital loss on the disposal of the Scheme Shares.

(c) **CGT discount**

Where the CGT scrip for scrip roll-over relief is not available or has not been applied, the CGT discount may be available to SLR Shareholders who are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their SLR Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their SLR Shares to RED.

The CGT discount is not available to a SLR Shareholder that is a company.

The CGT discount allows a SLR Shareholder who is an individual, or a trustee of a trust, who is not eligible or has not elected scrip for scrip CGT roll-over relief, to discount the capital gain by 50%, thereby including only the remaining 50% of the capital gain in their assessable income for tax purposes.

A SLR Shareholder that is a complying superannuation entity who has not elected CGT scrip for scrip roll-over relief may discount the capital gain by 1/3, thereby including only the remaining 2/3 of the capital gain in its assessable income for tax purposes.

A SLR Shareholder should be eligible for the CGT discount provided that:

- (i) the SLR Shares were acquired, or are taken to have been acquired, at least 12 months before the disposal to RED (not including the date of acquisition or the date of disposal);
- (ii) the SLR Shareholder did not choose to index the cost base of their SLR Shares; and
- (iii) the CGT discount is applied to the capital gain only after any available capital losses are first applied to reduce the capital gain.

10.4 Foreign resident SLR Shareholders

For a SLR Shareholder who:

- (a) is not a resident of Australia for income tax purposes; and
- (b) does not hold their Scheme Shares in carrying on a business through a permanent establishment in Australia,

the disposal of Scheme Shares will generally only result in Australian CGT implications if their Scheme Shares are "indirect Australian real property interests" (**IARPI**) under the Tax Act at the time of disposal. Broadly, the Scheme Shares will only be IARPI where both of the following conditions are satisfied:

- (c) the SLR Shareholder, together with its associates, holds 10% or more of the issued shares in SLR at the time of the disposal, or held 10% or more of the issued shares in SLR, for any continuous 12 month period within two years preceding the disposal (referred to as a **Non-portfolio Interest**); and
- (d) more than 50% of the market value of SLR's assets is attributable to direct or indirect interests in 'taxable Australian real property' (as defined in the Tax Act) (**Principal Asset Test**).

SLR expects the Principal Asset Test to be satisfied. Any foreign resident SLR Shareholder who holds (or has held) a Non-portfolio Interest should obtain independent professional advice as to the Australian tax implications of a disposal of their Scheme Shares under the Scheme.

No CGT implications should arise for a non-resident SLR shareholders who together with their associates hold less than a 10% interest in SLR throughout a 12-month period during the 2 years preceding the disposal.

Where a SLR shareholder is a foreign resident and its interest is an IARPI, CGT roll-over relief may be available under the scrip for scrip roll-over provisions if certain conditions are met including that the replacement RED Shares are also an IARPI.

10.5 Foreign resident CGT withholding tax rules

Generally, a foreign resident capital gains withholding equal to 12.5% of the capital proceeds applies to a transaction involving the acquisition of a share that is an IARPI from a "relevant foreign resident". Generally, a "relevant foreign resident" would be any SLR Shareholder who, at the time that the Scheme is entered into:

- (a) RED knows is a foreign resident for Australian income tax purposes;
- (b) RED reasonably believes is a foreign resident for Australian income tax purposes;
- (c) RED does not reasonably believe is an Australian resident for Australian income tax purposes and either: (i) the SLR Shareholder has an address outside Australia (according to any record that is in RED's possession or is kept or maintained on RED's behalf about the disposal of Scheme Shares); or (ii) in respect of which, RED is authorised to provide a related financial benefit to a place outside Australia; or
- (d) has a connection outside Australia of a kind specified in the relevant regulations under the Tax Act.

However, provided that the Scheme Shares are not IARPI, the foreign resident capital gains withholding should not apply.

RED is approaching the ATO to obtain confirmation that it does not have an obligation to withhold in relation to any of SLR's Shareholders, however, to the extent this is not obtained in a timely manner, Scheme Shareholders with an address outside Australia (or which RED, as a purchaser, reasonably believes is a "relevant foreign resident"), will be provided (either together with this Scheme Booklet or separately) a Relevant Foreign Resident Declaration Form. In this declaration form, a SLR Shareholder may provide RED with a declaration that:

- (a) the registered holder of the relevant SLR Shares is an Australian tax resident (residency declaration); or
- (b) the SLR Shares held by the registered holder are not IARPI (interest declaration).

For these SLR Shareholders, unless a signed Relevant Foreign Resident Declaration Form regarding your residency or interest or a notice of variation granted by the Commissioner of Taxation to vary the withholding amount to nil is provided to RED, if RED believes foreign resident CGT withholding is applicable to the relevant SLR Shareholder it may be required to withhold and pay to the Commissioner of Taxation a withholding amount of 12.5% from the Scheme Consideration.

10.6 GST and stamp duty

No Australian stamp duty or GST should be payable by a SLR Shareholder on the disposal of the Scheme Shares or acquisition of RED Shares under the Scheme.

SLR Shareholders may be charged GST on any costs they incur in acquiring or disposing of Scheme Shares. SLR Shareholders may be entitled to input tax credits or reduced input tax credits for such costs. SLR Shareholders who are registered for GST should seek independent GST advice in relation to their own particular circumstances.

11. Key Terms of the Scheme Implementation Deed

11.1 Scheme Implementation Deed

On 4 February 2024, SLR and RED entered into the Scheme Implementation Deed in connection with the proposed Scheme. The Scheme Implementation Deed sets out the obligations of SLR and RED in relation to the Scheme.

A copy of the Scheme Implementation Deed is disclosed as an appendix to SLR's ASX announcement dated 5 February 2024 titled "Red 5 and Silver Lake Resources to Merge" and on SLR's website at <https://www.silverlakeresources.com.au/investors/asx-announcements>.

This section summarises certain key terms of the Scheme Implementation Deed. The Scheme Implementation Deed contains other clauses, most of which are customary for an agreement of this nature in respect of schemes of arrangements. **Section 11.13** of this Scheme Booklet contains definitions such as 'SLR/RED Competing Proposal', 'SLR/RED Prescribed Occurrence' and 'SLR/RED Regulated Event' and other key terms of the Scheme Implementation Deed considered in this section.

This section is a summary only and is not a substitute for reviewing the terms of the Scheme Implementation Deed in full.

11.2 Conditions Precedent

The Scheme and the obligations of SLR and RED to implement the Scheme are subject to the following conditions precedent being satisfied or, where applicable, waived, in accordance with the terms of the Scheme Implementation Deed:

- (a) **(Court approval):** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations on either party (acting reasonably);
- (b) **(Shareholder approval):** approval of the Scheme by the Requisite Majorities of SLR Shareholders;
- (c) **(Regulatory approvals):** before 5:00 pm on the Business Day before the Second Court Date:
 - (i) ASIC and ASX provide or issue all relief, waivers, confirmation, exemptions, consents or approvals, and do all other acts necessary, or which SLR and RED agree are desirable to implement the Scheme and the preceding remain in full force and effect before the Delivery Time on the Second Court Date; and
 - (ii) any other approvals, consents, waivers, exemptions or declarations that are required by law, or by a Government Agency, or which the parties agree are desirable, to implement the Scheme are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects before the Delivery Time on the Second Court Date,

provided that if such reliefs, waivers, confirmations, exemptions, consents, approvals, declarations or other acts (as the case may be) are subject to conditions those conditions must be acceptable to both parties acting reasonably,
- (d) **(Restraints):** From the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date: none of the following have been issued:
 - (i) there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or other Government Agency, or other material legal restraint or prohibition;
 - (ii) no action or investigation is announced, commenced or threatened by any Government Agency; and
 - (iii) no application is made to any Government Agency,

in consequence of, or in connection with the Scheme, which:

 - (iv) restrains, prohibits or otherwise materially adversely affects (or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Scheme, completion of the Scheme or the rights of RED in respect of SLR or the SLR Shares to be acquired under the Scheme; or
 - (v) requires the divestiture by RED of any SLR Shares or the divestiture of any assets of the RED Group or the SLR Group,

unless such order, injunction, decision, decree, action, investigation or application has been disposed of to the satisfaction of RED (acting reasonably) or is otherwise no longer effective or enforceable by the Delivery Time on the Second Court Date;
- (e) **(Independent Expert):** The Independent Expert:
 - (i) issues an Independent Expert's Report which concludes that the Scheme is in the best interests of SLR Shareholders on or before the time when the Scheme Booklet is registered by ASIC; and
 - (ii) does not adversely change or qualify its conclusion or withdraw its Independent Expert's Report before 8.00 am on the Second Court Date.
- (f) **(SLR Board recommendation):** Between and including the date of the Scheme Implementation Deed and the date of the Scheme Meeting none of the SLR Directors fails to make, changes, qualifies or withdraws their recommendation or voting Intention as provided by clause 7 of the Scheme Implementation Deed;
- (g) **(No SLR Prescribed Occurrence):** no SLR Prescribed Occurrence occurs or becomes known to RED between (and including) the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date;
- (h) **(No RED Prescribed Occurrence):** no RED Prescribed Occurrence occurs or becomes known to SLR between (and including) the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date;

- (i) **(No SLR Regulated Event)**: no SLR Regulated Event occurs or becomes known to RED between (and including) the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date;
- (j) **(No RED Regulated Event)**: no RED Regulated Event occurs or becomes known to SLR between (and including) the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date;
- (k) **(No SLR Material Adverse Change)**: no SLR Material Adverse Change occurs or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to RED between the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date;
- (l) **(No RED Material Adverse Change)**: no RED Material Adverse Change occurs or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to SLR between the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date;
- (m) **(SLR Performance Rights)**: all SLR Performance Rights are cancelled, or vest and are exercised (if applicable) and the resulting SLR Shares are issued, in accordance with their terms on or prior to the Delivery Time on the Second Court Date; and
- (n) **(New RED Shares)**: the New RED Shares to be issued pursuant to the Scheme are approved for official quotation by ASX by 8.00 am on the Second Court Date (provided that any such approval may be subject to the customary conditions) and that approval remains in full force and effect in all respects (subject to those customary conditions), and has not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00 am on the Second Court Date.

11.3 Failure to meet or fulfil a condition precedent

If:

- (a) there is an act, a failure to act, an event or an occurrence that would, or does, prevent any of the conditions precedent being satisfied (including if SLR Shareholders do not agree to the Scheme at the Scheme Meeting) or if any of the conditions precedent will not otherwise be satisfied by the earlier of:
 - (i) the time and date specified for each condition precedent (where applicable) in the Scheme Implementation Deed for the satisfaction of that condition precedent; and
 - (ii) the End Date,
 or such condition precedent is otherwise not satisfied by either of these dates (as applicable); or
- (b) it becomes more likely than not that the Scheme will not become Effective by the End Date, then SLR and RED must promptly consult in good faith with a view to determining whether:
 - (i) the Scheme, or a transaction which results in the transfer of all of the SLR Shares to RED may proceed by way of alternative means or methods;
 - (ii) to extend the relevant time or date for satisfaction of the condition precedent;
 - (iii) a party with a right to waive that condition precedent will do so;
 - (iv) to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties;
 - (v) to extend the End Date;
 - (vi) to otherwise amend the timetable as set out in this Scheme Booklet; or
 - (vii) to take a combination of any of the actions referred to above.

If SLR and RED are unable to reach agreement in relation to the failure to meet or waiver of a condition precedent by the earlier of:

- (a) the date that is five Business Days after commencing discussions in relation to the relevant event or occurrence that would, or does, prevent a condition precedent from being satisfied;
- (b) the date that is five Business Days after the time and date specified in the Scheme Implementation Deed for the satisfaction of the condition precedent; and
- (c) the Delivery Time on the Second Court Date,

subject to the provisions of the Scheme Implementation Deed, the party entitled to the benefit of that condition precedent may terminate the Scheme Implementation Deed without any liability to the other party because of that termination. Clause 3.6 of the Scheme Implementation Deed contains further details on the termination of conditions precedent under the Scheme Implementation Deed.

As at the date of this Scheme Booklet, SLR is not aware of any circumstances that would cause the conditions precedent to not be satisfied. SLR Shareholders will receive an update on the status of the conditions precedent at the Scheme Meeting.

SLR will also announce to ASX any relevant matter that affects the Scheme or the likelihood of a condition precedent being satisfied or not being satisfied, in accordance with SLR's continuous disclosure obligations. These details will be published on ASX's website (www.asx.com.au) and will also appear on SLR's website <https://www.silverlakeresources.com.au/investors/asx-announcements>

11.4 Obligations of SLR and RED

Under the Scheme Implementation Deed, both SLR and RED must take all steps necessary to propose and implement the Scheme in accordance with all applicable laws, including undertaking the following actions, among other things which are further set out in the Scheme Implementation Deed:

(a) SLR

- (i) **(Announcement)**: immediately after execution of the Scheme Implementation Deed, make a public announcement stating, amongst other things, the unanimous recommendation and voting intentions of the SLR Directors as part of SLR's announcement in accordance with clause 15.2 of the Scheme Implementation Deed;
- (ii) **(Independent Expert)**: promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert (and any specialist expert appointed by the Independent Expert) in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet and any technical expert's report (including any updates thereto);
- (iii) **(RED Information)** obtain written consent from RED for the form and context in which RED Information appears in the Scheme Booklet and not lodge the Scheme Booklet with ASIC until such approval is obtained from RED and otherwise not use RED Information for any purposes other than those expressly contemplated by the Scheme Implementation Deed or the Scheme;
- (iv) **(Scheme Booklet)**: prepare and despatch the Scheme Booklet in accordance with the Scheme Implementation Deed and promptly provide RED with a copy of the final Independent Expert's Report;
- (v) **(Section 411(17)(b) statements)**: apply to ASIC for the production of:
 - (A) an indication of intent letter stating that it does not intend to appear before the Court on the First Court Date; and
 - (B) a statement in writing pursuant to section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme;
- (vi) **(First Court hearing for convening Scheme Meeting)**: apply to the Court for orders under section 411 (1) of the Corporations Act directing SLR to convene the Scheme Meeting;
- (vii) **(Registration of the Scheme Booklet)**: take all reasonable measures within its control to cause ASIC to register the Scheme Booklet in accordance with section 412(6) of the Corporations Act;
- (viii) **(Scheme Meeting logistics)**: take all reasonable steps necessary to comply with the orders of the Court including, as required, despatching the Scheme Booklet to SLR Shareholders and convening and holding the Scheme Meeting, and must not adjourn or postpone the Scheme Meeting or request the Court to adjourn or postpone the Scheme Meeting in either case without obtaining the prior written approval of RED (such consent not to be unreasonably withheld, conditioned or delayed);
- (ix) **(Implementation of the Scheme)**: if the Scheme is approved by the Court:
 - (A) Subject to the Listing Rules, lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act by no later than the Trading Day after the date such orders were made by the Court order was made (or such later date as agreed in writing with RED);
 - (B) finalise and close the Share Registry and determine entitlements to the Scheme Consideration as at the Record Date in accordance with the Scheme and the Deed Poll;
 - (C) execute a master transfer as agent and attorney for the Scheme Shareholders in accordance with the Scheme and effect and register the transfer of the SLR Shares to RED on the Implementation Date in accordance with the Scheme;
 - (D) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme, and
- (x) **(All other things necessary)**: take all other actions and do all things reasonably necessary or desirable to give effect to the Scheme having regard to the timetable as set out in the "*Important Dates and Indicative Timetable for the Scheme*" section of this Scheme Booklet.

(b) RED

- (i) **(Announcement)**: immediately following execution of the Scheme Implementation Deed, make a public announcement in accordance with clause 15.2 of the Scheme Implementation Deed;
- (ii) **(RED Information)**: prepare and provide to SLR the RED Information that is required by all applicable laws, the Listing Rules and ASIC Regulatory Guides for inclusion in the Scheme Booklet and as may be necessary to ensure that RED Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, misleading or deceptive in any material respect (whether by omission or otherwise);
- (iii) **(Assist the Independent Expert)**: subject to the Independent Expert entering into arrangements with RED (including in relation to confidentiality) in a form reasonably acceptable to RED, provide any assistance or information reasonably requested by the Independent Expert (and any specialist appointed by the Independent Expert, including the Independent Technical Specialist) to enable it to prepare the Independent Expert's Report and the Independent Technical Specialist Report (including any updates thereto);
- (iv) **(Scheme Booklet and Court documents)**: provide any assistance or information reasonably requested by SLR in connection with the preparation of the Scheme Booklet (including any updated or supplementary Scheme Booklet) and any documents required to be filed with the Court in respect of the Scheme, review and provide comments on, in good faith, the drafts of the Scheme Booklet (including any updated or supplementary Scheme Booklet);
- (v) **(Merged Group Information)**: promptly provide to SLR any information regarding the RED Group that SLR reasonably requires in relation to the preparation of the Merged Group Information for inclusion in the Scheme Booklet; and
- (vi) **(Deed Poll)**: by no later than the Business Day before the First Court Date (as defined in the Scheme Implementation Deed) deliver to SLR an executed copy of the Deed Poll and if requested by the Court, undertake to the Court to do all such things within its power as are reasonably necessary to ensure that it fulfils its obligations under the Scheme Implementation Deed and the Deed Poll. RED provided an executed copy of the Deed Poll to SLR on Monday, 23 April 2024 (being the Business Day prior to the First Court Date).

Clauses 5.1 and 5.2 of the Scheme Implementation Deed contain full details of the obligations on each of SLR and RED.

11.5 Conduct of business

The Scheme Implementation Deed contains conduct of business provisions applicable to both SLR and RED. In summary, each of SLR and RED must, and must cause each SLR Group Member and RED Group Member (respectively) to (amongst other things):

- (a) carry on and operate their businesses and operations in the ordinary and normal course and consistent with the manner in which they were conducted in the 12 months before the date of the Scheme Implementation Deed;
- (b) keep the other party informed of any material developments concerning the conduct of its business;
- (c) to ensure that no SLR Prescribed Occurrence and no SLR Regulated Event (in respect of SLR) and no RED Prescribed Occurrence and no RED Regulated Event (in respect of RED) occurs;
- (d) not enter into any line of business or other activities in which the group is not engaged as of the date of the Scheme Implementation Deed;
- (e) make all reasonable efforts to maintain and preserve the value of businesses and assets of the group; and
- (f) to provide regular reports on the financial affairs of the SLR Group or RED Group (as applicable), including the provision of each group's monthly management accounts, in a timely manner to the other party.

In respect of SLR only, SLR must, and must cause each SLR Group Member to:

- (g) consult in good faith with RED in advance of any SLR Group Member entering into any new hedging arrangements or commitments.

The obligations outlined above are subject to certain exceptions expressly contemplated by the Scheme Implementation Deed, Scheme or Deed Poll which have been fairly disclosed by SLR to RED or expressly agreed by the parties in writing. Full details of the conduct of business restrictions, and the exceptions to the restrictions, are set out in clause 6 of the Scheme Implementation Deed.

11.6 Integration Working Group

SLR and RED have agreed to form an Integration Working Group under the Scheme Implementation Deed. The Integration Working Group is made up of senior executives from both parties and is a consultative body only. Its role is to:

- (a) oversee the implementation of the Scheme;
- (b) assist RED and SLR in obtaining an understanding of the operations and conduct of the other's business;
- (c) monitor the satisfaction of each party's obligations under the Scheme Implementation Deed; and
- (d) seek to determine how to best integrate the SLR Group's business into the operations of RED.

The Integration Working Group will make recommendations to the parties. The Integration Working Group is comprised as follows:

SLR	RED
Mr Struan Richards (Chief Financial Officer)	Mr Richard Hay (Chief Operating Officer)
Mr Len Eldridge (Corporate Development Officer)	Mr David Maher (General Manager People & Sustainability)

11.7 Exclusivity arrangements

The Scheme Implementation Deed contains reciprocal exclusivity arrangements on each of SLR and RED (and their respective Representatives).

During the period commencing on 4 February 2024 until the earliest of: (i) the End Date; (ii) the Implementation Date; and (iii) termination of the Scheme Implementation Deed in accordance with its terms (Exclusivity Period), SLR or RED (as applicable) must not, and must ensure that each of its Representatives do not, directly or indirectly:

- (a) **No-shop**
 - (i) solicit, initiate, encourage or invite (including by the provision of non-public information) any enquiry, expression of interest, offer, proposal, negotiation, discussion or other communication by any person; or
 - (ii) communicate to any person an intention to do any of these things,

in relation to, with a view to obtaining or which would otherwise reasonably be expected to encourage or lead to the making of any actual, proposed or potential Competing Proposal.

- (b) **No-talk**
 - (i) facilitate, continue or otherwise participate in any negotiations, discussions or other communications with respect to any enquiry, expression of interest, offer, proposal, negotiation or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal;
 - (ii) negotiate, accept or enter into, or offer to agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal; or
 - (iii) communicate to any person an intention to do any of these things,

even if the Competing Proposal was not directly or indirectly solicited, encouraged, invited or initiated by SLR or RED (as applicable) or any of its Representatives, or the Competing Proposal has been publicly announced.

(c) No due diligence

Except with the prior written consent of the other party, SLR or RED (as applicable) must not, and must ensure that each of its Representatives do not, directly or indirectly:

- (i) solicit, initiate, invite, encourage, facilitate or permit any third party to undertake due diligence investigations in respect of any SLR or RED Group Member (as applicable) or any of their businesses, affairs or operations; and
- (ii) disclose or otherwise provide or make available to any person (other than the other party or a Government Agency that has the right to obtain that information and has sought it), or permit any such person, to receive any non-public information relating to any SLR or RED Group Member (as applicable) Group Member or any of their businesses, affairs or operations,

in each case, in connection with, for the purposes of, with a view to obtaining or which otherwise could reasonably be expected to lead to or encourage the formulation, receipt or announcement of an actual, proposed or potential Competing Proposal, whether by that person or another person.

The “no talk” and “no due diligence” restrictions set out above do not apply to the extent they restrict:

- (iii) **(SLR Competing Proposal)**: SLR or any SLR Director from taking or refusing to take any action with respect to a bona fide SLR Competing Proposal that did not result, directly or indirectly, from a breach by SLR or any of its Representatives of its exclusivity obligations under the Scheme Implementation Deed, provided that the SLR Board has first determined, acting reasonably and in good faith after receiving advice from its financial and external legal advisers:
 - (A) that the SLR Competing Proposal is, or could reasonably be expected to become, a SLR Superior Proposal; and
 - (B) the taking or refusing to take that action (as the case may be) with respect to the SLR Competing Proposal would constitute, or would reasonably be likely to constitute, a breach of the fiduciary or statutory duties of the SLR Board; and
- (iv) **(RED Competing Proposal)**: RED or any RED Director from taking or refusing to take any action with respect to a bona fide RED Competing Proposal that did not result, directly or indirectly, from a breach by RED or any of its Representatives of its exclusivity obligations under the Scheme Implementation Deed, provided that the RED Board has first determined, acting reasonably and in good faith after receiving advice from its financial and external legal advisers:
 - (A) that the RED Competing Proposal is, or could reasonably be expected to become, a RED Superior Proposal; and
 - (B) the taking or refusing to take that action (as the case may be) with respect to the RED Competing Proposal would constitute, or would reasonably be likely to constitute, a breach of the fiduciary or statutory duties of the RED Board.

Clauses 12 and 13 of the Scheme Implementation Deed contain further information on the exclusivity terms and deal protections.

11.8 Notification of approaches

During the Exclusivity Period, in addition to the exclusivity restrictions described in **section 11.7**, each of SLR and RED must promptly (and in any event within one Business Day) notify the other party in writing if it, or if it any of its Representatives, becomes aware of any:

- (a) approach, inquiry, proposal or other attempt made by any person to SLR or RED or any of its Representatives (as applicable), to initiate any discussions, negotiations or other communications, or any intention to make such an approach or attempt to initiate any discussions, negotiations or other communications, in respect of any inquiry, expression of interest, offer, proposal, discussion or other communication in relation to an actual, proposed or potential Competing Proposal;
- (b) expression of interest, offer, proposal or other communication made to SLR or RED or any of its Representatives (as applicable) in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal; or
- (c) request made by any person to SLR or RED or any of its Representatives (as applicable) for, or the provision by SLR or RED or any of its Representatives (as applicable) to any person of, any non-public information relating to the business, affairs or operations of any SLR or RED Group Member (as applicable) in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, an actual, proposed or potential Competing Proposal,

whether direct or indirect, solicited or unsolicited and whether in writing or otherwise.

11.9 Provision of information

The Scheme Implementation Deed contains reciprocal provision of information obligations on both SLR and RED, as set out below.

- (a) Subject to the obligations set out in **section 11.9(b)** of this Scheme Booklet, if, during the Exclusivity Period, any non-public information about the business, operations or affairs of either the SLR Group or RED Group (as applicable) is provided or otherwise made available to any person in connection with an actual, proposed or potential Competing Proposal for that party, which has not previously been provided to the other party, SLR or RED (as applicable) must promptly and within 2 Business Days of the provision of the information, provide to the other party:
 - (i) in the case of written materials, a copy of it; and
 - (ii) in any other case, a written statement of or reasonable access to, that non-public information.
- (b) During the Exclusivity Period, SLR or RED (as applicable) must not, and must procure that each of its Representatives do not, directly or indirectly disclose or otherwise provide or make available any non-public information about the business, operations or affairs of either the SLR Group or RED Group (as applicable) to any person (other than to SLR or RED (as applicable)) in connection with an actual, proposed or potential Competing Proposal unless:
 - (i) it is permitted by the “no due diligence” and the “fiduciary out” clauses in the Scheme Implementation Deed; and
 - (ii) before that information is disclosed or otherwise provided or made available, the relevant person has entered into a confidentiality agreement with SLR or RED (as applicable) on terms no less favourable in the aggregate to that company than those contained in the confidentiality deed entered into by SLR and RED on 27 November 2023.

11.10 Matching right

- (a) During the Exclusivity Period, if the RED Board determines (acting in good faith and in order to satisfy what it determines to be its statutory or fiduciary duties, having received written advice from its external legal advisers) that an actual, proposed or potential RED Competing Proposal is a RED Superior Proposal:
- (i) RED must provide SLR with the material terms and conditions of the actual, proposed or potential RED Competing Proposal (including the identity of the person making the actual, proposed or potential RED Competing Proposal as well as the price, the form of consideration, the conditions precedent, the proposed deal protection arrangements and the timetable), in each case to the extent known by RED or any of its Representatives;
 - (ii) RED must give SLR at least five Business Days after the provision of the information referred to in **section 11.10(a)(i)** to provide a counterproposal to the actual, proposed or potential RED Competing Proposal (**Cut-Off Date**);
 - (iii) if SLR proposes or announces a proposal to acquire all of the RED Shares that constitutes a matching or superior proposal to the terms of the actual, proposed or potential RED Competing Proposal before the Cut-Off Date (**SLR Counterproposal**), RED must consider the SLR Counterproposal, and if RED determines (acting reasonably and in good faith) that the SLR Counterproposal (taking into account all of its terms and conditions) would provide an equivalent or superior outcome as a whole compared with the actual, proposed or potential RED Competing Proposal, RED and SLR must use their reasonable endeavours to agree and enter into such documentation as it reasonably necessary to implement the SLR Counterproposal, as soon as reasonably practicable; and
 - (iv) each successive material modification of an actual, proposed or potential RED Competing Proposal will constitute a new RED Competing Proposal and the procedure set out in clause 13.7 of the Scheme Implementation Deed (as summarised in this **section 11.10(a)**) must be followed prior to any member of the RED Group entering into any agreement, arrangement, understanding or commitment in respect of such RED Competing Proposal; and
- (b) During the Exclusivity Period, if the SLR Board determines (acting in good faith and in order to satisfy what it determines to be its statutory or fiduciary duties, having received written advice from its external legal advisers) that an actual, proposed or potential SLR Competing Proposal is a SLR Superior Proposal:
- (i) SLR must provide RED with the material terms and conditions of the actual, proposed or potential SLR Competing Proposal (including the identity of the person making the actual, proposed or potential SLR Competing Proposal as well as the price, the form of consideration, the conditions precedent, the proposed deal protection arrangements and the timetable), in each case to the extent known by SLR or any of its Representatives;
 - (ii) SLR must give RED at least five Business Days after the provision of the information referred to in **section 11.10(b)(i)** to provide a counterproposal to the actual, proposed or potential SLR Competing Proposal (**Cut-Off Date**);
 - (iii) if RED proposes or announces amendments to the Scheme or a new proposal that constitutes a matching or superior proposal to the actual, proposed or potential SLR Competing Proposal before the Cut-Off Date (**RED Counterproposal**), SLR must consider the RED Counterproposal, and if SLR determines (acting reasonably and in good faith) that the RED Counterproposal (taking into account all of its terms and conditions) would provide an equivalent or superior outcome as a whole compared with the actual, proposed or potential SLR Competing Proposal, SLR and RED must use their reasonable endeavours to agree the amendments to the Scheme Implementation Deed, Scheme and Deed Poll (as applicable) that are reasonably necessary to reflect the RED Counterproposal, as soon as reasonably practicable, and SLR must procure that each of the SLR Directors continue to recommend the proposed transaction as modified by the RED Counterproposal, to SLR Shareholders; and
 - (iv) each successive material modification of an actual, proposed or potential SLR Competing Proposal will constitute a new SLR Competing Proposal and the procedure set out in clause 12.7 of the Scheme Implementation Deed (as summarised in this **section 11.10(b)**) must be followed prior to any member of the SLR Group entering into any agreement, arrangement, understanding or commitment in respect of such SLR Competing Proposal.

As at the date of this Scheme Booklet, SLR has not, and RED has confirmed that RED has not, received any Competing Proposals.

11.11 Termination of the Scheme Implementation Deed

A summary of the circumstances in which the Scheme Implementation Deed may be terminated is set out below.

- (a) (**SLR Shareholder Approval**): Subject to compliance with the procedure set out in **section 11.3**, either SLR or RED may terminate the Scheme Implementation Deed by giving written notice to the other party if SLR Shareholders have not agreed to the Scheme at the Scheme Meeting by the Requisite Majorities.
- (b) (**Material breach of the Scheme Implementation Deed**): Either SLR or RED may terminate the Scheme Implementation Deed by giving written notice to the other party prior to the Delivery Time on the Second Court Date if the other party is in material breach of any of its obligations under the Scheme Implementation Deed (other than a material breach of a representation or warranty, which is dealt with separately – see below) and, if capable of remedy, the material breach is not remedied within five Business Days of receipt of a written breach notice from the other party (or by 5.00 pm on the day before the Second Court Date, if earlier).
- (c) (**Conditions Precedent**): Either SLR or RED may terminate the Scheme Implementation Deed by giving written notice to the other in the circumstances contemplated by, and in accordance with, **section 11.3**.
- (d) (**Restraints**): Either SLR or RED may terminate the Scheme Implementation Deed by giving written notice to the other party that the Court (and any other court of law) or another Government Agency, at any time prior to the Delivery Time on the Second Court Date, has taken action permanently restraining or otherwise prohibiting or preventing the Scheme, or has refused to do anything necessary to permit the Scheme to be implemented by the End Date, and such action is final and cannot be appealed or reviewed (or if the party (acting reasonably) believe that there is no realistic prospect of an appeal or review succeeding by the End Date).
- (e) (**Effective Date**): Either SLR or RED may terminate the Scheme Implementation Deed by giving written notice to the other party if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date, unless the failure of the Scheme to become Effective on or before the End Date is due to the failure of the party seeking to terminate the Scheme Implementation Deed to perform or observe its obligations, covenants and agreements under the Scheme Implementation Deed.

- (f) **(Entry into SLR Competing Proposal):** RED may terminate the Scheme Implementation Deed at any time prior to the Delivery Time on the Second Court Date by giving written notice to SLR if SLR enters into any legally binding agreement or arrangement in relation to the implementation of an actual, proposed or potential SLR Competing Proposal.
- (g) **(Entry into RED Competing Proposal):** SLR may terminate the Scheme Implementation Deed at any time prior to the Delivery Time on the Second Court Date by giving written notice to RED if RED enters into any agreement or arrangement in relation to the implementation of an actual, proposed or potential RED Competing Proposal.
- (h) **(SLR Superior Proposal):** SLR may terminate the Scheme Implementation Deed at any time prior to the Delivery Time on the Second Court Date by giving written notice to RED if the SLR Board determines (after following the notification, matching right and fiduciary out provisions in the Scheme Implementation Deed) that a SLR Competing Proposal constitutes a SLR Superior Proposal (provided that there is no breach by SLR of its exclusivity obligations under the Scheme Implementation Deed).
- (i) **(RED Superior Proposal):** RED may terminate the Scheme Implementation Deed at any time prior to the Delivery Time on the Second Court Date by giving written notice to SLR if the RED Board determines (after following the notification, matching right and fiduciary out provisions in the Scheme Implementation Deed) that a RED Competing Proposal constitutes a RED Superior Proposal (provided that there is no breach by RED of its exclusivity obligations under the Scheme Implementation Deed).
- (j) **(Change to recommendation):** RED may terminate the Scheme Implementation Deed at any time prior to the Delivery Time on the Second Court Date by giving written notice to SLR if any SLR Director:
- (i) fails to recommend that SLR Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting;
 - (ii) changes, withdraws or adversely modifies or qualifies that recommendation to SLR Shareholders to vote in favour of the Scheme Resolution at the Scheme Meeting or their intention to vote, or cause to be voted, all SLR Shares held or controlled by such SLR Director in favour of the Scheme;
 - (iii) publicly recommends, supports or endorses a SLR Competing Proposal; or
 - (iv) otherwise makes a public statement indicating that they no longer support or recommend the Scheme,
- for any reason, whether permitted to do so under the Scheme Implementation Deed or not. For clarity, a statement to the effect that no action should be taken by SLR Shareholders pending an assessment of a SLR Competing Proposal does not amount to a statement that, by itself, triggers this termination right.
- (k) **(SLR breaches any representation or warranty):** RED may terminate the Scheme Implementation Deed at any time prior to the Delivery Time on the Second Court Date by giving written notice to SLR if SLR materially breaches any representation or warranty contained in the Scheme Implementation Deed and:
- (i) SLR fails to remedy that breach within five Business Days of receipt of a breach notice from RED; and
 - (ii) the relevant breach is material in the context of the Scheme taken as a whole.
- (l) **(RED breaches any representation or warranty):** SLR may terminate the Scheme Implementation Deed at any time prior to the Delivery Time on the Second Court Date by giving written notice to RED if RED materially breaches any representation or warranty contained in the Scheme Implementation Deed and:
- (i) RED fails to remedy that breach within five Business Days of receipt of a breach notice from SLR; and
 - (ii) the relevant breach is material in the context of the Scheme taken as a whole.
 - (iii) In certain circumstances, the termination of the Scheme Implementation Deed will entitle SLR or RED to pay a reimbursement fee to the other party. Further information about the circumstances in which a reimbursement fee is payable is set out in **section 11.12**.

Full details of the termination rights of both SLR or RED (as applicable) summarised above are set out at clause 14 of the Scheme Implementation Deed.

11.12 Reimbursement Fees

Under the Scheme Implementation Deed, SLR must pay a reimbursement fee of A\$9.6 million to RED (**SLR Reimbursement Fee**) if at any time on or after the date of the Scheme Implementation Deed and before the Scheme becomes Effective, any of the following events occur:

- (a) a SLR Competing Proposal of any kind is announced (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of the date of such announcement, a Third Party or any Associate of that Third Party:
 - (i) completes a SLR Competing Proposal of a kind referred to in paragraphs (a)(ii) or (a)(iii) of the definition of SLR Competing Proposal in clause 1.1 of the Scheme Implementation Deed;
 - (ii) enters into an agreement, arrangement or understanding with SLR, another SLR Group Member, or with any board of directors of any SLR Group Member, that would require SLR to abandon or otherwise fail to proceed with the Scheme; or
 - (iii) without limiting paragraphs (i) and (ii) above, acquires (either alone or in aggregate) a Relevant Interest in more than 50% of the SLR Shares or otherwise acquires (either alone or with another Third Party) Control of SLR;
- (b) a SLR Superior Proposal is received or publicly announced at any time during the Exclusivity Period and SLR terminates the Scheme Implementation Deed (after following the notification, matching right and fiduciary out provisions in the Scheme Implementation Deed), in circumstances where SLR has not breached its exclusivity obligations under the Scheme Implementation Deed;
- (c) at any time prior to the Delivery Time on the Second Court Date, any SLR Director recommends, supports or endorses a SLR Competing Proposal of any kind that is announced;
- (d) SLR breaches its exclusivity obligations under the Scheme Implementation Deed; or

- (e) RED validly terminates the Scheme Implementation Deed due to:
- (i) the occurrence of a SLR Prescribed Occurrence or a SLR Regulated Event and the Scheme does not complete (other than where the SLR Regulated Event is notification of an investigation or dispute against a SLR Group Member that could reasonably be expected to give rise to a liability in excess of \$20 million);
 - (ii) SLR being in material breach of the Scheme Implementation Deed (and failing to rectify such breach within the provided timeframe); or
 - (iii) SLR being in material breach of a warranty or representation given under the Scheme Implementation Deed.

Under the Scheme Implementation Deed, RED must pay a reimbursement fee of A\$9.6 million to SLR (**RED Reimbursement Fee**) if at any time on or after the date of the Scheme Implementation Deed and before the Scheme becomes Effective, any of the following events occur:

- (a) a RED Competing Proposal of any kind is announced (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of the date of such announcement, a Third Party or any Associate of that Third Party:
 - (i) completes a RED Competing Proposal of a kind referred to in paragraphs (a)(ii) or (a)(iii) of the definition of RED Competing Proposal in clause 1.1 of the Scheme Implementation Deed;
 - (ii) enters into an agreement, arrangement or understanding with RED, another RED Group Member, or with any board of directors of any RED Group Member, that would require RED to abandon or otherwise fail to proceed with the Scheme; or
 - (iii) without limiting paragraphs (i) and (ii) above, acquires (either alone or in aggregate) a Relevant Interest in more than 50% of the RED Shares or otherwise acquires (either alone or with another Third Party) Control of RED;
- (b) a RED Superior Proposal is received or publicly announced at any time during the Exclusivity Period and RED terminates the Scheme Implementation Deed (after following the notification, matching right and fiduciary out provisions in the Scheme Implementation Deed), in circumstances where RED has not breached its exclusivity obligations under the Scheme Implementation Deed;
- (c) at any time prior to the Delivery Time on the Second Court Date, any RED Director recommends, supports or endorses a RED Competing Proposal of any kind that is announced;
- (d) RED breaches its exclusivity obligations under the Scheme Implementation Deed; or
- (e) SLR validly terminates the Scheme Implementation Deed due to:
 - (i) the occurrence of a RED Prescribed Occurrence or a RED Regulated Event and the Scheme does not complete (other than where the RED Regulated Event is notification of an investigation or dispute against an RED Group Member that could reasonably be expected to give rise to a liability in excess of \$20 million);
 - (ii) RED being in material breach of the Scheme Implementation Deed (and failing to rectify such breach within the provided timeframe); or
 - (iii) RED being in material breach of a warranty or representation given under the Scheme Implementation Deed.

11.13 Additional definitions for this section

Capitalised terms used in this **section 11** which are not defined in the table below or in the glossary in **section 13.1** of this Scheme Booklet are defined in clause 1 of the Scheme Implementation Deed.

RED Competing Proposal means any proposal, offer, expression of interest, arrangement or transaction by a Third Party that, if entered into or completed substantially in accordance with its terms:

- (a) would mean a Third Party (alone or together with its Associates) may:
 - (i) directly or indirectly acquire a Relevant Interest in, or have a right to acquire a legal, beneficial or economic interest in (including under a cash settled equity swap or similar derivative), or control of, 20% or more of the RED Shares or of the share capital of any other RED Group Member;
 - (ii) directly or indirectly acquire or become the holder of, or otherwise obtain or have a right to obtain a legal, beneficial or economic interest in, or control of, all or substantially all of the business conducted by, or assets or property of, any RED Group Member; or
 - (iii) acquire Control of, or otherwise acquire, merge with or be stapled with, RED or any other RED Group Member; or
- (b) would require RED to abandon or otherwise fail to proceed with the Scheme,

whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy-back, issue of securities, sale of assets, sale of securities, stapling, strategic alliance, dual listed company structure (or other synthetic merger), deed of company arrangement, joint venture or partnership, or other transaction or arrangement. For the avoidance of doubt, each successive material modification or variation of any proposal, offer or transaction in relation to a RED Competing Proposal will constitute a new RED Competing Proposal.

RED Material Adverse Change means

- (a) One or more changes, events, circumstances, matters, occurrences or things that occur, are announced or become known to SLR which, individually or when aggregated with all other such changes, events, circumstances, matters, occurrences or things have had, will have or would be reasonably likely to have the effect or result of:
 - (i) diminishing the value of the consolidated net assets of the RED Group taken as a whole by more than \$50 million;
 - (ii) materially adversely affecting the status or terms of (or rights attaching to) some or all of the RED Key Tenements (as set out in schedule 4 of the Scheme Implementation Deed) or the ability of a RED Group Member to exploit them; or
 - (iii) any RED Group Member being unable to carry on its business in substantially the same manner as carried on in the 12 months prior to the date of the Scheme Implementation Deed; or

- (b) any change, event, circumstance, matter or thing occurs in relation to any financing arrangement or other agreement to which a RED Group Member is a party that entitles any Third Party (as defined to require repayment by a RED Group Member on an accelerated basis of an amount in excess of \$20 million, in circumstances where that change, event, circumstance, matter or thing has not been either waived by the relevant counterparty on terms satisfactory to SLR (acting reasonably) or otherwise remedied to SLR's satisfaction (acting reasonably) as at the Delivery Time on the Second Court Date,

but does not include any change, event, circumstance, matter, occurrence or thing to the extent that:

- (a) it is required or permitted to be done or procured by RED pursuant to the Scheme Implementation Deed or the Scheme;
- (b) it is consented to in writing by SLR;
- (c) it is, or arises from, a change or fluctuation in general economic, banking, regulatory, political or business or industry conditions, or a change in taxation rates, interest rates, exchange rates or the gold price;
- (d) it arises as a result of any generally applicable change in law (including subordinate legislation) or the interpretation, application or non-application of any laws by any Government Agency; or
- (e) it arises from or in connection with:
 - (i) entry into the Scheme Implementation Deed, the announcement of the execution of Scheme Implementation Deed, required or expressly permitted by the Scheme Implementation Deed or the Scheme;
 - (ii) facts and circumstances that RED has Fairly Disclosed (as defined in the Scheme Implementation Deed);
 - (iii) any facts, circumstances or changes that are the result, directly or indirectly from the actions (or omissions to act) of SLR or a member of the SLR Group, other than in circumstances where RED is in material breach of the Scheme Implementation Deed unless such material breach resulted, directly or indirectly, from the actions (or omissions to act) of SLR or a member of the SLR Group;
 - (iv) any war (whether declared or not), act of terrorism, civil unrest, pandemic (including COVID-19) or similar event occurring on or after the date of the Scheme Implementation Deed (including any outbreak, escalation or worsening of any of the foregoing);
 - (v) the exercise by any party of its express rights, or the discharge by any party of its express obligations, under the Scheme Implementation Deed; or
 - (vi) any action, or failure to take action, by RED with the approval or consent of, or at the request of SLR,

provided that, in the case of the exceptions in paragraphs (c), (d) and (e)(iv) above, such RED Material Adverse Change does not affect RED in a manner that is materially disproportionate to the effect on other companies of a similar size operating in the same industry as RED and, for the avoidance of doubt, in the event RED is affected materially disproportionately by such RED Material Adverse Change, the financial impact of such RED Material Adverse Change will be taken into account for the purposes of this definition only to the extent that the financial impact on RED is in excess of the proportionate financial impact of the RED Material Adverse Change on other companies of a similar size operating in the same industry as RED.

RED Permitted Issue means the issue of:

- (a) a RED Share pursuant to the exercise of a RED Performance Right or a RED Service Right where that RED Performance Right or RED Service Right (as applicable) was on issue immediately before the date of the Scheme Implementation Deed;
- (b) any RED Share, RED Performance Right, RED Service Right or any other security in RED pursuant to the issue to RED Group employees within the tax-free discount of \$1,000 per year per employee; and
- (c) any RED Share, RED Performance Right, RED Service Right or any other security in RED with the prior written consent of SLR.

RED Prescribed Occurrence means the occurrence of any of the following on or after the date of the Scheme Implementation Deed:

- (a) RED converts all or any of its shares into a larger or smaller number of shares;
- (b) any RED Group Member resolves to reduce its share capital in any way;
- (c) any RED Group Member:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) any RED Group Member issues shares, grants an option or any other securities convertible into shares or similar right over its shares, or agrees to make such an issue or grant such an option, security or similar right or agrees to pay any cash consideration to any person in performance or settlement of any obligation to issue shares, other than pursuant to a RED Permitted Issue;
- (e) any RED Group Member issues, or agrees to issue, convertible notes, debt securities or any other security or instrument that is convertible into shares or other financial products, other than pursuant to a RED Permitted Issue;
- (f) any RED Group Member disposes, or agrees to dispose, of any business, securities or any other non-current assets set out in RED's 30 June 2023 financial statements, or undertakings of the RED Group, with a value of more than \$20million individually or in aggregate;
- (g) any RED Group Member creates or agrees to create, any Security Interest (as defined in the Scheme Implementation Deed);
- (h) over any asset of the RED Group with a value of more than \$20 million individually or in aggregate;
- (i) an Insolvency Event (as defined in the Scheme Implementation Deed) occurs in relation any RED Group Member; or
- (j) any RED Group Member being deregistered as a company or otherwise dissolved,

provided that a RED Prescribed Occurrence will not include any matter:

- (k) required to be done or procured by RED pursuant to the Scheme Implementation Deed or which is otherwise contemplated by the Scheme Implementation Deed or the Scheme;
- (l) consented to in writing by SLR; or
- (m) Fairly Disclosed by RED.

RED Regulated Event means the occurrence of any of the following:

- (a) a RED Group Member reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (b) a RED Group Member acquiring or disposing of, or entering into or announcing any agreement for the acquisition or disposal of, any asset, businesses, shares or other securities or entering into any corporate transaction, which would or would reasonably be likely to involve a material change in:
 - (i) the manner in which the RED Group conducts its business;
 - (ii) the nature (including balance sheet classification), extent or value of the assets of the RED Group; or
 - (iii) the nature (including balance sheet classification), extent or value of the liabilities of the RED Group,
 excluding any acquisition, disposal or corporate transaction involving an internal restructure of one or more RED Group Members or a transaction pursuant to which the RED Group disposes of part of an asset but replaces it with a different asset (for example, entering into an offtake agreement, product streaming agreement or joint venture agreement);
- (c) SLR becoming aware that the RED Warranty in paragraph 8 of schedule 6 in the Scheme Implementation Deed is inaccurate;
- (d) RED announcing, making, declaring, paying or distributing any dividend, bonus or other share of its profits or assets, or returning, or agreeing to return, any capital to its members (whether in cash or in specie);
- (e) a RED Group Member making any change to its constitution;
- (f) a RED Group Member commencing business activities not already carried out as at the date of the Scheme Implementation Deed, whether by way of acquisition or otherwise;
- (g) a RED Group Member entering into, or resolving to enter into, a transaction with any related party (as defined in section 228 of the Corporations Act) of RED, other than:
 - (i) a related party which is a RED Group Member;
 - (ii) any RED Permitted Issue; or
 - (iii) any matter that has been Fairly Disclosed by **RED**;
- (h) a RED Group Member:
 - (i) acquiring, leasing or disposing of;
 - (ii) creating, or agreeing to create, any Security Interest over;
 - (iii) agreeing, offering or proposing to acquire (including by way of conditional agreement or option), lease or dispose of; or
 - (iv) announcing or proposing a bid, or tendering for,
 any business, assets, entity, undertaking or rights relating to any RED Key Tenement, the value of which exceeds \$20 million (individually or in aggregate);
- (i) a RED Group Member entering into a contract or commitment restraining a RED Group Member from competing with any person or conducting activities in any market;
- (j) a RED Group Member:
 - (i) entering into or agreeing to enter into a RED Material Contract;
 - (ii) terminating, amending or extending in a material manner a RED Material Contract (other than where an amendment or extension results in a variation of the contract value by less than \$10 million per annum (provided always that the contract is not extended for a term of more than 12 months) or where termination results in a payment of less than \$5 million);
 - (iii) amending any other contract in such a manner that it becomes a RED Material Contract;
 - (iv) not renewing a RED Material Contract;
 - (v) entering into any contract or commitment (including in respect of Financial Indebtedness) requiring payments by the RED Group in excess of \$20 million (individually or in aggregate);
 - (vi) agreeing to incur or incurring:
 - (A) any capital expenditure of more than \$20 million (individually or in aggregate), other than any mining expenditure that is classified as a capital item in accordance with Accounting Standards (for example, capitalised deferred waste and underground mine development); or
 - (B) any Financial Indebtedness of an amount in excess of \$20 million (individually or in aggregate);
 - (vii) waiving any material rights or third party default where the financial impact on the RED Group is reasonably expected to be in excess of \$20 million (individually or in aggregate); or
 - (viii) accepting any compromise of a matter less than the full compensation due to a RED Group Member where the financial impact of the compromise on the RED Group is reasonably expected to be more than \$20 million (individually or in aggregate);
- (k) a RED Group Member providing financial accommodation (which includes the giving of a guarantee of, or security for, or indemnity in connection with the obligations of any person or any undertaking to pay) to any person other than to another RED Group Member (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of \$20 million (individually or in aggregate);
- (l) a RED Group Member giving any guarantee of, or security for, or indemnity in connection with the obligations of any person other than a member of the RED Group;
- (m) a RED Group Member being party to, bound by or subject to a RED Relevant Material Contract unless before the Delivery Time on the Second Court Date:
 - (i) each relevant party to the RED Relevant Material Contract provides RED in writing a binding, irrevocable and unconditional waiver or release of its rights under the RED Material Contract that makes that contract a Relevant Material Contract (Relevant Release); and
 - (ii) the Relevant Release is not varied, revoked or qualified,

and between the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date, no party to any RED Material Contract (other than a SLR Group Member), or a Related Body Corporate, Associate or affiliate of such a party, makes a statement to the effect that a Relevant Right pursuant to a RED Relevant Material Contract exists, unless the two foregoing sub-paragraphs are satisfied before the Delivery Time on the Second Court Date;

- (n) other than as expressly contemplated by the Scheme Implementation Deed (including any RED Permitted Issue), a RED Group Member agreeing to accelerate the rights of any person to receive any benefit under any employee incentive plan, vary any employee incentive plan or introduce a new employee incentive plan;
 - (o) a RED Group Member paying any of its directors, officers, other executives, employees or consultants a termination, bonus or retention payment, other than where the payment is made in accordance with both:
 - (i) applicable law and the Listing Rules; and
 - (ii) contractual arrangements in effect of the date of the Scheme Implementation Deed and which have been Fairly Disclosed by RED;
 - (p) a RED Group Member making or agreeing to make any award or any certified agreement, enterprise agreement, workplace agreement or other collective agreement;
 - (q) a RED Group Member amending in any material respect any arrangement with one of its advisers, or entering into any arrangements with a new adviser in respect of the Proposed Transaction;
 - (r) RED ceases to be admitted to the official list of ASX or RED Shares cease to be quoted by ASX;
 - (s) a RED Group Member commencing any litigation or similar proceeding, other than in connection with the Scheme Implementation Deed;
 - (t) a RED Group Member waives, forgives, settles or compromises claims that it has against any other person between the date of the Scheme Implementation Deed and the Implementation Date with an aggregate value in excess of \$20 million;
 - (u) a RED Group Member forgives any loans given in favour to any other person with an aggregate value of in excess of \$20 million;
 - (v) a RED Group Member fails to comply in all material respects with all laws and regulations applicable to its business or does or omits to do anything which might result in the termination, revocation, suspension, modification or non-renewal of any Authorisation held by it;
 - (w) a RED Group Member varying or waiving its rights in any materially adverse respect, or terminates, cancels, surrenders, forfeits or allows to lapse or expire (without renewal on terms and conditions that are no less favourable to the RED Group) any RED Key Tenement;
 - (x) a RED Group Member postponing the payment of trade creditors or accelerates the collection of trade debtors, in each case having regard to the policies applied for such payment and collection in the 3 months prior to the date of the Scheme Implementation Deed, other than in the ordinary course of business;
 - (y) notice is given to any RED Group Member of any material investigation, prosecution, arbitration, litigation or dispute threatened against a RED Group Member that is not frivolous or vexatious and which could reasonably be expected to give rise to a liability for the RED Group in excess of \$20 million (**Material Proceedings**), or circumstances arising which could reasonably be expected to give rise to any such Material Proceedings. For the avoidance of doubt, Material Proceedings do not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a RED Group Member; or
 - (z) a RED Group Member authorises, procures or commits or agrees to do any of the matters set out above,
- other than:
- (aa) as required to be done or procured by RED pursuant to this document or which is otherwise contemplated by the Scheme Implementation Deed or the Scheme;
 - (ab) in accordance with the repayment of debt in the ordinary course (including any voluntary pre-payments not exceeding \$10 million in any calendar quarter);
 - (ac) as consented to in writing by SLR; or
 - (ad) as Fairly Disclosed by RED,

and subject to such event not breaching applicable law or the Listing Rules.

RED Superior Proposal means a bona fide RED Competing Proposal of the kind referred to in **paragraphs (a)(ii), (a)(iii) or (b)** of the definition of RED Competing Proposal not resulting from a breach by RED of any of its obligations under clause 13 of the Scheme Implementation Deed (it being understood that any actions by RED's Representatives not permitted by clause 13 of the Scheme Implementation Deed will be deemed to be a breach by RED for the purposes hereof), which the RED Board, acting in good faith and in order to satisfy what the RED Board reasonably considers to be its fiduciary or statutory duties after receiving written legal advice from its external legal advisers and written financial advice from its financial adviser, determines:

- (a) is reasonably capable of being valued and completed in accordance with its terms within a reasonable timeframe; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to RED Shareholders (as a whole) than the Proposed Transaction or any SLR Counterproposal (as applicable),

in each case taking into account all terms and conditions and other aspects of the RED Competing Proposal (including any timing considerations, any conditions precedent, financing, regulatory approvals, the identity of the proponent and other matters affecting the probability of the RED Competing Proposal being completed) and of the Proposed Transaction or any SLR Counterproposal (as applicable).

Representatives means in relation to an entity:

- (a) each of the entity's Related Entities; and
- (b) each of the directors, officers, employees, contractors, Advisers and agents of the entity and its Related Entities, but excluding the Independent Expert.

SLR Competing Proposal means any proposal, offer, expression of interest, arrangement or transaction by a Third Party that, if entered into or completed substantially in accordance with its terms:

- (a) would mean a Third Party (alone or together with its Associates) may:
 - (i) directly or indirectly acquire a Relevant Interest in, or have a right to acquire a legal, beneficial or economic interest in (including under a cash settled equity swap or similar derivative), or control of, 20% or more of the SLR Shares or of the share capital of any other SLR Group Member;
 - (ii) directly or indirectly acquire or become the holder of, or otherwise obtain or have a right to obtain a legal, beneficial or economic interest in, or control of, all or substantially all of the business conducted by, or assets or property of, any SLR Group Member; or
 - (iii) acquire Control of, or otherwise acquire, merge with or be stapled with, SLR or any other SLR Group Member; or
- (b) would require SLR to abandon or otherwise fail to proceed with the Proposed Transaction,

whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy-back, issue of securities, sale of assets, sale of securities, stapling, strategic alliance, dual listed company structure (or other synthetic merger), deed of company arrangement, joint venture or partnership, or other transaction or arrangement. For the avoidance of doubt, each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new SLR Competing Proposal.

SLR Material Adverse Change means one or more changes, events, circumstances, matters, occurrences or things that occur, are announced or become known to RED which, individually or when aggregated with all other such changes, events, circumstances, matters, occurrences or things have had, will have or would be reasonably likely to have:

- (a) the effect or result of:
 - (i) diminishing the value of the consolidated net assets of the SLR Group taken as a whole by more than \$100 million; or
 - (ii) materially adversely affecting the status or terms of (or rights attaching to) some or all of the SLR Key Tenements or the ability of a SLR Group Member to exploit them; or
- (b) the effect or result of any SLR Group Member being unable to carry on its business in substantially the same manner as carried on in the 12 months prior to the date of the Scheme Implementation Deed,

but does not include any change, event, circumstance, matter, occurrence or thing to the extent that:

- (c) it is required or permitted to be done or procured by SLR pursuant to the Scheme Implementation Deed or the Scheme;
- (d) it is consented to in writing by RED;
- (e) it is, or arises from, a change or fluctuation in general economic, banking, regulatory, political or business or industry conditions, or a change in taxation rates, interest rates, exchange rates or the gold price; or
- (f) it arises as a result of any generally applicable change in law (including subordinate legislation) or the interpretation, application or non-application of any laws by any Government Agency; or
- (g) it arises from or in connection with:
 - (i) entry into the Scheme Implementation Deed, the announcement of the execution of this document, required or expressly permitted by this the Scheme Implementation Deed or the Scheme;
 - (ii) facts and circumstances that SLR has Fairly Disclosed;
 - (iii) any facts, circumstances or changes that are the result, directly or indirectly from the actions (or omissions to act) of RED or a member of the RED Group, other than in circumstances where SLR is in material breach of the Scheme Implementation Deed unless such material breach resulted, directly or indirectly, from the actions (or omissions to act) of RED or a member of the RED Group;
 - (iv) any war (whether declared or not), act of terrorism, civil unrest, pandemic (including COVID-19) or similar event occurring on or after the date of the Scheme Implementation Deed (including any outbreak, escalation or worsening of any of the foregoing);
 - (v) the exercise by any party of its express rights, or the discharge by any party of its express obligations, under the Scheme Implementation Deed; or
 - (vi) any action, or failure to take action, by SLR with the approval or consent of, or at the request of RED,

provided that, in the case of exceptions in paragraphs (c), (d) and (e)(iv) above, such SLR Material Adverse Change does not affect SLR in a manner that is materially disproportionate to the effect on other companies of a similar size operating in the same industry as SLR and, for the avoidance of doubt, in the event SLR is affected materially disproportionately by such SLR Material Adverse Change, the financial impact of such SLR Material Adverse Change will be taken into account for the purposes of this definition only to the extent that the financial impact on SLR is in excess of the proportionate financial impact of the SLR Material Adverse Change on other companies of a similar size operating in the same industry as SLR.

SLR Permitted Issue means the issue of:

- (a) a SLR Share pursuant to the vesting and/or exercise of a SLR Performance Right where that SLR Performance Right was on issue immediately before the date of the Scheme Implementation Deed; and
- (b) any SLR Share, SLR Performance Right or any other security in SLR with the prior written consent of RED.

SLR Prescribed Occurrence means the occurrence of any of the following on or after the date of the Scheme Implementation Deed:

- (a) SLR converts all or any of its shares into a larger or smaller number of shares;
 - (b) any SLR Group Member resolves to reduce its share capital in any way;
 - (c) any SLR Group Member:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
 - (d) any SLR Group Member issues shares, grants an option or any other securities convertible into shares or similar right over its shares, or agrees to make such an issue or grant such an option, security or similar right or agrees to pay any cash consideration to any person in performance or settlement of any obligation to issue shares, other than pursuant to a SLR Permitted Issue;
 - (e) any SLR Group Member issues, or agrees to issue, convertible notes, debt securities or any other security or instrument that is convertible into shares or other financial products, other than pursuant to a SLR Permitted Issue;
 - (f) any SLR Group Member disposes, or agrees to dispose, of any business, securities or any other non-current assets set out in SLR's 30 June 2023 financial statements, or undertakings of the SLR Group, with a value of more than \$20 million individually or in aggregate;
 - (g) any SLR Group Member creates or agrees to create, any Security Interest over any asset of the SLR Group with a value of more than \$20 million individually or in aggregate;
 - (h) an Insolvency Event occurs in relation any SLR Group Member; or
 - (i) any SLR Group Member being deregistered as a company or otherwise dissolved,
- provided that a SLR Prescribed Occurrence will not include any matter:
- (j) required to be done or procured by SLR pursuant to the Scheme Implementation Deed or which is otherwise contemplated by the Scheme Implementation Deed or the Scheme;
 - (k) consented to in writing by RED; or
 - (l) Fairly Disclosed by SLR.

SLR Regulated Event means the occurrence of any of the following:

- (a) a SLR Group Member reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (b) a SLR Group Member acquiring or disposing of, or entering into or announcing any agreement for the acquisition or disposal of, any asset, businesses, shares or other securities or entering into any corporate transaction, which would or would reasonably be likely to involve a material change in:
 - (i) the manner in which the SLR Group conducts its business;
 - (ii) the nature (including balance sheet classification), extent or value of the assets of the SLR Group; or
 - (iii) the nature (including balance sheet classification), extent or value of the liabilities of the SLR Group,
 excluding any acquisition, disposal or corporate transaction involving an internal restructure of one or more SLR Group Members or a transaction pursuant to which the SLR Group disposes of part of an asset but replaces it with a different asset (for example, entering into an offtake agreement, product streaming agreement or joint venture agreement);
- (c) RED becoming aware that the SLR Warranty in paragraph 8 of schedule 5 of the Scheme Implementation Deed is inaccurate;
- (d) SLR announcing, making, declaring, paying or distributing any dividend, bonus or other share of its profits or assets, or returning, or agreeing to return, any capital to its members (whether in cash or in specie);
- (e) a SLR Group Member making any change to its constitution;
- (f) a SLR Group Member commencing business activities not already carried out as at the date of the Scheme Implementation Deed, whether by way of acquisition or otherwise;
- (g) a SLR Group Member entering into, or resolving to enter into, a transaction with any related party (as defined in section 228 of the Corporations Act) of SLR, other than:
 - (i) a related party which is a SLR Group Member;
 - (ii) any SLR Permitted Issue; or
 - (iii) any matter that has been Fairly Disclosed by SLR;
- (h) a SLR Group Member:
 - (i) acquiring, leasing or disposing of;
 - (ii) creating, or agreeing to create, any Security Interest over;
 - (iii) agreeing, offering or proposing to acquire (including by way of conditional agreement or option), lease or dispose of; or
 - (iv) announcing or proposing a bid, or tendering for,
 any business, assets, entity, undertaking or rights relating to any SLR Key Tenement, the value of which exceeds \$20 million (individually or in aggregate);
- (i) a SLR Group Member entering into a contract or commitment restraining a SLR Group Member from competing with any person or conducting activities in any market;

- (j) a SLR Group Member:
- (i) entering into or agreeing to enter into a SLR Material Contract;
 - (ii) terminating, amending or extending in a material manner a SLR Material Contract (other than where an amendment or extension results in a variation of the contract value by less than \$10 million per annum (provided always that the contract is not extended for a term of more than 12 months) or where termination results in a payment of less than \$5 million);
 - (iii) amending any other contract in such a manner that it becomes a SLR Material Contract;
 - (iv) not renewing a SLR Material Contract;
 - (v) entering into any contract or commitment (including in respect of Financial Indebtedness) requiring payments by the SLR Group in excess of \$20 million (individually or in aggregate);
 - (vi) agreeing to incur or incurring:
 - (A) any capital expenditure of more than \$20 million (individually or in aggregate), other than any mining expenditure that is classified as a capital item in accordance with Accounting Standards (for example, capitalised deferred waste and underground mine development); or
 - (B) any Financial Indebtedness of an amount in excess of \$20 million (individually or in aggregate);
 - (vii) waiving any material rights or third party default where the financial impact on the SLR Group is reasonably expected to be in excess of \$20 million (individually or in aggregate); or
 - (viii) accepting any compromise of a matter less than the full compensation due to a SLR Group Member where the financial impact of the compromise on the SLR Group is reasonably expected to be more than \$20 million (individually or in aggregate);
- (k) a SLR Group Member providing financial accommodation (which includes the giving of a guarantee of, or security for, or indemnity in connection with the obligations of any person or any undertaking to pay) to any person other than to another SLR Group Member (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of \$20 million (individually or in aggregate);
- (l) a SLR Group Member giving any guarantee of, or security for, or indemnity in connection with the obligations of any person other than a member of the SLR Group;
- (m) a SLR Group Member being party to, bound by or subject to a SLR Relevant Material Contract unless before the Delivery Time on the Second Court Date:
- (i) each relevant party to the SLR Relevant Material Contract provides SLR in writing a binding, irrevocable and unconditional waiver or release of its rights under the SLR Material Contract that makes that contract a Relevant Material Contract (Relevant Release); and
 - (ii) the Relevant Release is not varied, revoked or qualified,
- and between the date of the Scheme Implementation Deed and by the Delivery Time on the Second Court Date, no party to any SLR Material Contract (other than a RED Group Member) or a Related Body Corporate, Associate or affiliate of such a party, makes a statement to the effect that a Relevant Right pursuant to a SLR Relevant Material Contract exists, unless the two foregoing sub-paragraphs are satisfied before the Delivery Time on the Second Court Date;
- (n) other than as expressly contemplated by the Scheme Implementation Deed (including any SLR Permitted Issue), a SLR Group Member agreeing to accelerate the rights of any person to receive any benefit under any employee incentive plan, vary any employee incentive plan or introduce a new employee incentive plan;
- (o) a SLR Group Member paying any of its directors, officers, other executives, employees or consultants a termination, bonus or retention payment, other than where the payment is made in accordance with both:
- (i) applicable law and the Listing Rules; and
 - (ii) contractual arrangements in effect of the date of the Scheme Implementation Deed and which have been Fairly Disclosed by SLR;
- (p) a SLR Group Member making or agreeing to make any award or any certified agreement, enterprise agreement, workplace agreement or other collective agreement;
- (q) a SLR Group Member amending in any material respect any arrangement with one of its advisers, or entering into any arrangements with a new adviser, in respect of the Proposed Transaction;
- (r) SLR ceases to be admitted to the official list of ASX or SLR Shares cease to be quoted by ASX;
- (s) a SLR Group Member commencing any litigation or similar proceeding, other than in connection with the Scheme Implementation Deed;
- (t) a SLR Group Member waives, forgives, settles or compromises claims that it has against any other person between the date of the Scheme Implementation Deed and the Implementation Date with an aggregate value in excess of \$20 million;
- (u) a SLR Group Member forgives any loans given in favour to any other person with an aggregate value in excess of \$20 million;
- (v) a SLR Group Member fails to comply in all material respects with all laws and regulations applicable to its business or does or omits to do anything which might result in the termination, revocation, suspension, modification or non-renewal of any Authorisation held by it;
- (w) a SLR Group Member varying or waiving its rights in any materially adverse respect, or terminates, cancels, surrenders, forfeits or allows to lapse or expire (without renewal on terms and conditions that are no less favourable to the SLR Group) any SLR Key Tenement;
- (x) a SLR Group Member postponing the payment of trade creditors or accelerates the collection of trade debtors, in each case having regard to the policies applied for such payment and collection in the 3 months prior to the date of the Scheme Implementation Deed, other than in the ordinary course of business;

- (y) notice is given to any SLR Group Member of any material investigation, prosecution, arbitration, litigation or dispute threatened against a SLR Group Member that is not frivolous or vexatious and which could reasonably be expected to give rise to a liability for the SLR Group in excess of \$20 million (Material Proceedings), or circumstances arising which could reasonably be expected to give rise to any such Material Proceedings. For the avoidance of doubt, Material Proceedings do not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a SLR Group Member;
- (z) any SLR Group Member entering into any hedging arrangements other than in a manner consistent with the hedging policy of the SLR Group as disclosed in the SLR Disclosure Material;
- (aa) a SLR Group Member authorises, procures or commits or agrees to do any of the matters set out above, other than as:
 - (ab) required to be done or procured by SLR pursuant to the Scheme Implementation Deed or which is otherwise contemplated by the Scheme Implementation Deed or the Scheme;
 - (ac) consented to in writing by RED; or
 - (ad) Fairly Disclosed by SLR,

and subject to such event not breaching applicable law or the Listing Rules.

SLR Superior Proposal means a bona fide SLR Competing Proposal of the kind referred to in paragraphs (a)(ii), (a)(iii) or (b) of the definition of SLR Competing Proposal not resulting from a breach by SLR of any of its obligations under clause 12 of the Scheme Implementation Deed (it being understood that any actions by SLR's Representatives not permitted by clause 12 of the Scheme Implementation Deed will be deemed to be a breach by SLR for the purposes hereof), which the SLR Board, acting in good faith and in order to satisfy what the SLR Board reasonably considers to be its fiduciary or statutory duties after receiving written legal advice from its external legal advisers and written financial advice from its financial adviser, determines:

- (a) is reasonably capable of being valued and completed in accordance with its terms within a reasonable timeframe; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to SLR Shareholders (as a whole) than the Proposed Transaction or any RED Counterproposal (as applicable),

in each case taking into account all terms and conditions and other aspects of the SLR Competing Proposal (including any timing considerations, any conditions precedent, financing, regulatory approvals, the identity of the proponent and other matters affecting the probability of the SLR Competing Proposal being completed) and of the Proposed Transaction or any RED Counterproposal (as applicable).

12. Additional Information

12.1 Treatment of SLR shareholding in RED

SLR currently owns 411,662,268 RED Shares, representing, as at the Last Practicable Date, approximately 11.7% of RED's issued share capital on a fully diluted basis. The market value of SLR's shareholding in RED as at close of trading on the Last Practicable Date was \$177.0 million.

Under the Scheme Implementation Deed, SLR must not dispose of any of its RED Shares until following implementation of the Scheme, after which it is intended that the RED Shares owned by SLR will either be monetised or cancelled in accordance with the requirements of section 259D of the Corporations Act. The ultimate treatment of SLR's RED Shares will be a matter for the board Merged Group.

12.2 Treatment of RED Performance Rights and RED Retention Rights

(a) RED Performance Rights

As at the Last Practicable Date, RED had 50,642,518 RED Performance Rights on issue.

The RED Board intends to exercise its power under the RED Employee Incentive Plan to accelerate the vesting of the RED Performance Rights if the Scheme is implemented.

One member of the current senior management of RED has entered into a voluntary escrow arrangement in respect of approximately 50% of the New RED Shares to be issued to them following the vesting and exercise of their 30 June 2025 RED Performance Rights and 30 June 2026 RED Performance Rights if such vesting is accelerated as a result of the Scheme being implemented. The escrow restrictions will apply until 30 June 2025. The remaining 50% of the New RED Shares issued to the relevant RED senior management member following the vesting and exercise of their 30 June 2025 RED Performance Rights and 30 June 2026 RED Performance Rights will not be subject to any escrow restrictions.

(b) RED Retention Rights

As at the Last Practicable Date, RED had 3,549,877 RED Retention Rights on issue. The RED Board intends to exercise its power under the RED Employee Incentive Plan to accelerate the vesting of the RED Retention Rights if the Scheme is implemented.

12.3 No unacceptable circumstances

The SLR Directors believe that the Scheme does not involve any circumstances in relation to the affairs of any SLR Shareholder that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

12.4 Creditors of SLR

The Scheme, if implemented, is not expected to materially prejudice SLR's ability to pay its creditors, as the Scheme involves the acquisition of SLR Shares for consideration provided by a third party, rather than the acquisition of SLR's underlying assets. No material new liability (other than transaction costs) is expected to be incurred by SLR as a consequence of the Scheme (refer also to **section 11.12** for information relating to the SLR Reimbursement Fee). SLR has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

12.5 Third party consents

(a) Role of advisers and experts

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

Name	Role
BDO Corporate Finance (WA) Pty Ltd	Independent Expert
SRK Consulting (Australasia) Pty Ltd	Independent Technical Specialist
Corrs Chambers Westgarth	Legal adviser to SLR
RBC Capital Markets	Financial advisers to SLR
EurozHartleys	Capital Markets advisers to SLR
KPMG	Auditor to SLR
Computershare Investor Services Pty Limited	SLR Share Registry

(b) Consents

Each person named in **section 12.5(a)** has given their consent to being named in this Scheme Booklet in the capacity indicated next to their name, and to the inclusion in the Scheme Booklet of any statements made by, or statements said to be based on statements made by, that person in the form and context in which they appear, and has not withdrawn that consent before the date of this Scheme Booklet. In addition:

- (i) BDO Corporate Finance (WA) Pty Ltd has given its consent to the inclusion of its Independent Expert's Report and the references to its Independent Expert's Report in this Scheme Booklet in the form and context in which they appear and has not withdrawn that consent before the date of this Scheme Booklet.
- (ii) SRK Consulting (Australasia) Pty Ltd has given its consent to the inclusion of its Technical Specialist's Report and the references to its Technical Specialist's Report in this Scheme Booklet in the form and context in which they appear and has not withdrawn that consent before the date of this Scheme Booklet.

(c) Disclaimer

RED and each person named in **section 12.5(a)**:

- (i) has not authorised or caused the issue of this Scheme Booklet;
- (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in **section 12.5**; and
- (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of this Scheme Booklet other than a reference to its name and any statement or report which has been included in this Scheme Booklet with the consent of that person.

(d) Fees

Each of the persons named in this **section 12.5** as performing a function in a professional, advisory or other capacity in connection with the Scheme and the preparation of this Scheme Booklet, will be entitled to receive professional fees charged in accordance with their normal basis of charging.

If the Scheme is implemented, costs of approximately \$7.29 million (excluding GST) are expected to be paid by SLR. This includes negotiation with RED on the Scheme, advisory fees for SLR's financial, legal, accounting and tax advisers, the Independent Expert's fees, facilitating RED's access to due diligence, engaging with ASIC, ASX and the Court, governance support and proxy advisor engagement support fees, general administrative fees, printing and distribution costs, expenses associated with convening and holding the Scheme Meeting and other expenses.

If the Scheme is not implemented, costs of approximately \$2.29 million (excluding GST) are expected to be paid by SLR.

If the Scheme is implemented, costs of approximately \$36 million (excluding GST) are expected to be paid by RED. This includes advisory fees for SLR's financial, legal, accounting and tax advisers and estimated Western Australian stamp duty costs of \$28 million (excluding GST).

12.6 Regulatory conditions and relief**(a) ASX confirmation**

As noted in **section 12.2** the RED Board intends to exercise its power to accelerate the vesting of the RED Performance Rights and RED Retention Rights if the Scheme is implemented. The ASX has confirmed that ASX Listing Rule 6.23.3 does not apply to the exercise of this discretion.

(b) ASIC declarations and modifications

SLR has applied to ASIC for relief from clause 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations so that SLR need only set out in this Scheme Booklet whether, within the knowledge of the SLR Directors, the financial position of SLR has materially changed since 31 December 2023, being the last date of the period to which financial statements for the half-year ended 31 December 2023 related).

12.7 Foreign jurisdictions

No action has been taken to register or qualify the New RED Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available to SLR, SLR Shareholders whose addresses are shown in the SLR Register as being in the following jurisdictions will be entitled to have New RED Shares issued to them under the Scheme subject to any qualifications set out below in respect of that jurisdiction:

- (a) Australia;
- (b) European Union (excluding Austria and France), where (i) the SLR shareholder is a "qualified investor" (as defined in Article 2(e) of the Prospectus Regulation) or (ii) the number of other SLR shareholders is less than 150;
- (c) Hong Kong;
- (d) Liechtenstein, where (i) SLR shareholders are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation) or (ii) the number of other SLR shareholders is less than 150;
- (e) New Zealand;
- (f) Singapore;
- (g) Switzerland;
- (h) United Arab Emirates, to all SLR shareholders outside the financial zones and to less than 50 persons who are SLR shareholders in each of the Abu Dhabi Global Market and Dubai International Financial Centre;
- (i) United Kingdom;

- (j) United States; and
- (k) any other person or jurisdiction in respect of which SLR reasonably believes that it is not prohibited and not unduly onerous or impractical to issue New RED Shares to a SLR shareholder with a registered address in such jurisdiction.

Nominees and custodians who hold SLR Shares on behalf of a beneficial owner resident outside Australia, Hong Kong, New Zealand, Singapore, Switzerland, United Arab Emirates (excluding financial zones), United Kingdom and the United States may not forward this Scheme Booklet (or any accompanying document) to anyone outside these countries without the consent of SLR, except nominees and custodians may forward this Scheme Booklet to any beneficial shareholder in the European Union (excluding Austria) or Liechtenstein who is a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union).

12.8 Foreign jurisdiction disclaimers

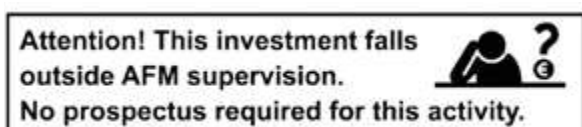
(a) European Union (excluding Austria and France):

This Scheme Booklet is not a prospectus under Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (**Prospectus Regulation**). Therefore, the Scheme Booklet has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Scheme Booklet may not be made available, nor may the New RED Shares be offered for sale or exchange, in the European Union except in circumstances that do not require the obligation to publish a prospectus under the Prospectus Regulation.

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New RED Shares in each member state of the European Union is limited:

- (i) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (ii) to fewer than 150 other natural or legal persons; and
- (iii) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Investors in the Netherlands should note:



(b) Hong Kong:

WARNING: The contents of this Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Scheme. If you are in any doubt about any of the contents of this Scheme Booklet, you should obtain independent professional advice.

This Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Scheme Booklet in Hong Kong, other than to persons who are "professional investors" (as defined in the Securities and Futures Ordinance and any rules made thereunder) or in other circumstances that do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. Copies of this Scheme Booklet may be issued to a limited number of persons in Hong Kong in a manner that does not constitute any issue, circulation or distribution of this Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Scheme Booklet is for the exclusive use of SLR Shareholders in connection with the Scheme. No steps have been taken to register or seek authorisation for the issue of this Scheme Booklet in Hong Kong. This Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Scheme by SLR Shareholders.

(c) Liechtenstein:

This Scheme Booklet has not been, and will not be, registered with or approved by the Financial Market Authority of Liechtenstein. Accordingly, this Scheme Booklet may not be made available, nor may the New RED Shares be offered for sale, in Liechtenstein except in circumstances that do not require a prospectus under the Securities Prospectus Implementation Act of Liechtenstein.

In accordance with such Act, an offer of New RED Shares in Liechtenstein is limited to less than 150 persons who are shareholders of SLR.

(d) New Zealand:

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of New RED Shares under the Scheme is being made to existing shareholders of SLR in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

(e) Singapore:

This Scheme Booklet and any other document relating to the Scheme have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore and the Scheme is not regulated by any financial supervisory authority in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act 2001 (**SFA**) will not apply. This Scheme Booklet and any other document relating to the Scheme may not be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part 13 of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to New RED Shares being subsequently offered for sale to any other party in Singapore. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

This Scheme Booklet is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person. Any investment referred to in this Scheme Booklet may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investment.

Neither SLR nor RED is in the business of dealing in securities or holds itself out, or purports to hold itself out, to be doing so. As such, SLR and RED are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

(f) Switzerland:

The New RED Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Scheme Booklet nor any other offering material relating to the New RED Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (**FinSA**) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this Scheme Booklet nor any other offering material relating to the New RED Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Scheme Booklet nor any other offering material relating to the New RED Shares have been, or will be, filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this Scheme Booklet will not be filed with, and the offer of New RED Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**). This Scheme Booklet may be distributed in Switzerland only to existing shareholders of SLR and is not for general circulation in Switzerland.

(g) United Arab Emirates:

The Scheme Booklet does not constitute a public offer of securities in the United Arab Emirates and the New RED Shares may not be offered or sold, directly or indirectly, to the public in the United Arab Emirates. Neither the Scheme Booklet nor the New RED Shares have been approved by the Securities and Commodities Authority or any other authority in the United Arab Emirates.

This Scheme Booklet may be distributed in the United Arab Emirates only to existing SLR Shareholders and may not be provided to any person other than the original recipient. Information about the Scheme may be found in the Scheme Booklet, which is available on SLR's website at <https://www.silverlakeresources.com.au/investors/asx-announcements>. If a recipient of the Scheme Booklet ceases to be a SLR Shareholder at the time of subscription, then such person should discard this Scheme Booklet and may not participate in the Scheme. No marketing of the New RED Shares has been, or will be, made from within the United Arab Emirates other than in compliance with the laws of the United Arab Emirates and no subscription for any securities may be consummated within the United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market).

In the Abu Dhabi Global Market and the Dubai International Financial Centre, New RED Shares may be offered, and this Scheme Booklet may be distributed, only to existing SLR shareholders as an "*Exempt Scheme*", as defined and in compliance with the market rules issued by the regulatory authorities in these financial zones. No regulatory authority has approved this Scheme Booklet nor taken any steps to verify the information set out in it.

(h) United Kingdom:

Neither this Scheme Booklet nor any other document relating to the Scheme has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the New RED Shares.

This Scheme Booklet does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, this Scheme Booklet does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New RED Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to SLR or RED.

In the United Kingdom, this Scheme Booklet is being distributed only to, and is directed at, persons:

- (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005; or
- (ii) to whom it may otherwise be lawfully communicated,

(together **Relevant Persons**).

The investments to which this Scheme Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Scheme Booklet.

(i) **United States:**

SLR and RED intend to rely on an exemption from the registration requirements of the US Securities Act of 1933 provided by Section 3(a)(10) thereof in connection with the consummation of the Scheme and the issuance of New RED Shares. Approval of the Scheme by an Australian court will be relied upon by SLR and RED for purposes of qualifying for the Section 3(a)(10) exemption.

US SLR Shareholders should note that the Scheme is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of ASX. The Scheme is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws since SLR and RED are located in Australia and most of their respective officers and directors reside outside the United States. You may not be able to sue SLR, RED or their respective officers or directors in Australia for violations of the US securities laws. It may be difficult to compel SLR and its affiliates to subject themselves to a US court's judgment.

You should be aware that RED may purchase securities otherwise than under the Scheme, such as in open market or privately negotiated purchases. The Scheme Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of the Scheme Booklet. Any representation to the contrary is a criminal offence.

The New RED Shares to be issued pursuant to the Scheme have not been, and will not be, registered under the US Securities Act or the securities laws of any US state or other jurisdiction. The Scheme is not being made in any US state or other jurisdiction where it is not legally permitted to do so.

12.9 Supplementary information

If, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, SLR becomes aware of any of the following:

- (a) a material statement in this Scheme Booklet is false or misleading or deceptive;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter that has arisen and that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

SLR will make available supplementary material to SLR Shareholders. SLR intends to make available any supplementary material by releasing that material to ASX (www.asx.com.au) and posting the supplementary document to SLR's website (<https://www.silverlakeresources.com.au/>). Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, SLR may also send such supplementary materials to SLR Shareholders.

12.10 Other material information

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any SLR Director or a related company which has not previously been disclosed to SLR Shareholders.

12.11 Competent Persons' statements

(a) **SLR**

The information in this Scheme Booklet that relates to the Mineral Resources and Ore Reserves for SLR is extracted from the ASX announcement entitled "Mineral Resource and Ore Reserve Statement" dated 27 September 2023, and which is available to view on SLR's website at <https://www.silverlakeresources.com.au/> or by visiting the ASX website under ASX code 'SLR' at www.asx.com.au. SLR confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserves estimates in the original market announcement continue to apply and have not been materially changed. SLR confirms that the form and context in which the relevant Competent Person's findings are presented in this Scheme Booklet have not been materially modified from the original market announcement.

(b) **RED**

The information in this Scheme Booklet that relates to the Ore Reserves and Mineral Resources of RED has been extracted from the ASX announcement titled "Mineral Resource and Ore Reserve Update 30 June 2023" released on 7 September 2023, and which is available to view on RED's website at <https://www.red5limited.com/site/content/> or by visiting the ASX website under ASX code 'RED' at www.asx.com. RED confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed. RED confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from that announcement.

12.12 Responsibility for information

(a) **SLR**

SLR has prepared, and is responsible for, the SLR Information (and is not responsible for the RED Information). None of RED, any RED Group Member or their respective directors, officers, employees and advisers has verified any SLR Information and none of them assumes any responsibility for the accuracy or completeness of any SLR Information.

(b) **RED**

RED has prepared, and is responsible for, the RED Information (and not the SLR Information). None of SLR, or their respective directors, officers, employees and advisers has verified any of the RED Information, and none of them assumes any responsibility for the accuracy or completeness of any the RED Information.

13. Glossary

13.1 Definitions

\$ or A\$ means the lawful currency of Australia.

AASB means the Australian Accounting Standards Board.

Announcement Date means the date on which SLR and RED announced to ASX that they had entered into the Scheme Implementation Deed, being 5 February 2024.

Appendix means an appendix to this Scheme Booklet.

AISC means all in sustaining cost.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12(2) of the Corporations Act as if subsection 12(1) of the Corporations Act included a reference to this document and the references to a designated body was SLR or RED (as applicable).

ASX means ASX Limited ABN 98 008 624 691 ASX Limited or, as the context requires, the financial market known as the Australian Securities Exchange operation by it.

ASX Listing Rules means the official listing rules of ASX.

ATO means the Australian Taxation Office.

Au means gold.

Auditing Standards means the Australian Auditing Standards.

AWST means Australian Western Standard Time.

Business Day means a business day as defined in the Listing Rules, provided that such day is not a day on which the banks in Perth, Western Australia are authorised or required to close.

CHESS means the clearing house electronic sub-register system of share transfers operated by ASX Settlement Pty Limited ABN 49 008 504 532.

CHMP means cultural heritage management plan.

Company or **SLR** means Silver Lake Resources Limited ACN 108 779 782.

Competing Proposal means a SLR Competing Proposal or a RED Competing Proposal (as applicable)

Competent Person means a Competent Person as defined in the JORC Code.

Control has the meaning given to that term in section 50AA of the Corporations Act and Controlling and Controlled has the corresponding meaning.

Controlled Entity means in respect of a party, an entity that party Controls.

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means the Corporations Regulations 2001 (Cth).

Court means the Federal Court of Australia or such other court of competent jurisdiction as agreed between SLR and RED.

CY24 means the year beginning on 1 January 2024 and ending on 31 December 2024.

Deed Poll means the deed poll executed by RED and set out in **Appendix 4** of this Scheme Booklet.

Delivery Time means the time that is two hours prior to the commencement of the Second Court Date (including as adjourned, if applicable).

Effective means when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date the Scheme becomes Effective.

End Date means the later of:

- (a) the date that is nine months from 4 February 2024; or
- (b) such other date and time agreed in writing between SLR and RED before that date.

Excluded Shareholder means any member of the RED Group.

Exclusivity Period means the period commencing on the date of the Scheme Implementation Deed and ending on the earliest of:

- (a) the End Date;
- (b) the Implementation Date of the Scheme; and
- (c) the date the Scheme Implementation Deed is terminated in accordance with its terms.

Explanatory Statement means the statement pursuant to section 412 of the Corporations Act, registered by ASIC in relation to the Scheme, which is included in this Scheme Booklet.

FY22 means the financial year beginning 1 July 2021 and ended on 30 June 2022.

FY23 means the financial year beginning 1 July 2022 and ended on 30 June 2023.

FY24 means the financial year beginning 1 July 2023 and ending 30 June 2024.

FY25 means the financial year beginning 1 July 2024 and ending 30 June 2025.

FY26 means the financial year beginning 1 July 2025 and ending 30 June 2026.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.

GST means a goods and services tax or similar value added tax levied or imposed in Australia under the GST Law.

GST Law has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the Scheme Resolution is passed at the Scheme Meeting by a majority in number of Shareholders present and voting, either in person or by proxy.

Implementation Date means the fifth Trading Day after the Record Date or such other date after the Record Date agreed to in writing between the parties.

Independent Expert means BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045.

Independent Expert's Report means the report in **Appendix 2** as amended or updated from time to time and including any supplementary or replacement report.

Independent Technical Specialist means SRK Consulting (Australasia) Pty Ltd ACN 074 271 720.

Independent Technical Specialist Report means the report in appendix 5 to the Independent Expert's Report.

Ineligible Jurisdiction means, any jurisdiction other than Australia and its external territories, the European Union (excluding Austria and France), Hong Kong, Liechtenstein, New Zealand, Singapore, Switzerland, the United Arab Emirates (excluding financial zones), the United Kingdom and the United States of America.

Ineligible Overseas Shareholder means a Scheme Shareholder whose address shown in the SLR Share Register on the Record Date is a place outside Australia and its external territories and the European Union (excluding Austria and France), Hong Kong, Liechtenstein, New Zealand, Singapore, Switzerland, the United Arab Emirates (excluding financial zones), the United Kingdom and the United States of America, unless RED determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with the Scheme Consideration when the Scheme becomes Effective.

Ineligible Shareholders means Ineligible Overseas Shareholders and Relevant Small Parcel Shareholders whose Scheme Consideration will be remitted to the Sale Agent in accordance with the procedure summarised in **section 4.14**.

Integration Working Group means a working group comprised of at least two senior SLR executives and two senior RED executives, or such other persons as agreed by SLR and RED.

Interested Persons has the meaning given to that term in **section 7.12(c)**.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012, as updated from time to time.

k means thousand.

Km means kilometres.

KOTH means King of the Hills.

KOTH Open Pit means the open pit mining operation at KOTH.

KOTH Underground means the underground mining operation at KOTH.

Darlot Underground means the underground mining operation at the Darlot satellite mine.

koz means thousand ounces.

Last Practicable Date means 17 April 2024, being the last practicable date before the finalisation of this Scheme Booklet.

Listing Rules or **ASX Listing Rules** means the official listing rules of ASX.

Marketable Parcel has the meaning given to that term in the Listing Rules.

Merged Group means the combination of the SLR Group and the RED Group, as comprised by RED and its Subsidiaries following implementation of the Scheme.

Mineral Resource has the meaning given to that term in the JORC Code.

Mtpa means million tonnes per annum.

Moz means million ounces.

New RED Shares means a RED Share to be issued under the Scheme.

Notice of Scheme Meeting means the notice convening the Scheme Meeting as set out in **Appendix 5**.

Opt-In Deadline Time has the meaning given in **section 4.13(b)**.

Opt-In Notice means a notice given by a Small Parcel Shareholder to the Share Registry electing to receive the Scheme Consideration in the form of New RED Shares, in the form made available to SLR Shareholders by the Share Registry.

Ore Reserve has the meaning given to that term in the JORC Code.

oz means ounce.

/oz means per ounce.

Proxy Form means the proxy form that is dispatched to SLR Shareholders in accordance with the orders of the Court or is available from the Share Registry.

Record Date means 5:00 pm on the second Trading Day after the Effective Date or such other time and date agreed to in writing between the parties. The Record Date is currently expected to be Wednesday, 12 June 2024.

RED 2023 Annual Report means RED's annual report for FY23.

RED means Red 5 Limited ACN 068 647 610.

RED Board means the board of directors of RED.

RED Competing Proposal has the meaning given in **section 11.13**.

RED Counterproposal has the meaning given in **section 11.10(b)(iii)**.

RED Director means a director of RED.

RED Employee Incentive Plan means RED's "Rights Plan Rules" approved by RED shareholders on 25 October 2022.

RED Group means RED and each of its Related Bodies Corporate.

RED Information means information regarding the RED Group and the Merged Group expressly provided by or on behalf of RED to SLR or its Representatives in writing for inclusion in this Scheme Booklet, being the information in the sections or parts of those sections described below:

- the fourth and fifth paragraphs under the heading "Forward looking statements" in the "Important Notices" to the extent they relate to RED;
- RED Chairperson Letter;
- the questions under the headings "Questions about RED" and "Questions about the Merged Group" in **section 3**;
- **section 7**;
- **section 8.1** (to the extent relating to RED's Mineral Resources and Ore Reserves);
- **section 8.4(a)** and **section 8.4(b)** (to the extent relating to RED Directors or RED's senior management personnel);
- **sections 8.4(c), 8.4(d)** and **8.4(e)**;
- **sections 8.5, 8.6, 8.7**;
- **section 8.8** (to the extent relating to RED's historical financial information);
- **section 8.12**;
- **section 12.2**;
- **section 12.5(d)** (to the extent relating to RED's transaction costs);
- **section 12.6** (to the extent relating to RED);
- **section 12.11(b)**; and
- **section 12.12(b)**,

except in each case to the extent that information is based on information provided or prepared by or on behalf of SLR.

RED Material Adverse Change has the meaning given in **section 11.13**.

RED Prescribed Occurrence has the meaning given in **section 11.13**.

RED Regulated Event has the meaning given in **section 11.13**.

RED Reimbursement Fee means A\$9.6 million (exclusive of GST), payable by RED to SLR if certain events occur.

RED Share means a fully paid ordinary share in the capital of RED.

RED Share Register means the register of members of RED maintained in accordance with the Corporations Act.

RED Shareholder means a person who is registered in the RED Register as the holder of one or more RED Shares, from time to time.

RED Superior Proposal has the meaning given in the Scheme Implementation Deed.

Registered Address means, in relation to a Scheme Shareholder, the address of the Scheme Shareholder shown in the SLR Register.

Reimbursement Fee a reimbursement fee of A\$9.6 million (excluding GST) payable by SLR to RED, and by RED to SLR, if certain events occur (as applicable).

Related Body Corporate has the meaning given to that term pursuant to section 50 of the Corporations Act.

Related Entity means in relation to a party, any entity that is related to that party within the meaning of section 50 of the Corporations Act or that is a Controlled Entity of that party.

Relevant Interest has the meaning given to that term in sections 608 and 609 of the Corporations Act.

Relevant Small Parcel Shareholder has the meaning given in **section 4.13(b)**.

Representative means in relation to an entity:

- each of the entity's Related Entities; and
- each of the directors, officers, employees, contractors, advisers and agents of the entity and its Related Entities, but excluding the Independent Expert, the Independent Technical Specialist's Report.

Requisite Majorities means in relation to the Scheme Resolution, a resolution passed by:

- (headcount test): unless the Court orders otherwise, a majority in number (more than 50%) of SLR Shareholders (as the case may be), who are present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and
- (voting test): at least 75% of the votes cast on the resolution.

Sale Agent means a person appointed by RED to sell, in accordance with **section 4.14**, the New RED Shares to which Ineligible Overseas Shareholders and Relevant Small Parcel Shareholders would have been entitled under this Scheme but for the operation of **section 4.14**.

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between SLR and Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by RED and SLR.

Scheme Booklet means this Scheme Booklet to be despatched to all SLR Shareholders in connection with the Scheme, which will contain (among other things) the Independent Expert's Report and a notice of meeting in respect of the Scheme Meeting.

Scheme Consideration means the consideration to be provided to Scheme Shareholders for the transfer to RED of each Scheme Share under the terms of this Scheme, being 3.434 New RED Shares for every Scheme Share (subject to the terms of this Scheme) or, in the case of Ineligible Shareholders, a cash amount calculated in accordance with the process described in **section 4.14**.

Scheme Implementation Deed means the Scheme Implementation Deed dated 4 February 2024 between SLR and RED announced to ASX on 5 February 2024 available at www.asx.com.au.

Scheme Meeting means the meeting of SLR Shareholders ordered by the Court for the purposes of considering the Scheme pursuant to section 411(1) of the Corporations Act and includes any adjournment of that meeting.

Scheme Resolution means the resolution to be proposed to the SLR Shareholders at the Scheme Meeting to approve the Scheme, set out in the Notice of Scheme Meeting.

Scheme Share means a SLR Share held by a Scheme Shareholder as at the Record Date.

Scheme Shareholder means each person who is a SLR Shareholder on the Record Date, other than an Excluded Shareholder.

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

section means a section of this Scheme Booklet.

Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

SLR 2023 Annual Report means SLR's annual report for FY23.

SLR or Company means Silver Lake Resources Limited ACN 108 779 782.

SLR Board means the board of directors of SLR from time to time.

SLR Competing Proposal has the meaning given in **section 11.13**.

SLR Counterproposal has the meaning given in **section 11.10(a)(iii)**.

SLR Director means a director of SLR.

SLR Employee Incentive Plan means the SLR 'Employee Incentive Plan' dated 20 October 2015 as amended on 20 October 2021 and as amended and approved most recently by the SLR board on 4 November 2022.

SLR Group means SLR and its Subsidiaries.

SLR Group Member means each member of the SLR Group.

SLR Information means all information included in this Scheme Booklet other than the RED Information, the Independent Expert's Report, and the Independent Technical Specialist's Report.

SLR Material Adverse Change has the meaning given in **section 11.13**.

SLR Performance Right means a right issued by SLR pursuant to the terms of the SLR Employee Incentive Plan which entitles the holder to an unissued SLR Share, subject to the terms of the right.

SLR Prescribed Occurrence has the meaning given in **section 11.13**.

SLR Register means the register of SLR Shareholders maintained in accordance with the Corporations Act.

SLR Reimbursement Fee means a reimbursement fee of A\$9.6 million (excluding GST) payable by SLR to RED if certain events occur.

SLR Share means an issued fully paid ordinary share in the capital of SLR.

SLR Shareholder each person who is registered in the SLR Register as a holder of one or more SLR Shares.

SLR Superior Proposal has the meaning given in section of this Scheme Booklet.

Small Parcel Shareholder means a Scheme Shareholder (other than an Ineligible Overseas Shareholder) who, based on their holding of Scheme Shares, would on the Implementation Date be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New RED Shares (assessed by reference to the highest closing price of RED Shares on the ASX beginning on the date this Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration.

Subsidiary as the meaning given to that term in Division 6 of Part 1.2 of the Corporations Act.

Superior Proposal means a SLR Superior Proposal or a RED Superior Proposal (as applicable).

/t means per tonne.

tpa means tonnes per annum.

tpd means tonnes per day.

Trading Day means a 'business day' as defined in the Listing Rules.

Transaction means the Scheme.

Withdrawal Form means a notice given by a Small Parcel Shareholder to the Share Registry withdrawing an Opt-In Notice, in the form made available to SLR Shareholders by the Share Registry.

Voting Power has the meaning given to it in the Corporations Act.

VWAP means the volume weighted average price.

13.2 Interpretation

In this Scheme Booklet (other than in **Appendices 2 to 5**):

- the singular includes the plural, and the converse also applies;
- the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;
- a gender includes other genders;
- if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- a reference to a clause, paragraph or appendix is to a clause or paragraph of, or schedule or appendix to, this document, and a reference to this document includes any appendix;
- a reference to A\$, \$A, dollar or \$ is to the lawful currency of Australia;
- a reference to a **Section** or **section** is to a section in this Scheme Booklet unless stated otherwise;
- a reference to time is, unless otherwise indicated, a reference to that time in Perth, Western Australia;
- a reference to a party is to a party to this document, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- a reference to a person includes a natural person, partnership, body corporate, joint venture, association, governmental or local authority or agency or other entity or organisation;
- a reference to "law" includes common law, principles of equity and legislation (including regulations);
- a reference to legislation or to a provision of legislation (including a listing rule or operating rule of a financial market or of a clearing and settlement facility) includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- a reference to "regulations" includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- a reference to a body (including an institute, association or authority), other than a party to this document, whether statutory or not:
 - which ceases to exist; or
 - whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;
- a word or expression defined in the Corporations Act, and which is not defined in this Scheme Booklet has the meaning given to it in the Corporations Act;
- a reference to you is to a SLR Shareholder; and
- headings are for ease of reference only and do not affect the interpretation of this Scheme Booklet.

APPENDIX 1 – SUPPORTING INFORMATION

Net Cash/(Debt) – December 2023³⁷

Net Cash / (Debt) (A\$m)	Adjusted Cash & Bullion	Adjusted Debt	Adjusted Net Debt / (Cash)	Source File(s) and Date of Release
Perseus Mining Limited	942	-	942	December Quarter Report (24-Jan-24)
Ramellus Resources Limited	407	-	407	Record quarterly gold production for Ramellus (03-Apr-24)
Silver Lake Resources Limited	342	-	342	March Quarter Sales Results (08-Apr-24)
Westgold Resources Limited	247	-	247	Q3, FY24 Production Update (03-Apr-24)
Northern Star Resources Limited	1,076	(902)	174	Operational Update (11-Apr-24)
Gold Road Resources Limited	146	-	146	GOR Production Update (02-Apr-24)
West African Resources Limited	277	(147)	130	2023 Annual Report (14-Mar-24)
Capricorn Metals Ltd	178	(54)	124	March 2024 Quarterly Production Update (05-Apr-24), Quarterly Activities/Appendix 5B Cash Flow Report (30-Jan-24)
Genesis Minerals Limited	138	(31)	107	Quarterly Activities Report - March 2024 (18-Apr-24)
Resolute Mining Limited	131	(110)	22	Q4 2024 Activities Presentation (31-Jan-24)
Red 5 Limited	58	(101)	(42)	March Qtr Puts Red 5 On Track To Deliver Top End of Guidance (08-Apr-24)
Regis Resources Limited	155	(300)	(145)	H1 FY2024 Financial Results Announcement (25-Jan-24)
Bellevue Gold Limited	40	(219)	(179)	Quarterly Activities Report (18-Apr-24)
Evolution Mining Limited	215	(1,864)	(1,648)	March 2024 Quarterly Report (17-Apr-24), Appendix 4D and FY24 Half Year Financial Report (14-Feb-24)

Australian Gold Producers – FY24G Production³⁸

FY24G Production (Koz Au)	Low End of Range	High End of Range	Midpoint FY24G Production	Source File(s) and Date of Release
Northern Star Resources Limited	1,600	1,750	1,675	December 2023 Quarterly Activities Report (24-Jan-24)
Evolution Mining Limited	750	828	789	December 2023 Quarterly Report (17-Jan-24)
Perseus Mining Limited	491	517	504	December Quarter Report (24-Jan-24)
Regis Resources Limited	415	455	435	Quarterly Activities Report (25-Jan-24)
Resolute Mining Limited	345	365	355	December 2023 Quarterly Activities Report and 2024 Guidance (31-Jan-24)
Ramellus Resources Limited	265	280	273	December 2023 Quarterly Report and FY24 Guidance Upgrade (30-Jan-24)
Westgold Resources Limited	220	230	225	Q3, FY24 Production Update (03-Apr-24)
Silver Lake Resources Limited	210	230	220	Annual Report to shareholders (24-Oct-23)
Red 5 Limited	195	215	205	December 2023 Quarterly Activities Report (31-Jan-24)
West African Resources Limited	190	210	200	Production Update - March Quarter 2024 (05-Apr-24)
Gold Road Resources Limited	150	168	159	Quarterly Activities Report - December 2023 (29-Jan-24)
Genesis Minerals Limited	130	140	135	Five-year Strategic Plan (21-Mar-24)
Capricorn Metals Ltd	112	115	114	March 2024 Quarterly Production Update (05-Apr-24)

³⁷ Balance sheet data as at 31 March 2024 unless otherwise stated, includes gold bullion and excludes leases. Merged Group net cash position based on SLR's shareholding in RED as at ASX market close on the Last Practicable Date of \$0.43 per RED Share, which is to be monetised or cancelled post transaction completion in accordance with section 259D of the Corporations Act (excludes estimated transaction stamp duty of approximately \$30 million and transaction costs associated with the proposed combination). Genesis Minerals net cash position includes approximately \$43 million of transaction costs in relation to the acquisition of St Barbara's Leonora assets, the acquisition of 100% of Dacian, and the acquisition of the Bruno-Lewis and Kyte projects (payment anticipated in 2024) and \$31 million in drawn debt from its asset finance facility. Resolute figures are reported in United States dollars (USD), translated to Australian dollars (AUD) at an exchange rate of 1 AUD = 0.65 USD. Regis Resources net debt position reflects 31 December 2023 data. Capricorn Metals' and Evolution's net debt position reflects closing cash and bullion position as at 31 March 2024 and debt position as at 31 December 2023.

³⁸ Where available, figures represent the mid-point of management's guidance for the period ended 30 June 2024 ("FY2024"). CY2024 guidance presented for Resolute, Gold Road and West African Resources. The 425koz number reflects the mid-point of Red 5 and Silver Lake gold production, and the 445koz number references the aggregate top end of guidance for these two companies. No guidance range provided for West African Resources.

APPENDIX 2 – INDEPENDENT EXPERT'S REPORT



IDEAS | PEOPLE | TRUST

Silver Lake Resources Limited

Independent Expert's Report

26 April 2024



Financial Services Guide

26 April 2024

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Silver Lake Resources Limited ('Silver Lake' or 'the Company') to provide an independent expert's report on the proposed scheme of arrangement ('the Scheme') with Red 5 Limited ('Red 5'). You are being provided with a copy of our report because you are a shareholder of Silver Lake and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Scheme Booklet required to be provided to you by Silver Lake to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service, we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services, we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$240,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Silver Lake or Red 5.



Other Assignments

BDO Corporate Finance (WA) Pty Ltd provided valuation services to Silver Lake and Red 5 for the valuation of share based payments included in the financial statements of the respective companies. The fees received from Silver Lake for the provision of these services were \$5,000 in 2023 and \$4,400 in 2022. The fees received from Red 5 for the provision of these services were \$5,500 in 2023 and \$8,000 in 2022.

BDO Corporate Tax (WA) Pty Ltd provided taxation compliance and consulting services to Red 5 in 2023 and 2022. The fees received for the provision of these services were \$19,000 in 2023 and \$18,800 in 2022.

We do not consider that these assignments impact on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Silver Lake for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

We are a member of the Australian Financial Complaints Authority ('AFCA') which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	www.afca.org.au
Email:	info@afca.org.au
Interpreter Service:	131 450



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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation methodologies

Appendix 3 - Minority discount

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 Perth, WA 6000
 PO Box 700 West Perth WA 6872
 Australia

26 April 2024

The Directors
 Silver Lake Resources Limited
 Suite 4, Level 3
 85 South Perth Esplanade
 South Perth, WA, 6151

Dear Directors,

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 5 February 2024, Silver Lake Resources Limited ('Silver Lake' or 'the Company') and Red 5 Limited ('Red 5') announced that they had agreed to merge via a Scheme of Arrangement ('the Scheme') under which Red 5 will acquire 100% of the Silver Lake shares on issue. Under the terms of the Scheme, each Silver Lake shareholder will receive 3.434 Red 5 shares for every Silver Lake share held ('Scheme Consideration') and Silver Lake will become a wholly owned subsidiary of Red 5.

Upon implementation of the Scheme (and based on the current fully diluted shares outstanding), Red 5 shareholders will own 51.7% of the merged entity ('the Merged Group') and Silver Lake shareholders will own the remaining 48.3% (includes Silver Lake's 411.7 million shares in Red 5, which will either be monetised or cancelled post the implementation of the Scheme). The Merged Group will continue to trade on the Australian Securities Exchange ('ASX') as Red 5 under the ASX ticker 'RED'.

As at the date of the announcement, Silver Lake held an 11.88% interest in the issued capital of Red 5 (on an undiluted basis or 11.70% on a fully diluted basis). It is intended that this interest will be monetised or cancelled in accordance with section 259D of the Corporations Act 2001 (Cth) ('Corporations Act' or 'the Act') following implementation of the Scheme.

Currencies in this report are quoted in Australian Dollars ('\$' or 'A\$'), unless otherwise stated.

2. Summary and opinion

2.1 Requirement for the report

The directors of Silver Lake have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether the Scheme is in the best interest of the shareholders of Silver Lake ('Shareholders').

Our Report is prepared pursuant to section 411 of the Corporations Act and is to be included in the Scheme Booklet prepared by the directors of Silver Lake in order to assist the Shareholders in their decision whether to approve the Scheme.

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (‘ASIC’) Regulatory Guides 60 ‘Schemes of Arrangements’ (‘RG 60’), Regulatory Guide 111 ‘Content of Expert’s Reports’ (‘RG 111’) and Regulatory Guide 112 ‘Independence of Experts’ (‘RG 112’).

In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this Report. We have considered:

- How the value of a Silver Lake share prior to the Scheme on a minority interest basis compares to the value of the Scheme Consideration on a minority interest basis;
- The likelihood of an alternative offer being made to Silver Lake;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Scheme; and
- The position of Shareholders should the Scheme not proceed.

2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this Report and have concluded that, in the absence of a superior proposal, the Scheme is fair and reasonable for Shareholders. Therefore, we consider the Scheme to be in the best interests of Shareholders.

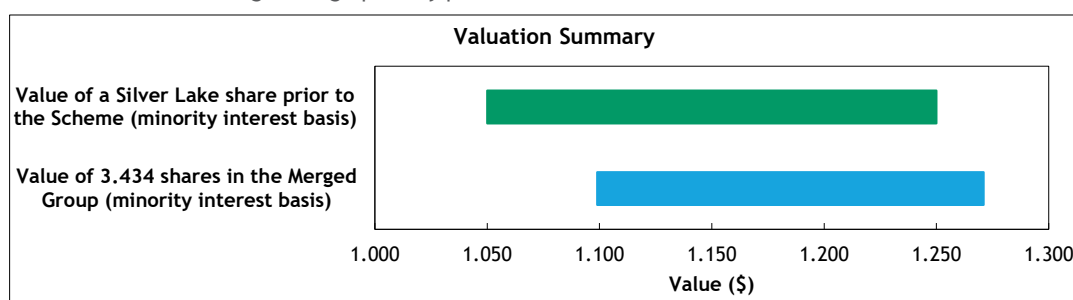
2.4 Fairness

In Section 13 we determined that the value of a Silver Lake share prior to the Scheme compares to the value of the Scheme Consideration, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of a Silver Lake share prior to the Scheme on a minority interest basis	11.3	1.050	1.150	1.250
Value of 3.434 shares in the Merged Group on a minority interest basis	12.3	1.099	1.185	1.271

Source: BDO analysis

The above valuation ranges are graphically presented below:



Source: BDO analysis

The above pricing indicates that, in the absence of any other relevant information, and a superior proposal, the Scheme is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 14 of this report, in terms of both

- advantages and disadvantages of the Scheme; and
- other considerations, including the position of Shareholders if the Scheme does not proceed and the consequences of not approving the Scheme.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Scheme is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
14.1.1	The Scheme is fair for Shareholders	14.2.1	Dilution of Shareholders' interest and exposure to Deflector, Mount Monger and Sugar Zone
14.1.2	The consolidation of two mid-tier gold producers will create a leading mid-tier gold producer with a large market presence, which may result in improved liquidity, enhanced ability to raise capital and achieve share price re-rating	14.2.2	Change in the Company's risk profile
14.1.3	Shareholders gain exposure to assets that are complementary to Silver Lake's existing portfolio whilst retaining exposure to Silver Lake's existing assets	14.2.3	The value of the Scheme Consideration is not certain
14.1.4	Shareholders are not foregoing the opportunity to receive a control premium in the future		
14.1.5	Increased experience and broader expertise of the Board and management team of the Merged Group		

Other key matters we have considered include:

Section	Description
14.3	Alternative offer
14.4	Taxation implications
14.5	Consequences of not approving the Scheme

3. Scope of the Report

3.1 Purpose of the Report

The Scheme is to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the Corporations Act Regulations 2001 ('Regulations') prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act ('Section 411').

An independent expert's report must be obtained by a scheme company if:

- There is one or more common directors; or
- The other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interest of the members of the company the subject of the scheme and set out the reasons for that opinion.

Neither Red 5 nor its associates hold more than a 30% voting interest in Silver Lake and vice versa, and there are no common directors between Silver Lake and Red 5. Accordingly, an independent expert's report is not required under the Regulations.

Notwithstanding the fact that there is no requirement to engage an independent expert to report on the Scheme, the directors of Silver Lake have requested that BDO prepare this report as if it were an independent expert's report and provide an opinion as to whether the Scheme is fair and reasonable, and therefore, in the best interests of the Shareholders subject to the Scheme.

The requirement for an independent expert's report is also a condition precedent in the Scheme Implementation Deed ('SID'), which states that, for the Scheme to proceed, the independent expert must conclude that the Scheme is in the best interests of Shareholders.

3.2 Regulatory guidance

Neither the Act nor the Regulations defines the term 'in the best interests of'. In determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider in order to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of 'control' transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act in the circumstance of a takeover are required to provide an opinion as to whether or not the takeover bid is 'fair and reasonable'. While there is no definition of 'fair and reasonable', RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, 'in the best interests' must be capable of a broad interpretation to meet the particular

circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available.

The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a 'fair and reasonable' assessment in the case of a takeover. If the expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of shareholders. An opinion of 'in the best interests' does not imply the best possible outcome for shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Furthermore, RG 111.31 requires the expert to assess whether a scrip takeover is in effect a merger of entities of equivalent value ('**Merger of Equals**') when control of the merged entity will be shared equally between the bidder and the target. In our assessment of whether the Scheme should be analysed as a Merger of Equals, we have considered the following factors:

- The collective interest of Shareholders and Red 5 shareholders in the Merged Group;
- The contribution by Silver Lake and Red 5 to the assets and liabilities of the Merged Group;
- The comparative trading performance of Silver Lake and Red 5's securities, and their relative market capitalisations;
- The composition of the board of directors of the Merged Group upon implementing the Scheme;
- Whether any shareholders from either company will be in a position to control or significantly influence the Merged Group; and
- Whether implementing the Scheme precludes Shareholders and Red 5 shareholders from receiving a control premium for their shares in the future.

We consider that the Scheme should be evaluated as a Merger of Equals, and not a control transaction, for the following reasons:

- Following the implementation of the Scheme, Shareholders will collectively hold approximately 48.3% of the Merged Group's issued capital with Red 5 shareholders retaining approximately 51.7% of the Merged Group's issued capital (see Section 4.4 for further details).
- Our analysis of the various assets and liabilities of the Merged Group as set out in Section 12 suggests that the value contributed by Silver Lake and Red 5 is broadly similar to the respective equity percentages following the Scheme.
- The trading performance of Silver Lake and Red 5 securities on the ASX are broadly similar with 43.42% of Silver Lakes' issued capital, and 49.79% of Red 5's issued capital traded in the 90-trading-day period prior to the announcement of the Scheme. We note that on 2 February 2024, being the last

full trading day prior to the announcement of the Scheme, Silver Lake had a market capitalisation of \$1.18 billion and Red 5 had a market capitalisation of \$1.14 billion.

- The board of the Merged Entity will have eight members, comprised of four existing directors from Silver Lake and four existing directors from Red 5.
- Following implementation of the Scheme, there will not be a single shareholder, nor group of associated shareholders holding in excess of 20% of the issued capital of the Merged Group. This means that the Scheme does not reduce the opportunity for Silver Lake and Red 5 shareholders to receive a control premium for their shares from a takeover offer in the future.

Consequently, the Scheme Consideration offered and the Silver Lake securities given up should be assessed on an equivalent basis. As the implementation of the Scheme will not preclude either Silver Lake and Red 5 shareholders from receiving a control premium for their shares in the future, we have assessed both the consideration offered and securities given up, on a minority interest basis.

Having regard to the above, BDO has completed this comparison in three parts:

- A comparison between the value of a Silver Lake share on a minority interest basis and the value of the Scheme Consideration on a minority interest basis (fairness - see Section 13 'Is the Scheme Fair?');
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Scheme, after reference to the value derived above (reasonableness - see Section 14 'Is the Scheme Reasonable?'); and
- A consideration of whether the Scheme is in the best interests of Shareholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Scheme

4.1 Overview

On 5 February 2024, both Silver Lake and Red 5 announced that they had entered into an SID in respect of a proposed merger of equals Scheme under which Red 5 will acquire 100% of the Silver Lake shares on issue. Under the terms of the Scheme, each Silver Lake shareholder will receive the Scheme Consideration of 3.434 Red 5 shares for every Silver Lake share held and Silver Lake will become a wholly owned subsidiary of Red 5.

The Scheme becoming effective is subject to the following key conditions being satisfied or waived where applicable:

- Silver Lake Shareholders approving the Scheme;
- The independent expert issuing an independent expert's report concluding that the Scheme is in the best interests of Shareholders, and the independent expert not adversely changing or qualifying its conclusion or withdrawing its report;
- No material adverse change, prescribed occurrence, or regulated event (each as defined in the SID) occurring in respect of either Silver Lake or Red 5;
- Court approval of the Scheme; and
- No superior proposal (as defined in the SID) emerging in relation to either Silver Lake or Red 5.

Full details of the terms and conditions of the Scheme are set out in the SID which is contained within the 5 February 2024 announcement by Silver Lake and Red 5.

If the Scheme is approved and implemented, Red 5 shareholders and Silver Lake shareholders will own 51.7% and 48.3% of the Merged Group, respectively (based on a fully diluted share capital as at the date of the announcement) and the Merged Group will continue to trade on the ASX as Red 5 under the ASX ticker 'RED'.

4.2 Board and Management

Under the terms of the Scheme, the board of directors ('the Board') of the Merged Group will comprise the following eight directors, with four directors each from the current Red 5 and Silver Lake boards, broadly in line with the respective ownership of the Merged Group:

Merged Group Board			
Current Red 5 Directors	Role in Merged Group	Current Silver Lake Directors	Role in Merged Group
Mr. Russell Clark	Non-Executive Chairman	Mr. Luke Tonkin	Managing Director and Chief Executive Officer
Mr. Peter Johnston	Non-Executive Director	Mr. David Quinlivan	Non-Executive Director
Ms. Andrea Sutton	Non-Executive Director	Mr. Kelvin Flynn	Non-Executive Director
Mr. Ian Macpherson	Non-Executive Director	Ms. Rebecca Prain	Non-Executive Director

Source: SID and Silver Lake's Announcement on 5 February 2024

Red 5's Managing Director (and CEO), Mr Mark Williams and CFO and Joint Company Secretary, Mr. David Coyne, will cease employment with Red 5 on implementation of the Scheme.

The executive management team of the Merged Group will comprise:

- Mr Luke Tonkin as Managing Director and CEO;
- Mr Struan Richards as Chief Financial Officer;
- Mr Richard Hay as Chief Operating Officer;
- Mr Len Eldridge as Corporate Development Officer;
- Mr David Berg as General Counsel and Company Secretary; and
- Mr Phillip Stevenson as Group Development Geologist.

4.3 Performance Rights

Under the terms of the Scheme, Silver Lake must ensure all Silver Lake performance rights ('**Silver Lake Rights**') are cancelled, or vest and exercised (if applicable) in accordance with their terms prior to the second court approval date.

Furthermore, under the terms of the Scheme, it is proposed that all Red 5 Performance Rights ('**Red 5 Performance Rights**') and Red 5 retention rights ('**Red 5 Retention Rights**') currently on issue (collectively '**Red 5 Rights**') will vest and be exercised in accordance with their terms on implementation of the Scheme. The accelerated vesting is in accordance with Red 5 Board's power under its employee incentive plan to accelerate the vesting of the Red 5 Rights if the Scheme is implemented.

We further note that Silver Lake currently has 3,828,613 shares in an Employee Share Trust which it can use to allocate to Silver Lake Rights holders when they vest.

4.4 Capital structure following the implementation of the Scheme

The impact of the full vesting of the Silver Lake Rights and Red 5 Rights on the issued capital is outlined in the table below and includes Silver Lake's existing shareholding in Red 5 (approximately 411.66 million shares) which will either be monetised or cancelled following implementation of the Scheme.

Capital structure following the implementation of the Scheme	Silver Lake and its shareholders	Red 5 shareholders	Total
Current number of shares outstanding	934,744,333	3,463,800,549	4,398,544,882
Number of performance rights to be converted as part of the Scheme	26,340,305	54,192,395	80,532,700
Less plan shares available to satisfy any vested performance rights	(3,828,613)	N/A	(3,828,613)
Total number of shares	957,256,025	3,517,992,944	4,475,248,969
<i>Number of Red 5 shares that Silver Lake Shareholders will receive for every share they hold in Silver Lake</i>	3.434	N/A	N/A
Number of Merged Group shares to be issued to Shareholders	3,287,217,190	N/A	N/A
Total ordinary shares on issue in the Merged Group following the implementation of the Scheme	3,287,217,190	3,517,992,944	6,805,210,134
% Shareholding in the Merged Group	48.3%	51.7%	100.0%

Source: Scheme Booklet and BDO analysis

We note that the above table assumes accelerated vesting of the Red 5 Rights on implementation of the Scheme. Further, we note that the above number of shares on issue assumes that Silver Lake's shares in Red 5 will not be cancelled following the implementation of the Scheme. For valuation purposes in order to reduce the use of forward looking assumptions on future price and timing of the Merged Group selling the Red 5 shares, we have assumed cancellation. Therefore, the difference of 411,662,268 shares represents Silver Lake's holding in Red 5 which as set out in Section 12.1.9, assumes the cancellation of these shares following the implementation of the Scheme. We have also considered in our assessment the scenario where the Red 5 shares are monetised and note that this does not have an impact on our conclusions.

For the avoidance of doubt, as at the date of our Report, the proposed treatment of these shares is yet to be determined and will be at the discretion of the board of the Merged Group. Therefore, this valuation assumption has been made solely due to the certainty of the treatment under the cancellation scenario for presentation purposes. We make no representation as to the most likely treatment of the Red 5 shares following the implementation of the Scheme.

5. Profile of Silver Lake

5.1 History

Silver Lake is an ASX-listed gold producer focused on operations at two producing gold assets located in Western Australia. The Company wholly owns and operates the Deflector operation ('**Deflector**') and the Mount Monger operation ('**Mount Monger**'), which produced 127 thousand troy ounces ('**koz**') and 96 koz of gold in the 2023 financial year ('**FY**'), respectively.

In addition, Silver Lake owns the Sugar Zone operation ('**Sugar Zone**'), which the Company acquired in February 2022. Sugar Zone is an underground mine located in Northern Ontario, Canada, approximately 30 kilometres ('**km**') north of the town of White River. Silver Lake is currently undertaking a 93,000m drilling program at Sugar Zone with the objective of implementing operational improvements to facilitate the consideration of a low capital intensity growth strategy to leverage on existing infrastructure and resources. Sugar Zone produced 39 koz of gold in FY2023.

Silver Lake was incorporated in 2004 and listed on the ASX in 2007. The Company is headquartered in South Perth, Western Australia.

The current board of directors of Silver Lake are:

- Mr David Quinlivan - Non-Executive Chairman;
- Mr Luke Tonkin - Managing Director;
- Mr Kelvin Flynn - Non-Executive Director; and
- Ms Rebecca Prain - Non-Executive Director.

All current Silver Lake directors will join the Board of the Merged Group.

The current senior management of Silver Lake includes:

- Mr Struan Richards - Chief Financial Officer;
- Mr David Berg - General Counsel and Company Secretary;
- Mr Len Eldridge - Corporate Development Officer;
- Mr Steven Harvey - Chief Operating Officer; and
- Mr Phillip Stevenson - Group Development Geologist.

The following sections provide a brief outline of the Company's Deflector, Mount Monger and Sugar Zone operations. Further information on each can be found in the Independent Specialist Report prepared by SRK Consulting Australasia (Pty) Ltd ('**SRK**') (the '**Independent Specialist Report**') included in Appendix 5 of our Report.

5.2 Mount Monger

Mount Monger is located 50km southeast of Kalgoorlie and is accessible via the Mount Monger road which is bitumen for 15km then an all-weather road for the remaining 35km. Silver Lake splits the Mount Monger operation into three main independent Mining Centres; Daisy, Mount Belches and Aldiss Mining Centres. The Daisy Mining Centre includes the Daisy Complex underground mine ('**Daisy Complex**') as well as surrounding projects such as Mirror/Magic and Lorna Doone. The Mount Belches Mining Centre includes Maxwells underground mine ('**Maxwells**'), Cock-eyed Bob underground mine ('**Cock-eyed Bob**'), and the Santa Complex. The most significant components (in terms of Indicated Mineral Resources) of the Aldiss

Mining Centre includes the Karonie, Tank/Atreides and French Kiss projects. These three Mining Centres feed the 1.25Mtpa Randalls processing facility (**‘Randalls’**), which is located 15km from the Daisy Complex.

During the second quarter of FY2024, Silver Lake announced a revision of its operating strategy at the Mount Belches Mining Centre due to exploration success at the Santa Complex, which delivered a 26% increase in open pit Ore Reserves at 30 June 2023, driven by the inclusion of the Flora Dora mining pit. Silver Lake announced it will move directly to the larger stage 2 Santa open pit and Flora Dora, providing increased certainty and baseload life of mine visibility relative to the previously announced plan of initially mining the stage 1 Santa open pit prior to mining Santa stage 2.

During the first half of FY2024, total ore mined from Mount Monger totalled 336,346 tonnes at a grade of 3.9 g/t Au for 41,867 contained ounces, all from underground mining sources. Ore milled at Randalls during the first half of FY2024 totalled 588,490 tonnes at a blended grade of 3.0 g/t Au for 51,070 recovered ounces.

5.3 Sugar Zone

The Sugar Zone mine is an underground mine in Northern Ontario, Canada, approximately 30km north of White River. Silver Lake acquired this operation in February 2022 following its acquisition of Harte Gold Corp (**‘Harte Gold’**), a Canadian listed gold mining company which owned and operated Sugar Zone. At the time, Harte Gold had entered into creditor protection and underwent an auction sales process under Canada’s Companies’ Creditors Arrangement Act.

Although mining had commenced at this project in 2019, in August 2023, Silver Lake made the decision to ramp down the mining and processing operational activities and shifted focus to its aforementioned 93,000m drilling program currently underway, as part of its objective to restart operations at the project under an optimised plan. In addition, Sugar Zone’s site logistics network will be reviewed, including relocating the White River camp to Sugar Zone and the mobilisation of site personnel to site. The Company commenced this drilling program and review of operations with the objective of delivering operational improvements and increasing ore body knowledge to inform a growth strategy to leverage the installed infrastructure and current Mineral Resource at the site. Underground mine activities from August 2023 were focused on the development of the three dedicated exploration drives, which were completed in October 2023. Exploration drilling activities at Sugar Zone have since ramped up with five rigs active; three underground rigs and two surface rigs, and 46,991 metres of drilling completed during the first half of FY2024.

From July 2023 to August 2023 (when Sugar Zone’s mining and processing activities were idled), Sugar Zone’s gold production for the period was 5,142 ounces. Mined tonnes of 29,268 tonnes reflect a full month of operations in July 2023 prior to the ramp down of activities in August.

5.4 Deflector

Deflector is located in the southern Murchinson region of Western Australia, 450km north of Perth and 160km east of Geraldton. Production at Deflector commenced in May 2016. Silver Lake assumed management control over Deflector through the merger with Doray Minerals Limited (**‘Doray’**) on 5 April 2019 and signed a four-year contract with Macmahon Holdings Limited (**‘Macmahon’**) on 12 February 2021 for the provision of underground mining services at Deflector. The Deflector operation consists of two underground mines; the Deflector mine and the Rothsay mine, and the Deflector processing mill.

The Deflector mine is a shallow narrow vein, gold and copper underground mine. During the first half of FY2024, ore mined from the Deflector mine totalled 412,118 tonnes at a grade of 4.3 g/t Au for 56,566 oz and 0.2% copper.

Rothsay is an underground gold mine located approximately 300km northeast of Perth. Ore mined at Rothsay is hauled to the Deflector mill for processing. Processing of Rothsay's ore at the Deflector mill commenced in June 2021. During the first half of FY2024, the Rothsay mine produced 114,711 tonnes at 4.4 g/t Au for 16,054 oz.

In the six-month period to 31 December 2023, the Deflector mill throughput was 380,414 tonnes at an average gold grade of 5.5 g/t and copper grade of 0.18% for production of 65,487 oz gold and 541 tonnes copper. Approximately 71% of milled ore tonnes were sourced from the Deflector mine, with the balance being sourced from Rothsay.

5.5 Recent corporate actions

On 28 January 2022, the Ontario Superior Court of Justice approved Silver Lake's bid to acquire Harte Gold, the owner and operator of the Sugar Zone mine in Ontario, Canada. The transaction, which was effected via Canada's Companies' Creditors Arrangement Act ('CCAA'), completed on 18 February 2022. The acquisition comprised a number of transactions with a blend of cash and scrip consideration, and the settlement value across all transactions related to the CCAA process amounted to \$139.45 million. Silver Lake also settled Harte Gold's existing hedge book and acquired a net smelter royalty on the mine which was held by Appian Capital Advisory LLP. These two transactions amounted to \$66.06 million.

During FY2023, Silver Lake made an ultimately unsuccessful offer to acquire the Leonora operations of St Barbara Limited in Western Australia. The assets, which included the Gwalia underground mine and the 1.4 Mtpa Leonora mill, were eventually acquired by Genesis Minerals Limited in July 2023.

On 18 September 2023, Silver Lake announced that it had acquired approximately 383 million shares in Red 5, representing approximately 11.05% of Red 5's issued capital. The Company subsequently acquired more shares throughout September and through to October 2023, bringing the total Red 5 shares held by Silver Lake to 411,662,268 shares and increasing its interest in Red 5 to approximately 11.88% (on an undiluted basis or 11.70% on a diluted basis). The share acquisitions were paid for using a \$130 million short term cash facility, which was closed out in November 2023.

5.6 Historical statement of financial position

Statement of Financial Position	Reviewed as at 31-Dec-23	Audited as at 30-Jun-23	Audited as at 30-Jun-22
	\$'000s	\$'000s	\$'000s
CURRENT ASSETS			
Cash and cash equivalents	278,681	328,285	304,298
Trade and other receivables	10,324	14,136	15,078
Inventories	105,620	92,473	83,887
Prepayments	371	875	1,230
TOTAL CURRENT ASSETS	394,996	435,769	404,493
NON-CURRENT ASSETS			
Inventories	44,344	53,711	63,356
Exploration, evaluation and development expenditure	430,991	435,967	402,146
Property, plant and equipment	214,177	235,651	247,604
Investments	135,998	12,838	7,968
Deferred tax assets	-	77,786	65,112
Goodwill	90,695	90,695	90,695
TOTAL NON-CURRENT ASSETS	916,205	906,648	876,881
TOTAL ASSETS	1,311,201	1,342,417	1,281,374
CURRENT LIABILITIES			
Trade and other payables	74,250	90,672	83,317
Lease liabilities	18,133	23,479	22,382
Employee benefits	8,039	7,243	7,617
Deferred revenue	-	-	20,467
Rehabilitation and restoration provision	-	-	90
TOTAL CURRENT LIABILITIES	100,422	121,394	133,873
NON-CURRENT LIABILITIES			
Lease liabilities	17,364	21,134	24,465
Rehabilitation and restoration provision	48,855	48,093	46,833
Deferred tax liabilities	8,695	63,385	22,020
TOTAL NON-CURRENT LIABILITIES	74,914	132,612	93,318
TOTAL LIABILITIES	175,336	254,006	227,191
NET ASSETS	1,135,865	1,088,411	1,054,183
EQUITY			
Share capital	1,095,436	1,095,436	1,096,268
Reserves	15,486	17,710	13,486
Accumulated losses	24,943	(24,735)	(55,571)
TOTAL EQUITY	1,135,865	1,088,411	1,054,183

Source: Silver Lake's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

Commentary on historical statement of financial position

- The significant cash flow movements in the cash and cash equivalents balance over the financial years ended 30 June 2022, 30 June 2023 and the half-year ended 31 December 2023 are outlined in the table below:

Significant cash flow movements	Reviewed as at 31-Dec-23 \$'000s	Audited as at 30-Jun-23 \$'000s	Audited as at 30-Jun-22 \$'000s
Opening cash and cash equivalents	328,285	304,298	328,890
Receipts from sales	377,363	700,254	632,852
Payments to suppliers and employers	(231,319)	(458,845)	(383,769)
Payments for exploration, evaluation and development	(67,359)	(155,116)	(112,084)
Acquisition of plant and equipment	(12,043)	(34,438)	(14,904)
Acquisition of investment	(107,007)	(1,979)	(1,722)
Other cash flow movements	(9,239)	(25,889)	(144,965)*
Closing cash and cash equivalents	278,681	328,285	304,298

*This figure largely reflects cash outflows pursuant to the Harte Gold acquisition

Source: Silver Lake's audited financial statements for the years ended 30 June 2022, 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

- Current inventories primarily comprise ore stocks and also include consumables, gold in circuit, concentrate and bullion. Non-current inventories relate to ore stocks.
- Property, plant and equipment balance at 31 December 2023 of \$214.18 million includes right-of-use assets of approximately \$29.33 million being primarily leases on mining equipment.
- Investments increased from \$12.84 million at 30 June 2023 to approximately \$136.00 million at 31 December 2023, driven by the purchase of Red 5 shares over the half year period as outlined in Section 5.5.
- The goodwill balance of \$90.70 million relates to the Company's merger with Doray on 5 April 2019.
- The non-current deferred tax liability of approximately \$8.70 million at 31 December 2023 includes the impact of the income tax expense of \$23.10 million for the half year to 31 December 2023. The deferred tax liability is a net position as it also includes a component of deferred tax assets which contains the Company's carried forward tax losses.
- The non-current rehabilitation and restoration provision balance of \$48.86 million at 31 December 2023 relates to the Company's closure and rehabilitation obligations for its Deflector, Mount Monger and Sugar Zone operations.

5.7 Historical statement of profit or loss and other comprehensive income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half-year ended 31-Dec-23	Audited for the year ended 30-Jun-23	Audited for the year ended 30-Jun-22
	\$'000s	\$'000s	\$'000s
Revenue	374,384	719,628	634,566
Cost of sales	(303,181)	(639,031)	(518,525)
Gross profit	71,203	80,597	116,041
Other income	61	228	252
Exploration expensed/impaired	(6,883)	(5,044)	(3,187)
Profit/(loss) on sale of assets	16	412	(1,008)
Gain on bargain purchase	-	-	28,827
Administration expenses	(11,335)	(23,744)	(17,515)
Results from operating activities	53,062	52,449	123,410
Finance income	21,759	13,516	676
Finance expenses	(2,047)	(6,640)	(8,751)
Profit before income tax	72,774	59,325	115,335
Income tax expense	(23,096)	(28,489)	(37,654)
Profit for the year	49,678	30,836	77,681
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss - exchange differences on translating foreign operations	(5,552)	1,963	7,690
Total comprehensive profit/(loss) for the year, net of tax	44,126	32,799	85,371

Source: Silver Lake's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

Commentary on historical statement of profit or loss and other comprehensive income

- Revenue generated over the assessed period comprised the following:

Revenue	Reviewed for the half-year ended 31-Dec-23	Audited for the year ended 30-Jun-23	Audited for the year ended 30-Jun-22
	\$'000s	\$'000s	\$'000s
Gold sales	367,106	701,386	621,264
Other metal sales	7,278	18,242	13,302
Total revenue	374,384	719,628	634,566

Source: Silver Lake's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

- Cost of sales over the assessed period comprised the following expenses:

Cost of sales	Reviewed for the half-year ended 31-Dec-23 \$'000s	Audited for the year ended 30-Jun-23 \$'000s	Audited for the year ended 30-Jun-22 \$'000s
Mining and processing costs	147,698	336,697	266,119
Impairment of carrying value of inventories	-	68	-
Amortisation	68,604	118,511	100,062
Depreciation	35,496	71,578	67,818
Salaries and on-costs	39,501	89,103	63,528
Royalties	11,882	23,074	20,998
Total cost of sales	303,181	639,031	518,525

Source: Silver Lake's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

- The gain on bargain purchase recognised for the year ended 30 June 2022 relates to the purchase of Harte Gold on 18 February 2022 through a court approved scheme which resulted in no payments to previous equity holders. Therefore, the consideration amount under the relevant Australian Accounting Standards was deemed to be nil and a gain on bargain purchase was recognised.
- Finance income and expenses includes the change in fair value of the Company's listed investments (which included Red 5 for the half-year ended 31 December 2023) as detailed below:

Finance Income and Expenses	Reviewed for the half-year ended 31-Dec-23 \$'000s	Audited for the year ended 30-Jun-23 \$'000s	Audited for the year ended 30-Jun-22 \$'000s
Finance income			
Interest Income	5,581	7,639	676
Change in Fair Value of Listed Investments	16,178	5,877	-
	<u>21,759</u>	<u>13,516</u>	<u>676</u>
Finance expenses			
Interest Expense	(1,078)	(714)	(13)
Change in Fair Value of Listed Investments	-	-	(4,741)
Interest Expense on Lease Liabilities	-	(1,739)	(2,735)
Rehabilitation Accretion and Gold Prepay	(969)	(1,075)	(1,244)
Borrowing Costs	-	(3,112)	-
Foreign Exchange	-	-	(18)
	<u>(2,047)</u>	<u>(6,640)</u>	<u>(8,751)</u>
Net Finance Income/(Costs)	19,712	6,876	(8,075)

Source: Silver Lake's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

5.8 Capital structure

The share structure of Silver Lake as at 27 March 2024 is outlined below:

	Number
Total ordinary shares on issue	934,744,333
Top 20 shareholders	688,554,723
Top 20 shareholders - % of shares on issue	73.66%

Source: Silver Lake's share registry information

The range of shares held in Silver Lake as at 27 March 2024 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	3,871	2,153,340	0.23%
1,001 - 5,000	6,045	16,353,584	1.75%
5,001 - 10,000	2,541	19,939,874	2.13%
10,001 - 100,000	3,471	103,680,394	11.09%
100,001 - and over	392	792,617,141	84.80%
TOTAL	16,320	934,744,333	100.00%

Source: Silver Lake's share registry information

The ordinary shares held by the most significant shareholders as at 27 March 2024 are detailed below:

Name	No. of Ordinary Shares held	Percentage of issued shares (%)
VanEck Inc and associates	87,714,372	9.38%
Dimensional Fund Advisors and associates	51,234,840	5.48%
The Vanguard Group, Inc and associates	46,863,469	5.01%
Subtotal	185,812,681	19.88%
Others	748,931,652	80.12%
TOTAL	934,744,333	100.00%

Source: Silver Lake's share registry information.

There are no Silver Lake options on issue, however the Company has the following performance rights on issue as at 27 March 2024:

Silver Lake's Performance Rights	Number
Performance Rights already vested	54,987
Performance Rights with a vesting date of 30 June 2024	3,264,641
Performance Rights with a vesting date of 30 June 2025	7,966,554
Performance Rights with a vesting date of 30 June 2026	15,054,123
Total number of Performance Rights	26,340,305

Note: Silver Lake's Performance Rights vest based on relative total shareholder return hurdles.

Source: Silver Lake management

6. Profile of Red 5

6.1 History

Red 5 is an ASX-listed gold producer focused on operations at its wholly owned King of the Hills project ('**King of the Hills**'), which produced a total 163 koz of gold in FY2023.

King of the Hills comprises three gold mines, being the King of the Hills open pit mine ('**KOTH OP Mine**'), the King of the Hills underground mine ('**KOTH UG Mine**') (collectively, '**the KOTH Mines**') and the Darlot satellite gold underground mine ('**Darlot**' or '**Darlot UG Mine**'). The mines are located in the Eastern Goldfields region of Western Australia with the KOTH OP and UG Mines located 28km north of the town of Leonora, and Darlot located approximately 80km north of the KOTH Mines.

Red 5 also owns a royalty interest in the Siana Gold Mine ('**Siana**') located in the Surigao del Norte Province on the island of Mindanao in the Philippines. Red 5 sold its ownership interest in Siana in 2021 and has retained a net smelter return ('**NSR**') royalty of 3.25% payable for up to 619 koz of gold produced from the project.

Red 5 was incorporated in 1995 and listed on the ASX in 1996. The Company is headquartered in West Perth, Western Australia.

The current board of directors of Red 5 are:

- Mr Russell Clark - Non-Executive Chairman;
- Mr Mark Williams - Managing Director;
- Ms Andrea Sutton - Non-Executive Director;
- Mr Peter Johnston - Non-Executive Director; and
- Mr Ian Macpherson - Non-Executive Director.

The current senior management of Red 5 include:

- Mr David Coyne - Chief Financial Officer and Company Secretary;
- Mr Richard Hay - Chief Operating Officer;
- Ms Lisa Wynne - Company Secretary; and
- Mr Byron Dumpleton - Chief Geologist.

The following section provides a brief outline of the Company's King of the Hills operations. Further information on the project can be found in the Independent Specialist Report included in Appendix 5 of our Report.

6.2 King of the Hills

The 100%-owned King of the Hills operation comprises a 5.5 Mtpa King of the Hills processing hub ('**KOTH Processing Hub**'), which was completed and commissioned in June 2022 within a budget of \$226 million. The KOTH Processing Hub is fed ore by the KOTH Mines and the Darlot UG Mine, and in FY2023 produced a total 163 koz of gold (excluding the gold produced from the Darlot processing plant, which has since been placed under care and maintenance). Production guidance at KOTH Processing Hub for FY2024 is between 195 koz to 215 koz Au.

During the first half of FY2024, ore mined from the KOTH operation totalled 3.56 Mt at a grade of 1.12 g/t Au for 108,027 oz.

KOTH Mines

Commercial production at the KOTH Mines was declared on 16 December 2022, following first gold poured on 5 June 2022. Mining operations at the KOTH Mines are underpinned by the latest Mineral Resource estimate as at 30 June 2023 of 96.55 Mt at a grade of 1.4g/t Au for a total of 4.46 Moz, and an Ore Reserve estimate of 69.47 Mt at a grade of 1.1g/t Au for a total of 2.46 Moz. Mining operations are expected to be extended with further exploration being conducted at KOTH and Darlot with the aim of increasing Red 5's current resource.

Mining at the KOTH Mines is undertaken by Macmahon (who also holds an underground mining contract at Silver Lake's Deflector) for both the open pit and underground mines and is supported by a drilling fleet comprising two jumbos and two boggers, which adopt the use of tele-remote technology.

Darlot

The Darlot UG Mine has an extensive production history of over 35 years and was previously owned and operated by companies such as Sundowner Minerals NL, Forsayth NL, Plutonic Resources Limited, Barrick Gold Corporation and Gold Fields Limited ('Gold Fields').

In October 2017, Red 5 acquired Darlot from Gold Fields and has since increased drilling activities in the mining area as part of their ongoing exploration and resource development program for the purpose of extending mining operations to new areas.

Previously, production at Darlot was undertaken at a central processing plant ('Darlot Processing Plant') with a 1.0 Mtpa carbon-in-pulp and carbon-in-leach gold processing facility. However, in July 2022, Darlot transitioned from utilising the Darlot Processing Plant for production to becoming a satellite underground mine to feed the KOTH Processing Hub, which is approximately 100km by road from Darlot. The decision to transition into one processing hub for the KOTH Mines and Darlot was for the purpose of lowering Red 5's processing costs.

Mining operations at the Darlot UG Mine are underpinned by the 30 June 2023 Mineral Resource estimate of 16.57 Mt at a grade of 3.3g/t Au for 1.78 Moz, and an Ore Reserve of 1.39 Mt at a grade of 2.5g/t Au for 0.11 Moz.

Mine life extension is anticipated to be driven by Red 5's resource development programme. On 31 January 2024, Red 5 announced the drilling results from underground grade control and resource extension drilling at Darlot during the December 2023 quarter, which confirmed additional mining areas and further de-risking to the mine plans for FY2025 and FY2026. A total of 168 kt of ore at 3.18g/t was mined from Darlot during the December 2023 quarter.

Within Darlot, Red 5 also has a joint venture arrangement with Gateway Mining Limited under which Red 5 owns a 25% interest in the joint venture tenements M 57/429, M 57/485 and E 57/793, also known as Montague.

6.3 Recent corporate actions

On 17 March 2021, Red 5 announced that it had received commitments for a \$175 million debt facility ('the Syndicated Facility') from a syndicate comprising BNP Paribas, Australia branch, the Hongkong and Shanghai Banking Corporation Limited, Sydney Branch and Macquarie Bank Limited. The Syndicated Facility comprised a \$160 million senior secured project loan facility and a \$15 million cost overrun and working capital facility.

The Syndicated Facility formed part of the funding package to support the development of the King of the Hills project. The original terms of the Syndicated Facility outlined a term of 5.75 years maturing on 30

September 2026 with an interest rate of the BBSY bid rate plus a margin below 4.0% per annum on the senior secured project loan facility. These terms were varied in March, October and November 2023, and currently, the Syndicated Facility matures on 30 June 2026 and attracts an interest rate of the BBSY bid rate + 4.5% per annum in respect of the senior secured project loan facility. Drawdowns of the Syndicate Loan Facility occurred throughout FY2022 and as at 31 December 2023, \$72.3 million of the Syndicated Facility had been repaid, with a remaining repayable balance of \$102.5 million.

On 21 September 2021, Red 5 announced the completion of its divestment in the Siana Gold Project for US\$19 million in cash consideration and an NSR royalty of 3.25% payable for up to 619 koz of gold, which at the time, had an estimated future face value of US\$36 million.

On 29 September 2022, Red 5 announced a \$60.0 million institutional two-tranche placement (**'2022 Placement'**) and a \$6.0 million Share Purchase Plan (**'2022 SPP'**) to eligible Red 5 shareholders. Funds raised from the 2022 Placement and SPP were intended to provide working capital to support ramp up of production at King of the Hills and future growth of the KOTH Processing Hub and mineral resource definition.

On 3 October 2022, Red 5 announced the completion of the 2022 Placement, which was supported by domestic and international institutional investors. On 2 November 2022, Red 5 announced the results of the 2022 SPP for which 55,652,500 shares were issued at an issue price of \$0.16 per share for gross proceeds of \$8.90 million.

On 21 February 2023, Red 5 announced another institutional two-tranche placement to raise \$80.0 million (**'2023 Placement'**) and an \$8.0 million Share Purchase Plan (**'2023 SPP'**) to eligible Red 5 shareholders. Funds raised from the 2023 Placement and 2023 SPP were intended to provide further working capital to support steady-state operations at the KOTH mines and strengthen the balance sheet for future investment into production and mine life growth.

On 2 March 2023, Red 5 announced the completion of the first tranche of the 2023 Placement, which raised \$56.55 million. The second tranche of the 2023 Placement was approved by Red 5 shareholders at its general meeting on 12 April 2023 and raised gross proceeds of \$23.45 million.

On 12 April 2023, Red 5 announced the results of the 2023 SPP for which 74,074,074 shares were issued at an issue price of \$0.135 per share for gross proceeds of \$10.00 million. Red 5 announced that the 2023 SPP was oversubscribed for with valid applications amounting to \$18.84 million, however, shareholder approval was only sought for the maximum issue of 74,074,074 shares to raise \$10.00 million.

6.4 Historical statement of financial position

Statement of Financial Position	Reviewed as at 31-Dec-23 \$'000s	Audited as at 30-Jun-23 \$'000s	Audited as at 30-Jun-22 \$'000s
CURRENT ASSETS			
Cash and cash equivalents	28,321	20,112	32,526
Trade and other receivables	22,367	28,973	19,025
Inventories	68,492	76,550	41,415
TOTAL CURRENT ASSETS	119,180	125,635	92,966
NON-CURRENT ASSETS			
Property, plant and equipment	274,074	289,329	303,378
Mine properties	231,279	228,498	131,416
Exploration and evaluation assets	10,924	10,767	41,133
Trade and other receivables	6,168	8,168	8,180
Inventories	26,914	7,911	-
Intangible assets	141	169	292
TOTAL NON-CURRENT ASSETS	549,500	544,842	484,399
TOTAL ASSETS	668,680	670,477	577,365
CURRENT LIABILITIES			
Trade and other payables	67,515	63,683	64,174
Financial liability	39,412	21,854	19,376
Provisions	1,652	447	1,296
Employee benefits	5,611	7,130	8,316
Lease liabilities	18,320	18,557	18,490
TOTAL CURRENT LIABILITIES	132,510	111,671	111,652
NON-CURRENT LIABILITIES			
Financial liability	63,061	104,286	152,894
Provisions	60,162	59,239	47,681
Employee benefits	917	797	739
Lease liabilities	55,682	64,413	81,604
TOTAL NON-CURRENT LIABILITIES	179,822	228,735	282,918
TOTAL LIABILITIES	312,332	340,406	394,570
NET ASSETS	356,348	330,071	182,795
EQUITY			
Contributed equity	597,426	596,668	443,160
Other equity	-	930	930
Reserves	4,724	8,168	6,918
Accumulated losses	(245,785)	(275,678)	(268,196)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	356,365	330,088	182,812
Non-controlling interests	(17)	(17)	(17)
TOTAL EQUITY	356,348	330,071	182,795

Source: Red 5's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

Commentary on historical statement of financial position

- The significant cash flow movements in the cash and cash equivalents balance over the financial years ended 30 June 2022, 30 June 2023 and the half-year ended 31 December 2023 are outlined in the table below:

Significant cash flow movements	Reviewed as at 31-Dec-23 \$'000s	Audited as at 30-Jun-23 \$'000s	Audited as at 30-Jun-22 \$'000s
Opening cash and cash equivalents	20,112	32,526	17,415
Cash received from customers	286,612	420,013	158,606
Payments to suppliers and employees	(190,067)	(366,325)	(157,055)
Net cash used in investing activities	(44,957)	(126,165)	(160,104)
Proceeds from issue of shares	-	158,904	-
Net proceeds from/(repayment of) borrowings	(25,000)	(47,250)	175,000
Other cash flow movements	(18,379)	(51,591)	(1,336)
Closing cash and cash equivalents	28,321	20,112	32,526

Source: Red 5's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

Proceeds from the issue of shares in FY2023 correspond to the funds raised from the 2022 and 2023 Placements and SPPs, which raised total gross proceeds of \$158.90 million.

- The breakdown of the trade and other receivables balance as at 30 June 2022, 30 June 2023 and 31 December 2023 is outlined in the table below:

Trade and other receivables	Reviewed as at 31-Dec-23 \$'000s	Audited as at 30-Jun-23 \$'000s	Audited as at 30-Jun-22 \$'000s
Current trade and other receivables			
Trade debtors	7,882	10,933	8,158
Restricted cash	7,500	7,500	7,500
Prepayments	2,579	5,273	988
GST receivable	3,856	4,656	2,138
Sundry debtors	550	611	240
Interest receivable	-	-	1
Total current trade and other receivables	22,367	28,973	19,025
Non-current trade and other receivables			
Security deposits	6,162	8,162	8,177
VAT receivable	6	6	3
Total non-current trade and other receivables	6,168	8,168	8,180
Total trade and other receivables	28,535	37,141	27,205

Source: Red 5's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

We note from the table above that Red 5 held a restricted cash balance of \$7.50 million as at 31 December 2023, which relates to a debt service reserve account, which may be utilised for loan repayments on the Syndicated Facility.

- The breakdown of the inventory balance as at 30 June 2022, 30 June 2023 and 31 December 2023 is outlined in the table below:

Inventory	Reviewed as at 31-Dec-23 \$'000s	Audited as at 30-Jun-23 \$'000s	Audited as at 30-Jun-22 \$'000s
Current inventory			
Stores, spares and consumables at cost	24,014	20,810	12,641
Provision for slow-moving stores, spares and consumables	(6,151)	(6,151)	(5,382)
Run of mine stockpiles at net realisable value	38,205	52,236	22,245
Gold in circuit at net realisable value	8,128	6,326	9,816
Crushed ore stockpile at cost	1,488	3,329	1,943
Gold bullion at cost	2,808	-	152
Total current inventory	68,492	76,550	41,415
Non-current inventory			
Run of mine stockpiles at net realisable value	26,914	7,911	-
Total non-current inventory	26,914	7,911	-
Total inventory	95,406	84,461	41,415

Source: Red 5's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

- The breakdown of property, plant and equipment as at 30 June 2022, 30 June 2023 and 31 December 2023 is outlined in the table below:

Property, plant and equipment	Reviewed as at 31-Dec-23 \$'000s	Audited as at 30-Jun-23 \$'000s	Audited as at 30-Jun-22 \$'000s
Land and buildings	22,895	24,360	27,663
Plant and equipment	169,449	180,373	166,689
Fixtures and fittings	172	235	389
Right-of-use assets	72,592	82,669	102,061
Assets under construction	8,966	1,692	6,576
Total property, plant and equipment	274,074	289,329	303,378

Source: Red 5's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

Right-of-use assets of \$72.59 million as at 31 December 2023 relate to leased electricity and gas power plants and mining equipment, which broadly correspond to the \$74.00 million in current and non-current lease liabilities as at 31 December 2023.

- We note that intangible assets of \$0.14 million as at 31 December 2023 relate to capitalised software development costs.
- Current and non-current financial liabilities totalling \$102.47 million as at 31 December 2023 relate to the remaining balance on the Syndicated Facility entered into during May 2021 to support funding of the King of the Hills operation. As outlined in Section 6.3, the Syndicated Facility carries a loan term of 5.5 years, maturing on 30 June 2026, and has an interest rate of the BBSY-bid plus a margin of 4.5% per annum. As at 31 December 2023, the Company had repaid approximately \$72.3 million on the Syndicated Facility.

- The breakdown of provisions as at 30 June 2022, 30 June 2023 and 31 December 2023 are outlined in the table below.

Provisions	Reviewed as at 31-Dec-23 \$'000s	Audited as at 30-Jun-23 \$'000s	Audited as at 30-Jun-22 \$'000s
Provision for rehabilitation	58,215	57,293	47,681
Other provisions	3,599	2,393	1,296
Current	1,652	447	1,296
Non-current	60,162	59,239	47,681
Total current and non-current provisions	61,814	59,686	48,977

Source: Red 5's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

The provision for rehabilitation represents the present value of Red 5's estimated cost of restoring the environmental disturbance occurring from their mining operations following their cessation. The accretion of the effect of discounting on the provision is recognised as a financial expense. In addition, the rehabilitation obligation has been recognised as an intangible asset within 'Mine Properties', which is amortised over the operations' remaining life on a units of production basis. We also note that other provisions of \$3.6 million as at 31 December 2023 includes a provision for the Mine Rehabilitation Fund Levy.

6.5 Historical statement of profit or loss and other comprehensive income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half-year ended 31-Dec-23	Audited for the year ended 30-Jun-23	Audited for the year ended 30-Jun-22
	\$'000s	\$' 000s	\$'000s
Sales revenue	283,470	422,745	164,962
Cost of sales	(237,761)	(394,620)	(196,049)
Gross profit/(loss)	45,709	28,125	(31,087)
Other income	597	811	208
Administration and other expenses	(3,297)	(8,825)	(13,371)
Exploration expenditure	(3,257)	(7,181)	(2,522)
Financing income	253	61	8
Financing expenses	(11,042)	(21,721)	(2,815)
(Loss)/profit before income tax expense	28,963	(8,730)	(49,579)
Income tax benefit/(expense)	-	-	915
Net (loss)/profit from continuing operations	28,963	(8,730)	(48,664)
Profit/(loss) from discontinued operations (net of tax)	-	-	20,049
Net (loss)/profit after income tax for the year	28,693	(8,730)	(28,615)
Other comprehensive income/(loss)			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences	(7)	(54)	631
Reclassified to profit or loss on sale of subsidiary	-	-	(26,504)
Cashflow hedge movements	-	-	(1,444)
Total comprehensive profit/(loss) for the year	28,956	(8,784)	(55,932)
Net (loss)/profit after income tax attributable to:			
Non-controlling interest	-	-	(86)
Members of parent entity	28,956	(8,730)	(28,529)
	28,956	(8,730)	(28,615)
Total comprehensive profit attributable to:			
Non-controlling interest	-	-	(83)
Members of parent company	28,956	(8,784)	(55,849)
	28,956	(8,784)	(55,932)

Source: Red 5's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

Commentary on historical statement of profit or loss and other comprehensive income

- Revenue increased from \$162.90 million for the year ended 30 June 2022 to \$422.75 million for the year ended 30 June 2023 driven by the increase in gold production at King of the Hills from 66.87 koz to 165.54 koz in the same periods. Revenue generated over the half-year ended 31 December 2023 primarily related to gold sales and a small amount of silver sales.

- Cost of sales over the assessed period comprised the following expenses:

Cost of sales	Reviewed for the half-year ended 31-Dec-23 \$'000s	Audited for the year ended 30-Jun-23 \$'000s	Audited for the year ended 30-Jun-22 \$'000s
Operating costs	180,099	311,875	153,934
Depreciation and amortisation of mine assets	57,662	82,745	42,115
Total	237,761	394,620	196,049

Source: Red 5's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

- Administration costs over the assessed period comprised the following expenses:

Administration and other expenses	Reviewed for the half-year ended 31-Dec-23 \$'000s	Audited for the year ended 30-Jun-23 \$'000s	Audited for the year ended 30-Jun-22 \$'000s
Employee and consultancy expenses	(3,282)	(2,873)	(5,750)
Share based-payments expense	2,679	(3,994)	(4,171)
Corporate cost	(1,871)	(750)	(1,547)
Depreciation	(179)	(406)	(399)
Legal fees	(288)	(224)	(379)
Property and other indirect tax expenses	(66)	(217)	(931)
Travel and accommodation	(99)	(134)	(205)
Foreign exchange (losses)/gains	(2)	(26)	647
Other expenses	(189)	(201)	(636)
Total	(3,297)	(8,825)	(13,371)

Source: Red 5's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

As seen from the breakdown above, administration and other expenses experienced a 33.9% decline between \$13.37 million in FY2022 and \$8.83 million in FY2023. Red 5 management that the primary reason for the reduction was a change in allocation for a range of technical support positions, and hence a reduction in employee and consultancy expenses and corporate costs.

- Finance expenses increased from \$2.82 million in the year ended 30 June 2022 to \$21.72 million in the financial year ended 30 June 2023 following Red 5's drawdown on the Syndicated Facility and an increase of equipment hire following the heightened activity at the King of the Hills operation. Finance expenses over the assessed period comprised the following:

Financing expenses	Reviewed for the half-year ended 31-Dec-23 \$'000s	Audited for the year ended 30-Jun-23 \$'000s	Audited for the year ended 30-Jun-22 \$'000s
Interest expense on borrowings and leases	(9,365)	(18,881)	(1,867)
Amortisation of borrowing costs	(506)	(1,120)	(90)
Unwinding of discount on rehabilitation provision	(1,171)	(1,720)	(858)
Total	(11,042)	(21,721)	(2,815)

Source: Red 5's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

6.6 Capital structure

The share structure of Red 5 as at 27 March 2024 is outlined below:

	Number
Total ordinary shares on issue	3,463,800,549
Top 20 shareholders	2,075,034,738
Top 20 shareholders - % of shares on issue	59.91%

Source: Red 5's share registry information

The range of shares held in Red 5 as at 27 March 2024 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	727	311,320	0.01%
1,001 - 5,000	2,585	7,747,370	0.22%
5,001 - 10,000	1,540	12,336,472	0.36%
10,001 - 100,000	4,567	172,065,361	4.97%
100,001 - and over	1,495	3,271,340,026	94.44%
TOTAL	10,914	3,463,800,549	100.00%

Source: Red 5's share registry information

The ordinary shares held by the most significant shareholders as at 27 March 2024 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
Silver Lake Resources Limited	411,662,268	11.88%
Van Eck Associates Corp.	299,792,151	8.66%
Victor Smorgon Group	274,025,311	7.91%
Franklin Advisers, Inc.	220,848,776	6.38%
Subtotal	1,206,328,506	34.83%
Others	2,257,472,043	65.17%
Total ordinary shares on Issue	3,463,800,549	100.00%

Source: Red 5's share registry information

There are no Red 5 options on issue, however, Red 5 has the following performance rights on issue as at 27 March 2024:

Red 5 Rights	Number
30 June 2024 Red 5 Performance Rights vesting on 30 June 2024 (Tranche D & E)	9,940,710
30 June 2025 Red 5 Performance Rights vesting on 30 June 2025 (Tranche F & G)	12,409,192
30 June 2026 Red 5 Performance Rights vesting on 30 June 2026 (Tranche H & I)	28,292,616
Red 5 Retention Rights vesting on 31 December 2024 (employment hurdle)	3,549,877
Total number of Performance Rights	54,192,395

Note: Tranche D, F and H Rights vest subject to Red 5's total shareholder return ('TSR') ranking relative to the S&P/ASX All Ordinaries Gold Total Return Index. Tranches E, G and I vest subject to growth in Red 5's Ore Reserves (proved and probable), excluding 50% of acquired Ore Reserves. Retention rights vest based on standard continued service conditions.

Source: Red 5's share registry information and Red 5 management

7. Profile of Merged Group

Upon implementation of the Scheme, the Merged Group will represent the combined operations of Silver Lake and Red 5, with a portfolio comprising Mount Monger, Deflector, King of the Hills and Sugar Zone.

7.1 Operating structure

Red 5 will be the parent company of the Merged Group upon implementation of the Scheme and Silver Lake will be a wholly owned subsidiary.

It is presently intended that following the implementation of the Scheme, the Merged Group will rebrand under a new name to be announced in due course and subject to shareholder approval. The Merged Group will have its head office located in Perth, Western Australia and remain listed on the ASX.

See Section 8 of the Scheme Booklet for further information.

7.2 Board of Directors

Following the implementation of the Scheme, and as outlined in Section 4, the Board of the Merged Group will comprise:

- Mr Russell Clark - Non-Executive Chairman (Red 5);
- Mr Luke Tonkin - Managing Director (Silver Lake);
- Ms Andrea Sutton - Non-Executive Director (Red 5);
- Mr Peter Johnston - Non-Executive Director (Red 5);
- Mr Ian Macpherson - Non-Executive Director (Red 5).
- Mr David Quinlivan - Non-Executive Director (Silver Lake);
- Mr Kelvin Flynn - Non-Executive Director (Silver Lake); and
- Ms Rebecca Prain - Non-Executive Director (Silver Lake).

7.3 Executive management

Following the implementation of the Scheme, and as outlined in Section 4, the key management personnel of the Merged Group will comprise:

- Mr Luke Tonkin (Silver Lake) as Managing Director and CEO;
- Mr Struan Richards (Silver Lake) as Chief Financial Officer;
- Mr Richard Hay (Red 5) as Chief Operating Officer;
- Mr Len Eldridge (Silver Lake) as Corporate Development Officer;
- Mr David Berg (Silver Lake) as General Counsel and Company Secretary; and
- Mr Phillip Stevenson (Silver Lake) as Group Development Geologist.

8. Economic analysis

Silver Lake and Red 5 are primarily exposed to the risks and opportunities of the Australian market through their listing on the ASX and the geographical location of their main projects in Western Australia. As such, we have presented an analysis on the Australian economy to the extent that it relates to considerations for our assessment.

8.1 Australia

In its March 2024 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') made the decision to leave the cash rate target unchanged at 4.35%. Prior to the March meeting, the Board of the RBA ('the RBA Board') had further held interest rates steady, following a 25-basis point increase made in November 2023. The decision to hold the cash rate steady at the March meeting was to facilitate inflation returning to the RBA's inflation target of 2-3% within a reasonable timeframe and ongoing moderate growth in employment. Elevated interest rates were intended to ease inflationary pressures and return inflation to its target rate within a reasonable timeframe. Recent data reviewed by the RBA Board on inflation, the labour market and economic activity, in addition to the revised set of forecasts, indicates that inflation is easing as expected, although it remains high.

Subsequent to its peak in December 2022 at 7.8%, inflation continued to gradually decrease over the 2023 calendar year towards the RBA inflation target of 2-3%. The RBA outlined in the March 2024 statement that the decline in the monthly consumer price index ('CPI') indicator from 5.4% in the September 2023 quarter to 3.4% over the year to January 2024 suggests further progress in the decline in inflation. However, the RBA considers that inflation is still high and whilst goods price inflation has further eased, the prices of many services remain high and is moderating at a more gradual pace. The forecast for CPI inflation reveals it is expected to continue to decline to the target range in 2025, and to the midpoint in 2026.

According to the RBA, data from the December 2023 quarter confirmed that growth in the Australian economy has slowed. Recently, the combination of heightened interest rates and cost-of-living pressures has led to a substantial deceleration in household spending. Additionally, dwelling investments have demonstrated weakness on the back of continual hikes in housing prices across the country. However, real incomes have stabilised recently and are expected to grow from here, supporting growth in consumption later in 2024.

Since the beginning of 2024, equity prices in Australia have increased to reach a record high, similarly experienced in the advanced economies of the United States and Japan, as a result of recent declines in bond yields. The rise in equity prices is likely indicative of growing market confidence in the potential for inflation to align with central bank targets with minimal adverse impact on future earnings.

Among other major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022 which contributed to a significant slowdown in the global economy. Like many advanced economies, high inflation and energy prices have weighed in on demand in Australia. For 2024, it is anticipated that Gross Domestic Product ('GDP') growth in Australia's key trading partners will remain substantially below historical norms. In China, growth is expected to slow over the next two years as the post-pandemic rebound in services consumptions fades and the property sector remains weak.

Regarding the labour market, conditions continue to ease gradually although it remains tight. In February 2024, the unemployment rate was at 3.7%. As growth in the economy is forecast below trend, employment is predicted to expand at a slower rate than the labour force and the unemployment rate is anticipated to

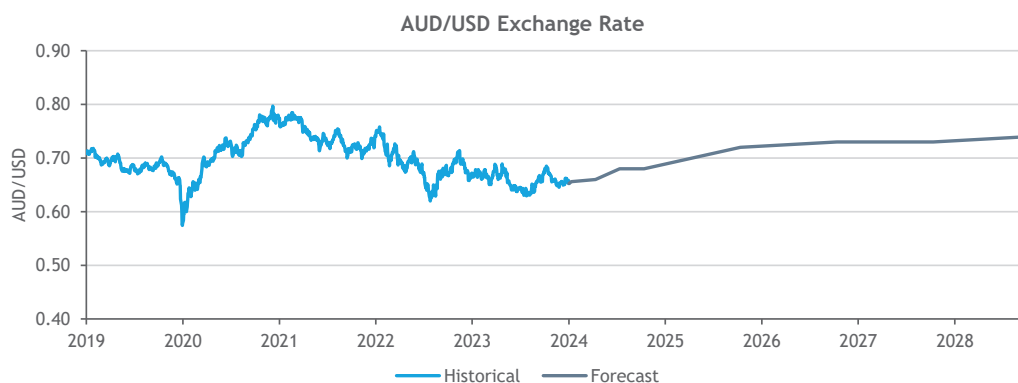
gradually rise to around 4.40% in June 2025. Additionally, wage growth has also increased over the past year, but has peaked with indications it will moderate over the year ahead.

Foreign Exchange Movements

In March 2020, the AUD depreciated by approximately 15% as a result of uncertainties around the global economic environment following the outbreak of COVID-19. Following the initial outbreak, the AUD appreciated against the USD resulting from market expectations of a more rapid pace of monetary policy easing in the United States than in Australia.

Since the beginning of 2023, the AUD/USD exchange rate has remained in the relatively narrow range of 0.63 to 0.71. In its February 2024 Statement on Monetary Policy, the RBA stated that the value of the AUD remains consistent with its key drivers. As at the date of our Report, the AUD/USD exchange rate is forecast to gradually increase to 0.73 in the medium term, before reaching 0.74 over the long-term.

The chart below illustrates the fluctuations in the AUD/USD exchange rate since 2019 and forecast AUD/USD exchange rates based on consensus estimates.



Source: Bloomberg, BDO analysis

Both Silver Lake's and Red 5's current and future gold operations are sensitive to movements of the AUD relative to the USD, as well as to gold prices.

Outlook

While there are encouraging signs that inflation is moderating, the economic outlook remains uncertain. To-date, medium-term inflation expectations have been consistent with the inflation target and the RBA Board emphasised the importance of this remaining the case. Services price inflation remains high, as observed overseas however it is expected to gradually decline as domestic inflationary pressures moderate and growth in labour and non-labour costs ease.

Conditions in the labour market are expected to further ease to align broadly with full employment conditions that can be sustained over time without contributing to inflationary pressures in the coming years. Nominal wage growth is expected to remain strong in the near term and then gradually decline in line with labour market easing.

Economic growth in Australia is forecast to remain subdued as earlier interest rate hikes and inflation continues to weigh on consumption. Growth is expected to gradually increase from late 2024 as inflation declines and pressure on household income eases. However, the full impact of policy tightening on household consumption is uncertain and there remains a high level of uncertainty around the outlook for the Chinese economy and the implications of the conflicts in Ukraine and the Middle East. The squeeze on

household finances could result in prolonged subdued household consumption, which may put more downward pressure on labour demand and wages and see an earlier return to the inflation target than forecasted. This could also occur if economic growth among Australia’s trading partners is slower than anticipated.

Source: www.rba.gov.au Statement by the Reserve Bank Board: *Monetary Policy Decision* dated 19 March 2024 and prior periods, www.rba.gov.au *Statement on Monetary Policy February 2024* and prior periods, and BDO analysis

9. Industry analysis

Red 5 and Silver Lake are gold producing companies listed on the ASX. As such, we have presented an overview of the gold industry to the extent that it relates to considerations for our assessment.

9.1 Gold industry

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence, and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years, however more recently, there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine, and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

The mining and mineral processing techniques applied to gold is determined by the nature of the ore deposit. Gold contained in oxide ore deposits are typically of low grade and are simple to extract and readily amenable by cyanidation. Consequently, highly disseminated gold can be contained within sulphide minerals which require mining, crushing, grinding and to be followed by gravity separation to recover the gold, subject to flotation to concentrate the sulphide mineral fraction containing the gold. Inherently, the costs associated with the treatment of oxide ore are significantly less than of sulphide ores.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

Gold supply (tonnes)	2017	2018	2019	2020	2021	2022	2023
Mine production	3,576	3,656	3,596	3,482	3,589	3,625	3,644
Net producer hedging	(26)	(12)	6	(39)	(7)	(13)	17
Recycled gold	1,112	1,132	1,276	1,293	1,136	1,140	1,237
Total supply	4,662	4,776	4,878	4,736	4,718	4,752	4,899

Source: World Gold Council Statistics, 31 January 2024

The World Gold Council expects gold to remain supported with the development of new mines in North America, Asia and Australia scheduled for 2024. Heightened geopolitical tension during a key election year for many major economies and ongoing financial uncertainty from weakening global economic conditions should see gold experience persisting strong demand. Continued purchases by major central banks and concerns about a global recession is anticipated to offer further backing for the commodity. However, the risk of tighter monetary policy or an economic soft landing, particularly concerning the United States economy, could result in gold divestment.

Gold ore mining is a capital intensive and high-cost process, which becomes increasingly difficult and more expensive as the quality of ore reserves diminish. The industry also incurs many indirect costs related to

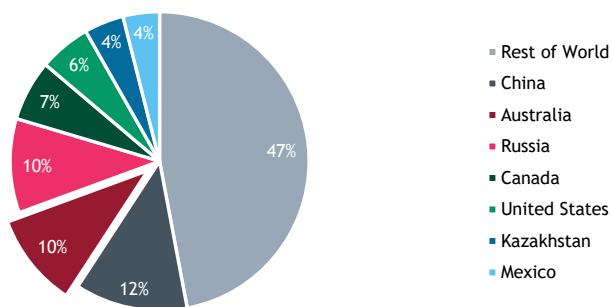
exploration, royalties, overheads, marketing and native title law. Typically, many of these costs are fixed in the short term as a result of industry operators’ inability to significantly alter cost structures once a mine commences production.

The gold industry is geographically diverse as China, Australia and Russia lead global gold production. According to the United States Geological Survey (‘USGS’), total estimated global gold ore mined for 2023 was approximately 3,000 metric tonnes. The charts below illustrate the estimated global gold production and reserves by country for 2023.

Gold production and reserves

The USGS estimates that overall global gold production in 2023 remained relatively unchanged from 2022 as production decreases in Peru and Mali were more than offset by production increases in Kazakhstan, South Africa and Tanzania.

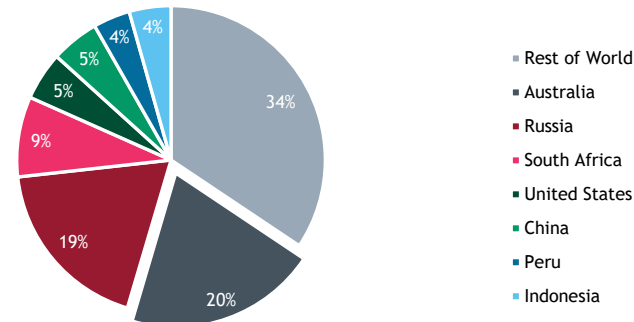
Gold Production by Country 2023



Source: U.S. Geological Survey, January 2024

Despite China leading global gold production in 2023, Australia, Russia and South Africa hold the largest known gold reserves globally. As depicted below, the USGS estimates that collectively, these three countries account for approximately 48% of global gold reserves.

Gold Reserves by Country 2023



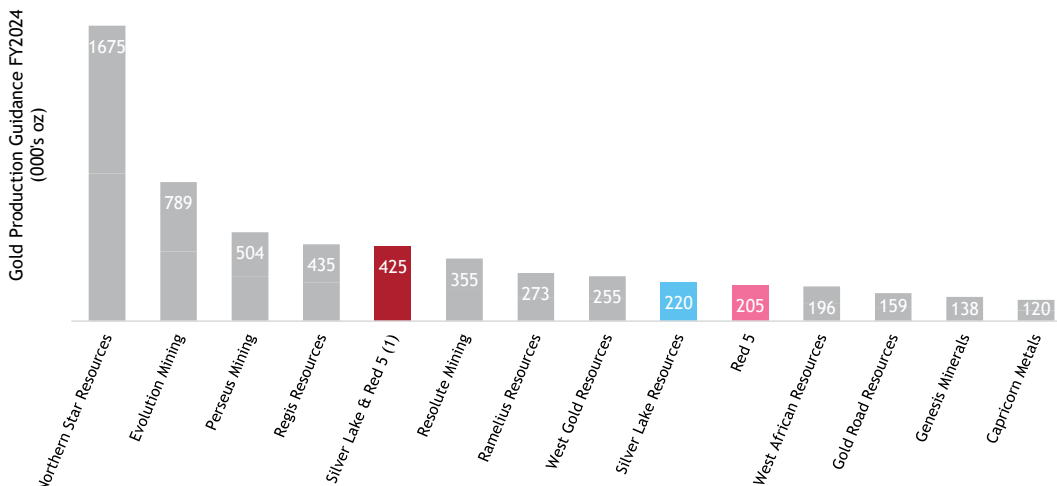
Source: U.S. Geological Survey, January 2024

According to USGS, Australia’s gold reserves amount to 12,000 tonnes, representing over 20% of global reserves and the largest held by any one country.

Australian gold producers

The Australian gold mining industry exhibits a moderate concentration comprising several large producers such as Newmont Corporation (Australia), Gold Fields and Northern Star Resources Limited, as well as many mid-tier gold producers. Silver Lake and Red 5 are considered to be mid-tier gold producing companies in Australia.

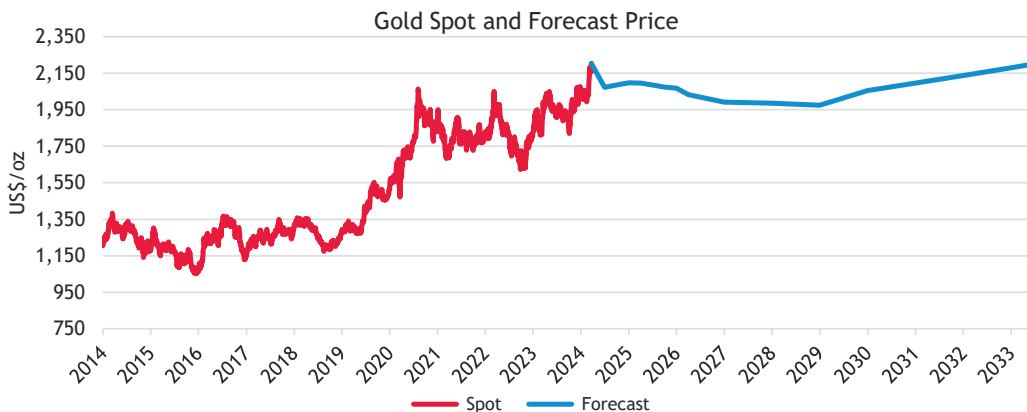
If the Scheme were to be approved and implemented, the combined operations of the Merged Group would result in it becoming one of the larger mid-tier producers by gold production as illustrated in the chart below (based on FY2024 production guidance):



Source: Respective Company’s ASX announcements.

(1) The 425koz number reflects the mid-point of Red 5 and Silver Lake production guidance. The aggregate of the top end of guidance for the two companies is 445koz.

Gold prices



Source: Bloomberg, Consensus Economics Survey dated 18 March 2024 and BDO analysis

The figure above illustrates the historical fluctuations in the gold spot prices from January 2014 to March 2024 and the consensus economics forecast for gold prices for 2024 through to 2033.

Over the period from 2014 through to 2019, the gold price fluctuated primarily between US\$1,100/oz and US\$1,400/oz. Throughout 2020, gold prices fluctuated significantly. Demand for gold increased in response to the uncertainty created by the pandemic, as investors prioritised safe haven assets. In late March 2020, the increasing demand for gold was interrupted by a panic selloff as investors began to realise their profits amidst growing uncertainty. Gold spot prices fell to a yearly low of US\$1,471/oz, before rallying in late July and early August to exceed US\$2,000/oz. The COVID crisis was the primary driver of the increase in gold price, as central banks injected billions of dollars into financial markets and investors flocked to safe asset. Additionally, the prevailing low interest rate environment at the time increased access to capital, which further spurred investment in gold.

Through to early January 2021, the price of gold increased as a result of further fallout from the US Election, climbing back over US\$1,900/oz after remaining in the US\$1,800s/oz through most of December 2020. For the rest of 2021, the price of gold traded between US\$1,600/oz and US\$1,900/oz as demand fluctuated throughout the year. Rising US treasury yields initially threatened gold's appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. However, concerns regarding the spread of COVID-19 (Delta variant) increased gold's safe haven appeal, and subsequently, the price of gold climbed back above the US\$1,800/oz mark in early July 2021. This was quickly reversed in the following months as the US Federal Reserve signalled policy tightening sooner than anticipated which drove US treasury yields and a stronger US dollar. Towards the end of the year, gold prices significantly strengthened following the US Federal Reserve's announcement to reduce purchases of Government bonds and the release of US inflation data which revealed an annualised inflation rate of 6.2%, its highest level since 1990.

The invasion of Ukraine by Russia in February 2022 saw gold prices climb above US\$1,900/oz and peak at US\$2,039/oz during March, in response to several economic sanctions on Russia and the release of US inflation data which indicated an annualised inflation rate of 8.5%. In May 2022, the price of gold weakened to US\$1,800/oz following the US Federal Reserve's aggressive monetary tightening to control rising inflation. The gold price continued to decline until September 2022, before it staged a recovery driven by a combination of slowing US inflation, depreciation of the US dollar, and increased gold demand by central banks for reserve diversification.

The first quarter of 2023 witnessed several financial institutions, such as the Credit Suisse Group AG and the Silicon Valley Bank, face severe liquidity and investor confidence issues which were supportive factors for the price of gold. Early April 2023 saw gold prices surpass US\$2,000/oz as investors speculated a nearing of the end of interest rate tightening in the US. During the months of January and February 2024, gold continued to largely trade above US\$2,000/oz, however, since March 2024 the gold price has seen a steep rise, and it achieved an all-time high in April. This rise in the price of gold to exceed the US\$2,400/oz level has been helped by several factors including geopolitical instability particularly from the wars between Israel and Hamas and Russia and Ukraine. The increased viability of gold as a hedge against current inflation and emerging market central banks continuing to purchase gold to diversify from the US dollar and US bonds have also contributed to the price hike.

Consensus Economics forecasts the price of gold to exhibit a small declining trend over the current period to the end of 2028, from which point it is expected to stabilise over the longer term and remain high in comparison to historical levels. According to Consensus Economics, the medium-term forecast gold price from 2026 to 2028 is expected to range between US\$1,975/oz and US\$1,992/oz. The long term (2029-2033) real gold price forecast is approximately US\$1,800/oz. Based on consensus forecast of US inflation

as sourced from Bloomberg and, assuming a long term US inflation rate of 2%, in line with the US Federal Reserve's inflation target, this is equivalent to a nominal gold price of US\$2,020/oz at January 2029. Further details on the inflation assumptions applied are detailed in Section 11.1.1. We note that the forecast gold prices are quoted in US dollars. Please refer to Section 8.1 for a discussion on the historical and forecast AUD:USD exchange rate movements.

Source: Bloomberg, Consensus Economics, IBISWorld, World Gold Council and Reuters

10. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment (such as a resource multiple).

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above. The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each individual company's assets and liabilities.

10.1 Valuation of a Silver Lake share prior to the Scheme

In our assessment of the value of a Silver Lake share, we have chosen to employ the following methodologies set out below:

- Sum-of-Parts, which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated. The value derived from this methodology reflects a control value; and
- QMP, representing the value that a Shareholder may receive for a share if it were sold on market. The value derived from this methodology reflects a minority interest value.

We have employed the Sum-of-Parts methodology in estimating the fair market value of Silver Lake prior to the Scheme by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

- Value of Silver Lake's operating assets comprising the Deflector and Mount Monger mines and processing facilities ('Silver Lake's Operating Assets'), applying the DCF methodology;
- Value of Silver Lake's interest in other mineral assets ('Silver Lake's Other Mineral Assets') comprising the:

- Value of Sugar Zone, having reliance on the valuation performed by SRK, an independent technical specialist; and
- Value of residual resources and exploration potential not included in the DCF valuations, having reliance on the valuation performed by SRK.
- Present value of Silver Lake's expected corporate costs based largely on historical corporate costs incurred by the Company;
- Value of Silver Lake's other assets and liabilities, adjusting to fair market value under the NAV methodology, which includes the value of Silver Lake's interest in Red 5 valued using the QMP basis;
- Transaction costs incurred as part of the Scheme process borne by Silver Lake if the Scheme is not successfully implemented;
- Number of shares on issue in Silver Lake prior to the Scheme; and
- Application of a minority interest discount because we have assessed the Scheme as a merger of equals.

We have chosen these methodologies for the following reasons:

- Where different approaches are used to value different assets or components of a business, a Sum-of-Parts approach is an appropriate valuation methodology to employ. We consider the core value of Silver Lake to lie in the value of its mineral assets. Mt Monger and Deflector are producing mines with a finite life and are therefore most appropriately valued using a DCF approach. However, there are other assets and liabilities of Silver Lake that are not suited to a DCF valuation approach. Sugar Zone, for example, was deemed by SRK to not be suitable for a DCF valuation despite being a historically producing mine. The Independent Specialist Report outlines SRK's reasons for disregarding an income approach in its valuation of Sugar Zone. We have instructed SRK to provide an independent review of the technical inputs to our DCF valuations of Deflector and Mount Monger, as well as to provide an independent market valuation of the Company's other mineral assets not included within the DCF approach, which is incorporated in our Sum-of-Parts;
- We have adopted the QMP as a valuation methodology as Silver Lake's shares are listed on the ASX. This means there is a regulated and observable market where Silver Lake's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the company's activities. As detailed in Section 10.2, we consider there to be a highly liquid and active market for Silver Lake shares. Therefore, we have utilised the QMP approach as a valuation methodology in determining the value of a Silver Lake share prior to the Scheme; and
- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. Although Silver Lake has a history of generated earnings, the cash flows underpinning these earnings are driven by the mining assets, which have a finite life and have cash flows that may vary substantially from year to year. The FME methodology is not considered appropriate for valuing finite life assets, such as mining assets, and therefore, we have not adopted the FME approach in valuing Silver Lake's operations.

Following our analysis and as further detailed in Section 11.3, we have adopted the QMP approach as our primary valuation methodology in assessing the value of a Silver Lake share prior to the Scheme, with the Sum-of-Parts methodology used as a secondary cross-check.

Technical expert

In performing our Sum-of-Parts valuation of Silver Lake's mineral assets, we have relied on the Independent Specialist Report, which includes a review of the technical project assumptions contained in the cash flow models underpinning the DCF valuations of Deflector and Mount Monger, as well as an assessment of the market value of Sugar Zone, the residual resources and exploration potential not included in the DCF valuations.

The Independent Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('VALMIN Code') and the JORC Code.

We are satisfied with the valuation methodologies adopted by SRK which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by SRK are referred to in the respective sections of our Report and in further detail in the Independent Specialist Report contained in Appendix 5.

10.2 Valuation of the Scheme Consideration

In our assessment of the value of the Scheme Consideration, we have first assessed the value of a share in the Merged Group and subsequently multiplied the value per Merged Group share by the exchange ratio of 3.434 to arrive at the value of the Scheme Consideration.

In valuing the Merged Group following the implementation of the Scheme, we have chosen to employ the following approaches:

- Sum-of-Parts of the Merged Group. The value derived from this methodology reflects a control value, to which we then apply a minority interest discount; and
- QMP, utilising the post-announcement pricing of Red 5. The value derived from this methodology reflects a minority interest value.

We have employed the Sum-of-Parts method in estimating the fair market value of the Merged Group by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- Value of Silver Lake on a controlling interest basis in accordance with the approach outlined in Section 10.1, but adjusted for the exclusion of the present value of Silver Lake's corporate costs and transaction costs borne by Silver Lake if the Scheme is not successfully implemented. We have also considered the cancellation or sale of Silver Lake's interest in Red 5 in accordance with the requirements of section 259D of the Corporations Act. We note that a decision has not been made on the treatment of Silver Lake's interest in Red 5 following the implementation of the Scheme and so we have considered both a monetisation and cancellation, noting that the outcome of the decision is not material to our valuation or opinion;
- Value of Red 5's producing mineral assets relating to its King of the Hills operations and comprising the KOTH Mines, Darlot and the KOTH Processing Hub ('Red 5's Operating Assets'), applying the DCF methodology;
- Value of Red 5's residual resources and exploration potential not included in the DCF valuation ('Red 5's Other Mineral Assets'), having reliance on the VALMIN valuation performed by SRK, an independent technical specialist;
- Value of Red 5's NSR royalty interest in Siana, applying the DCF methodology;

- Present value of corporate costs of the Merged Group based on historical corporate costs of both Red 5 and Silver Lake, and analysis of comparable peers;
- Value of Red 5's other assets and liabilities, adjusting to fair market value under the NAV methodology;
- Impact of transaction costs pursuant to the Scheme;
- Adjusted number of shares on issue following the implementation of the Scheme; and
- Application of a minority interest discount.

We have chosen the following methodologies to value the Merged Group following the implementation of the Scheme, and in turn, the Scheme Consideration with the reasons for utilising those methodologies set out below:

- The Merged Group owns multiple producing mineral assets, residual resources, a royalty stream and other assets and liabilities valued with different valuation approaches. Where different approaches are used to value different assets or components of a business, a Sum-of-Parts approach is an appropriate valuation methodology to employ. We have instructed SRK to provide an independent review of the technical inputs to our DCF valuations of Deflector, Mount Monger, King of the Hills and Darlot, as well as to provide an independent market valuation of the Merged Group's mineral assets not included within the DCF approach, which is incorporated in our Sum-of-Parts;
- We have also adopted the QMP approach for valuing the Merged Group. The market price of Red 5 shares in the period following the announcement of the Scheme is considered to be an indicator of the value of a share in the Merged Group because market participants are fully informed as to the terms of the Scheme, with the price reflecting the market's view of value if the Scheme is successful. Therefore, the market price of Red 5 following the Scheme represents the combined valuation of Red 5 and Silver Lake and the associated dilution from issuing Scheme Consideration shares in Red 5. However, for the QMP methodology to be considered appropriate, the listed Red 5 shares should be liquid, and the market should be fully informed on the Company's activities. As detailed in Section 11.2, we consider there to be a highly liquid and active market for Red 5 shares in the period following the announcement of the Scheme. We have also considered the liquidity of Red 5 in the period prior to the announcement of the Scheme. Therefore, we have utilised the QMP approach as a valuation methodology in determining the value of the Merged Group following the Scheme.

We consider both the Sum-of-Parts and QMP approach to be valid valuation methodologies. Following our analysis and as further detailed in Section 12.3, we have adopted the QMP approach as our primary valuation methodology in assessing the value of a Merged Group share, with the Sum-of-Parts methodology used as a secondary cross-check.

Technical expert

In performing our valuation of the Merged Group's mineral assets, we have relied on the Independent Specialist Report, which includes a review of the technical project assumptions contained in the cash flow models underpinning the DCF valuations of Deflector, Mount Monger and King of the Hills as well as an assessment of the market value of Sugar Zone, the residual resources and exploration potential not included in the DCF valuations.

The Independent Specialist Report has been prepared in accordance with the VALMIN Code and the JORC Code.

We are satisfied with the valuation methodologies adopted by SRK which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by SRK are referred to in the respective sections of our Report and in further detail in the Independent Specialist Report contained in Appendix 5.

11. Valuation of Silver Lake prior to the Scheme

11.1 Sum-of-Parts Valuation of Silver Lake

We have employed the Sum-of-Parts methodology in estimating the fair market value of a Silver Lake share on a minority interest basis prior to the Scheme, by aggregating the estimated fair market values of Silver Lake's underlying assets and liabilities, having consideration of the following:

- Value of Silver Lake's Operating Assets comprising the Deflector and Mount Monger mines and processing facilities, applying the DCF methodology;
- Value of Silver Lake's interest in Other Mineral Assets comprising the:
 - Value of Sugar Zone, having reliance on the valuation performed by SRK; and
 - Value of resources and exploration potential not included in the DCF valuation, having reliance on the valuation performed by SRK
- Present value of Silver Lake's expected corporate costs based largely on historical corporate costs of the Company; and
- Value of Silver Lake's other assets and liabilities, adjusting to fair market value under the NAV methodology, which includes the value of Silver Lake's interest in Red 5 valued using the QMP methodology;
- Transaction costs incurred as part of the Scheme process borne by Silver Lake if the Scheme is not successfully implemented
- Number of shares on issue in Silver Lake prior to the Scheme; and
- Application of a minority interest discount.

Our Sum-of-Parts valuation is set out below:

Sum-of-Parts Valuation of Silver Lake prior to the Scheme	Ref	Low \$'000s	Preferred \$'000s	High \$'000s
Value of Silver Lake's Operating Assets	11.1.1	354,000	410,000	466,000
Value of Silver Lake's Other Mineral Assets	11.1.2	299,900	437,900	582,700
Present value of Silver Lake's corporate costs (prior to the Scheme)	11.1.3	(89,000)	(80,000)	(71,000)
Value of Silver Lake's other assets and liabilities	11.1.4	274,068	283,001	292,223
Transaction-related costs	11.1.5	(1,640)	(1,640)	(1,640)
Total value of Silver Lake prior to the Scheme (control)		837,328	1,049,261	1,268,283
Number of Silver Lake shares on issue prior to the Scheme	11.1.6	934,744,333	934,744,333	934,744,333
Value of a Silver Lake share prior to the Scheme (\$ (control))		0.896	1.123	1.357
<i>Minority discount</i>	11.1.7	29%	26%	23%
Value of a Silver Lake share prior to the Scheme (\$ (minority))		0.636	0.831	1.045

Source: BDO analysis

We have assessed the value of a share in Silver Lake on a minority interest basis, prior to the Scheme, to be in the range of \$0.636 to \$1.045 with a preferred value of \$0.831.

11.1.1. Value of Silver Lake's Operating Assets

We have elected to use the DCF approach in valuing Silver Lake's Operating Assets. The DCF approach estimates the fair market value of the Deflector and Mount Monger operations by discounting the future cash flows arising from them to their net present value ('NPV'). Performing a DCF valuation requires the determination of:

- The future cash flows that the Deflector and Mount Monger operations are expected to generate; and
- An appropriate discount rate to apply to the cash flows of the operations to convert them to their present value equivalent.

The value that we have ascribed to Silver Lake's Operating Assets is based on adjusting technical inputs to the model as advised by SRK and applying our view of future economic assumptions, all of which are derived from information available at the time of SRK's report and our Report respectively. The technical and economic factors may change in the future, which may change the value of Silver Lake's Operating Assets.

The management of Silver Lake has prepared a detailed corporate-level cash flow model for Silver Lake's Operating Assets ('the Silver Lake Model'). The Silver Lake Model estimates the future cash flows expected from gold and silver dore, gold concentrate and copper concentrate produced following processing at the Deflector mill and Randalls. It also included certain costs associated with the idled Sugar Zone. The Silver Lake Model depicts forecasts of nominal, after-tax cash flows over an approximately eight year life, on a monthly basis, beginning from 1 July 2023 (i.e. the start of FY2024).

BDO has made certain adjustments to the Silver Lake Model where it was considered appropriate to arrive at an adjusted model ('the Adjusted Silver Lake Model'). In particular, we have adjusted the Silver Lake Model to:

- remove cash flows associated with Sugar Zone, given this is valued separately by SRK outside of the DCF valuation. This is on the basis that an acquirer would factor in the expected care and maintenance costs in its determination of the price it is willing to pay to acquire the assets, therefore these costs are reflected in the assessed multiple used to value the project;
- remove corporate costs as these are considered separately in our Sum-of-Parts valuation;
- reflect any changes to technical assumptions as a result of SRK's review;
- reflect any changes to the economic and other input assumptions from our research; and
- adopt a valuation date of 31 December 2023.

From its review of the technical assumptions, SRK recommended certain adjustments to the Silver Lake Model. Further details of SRK's proposed adjustments are set out in the Independent Specialist Report, included in Appendix 5. We have adopted SRK's recommendations in forming our DCF valuation range of Silver Lake's Operating Assets.

The Silver Lake Model was prepared based on estimates of the Company's mining and production profile, operating costs and capital expenditure, specifically at the Daisy Complex, Cock-eyed Bob, Tank, Santa open pit, Deflector and Rothsay mines, with processing occurring at the Deflector mill and Randalls. Cashflows in the model were prepared on an Australian Dollar basis and therefore the NPV calculated is in Australian Dollar terms. The main assumptions underlying the Adjusted Silver Lake Model include:

- mining and milling volumes;
- operating costs;
- capital expenditure;
- rehabilitation and closure costs (both mine and plant closure);
- royalties;
- commodity prices (including the Company's gold hedges);
- foreign exchange rates;
- corporate taxes; and
- discount rate.

BDO has undertaken an analysis of the Silver Lake Model which has involved:

- appointing SRK as a technical specialist to review, and where required, provide suggested changes to the technical assumptions underpinning the Silver Lake Model;
- analysing the Silver Lake Model to confirm its integrity and mathematical accuracy;
- conducting independent research on certain economic and other inputs such as commodity prices, exchange rates, inflation and the discount rate applicable to the future cash flows of Silver Lake's Operating Assets;
- holding discussions with Silver Lake's management regarding the preparation of the forecasts in the Silver Lake Model and its views; and
- performing sensitivity analyses on the value of Silver Lake's Operating Assets as a result of flexing certain assumptions and inputs.

The Adjusted Silver Lake Model, which forms the basis of our DCF valuation, has been adjusted based on the above procedures.

We have not undertaken a review of the cash flow forecast in accordance with the Standards on Assurance Engagement ASAE 3450 'Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information' and do not express an opinion on the achievability of the forecast. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted Silver Lake Model has been based have not been prepared on a reasonable basis.

Appointment of technical expert

SRK was engaged to prepare the Independent Specialist Report which includes a technical assessment of the assumptions underlying the Silver Lake Model. SRK's assessment involved the review and provision of an opinion on the reasonableness of the assumptions adopted in the Silver Lake Model, including but not limited to:

- the Mineral Resources and Reserves included in the Silver Lake Model;
- mining physicals (including volume mined, recovery and grades);
- processing assumptions (including quality of concentrate produced and recovery rates);
- operating costs (including mining, processing, haulage and site administration costs);
- capital expenditure;

- royalties;
- rehabilitation and closure costs; and
- other relevant assumptions

The Independent Specialist Report is included in Appendix 5.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management’s actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Silver Lake Model, as it is often the case that some events and circumstances do not occur as expected, or are not anticipated, and those differences may be material.

Economic assumptions used in the DCF valuation of Silver Lake’s and Red 5’s Operating Assets

Our DCF valuations of Silver Lake’s Operating Assets (outlined below) and Red 5’s Operating Assets (detailed in Section 12.1.3) rely on a common set of macroeconomic assumptions. This section provides a discussion of these common inputs and are presented below in fiscal year periods ending 30 June.

Inflation

As both Silver Lake’s and Red 5’s Operating Assets are based in Western Australia, we have applied the forecast Australian inflation rate to the costs (including operating and capital expenditure) within their respective models.

In forming our assessment of the forecast inflation rate, we have had regard to consensus views of forecast inflation as sourced from Bloomberg, as well as consideration of the recent trend of inflation in Australia. The inflation assumptions we have adopted are outlined in the table below, with long-term inflation from FY2027 and beyond assumed to be flat at 2.5% per annum, consistent with the Reserve Bank of Australia’s long-term inflation target of between 2% to 3%.

Australian inflation rate	FY2024*	FY2025	FY2026	FY2027+
Average inflation rate	3.3%	3.1%	2.7%	2.5%

*FY2024 reflects partial fiscal year beginning 1 January 2024 and ending 30 June 2024

Source: Bloomberg and BDO analysis

As discussed in the next section, we have also assumed a long-term US inflation rate in order to convert the long-term, real commodity prices from January 2027 onwards (which are quoted in USD terms) into nominal terms. For this purpose, we have adopted a flat US inflation rate of 2.0% per annum, consistent with the US Federal Reserve’s long-term inflation target.

Commodity prices

The cash flow model provided by Silver Lake contemplates revenue from sale of gold and, to a lesser extent, silver and copper metals. In Red 5’s cash flow model, revenue is derived solely from the sale of gold. As both Silver Lake’s and Red 5’s Operating Assets are already in production, and given we have adopted a 31 December 2023 valuation date for our valuation purposes, we have applied the average historical monthly commodity prices for the months of January and February 2024, before adopting the forecast commodity prices from March 2024 onwards.

In assessing the forecast commodity prices, we have considered the Consensus Economics price forecasts as at March 2024. The average commodity prices applied are shown in the table below. We note that Consensus Economics provides long-term real commodity pricing which begin from January 2029 onwards. In forming our long-term nominal pricing for each of the metals, we have considered these long term real prices and inflated them at our long-term US inflation rate assumption of 2%. The final column in the table below indicates the nominal pricing adopted in January 2029, with prices inflated in the subsequent periods at this long-term US inflation rate.

Commodity prices	FY2024*	FY2025	FY2026	FY2027	FY2028	Jan-29
Gold price (US\$/oz)	2,060	2,090	2,040	1,990	1,980	2,020
Silver price (US\$/oz)	23.60	25.00	24.30	23.20	22.70	24.30
Copper price (US\$/t)	8,515	8,840	8,935	9,450	9,690	9,445

*FY2024 reflects partial fiscal year beginning 1 January 2024 and ending 30 June 2024

Source: Bloomberg, Consensus Economics and BDO analysis

We note that both Silver Lake and Red 5 also have gold hedging programmes in place which are reflected in the respective DCF valuations of their operating assets. As at 31 December 2023, Silver Lake had a total of 110,000 ounces left to be delivered under its hedging programme at an average forward price of A\$3,007 per oz. At the same date, Red 5 had a hedging position of 256,439 ounces of flat forward contracts with an average price of A\$2,583 per oz.

Exchange rates

Metal prices obtained from our research are quoted in nominal USD terms. We have converted the metal prices from USD to AUD at the following forecast exchange rates:

AUD:USD Exchange Rate	FY2024*	FY2025	FY2026	FY2027	FY2028	FY2029+
Average AUD:USD	0.659	0.695	0.725	0.738	0.739	0.740

*FY2024 reflects partial fiscal year beginning 1 January 2024 and ending 30 June 2024

Source: Bloomberg and BDO analysis

In our assessment of foreign exchange rates, we have considered historical exchange rates as well as forecasts prepared by economic analysts and other publicly available information, including broker consensus, to arrive at our foreign exchange rate assumptions. We have assumed the exchange rate remains constant beyond FY2029, give the long-term difference in inflation between the Australian and US economies is minimal.

Mining physicals

Mining at Silver Lake's Operating Assets has already commenced and the Adjusted Silver Lake Model contemplates a forecast period of approximately seven years, beginning from the valuation date of 31 December 2023 through to FY2031 when the last of the ore stocks are processed and sold. We note that mining is forecast to complete in FY2028 with the remaining forecast period essentially for processing and sales. We have adopted SRK's suggested amendments to certain assumptions relating to mining and processing physicals in the Adjusted Silver Lake Model including:

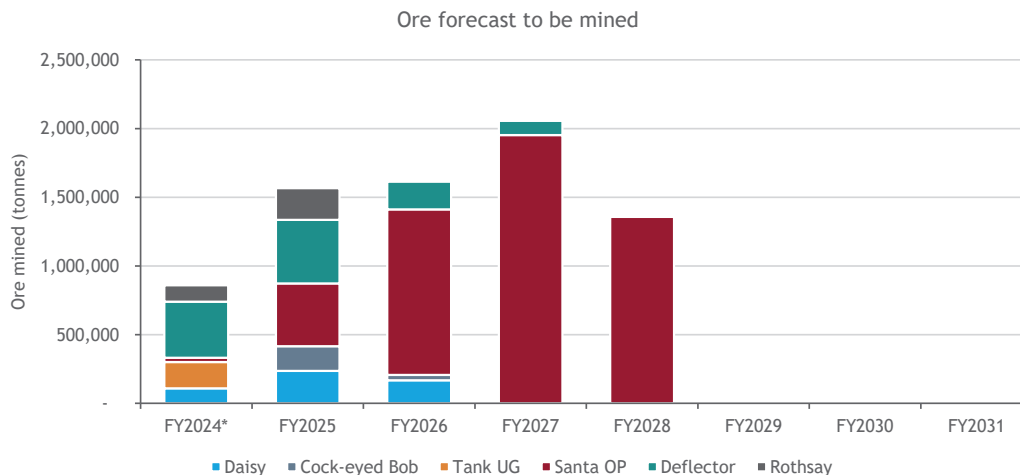
- adjustments to the life of mine plan for Daisy, Tank, Cock-eyed Bob, Santa, Deflector and Rothsay to align with actual production achieved during the first half of FY2024 and for other adjustments based on SRK's professional judgment;
- adjustments to the mined ore grades at Rothsay;
- adjustments to the operating and capital costs to reflect the life of mine adjustments above;

- adjustments to metallurgical recoveries (for gold at Randalls);
- adjustments to the processing costs; and
- adjustments to the closure costs including post-closure monitoring.

The details of SRK’s proposed amendments above can be found in the Independent Specialist Report attached as Appendix 5.

SRK has also advised that there are Residual Resources not accounted for in the Silver Lake Model, which could extend the life of mine beyond the forecast period. SRK has provided a valuation for these Residual Resources, which we have accounted for outside of the DCF valuation of Silver Lake’s Operating Assets, separately in our Sum-of-Parts valuation.

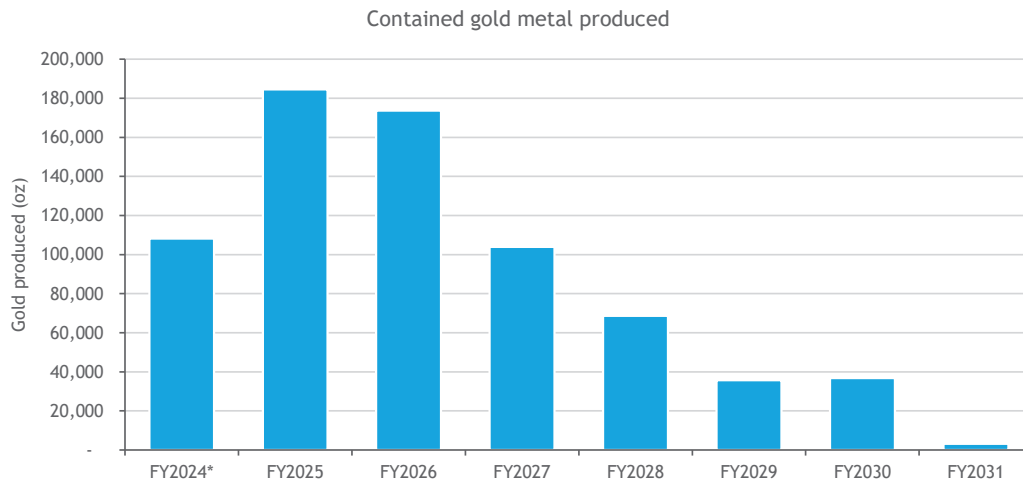
The graph below shows the forecast ore to be mined over the remaining life of mine of Silver Lake’s Operating Assets. The periods in the charts below are in financial years beginning 1 July and ending 30 June of each year. The exception to this is for FY2024, which represents a partial period due to our adopted valuation date of 31 December 2023. We also note that SRK’s recommendations are reflected in the charts below.



*FY2024 reflects partial fiscal year beginning 1 January 2024 and ending 30 June 2024

Source: Adjusted Silver Lake Model

The ore that is mined is processed into gold and silver dore, gold concentrate and copper concentrate for sale. In terms of contained metals however, gold is the predominant metal with only immaterial amounts of silver and copper forecast to be produced. This is also reflected in the forecast sales, for which gold accounts for approximately 99% of the forecast sales, with the remainder from copper and silver. For this reason, we have only shown the forecast contained gold metal produced over the Adjusted Silver Lake Model’s forecast period, in the graph below. We further note that the graph below reflects SRK’s recommendation to reduce gold recoveries over at Randalls. Further details on SRK’s adjustments are contained in its Independent Specialist Report.



*FY2024 reflects partial fiscal year beginning 1 January 2024 and ending 30 June 2024

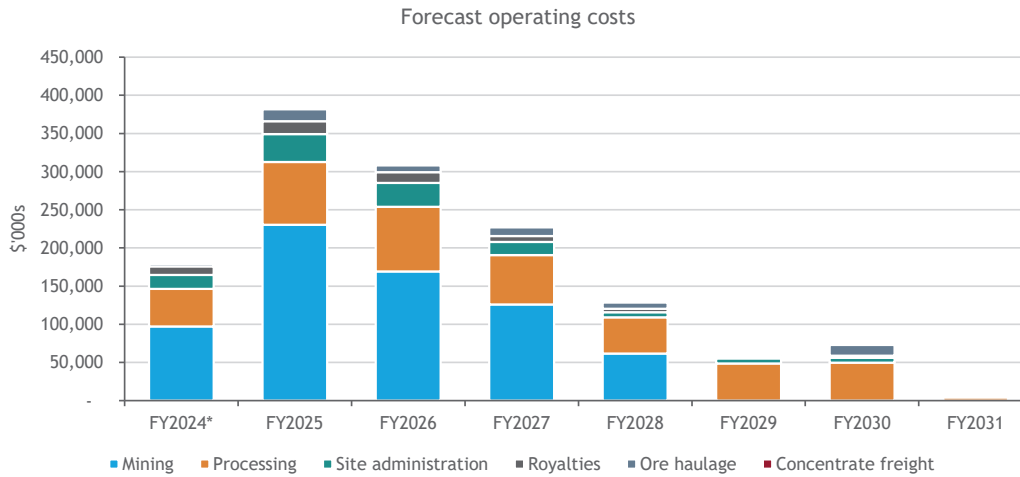
Source: Adjusted Silver Lake Model

Operating costs

The operating costs forecast in the Silver Lake Model include mining, processing, site administration, ore haulage, concentrate freight, royalties and corporate costs. These costs are calculated on a real basis and inflated into nominal terms within the model. In preparing the Adjusted Silver Lake Model, we have removed corporate costs (as we account for these separately in our Sum-of-Parts valuation) and have applied our inflation assumptions to the remaining operating costs, where applicable.

SRK has considered the reasonableness of the forecast operating cost assumptions in the context of their experience with similar mining projects. We have reflected SRK’s suggested amendments to certain operating costs in the Adjusted Silver Lake Model including mining and processing costs. As detailed in the Independent Specialist Report, these costs have largely been adjusted to reflect the actual operational performance at the sites over the first half of FY2024. SRK has also recommended an increase to administration costs to reflect higher environmental management costs at Mount Monger.

The forecast operating costs for Silver Lake’s Operating Assets, incorporating SRK’s technical input assumptions and BDO’s macroeconomic assumptions, are illustrated in the charts below.



*FY2024 reflects partial fiscal year beginning 1 January 2024 and ending 30 June 2024

Source: Adjusted Silver Lake Model

Royalties

Royalties are included within the operating costs outlined above and comprise:

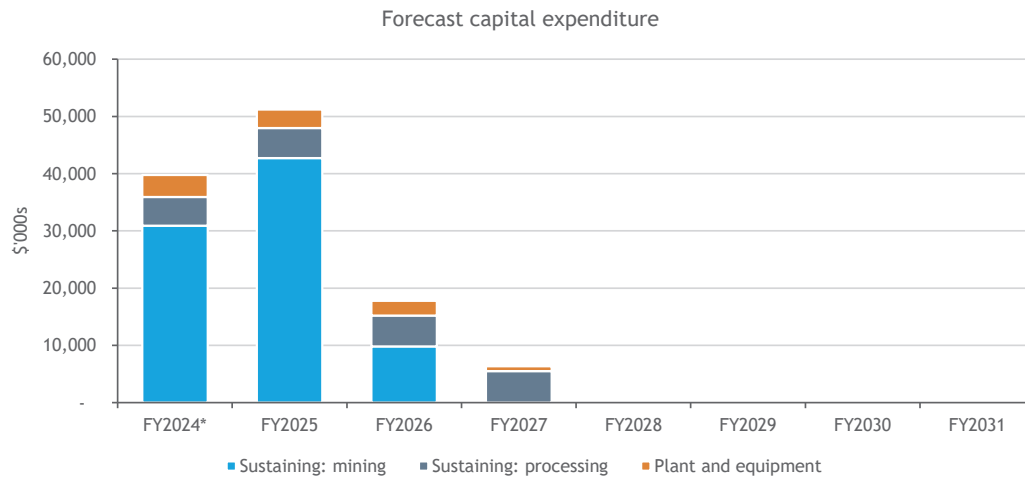
- Mine royalties - being royalties specific to each mine site, for example a 1% royalty on the value of contained gold mined applies to the Daisy Complex and approximately 1% at Deflector.
- State royalties - being 2.5% of the value of the contained metal from dore production and 5% of the value of contained metal from any concentrate produced.

These rates are consistent with those outlined in the Independent Specialist Report and therefore we have adopted them for the purposes of our DCF valuation.

Capital expenditure

The capital expenditure requirements for Silver Lake's Operating Assets relate to ongoing sustaining capital expenditure (for mining and processing) and capital expenditure for plant and equipment. We have adjusted capital expenditure for SRK's recommendations in the Adjusted Silver Lake Model, further details of which can be found in the Independent Specialist Report.

As set out below, most of the forecast capital expenditure is expected to be incurred in FY2024 and FY2025.



*FY2024 reflects partial fiscal year beginning 1 January 2024 and ending 30 June 2024

Source: Adjusted Silver Lake Model

Taxation

We have adjusted the available tax losses within the Adjusted Silver Lake Model to reflect the carried forward Australian tax losses available as at 31 December 2023 of approximately \$218.14 million, as disclosed in the Company's half-year financial report. The Australian corporate tax rate of 30% is then applied in the calculation of taxes payable.

Rehabilitation and closure costs

The Adjusted Silver Lake Model also includes total mine site and process plant closure costs of approximately \$57.28 million (in nominal terms). This figure incorporates SRK's recommendation on closure costs and post-closure monitoring costs of approximately \$21.08 million, \$23.83 million and \$3.40 million (in real terms) for Mount Monger, Deflector and Rothsay, respectively. These costs are incurred from when the last of the ore is processed at each site. Further details of SRK's adjustments can be found in the Independent Specialist Report.

Trade receivables and trade payables

The Adjusted Silver Lake Model assumes all payments are made to suppliers and revenue is received from sales within each of the forecast months.

Ore inventory

Ore is mined and processed based on the available capacity of Randalls and the Deflector mill. When the mills are at capacity, any mined ore is stockpiled and is eventually processed over the remaining forecast period. We have included Silver Lake's ore stockpile balance at 31 December 2023 as an opening balance for the Adjusted Silver Lake Model.

Silver Lake discount rate

In our assessment of an appropriate discount rate to apply to the cash flows of the Adjusted Silver Lake Model, we consider the most appropriate discount rate to be Silver Lake's cost of equity. We note that its weighted average cost of capital is equivalent to its cost of equity, as Silver Lake's Operating Assets are already in production, are self-funding and do not require debt.

For the DCF valuation of Silver Lake's Operating Assets, we have selected a nominal post-tax discount rate in the range of 9.5% to 10.7% with a preferred rounded midpoint of 10%. We have used our preferred rounded midpoint to discount the cashflows in the Adjusted Silver Lake Model.

In selecting our range of discount rates we considered the following:

- the rate of return for comparable ASX-listed Australian gold producers; and
- the risk profile of Silver Lake's Operating Assets as compared to the comparable companies identified.

A detailed consideration of how we arrived at the adopted post-tax nominal discount range is discussed in Appendix 4.

Sensitivity analysis

We have analysed the key assumptions to the Adjusted Silver Lake Model and have prepared sensitivities on the post-tax NPV. The sensitivity analysis considers the value of Silver Lake's Operating Assets under various pricing scenarios, and in applying:

- a relative change of +/- 10% to the gold price (noting that a sensitivity was not performed on the price of silver and copper given their contribution to the DCF valuation is immaterial);
- a relative change of +/- 10% to operating costs;
- a relative change of +/- 10% to capital costs;
- a relative change of +/- 10% to the AUD:USD exchange rate;
- a discount rate in the range of 9.0% to 11.0%; and
- an absolute change of +/- 1% to the rate of inflation rate assumed.

These sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of Silver Lake's Operating Assets if our base case assumptions change.

In \$'000s					Sensitivity Analysis of Silver Lake's Operating Assets				
% Relative Flex	Gold Price	Operating Costs	Capital Costs	AUD:USD Rate					
+10.0%	516,222	313,112	399,095	278,434					
+8.0%	495,433	332,410	401,196	302,724					
+6.0%	474,645	351,707	403,296	327,930					
+4.0%	453,673	371,004	405,397	354,106					
+2.0%	432,398	390,301	407,498	381,308					
-	409,598	409,598	409,598	409,598					
-2.0%	386,158	428,895	411,699	437,860					
-4.0%	362,719	447,502	413,800	465,333					
-6.0%	339,279	465,832	415,900	493,599					
-8.0%	315,839	483,877	418,001	523,063					
-10.0%	292,399	501,923	420,101	553,511					

Source: BDO analysis and the Adjusted Silver Lake Model

Sensitivity Analysis of Silver Lake's Operating Assets to the discount rate					
Discount rate	9.0%	9.5%	10%	10.5%	11.0%
Value (\$'000s)	415,388	412,473	409,598	406,762	403,965

Source: BDO analysis and the Adjusted Silver Lake Model

Sensitivity Analysis of Silver Lake's Operating Assets to the inflation rate					
% Absolute Flex on Inflation Rate	-1.0%	-0.5%	-	+0.5%	+1.0%
Value (\$'000s)	425,535	417,598	409,598	401,534	393,405

Source: BDO analysis and the Adjusted Silver Lake Model

In considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

We also note that we have presented the above sensitivities to highlight the sensitivity of the value of Silver Lake's Operating Assets to changes in pricing and other assumptions.

Conclusion on DCF valuation of Silver Lake's Operating Assets

Based on the above analysis, we consider the value of Silver Lake's Operating Assets to be in the range of \$354 million to \$466 million with a preferred value of \$410 million. Our assessed valuation range incorporates SRK's recommendations for certain input assumptions and was formed having consideration to sensitivities around a +/-4% relative change in the AUD:USD exchange rate and a circa +/-5% relative change in the gold price, given the sensitivity of the NPV to these assumptions.

11.1.2. Value of Silver Lake's Other Mineral Assets

SRK has valued the residual resources not accounted for in the Adjusted Silver Lake Model for Mt Monger, Deflector and Sugar Zone. SRK has also assigned a value to the exploration potential associated with these projects.

In valuing the residual resource of each project, SRK has considered comparable transactions and industry yardsticks (with preference to the former) to inform its valuation range. In forming its valuation range for the exploration potential, SRK has applied equal weighting to the comparable transaction and geoscientific valuation approach.

This is summarised below with further details in SRK's Independent Specialist Report attached as Appendix 5.

	Low	Preferred	High
Value of Silver Lake's Other Mineral Assets	\$ million	\$ million	\$ million
Value of Mt Monger's Residual Resources	149.9	209.1	268.2
Value of Mt Monger's Exploration Potential	20.8	37.8	54.7
Mt Monger subtotal	170.8	246.8	322.9
Value of Deflector's Residual Resources	42.6	60.1	77.7
Value of Deflector's Exploration Potential	18.8	31.9	44.9
Deflector subtotal	61.5	92.0	122.6
Value of Sugar Zone's Residual Resources	57.2	76.2	101.9
Value of Sugar Zone's Exploration Potential	10.5	22.9	35.3
Sugar Zone subtotal	67.7	99.1	137.2
Total value of Silver Lake's Other Mineral Assets	299.9	437.9	582.7

Source: SRK's Independent Specialist Report

11.1.3. Present value of corporate costs of Silver Lake

Corporate costs have not been included in the model. Corporate costs consist of all corporate administration costs that cannot be directly attributable to operations.

As part of our analysis, we have considered the corporate costs that Silver Lake has incurred historically. Set out below are the corporate costs incurred by Silver Lake for the years ended 30 June 2022, 30 June 2023 and the expected corporate cost figure prior to the implementation of the Scheme based on annualised corporate costs for the half year ended 31 December 2023.

	Annualised* to year ending	Audited for the year ended	Audited for the year ended
Silver Lake's historical corporate costs	30-Jun-24	30-Jun-23	30-Jun-22
	\$'000	\$'000	\$'000
Adjusted corporate costs of Silver Lake	22,673.0	23,743.7	17,515.6

*Annualised half year ended 31 December 2023

Source: Silver Lake's audited financial statements for the years ended 30 June 2022, 30 June 2023 and reviewed financial statement for the half-year ended 31 December 2023.

We have also considered the corporate costs incurred by ASX-listed companies with a similar size and scale of operations to Silver Lake prior to the Scheme. We have analysed ASX-listed gold mining companies, whilst considering other company characteristics such as total assets, revenue, production guidance, and market capitalisation, as proxies for the size and scale of operations.

Our analysis of the corporate costs for the identified ASX-listed companies is set out below.

Company Name	Revenue annualised(1) to the year ending 30-Jun-24 \$'000	Market cap. as at 04-Feb-24 \$'000	Corporate costs annualised(1) to the year ending 30-Jun-24 \$'000	Corporate costs for the year ended 30-Jun-23 \$'000	Corporate costs for the year ended 30-Jun-22 \$'000
Silver Lake Resources Limited	801,382	903,784	22,673	23,744	17,515
Evolution Mining Limited	2,434,296	8,114,652	63,234	57,080	49,472
Perseus Mining Limited (3)	1,489,478	1,667,629	22,122	40,736	35,171
Regis Resources Limited	1,147,641	1,774,482	10,502	12,818	11,730
Resolute Mining Limited (2)(3)	925,786	847,383	57,405	20,760	20,899
Red 5 Limited	546,396	1,217,206	16,952	8,419	12,972
Ramelius Resources Limited	675,044	1,579,854	34,824	26,535	19,845
Westgold Resources Limited	701,436	777,857	20,296	16,442	12,077

(1) Annualised figures based on financial statements for the half year ended 31 December 2023.

(2) Resolute Mining Limited has a 31 December year end. Therefore, actual revenue and corporate cost figures have been used for the years ended 31 December 2021, 31 December 2022 and 31 December 2023.

(3) Perseus Mining Limited and Resolute Mining Limited have a presentation currency of USD, therefore we have converted these to A\$ at the average exchange rate over the respective periods, as sourced from Bloomberg.

Source: Respective companies' half-year and annual reports, S&P Capital IQ and BDO analysis

Based on the above analysis of corporate costs incurred by comparable ASX-listed companies and having consideration for the corporate costs incurred by Silver Lake historically, we have assessed the corporate costs of Silver Lake to be in the range of \$20 million and \$25 million per annum, in real terms, for the purposes of our valuation of Silver Lake prior to the Scheme. This is broadly supported by the corporate costs of Perseus Mining Limited, Ramelius Resources Limited and Westgold Resources Limited.

We have applied our assessed forecast inflation rates as set out in Section 11.1.1 of our Report to the corporate costs over the forecast period and have discounted these cash flows at our assessed Weighted Average Cost of Capital ('WACC') of Silver Lake prior to the Scheme of 10%, as detailed in Section 11.1.1 of our Report.

Based on the above analysis, we have assessed the present value of the after tax corporate costs to be in the range of \$71 million to \$89 million. We have selected a preferred value of \$80 million, being the midpoint between the low and high values as there is no reason for us to select a preferred value on either end of the above assessed range.

11.1.4. Value of Silver Lake's other assets and liabilities

The other assets and liabilities of Silver Lake represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Silver Lake and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Other assets and liabilities	Notes	Reviewed as at 31-Dec-23 \$'000s	Adjusted value Low \$'000s	Adjusted value Preferred \$'000s	Adjusted value High \$'000s
CURRENT ASSETS					
Cash and cash equivalents	a	278,681	278,681	278,681	278,681
Trade and other receivables		10,324	10,324	10,324	10,324
Inventories	b	105,620	41,286	41,286	41,286
Prepayments		371	371	371	371
TOTAL CURRENT ASSETS		394,996	330,662	330,662	330,662
NON-CURRENT ASSETS					
Inventories	b	44,344	-	-	-
Exploration, evaluation and development expenditure	c	430,991	-	-	-
Property, plant and equipment	d	214,177	-	-	-
Investments	e	135,998	117,486	126,419	135,641
Goodwill	f	90,695	-	-	-
TOTAL NON-CURRENT ASSETS		916,205	117,486	126,419	135,641
TOTAL ASSETS		1,311,201	448,148	457,081	466,303
CURRENT LIABILITIES					
Trade and other payables		74,250	74,250	74,250	74,250
Lease liabilities	d	18,133	-	-	-
Employee benefits		8,039	8,039	8,039	8,039
TOTAL CURRENT LIABILITIES		100,422	82,289	82,289	82,289
NON-CURRENT LIABILITIES					
Lease liabilities	d	17,364	-	-	-
Rehabilitation and restoration provision	g	48,855	-	-	-
Deferred tax liabilities	h	8,695	91,790	91,790	91,790
TOTAL NON-CURRENT LIABILITIES		74,914	91,790	91,790	91,790
TOTAL LIABILITIES		175,336	174,079	174,079	174,079
NET ASSETS		1,135,865	274,068	283,001	292,223

Source: Silver Lake's reviewed financial statements for the half-year ended 31 December 2023 and BDO analysis

We have not undertaken a review of Silver Lake's financial statements in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We have been advised that there has not been any other significant change in the net assets of Silver Lake since 31 December 2023 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the reviewed position at 31 December 2023 we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to the above valuation to Silver Lake's other assets and liabilities:

Note a) Cash and cash equivalents

The start date for the Adjusted Silver Lake Model is 1 January 2024, therefore we have used the closing cash balance at 31 December 2023 from the reviewed financial statements for the half year ended 31 December 2023. We have considered the cash balance per the Company's management accounts for the month ended 31 January 2024 and compared this to the respective month of cash flows in the Adjusted Silver Lake Model to ensure that material cash flows are reflected appropriately in the valuation.

Note b) Inventories (current and non-current)

We have adjusted the balance of inventories to remove the value of any ore stocks as these are already accounted for in the Adjusted Silver Lake Model. The remaining balance of current inventories relate to consumables and materials of \$23.23 million and gold in circuit and concentrate and bullion on hand of \$12.03 million, which we retain within the valuation of other assets and liabilities on the basis these were not accounted for in our DCF valuation or in SRK's valuation of Silver Lake's Other Mineral Assets. Specifically, in relation to consumables and materials, there is no opening balance modelled, therefore the Adjusted Silver Lake Model reflects the forecast costs for consumables and materials that are required to generate the cash flows included in the Adjusted Silver Lake Model. Therefore, we have included the consumables and materials at book value as we do not consider it to materially differ from fair value.

Note c) Exploration, evaluation and development expenditure

We have adjusted the book value of exploration, evaluation and development expenditure to nil, as they are already accounted for in the DCF valuation of Silver Lake's Operating Assets and SRK's valuation of Silver Lake's Other Mineral Assets.

Note d) Property, plant and equipment and lease liabilities

We consider the value of property, plant and equipment to be implicit within our DCF valuation of Silver Lake's Operating Assets as they are primarily contributory assets to the Company's mining operations. We do not consider there to be any material surplus assets that could be sold without impacting operations. The value of property, plant and equipment associated with Sugar Zone is also accounted for within this balance, however this is inherent in SRK's valuation of Sugar Zone, including all associated infrastructure, which SRK have incorporated into their assessment of comparable market transactions. Therefore, we have adjusted the entire balance of property, plant and equipment to nil. We note this balance includes right of use assets (mainly leases on mining equipment) and hence we have also adjusted the corresponding lease liabilities to nil.

Note e) Investments

Silver Lake's investments at 31 December 2023 comprises its shareholding in Red 5 and a portfolio of investments in other listed mining companies. We have adjusted this balance to reflect the market value of the investments as summarised in the table below and in the accompanying discussion.

Adjusted value of Investments	Low \$'000	Preferred \$'000	High \$'000
Value of Silver Lake's investment in Red 5	109,904	118,837	128,059
Value of Silver Lake's other investments	7,582	7,582	7,582
Total adjusted value of Silver Lake's investments	117,486	126,419	135,641

Source: BDO analysis

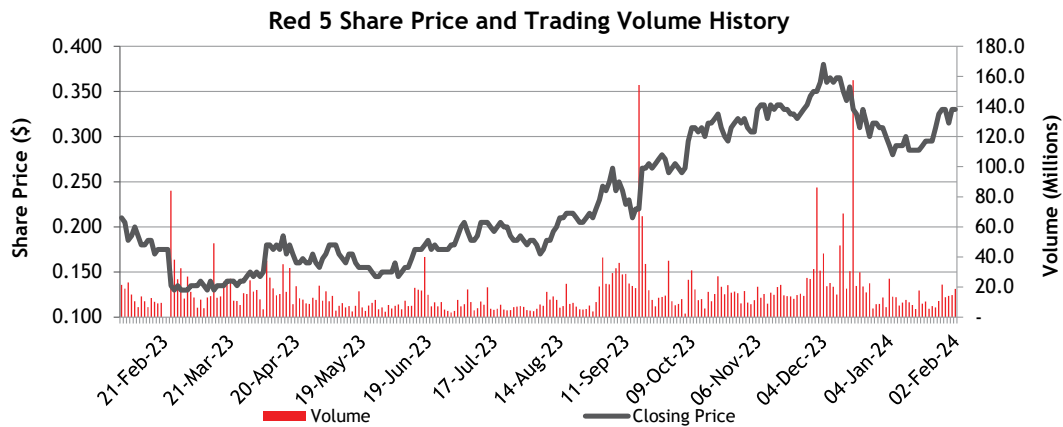
Value of Silver Lake's investment in Red 5

To value Silver Lake's minority interest in Red 5, we have assessed the quoted market price for a Red 5 share based on the pricing prior to the announcement of the Scheme on 5 February 2024.

This is because the value of a Red 5 share after that announcement may include the effects of any change in value as a result of the Scheme being announced and, given the nature of the Scheme Consideration, it may also be influenced by the trading price of a Red 5 share.

The quoted market value of a company’s shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

Information on the Scheme was released to the market on 5 February 2024. Therefore, the following chart provides a summary of the share price movement over the 12 months to 2 February 2024, which was the last trading day prior to the announcement of the Scheme.



Source: Bloomberg

The daily price of Red 5 shares from 2 February 2023 to 2 February 2024 ranged from a low of \$0.130 on 14 March 2023, to a high of \$0.380 on 4 December 2023. The single highest trading day over the assessed period was 15 December 2023, when 157,470,609 shares were traded, representing approximately 5% of Red 5’s current number of shares on issue.

To provide further analysis of the market prices for a Red 5 share, we have also considered the weighted average market price for 10-, 30-, 60- and 90-day periods to 2 February 2024.

Share Price per unit	2-Feb-24	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.330				
Volume weighted average price (VWAP)		\$0.318	\$0.307	\$0.333	\$0.324

Source: Bloomberg, BDO analysis

Given that we are assessing the value of Silver Lake prior to the Scheme, the above weighted average prices are prior to the date of the announcement of the Scheme, to avoid the influence of any fluctuation in price of Red 5 shares that has occurred since the Scheme was announced.

An analysis of the volume of trading in Red 5 shares for the twelve months to 2 February 2024 is set out below:

Trading days	Share price Low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.325	\$0.333	18,835,072	0.54%
10 Days	\$0.290	\$0.333	123,335,097	3.56%
30 Days	\$0.270	\$0.335	387,083,944	11.18%
60 Days	\$0.270	\$0.380	1,261,936,142	36.43%
90 Days	\$0.255	\$0.380	1,724,628,047	49.79%
180 Days	\$0.145	\$0.380	2,981,983,964	86.09%
1 Year	\$0.125	\$0.380	4,174,421,795	120.52%

Source: Bloomberg, BDO analysis

This table indicates that Red 5's shares display a high level of liquidity, with 120.52% of the Company's current issued capital being traded in a twelve month period. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Red 5, we consider the market for Red 5's shares to be liquid and active, with substantially greater than 1% of the Company's issued capital being traded on average on a weekly basis over the assessed twelve-month period.

Our assessment is that a range of values for Red 5 shares based on market pricing, after disregarding post announcement pricing, is between \$0.300 and \$0.350. We have selected a preferred value as the midpoint between our low and high values as we have no reason to select either end of the range.

As shown in the previous table, for the one year period (254 trading days) that our analysis was conducted over, a cumulative volume of 4.17 billion Red 5 shares changed hands. This works out to be an average daily volume of approximately 16.43 million shares. Therefore, based on trading volumes prior to the announcement of the Scheme, on average it would take approximately 25 trading days for Silver Lake to liquidate its entire holding of 411,622,268 Red 5 shares. Given the size of Silver Lake's investment in Red 5 relative to trading volumes, we consider it appropriate to apply a discount of between 5% and 10% to the assessed market pricing above. This is because, in order for Silver Lake to realise the value of such a significant investment, it would likely place some downward pressure on the Red 5 share price (as a result of the overhang), or Silver Lake may need to sell at a discount in order to entice a sophisticated investor. This discount range was formed having considered the historical trading volumes and daily market depth of Red 5 shares as well as observed placement discounts. In addition, we have also deducted a notional

capital gains tax ('CGT') from this value as we are assuming a sale. We note that the assumed discount does not have a material impact on our conclusion of the value of a Silver Lake share prior to the Scheme.

Based on the 411,662,268 shares which Silver Lake held in Red 5 prior to the announcement of the Scheme, the Company's value of its investment in Red 5 (on a minority interest basis) is summarised in the table below.

Value of Silver Lake's investment in Red 5	Low	Preferred	High
Number of Red 5 shares held by Silver Lake	411,662,268	411,662,268	411,662,268
QMP value of a Red 5 share (\$/share)	0.300	0.325	0.350
Less: Discount assumed on placement to sophisticated investor or impact of selling on market	10.0%	7.5%	5.0%
Adjusted QMP value of a Red 5 share (\$/share)	0.270	0.301	0.333
QMP value of Silver Lake's investment in Red 5	111,149	123,910	137,084
Less: Cost base of Red 5 investment	(107,000)	(107,000)	(107,000)
Notional gain	4,149	16,910	30,084
Notional CGT payable at 30% of gain	1,245	5,073	9,025
Total value of the Red 5 shares held by Silver Lake (\$'000)	109,904	118,837	128,059

Source: Silver Lake's management, Bloomberg and BDO analysis

Value of Silver Lake's other investments

Aside from Silver Lake's investment in Red 5, the remaining balance of investments comprise shares in ASX-listed companies, as well as Sarama Resources Limited, a company listed on the Canada TSX Venture Exchange, recorded at fair value. These assets are surplus to Silver Lake's normal course of business and represent minority investments in the companies listed below, therefore, we have included them in the Silver Lake's other asset and liabilities. We have adjusted the value of these shares using the 30-day VWAP as at 26 March 2024 which results in the total value set out below.

Value of Silver Lake's other investments	Valuation as at 26 March 2024		
	Shares Held	30-Day VWAP (\$)	Value (\$'000)
Encounter Resources Ltd	20,513,397	0.254	5,218
Sarama Resources Ltd*	10,706,636	0.013	141
Hamelin Gold Ltd	23,500,000	0.076	1,798
Ora Gold Ltd	11,000,000	0.006	65
Strickland Metals Ltd	2,375,806	0.085	203
Orecorp Ltd	201,508	0.575	116
Solstice Minerals Ltd	20,262	0.104	2
Riversgold Ltd	472,305	0.008	4
GCX Metals Ltd (Formerly Paringa)	755,134	0.047	36
Total	69,545,048		7,582

*Sarama Resources Ltd is listed on Canada's TSX Venture Exchange. An AUD:CAD exchange rate of 0.888 as at 26 March 2024 (as sourced from Bloomberg) has been used to translate the 30-day VWAP into AUD terms.

Source: Silver Lake's management and Bloomberg

We note that unlike our valuation of Silver Lake's investment in Red 5 above, we have valued the Company's other investments at a more recent date as we do not consider the announcement of the Scheme to have a material impact on the value of the portfolio companies.

Note f) Goodwill

As the value of Silver Lake's goodwill relates to its acquisition of Doray, we have adjusted the balance to nil on the basis that its value is already reflected in the DCF valuation of Silver Lake's Operating Assets and SRK's valuation of Silver Lake's Other Mineral Assets.

Note g) Rehabilitation and restoration provision

As set out in Section 11.1.1, the rehabilitation and restoration costs of Silver Lake's Operating Assets are already accounted for in the Adjusted Silver Lake Model. For Sugar Zone, these costs are already accounted for in SRK's valuation because the amount paid for the comparable projects identified by SRK would reflect the buyers' expected rehabilitation expenditure on those assets. For these reasons, we have adjusted the entire balance of rehabilitation and restoration provision to nil.

Note h) Deferred tax liabilities

The deferred tax liabilities balance of approximately \$8.70 million at 31 December 2023 represents a net deferred tax liability figure. It comprises:

- a deferred tax asset component totalling approximately \$83.10 million made up of approximately \$54.15 million of the Company's Australian carried forward tax losses, and \$28.95 million of the Company's Canadian carried forward tax losses (both on a tax effected basis); and
- a deferred tax liability component totalling approximately \$91.79 million, which largely consists of net temporary differences between accounting and taxation carrying values for the Company's assets and liabilities. Furthermore, the deferred tax liability balance includes Silver Lake's taxes incurred for the 6 months to 31 December 2023, which have been removed from the Adjusted Silver Lake Model.

We have adjusted the deferred tax liabilities balance to remove the value of these carried forward tax losses as accounted for on the Company's balance sheet as at 31 December 2023 because:

- i) the Australian tax losses are already contemplated in the DCF valuation of Silver Lake's Operating Assets; and
- ii) as at the valuation date, SRK and BDO do not consider there to be sufficient reasonable grounds to assess the quantum and timing of future cash flows associated with Sugar Zone. This has resulted in SRK valuing the mineral assets of Sugar Zone using a market based approach, rather than an income based approach, further details of which can be found in the Independent Specialist Report. In order to be consistent with the adopted valuation approach for Sugar Zone, we have removed the Canadian tax losses from this balance as well.

The result of removing the value of the tax losses is an increase to the net deferred tax liabilities balance as summarised in the table below.

Adjusted value of deferred tax liabilities	\$'000
Balance of net deferred tax liabilities as at 31 December 2023	8,695
Removal of Australian tax losses already accounted for in the Adjusted Silver Lake Model (a decrease to the tax asset, therefore an increase to the net deferred tax liability)	54,146
Removal of Canadian tax losses relating to Sugar Zone (a decrease to the tax asset, therefore an increase to the net deferred tax liability)	28,950
Total adjusted deferred tax liabilities	91,790

Source: BDO analysis

11.1.5. Transaction-related costs

In performing our valuation of Silver Lake prior to the Scheme, we have reflected the transaction costs that are expected to be incurred by Silver Lake following 31 December 2023, but prior to the implementation of the Scheme, regardless of whether the Scheme proceeds.

These transaction costs, which include legal, financial and tax, advisor fees, scheme implementation costs and other transaction costs to be incurred by Silver Lake, have been estimated at \$1.64 million. We have not considered the transaction costs that have been incurred by Silver Lake prior to 31 December 2023, as these costs are already reflected in the valuation of Silver Lake's other assets and liabilities.

11.1.6. Number of Silver Lake shares on issue prior to the Scheme

As detailed in Section 5.8, the number of Silver Lake shares on issue as at the date of our Report is 934,744,333, which we have used in our Sum-of-Parts assessment.

We note that there are 54,987 Silver Lake performance rights that have already vested but remain unexercised. Silver Lake has advised that it has shares in an Employee Share Trust which it can use to allocate to the holders of these rights upon their decision to convert them into ordinary shares in the Company. Accordingly, we have not adjusted the total number of shares outstanding for the dilution of these vested, but unexercised performance rights.

11.1.7. Minority discount

The value of a Silver Lake share derived under the Sum-of-Parts approach is reflective of a controlling interest. As set out in Section 3.3, we consider the Scheme to represent a merger of equals and as such, our fairness assessment is undertaken on the basis of the value of a Silver Lake share prior to the Scheme on a minority interest basis. The Sum-of-Parts valuation represents a controlling interest, therefore, we have adjusted our Sum-of-Parts valuation to reflect a minority interest holding by applying a minority interest discount. The minority interest discount is based on the inverse of the control premium and is calculated using the formula $1 - (1 / (1 + \text{control premium}))$.

Based on our analysis in Appendix 3, we consider an appropriate control premium to be in the range of 30% to 40% with a midpoint of 35%. This assessed control premium range gives rise to a rounded minority discount in the range of 23% to 29%, with a rounded midpoint of 26%.

11.2 Quoted market prices for Silver Lake securities

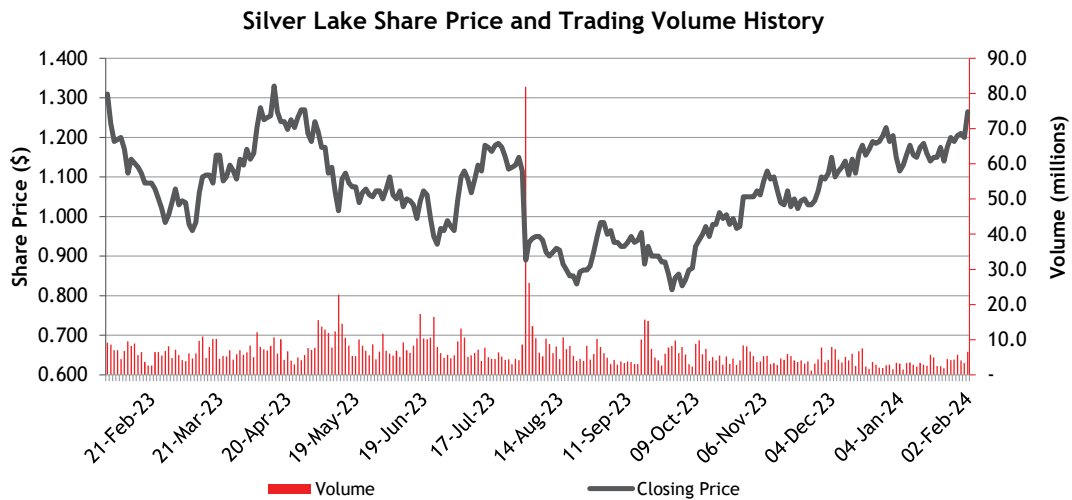
We have also assessed the quoted market price for a Silver Lake share. The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

Minority interest value

Our analysis of the quoted market price of a Silver Lake share prior to the Scheme is based on the pricing prior to the announcement made by the Company on 5 February 2024.

This is because the value of a Silver Lake share after that announcement may include the effects of any change in value as a result of the Scheme being announced and, given the nature of the Scheme Consideration, it may also be influenced by the trading price of a Red 5 share. However, we have considered the value of a Silver Lake share following that announcement when we have considered reasonableness in Section 14 of our Report.

Information on the Scheme was released to the market on 5 February 2024. Therefore, the following chart provides a summary of the share price movement over the 12 months to 2 February 2024, which was the last trading day prior to the announcement of the Scheme.



Source: Bloomberg

The daily price of Silver Lake shares from 2 February 2023 to 2 February 2024 ranged from a low of \$0.815 on 28 September 2023, to a high of \$1.330 on 14 April 2023. The single highest trading day over the assessed period was 31 July 2023, when 81,939,547 shares were traded, representing approximately 9% of Silver Lake’s current number of shares on issue. On that day, the Company released its Quarterly Activities Report for the June 2023 quarter.

During this period, several announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement		Closing Share Price Three Days After Announcement	
		\$ (movement)		\$ (movement)	
30/01/2024	Quarterly Activities Report	1.205	▲ 1.3%	1.265	▲ 5.0%
08/01/2024	December Quarter Sales Results	1.155	▲ 2.2%	1.150	▼ 0.4%
26/10/2023	Quarterly Activities Report	0.975	▲ 0.5%	1.050	▲ 7.7%
27/09/2023	Mineral Resource and Ore Reserve	0.855	▼ 3.4%	0.855	► 0.0%
18/09/2023	Silver Lake Acquires Red 5 Shares	0.880	▼ 8.3%	0.900	▲ 2.3%
24/08/2023	FY23 Financial Results Summary	0.865	► 0.0%	0.950	▲ 9.8%
24/08/2023	Appendix 4E and FY23 Annual Financial Report	0.865	► 0.0%	0.950	▲ 9.8%
31/07/2023	Quarterly Activities Report	0.890	▼ 20.2%	0.950	▲ 6.7%
04/07/2023	Fourth Quarter and FY23 Sales Result	1.100	▲ 5.8%	1.060	▼ 3.6%
31/05/2023	SLR Ready to Rapidly Progress Revised Leonora Proposal	1.045	▼ 1.9%	1.055	▲ 1.0%

Date	Announcement	Closing Share Price Following Announcement		Closing Share Price Three Days After Announcement	
		\$ (movement)		\$ (movement)	
23/05/2023	St Barbara Board determines not to engage with Silver Lake	1.060	▲ 2.4%	1.050	▼ 0.9%
19/05/2023	Improved Proposal to Acquire St Barbara's Leonora Assets	1.075	▶ 0.0%	1.070	▼ 0.5%
15/05/2023	Improved Terms for Leonora from Genesis Minerals	1.095	▲ 7.9%	1.075	▼ 1.8%
11/05/2023	Silver Lake Revises Proposal to Acquire Leonora Assets	1.060	▼ 5.8%	1.110	▲ 4.7%
28/04/2023	Quarterly Activities Report	1.270	▶ 0.0%	1.240	▼ 2.4%
22/02/2023	Half Year Financial Results Summary	1.070	▼ 1.4%	0.985	▼ 7.9%
22/02/2023	Appendix 4D and Interim Financial Report	1.070	▼ 1.4%	0.985	▼ 7.9%

Source: Bloomberg and BDO analysis

On 11 May 2023, Silver Lake announced that it had submitted a revised proposal to St Barbara for the acquisition of St Barbara's Leonora assets in WA. The revised proposal included consideration comprising \$326 million in cash and 327.1 million in Silver Lake shares, and was aimed at addressing concerns raised by the St Barbara board, particularly in respect of a competing bid from Genesis Minerals. On the day of the announcement, Silver Lake's share price decreased by 5.8%. Over the subsequent three trading days, the share price rebounded by 4.7%.

On 15 May 2023, Genesis Minerals, whom at the time were competing with Silver Lake over the purchase of St Barbara's Leonora assets, issued an improved proposal to St Barbara for the acquisition of its Leonora assets. St Barbara also disclosed in the announcement that it will not be engaging further with Silver Lake in respect of the revised proposal from Silver Lake (discussed above). Silver Lake's share price increased 7.9% on the date of the announcement. Three days subsequent to the announcement, its share price decreased by 1.8%.

On 31 July 2023, Silver Lake released its Quarterly Activities Report for the quarter ended 30 June 2023. In the announcement, the Company provided guidance for sales of gold for the 2024 financial year of between 210,000 to 230,000 ounces at an All In Sustaining Cost of between \$1,850 to \$2,050 per ounce. In addition, it disclosed that mining and processing at Sugar Zone will be idled as the Company focuses on exploration and improving site logistics. On the date of the announcement, Silver Lake's share price fell by 20.2% and closed at \$0.890, before recovering by 6.7% to \$0.950 over the subsequent three-day period.

On 18 September 2023, Silver Lake announced its acquisition of shares in Red 5 as part of a strategic investment. This acquisition saw Silver Lake purchase approximately 383 million shares in Red 5, representing approximately 11% of Red 5's issued capital. The Company's share price decreased by 8.3% on the date of the announcement before rebounding by 2.3% over the subsequent three trading days.

On 27 September 2023, Silver Lake released its Mineral Resource and Ore Reserve Statement as at 30 June 2023. Silver Lake disclosed its Ore Reserves of 1.44 million ounces of gold and 2,769 tonnes of copper, along with its Mineral Resources of 6.19 million ounces of gold and 14,400 tonnes of copper. On the date of the announcement, the Company's share price fell by 3.4% and closed at \$0.855. There was no movement in Silver Lake's share price over the subsequent three-day period.

To provide further analysis of the market prices for a Silver Lake share, we have also considered the weighted average market price for 10-, 30-, 60- and 90-day periods to 2 February 2024.

Share Price per unit	2-Feb-24	10 Days	30 Days	60 Days	90 Days
Closing price	\$1.265				
Volume weighted average price (VWAP)		\$1.196	\$1.178	\$1.129	\$1.052

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Scheme, to avoid the influence of any fluctuation in price of Silver Lake shares that has occurred since the Scheme was announced.

An analysis of the volume of trading in Silver Lake shares for the twelve months to 2 February 2024 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$1.215	\$1.270	6,571,044	0.70%
10 Days	\$1.140	\$1.270	39,597,692	4.24%
30 Days	\$1.105	\$1.270	98,689,045	10.56%
60 Days	\$1.010	\$1.270	234,193,251	25.05%
90 Days	\$0.805	\$1.270	405,849,836	43.42%
180 Days	\$0.805	\$1.270	1,127,554,482	120.63%
1 Year	\$0.805	\$1.355	1,677,884,388	179.50%

Source: Bloomberg, BDO analysis

This table indicates that Silver Lake's shares display a high level of liquidity, with 179.50% of the Company's current issued capital being traded in a twelve month period. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Silver Lake, we consider the market for Silver Lake's shares to be liquid and active, with substantially greater than 1% of the Company's issued capital being traded on average on a weekly basis over the assessed twelve-month period. Furthermore, Silver Lake shares were exchanged on every trading day over the assessed period. In addition, of the 52 weeks in which our analysis is based on, there were 51 weeks for which more than 1% of Silver Lake's securities had been traded.

Our assessment is that a range of values for Silver Lake shares based on market pricing, after disregarding post announcement pricing, is between \$1.05 and \$1.25, with a preferred value being the midpoint value of \$1.15 as we have no reason to select either end of the range.

11.3 Assessed value of a Silver Lake share prior to the Scheme

The results of our assessments of the value per Silver Lake share prior to the Scheme are summarised in the table below:

Value of a Silver Lake share prior to the Scheme	Ref	Low \$/share	Preferred \$/share	High \$/share
Sum-of-Parts valuation of a Silver Lake share prior to the Scheme (minority basis)	11.1	0.636	0.831	1.045
QMP valuation of a Silver Lake share prior to the Scheme	11.2	1.050	1.150	1.250
Concluded value of a Silver Lake share prior to the Scheme (minority basis)		1.050	1.150	1.250

Source: BDO analysis

We note from the table above that the values under the Sum-of-Parts approach are lower than the values derived from the QMP approach. The core of Silver Lake's value lies in its mineral assets, which have all been independently valued using a DCF valuation approach with technical inputs provided by SRK or valued by SRK in the case of the residual resource and exploration potential. The valuations have been independently assessed by BDO and SRK in accordance with the VALMIN Code and ASIC's Regulatory Guides.

BDO and SRK are governed by industry codes such as the VALMIN Code and ASIC's regulatory guides and therefore may make assumptions that are more conservative in order to comply with these codes. However, market participants are not governed by these codes and therefore could be basing their valuations on more optimistic technical or economic assumptions. For instance, SRK has recommended BDO to exclude a portion of the underground mining inventory that was in the Silver Lake Model, which was used as a basis for the DCF valuation of Silver Lake's Operating Assets. As detailed in SRK's Independent Specialist Report, SRK considered there to be insufficient reasonable grounds for the inclusion of anticipated resource growth and large quantities of Inferred Mineral Resources for the purposes of a DCF valuation. We note that any excluded resources were separately valued by SRK in its valuation of the residual resources. Similarly, several of SRK's recommendations regarding the Silver Lake Model were driven by the recent FY2023/FY2024 operating performance of Silver Lake's Operating Assets which could be impacted by short term factors, whereas investors may be prepared to overlook shorter term underperformance and adopt a more positive view on the longer term outlook.

In addition to the above, the difference between the Sum-of-Parts values and the QMP values could be attributable to investors having alternative views on macroeconomic factors such as future movements in commodity prices and the AUD:USD exchange rate, which may differ from those adopted in our report.

The analysis in Section 11.2 indicated that there was a liquid and active market for Silver Lake shares prior to the announcement of the Scheme. Given the substantial and regular trading activity in the Company's shares, we consider the QMP valuation to be the most appropriate and therefore primary approach to value Silver Lake shares. Furthermore, having consideration for the limitations faced by SRK in forming its views and recommendations as a result of industry codes such as the VALMIN Code and ASIC's regulatory guides, we have elected to adopt the QMP range as our assessed valuation range of a Silver Lake share prior to the Scheme. We note that the Sum-of-Parts valuation approach broadly supports the lower end of the QMP range.

12. Valuation of the Scheme Consideration

12.1 Sum-of-Parts valuation

We have valued the Merged Group (and subsequently the Scheme Consideration) using a Sum-of-Parts approach, with our valuation including the:

- Value of Silver Lake on a controlling interest basis as outlined in Section 11.1, but adjusted for the exclusion of the present value of the Company's corporate costs prior to the Scheme, transaction costs borne by Silver Lake if the Scheme is not successfully implemented as well as the value of Silver Lake's interest in Red 5 which is treated separately in the post-Scheme valuation of the Merged Group;
- Value of Red 5's Operating Assets comprising the KOTH Mines, Darlot and the KOTH Processing Hub, applying the DCF methodology;
- Value of Red 5's Other Mineral Assets comprising residual resources and exploration potential not included in the DCF valuation, having reliance on the valuation performed by SRK, an independent technical specialist;
- Value of Red 5's NSR royalty interest in Siana, applying the DCF methodology;
- Present value of corporate costs of the Merged Group based on historical corporate costs of Silver Lake and Red 5 and analysis of comparable peers;
- Value of Red 5's other assets and liabilities, adjusting to fair market value under the NAV methodology;
- Impact of transaction costs pursuant to the Scheme;
- Adjusted number of shares on issue following the implementation of the Scheme; and
- Application of a minority interest discount.

The summary of our Sum-of-Parts valuation is set out in the table below.

Sum-of-Parts Valuation of the Merged Group following the Scheme and Scheme Consideration	Ref	Low \$'000s	Preferred \$'000s	High \$'000s
Value of Silver Lake prior to the Scheme (control), adjusted for Silver Lake-specific corporate costs, transaction costs and interest in Red 5	12.1.1	810,644	1,001,557	1,199,269
Present value of tax savings following the implementation of the Scheme	12.1.2	7,000	7,000	7,000
Value of Red 5's Operating Assets	12.1.3	503,000	609,000	717,000
Value of Red 5's Other Mineral Assets	12.1.4	196,200	288,100	379,900
Value of the Siana NSR	12.1.5	28,000	31,440	34,000
Present value of corporate costs of the Merged Group	12.1.6	(156,000)	(143,000)	(130,000)
Value of Red 5's other assets and liabilities	12.1.7	27,832	30,632	33,832
Transaction-related costs	12.1.8	(48,380)	(47,230)	(46,080)
Total value of the Merged Group (control)		1,368,296	1,777,499	2,194,921
Adjusted number of shares outstanding	12.1.9	6,393,547,866	6,393,547,866	6,393,547,866
Value per share of the Merged Group (\$) (control)		0.214	0.278	0.343
<i>Minority discount</i>	11.1.7	29%	26%	23%
Value per share (\$) (minority)		0.152	0.206	0.264
<i>Exchange ratio</i>		3.434	3.434	3.434
Value of 3.434 shares in the Merged Group (\$) (minority)		0.522	0.707	0.907

Source: BDO analysis

We have assessed the value of a share in the Merged Group on a minority interest basis to be in the range of \$0.152 to \$0.264 with a preferred value of \$0.206. Therefore, the value of the Scheme Consideration under our Sum-of-Parts ranges between \$0.522 to \$0.907 with a preferred value of \$0.707.

We have also considered the value based on the monetisation of the Red 5 shares held by Silver Lake as detailed in Section 12.1.1. We note that Silver Lake and Red 5 have not determined how they will proceed with respect to the sale or cancellation of the shares and this will be considered post implementation of the Scheme.

12.1.1. Value of Silver Lake prior to the Scheme (controlling interest), adjusted for corporate costs, transaction costs and interest in Red 5

Our starting point for the valuation of the Merged Group is the value of Silver Lake under the Sum-of-Parts method, which we have concluded on in Section 11.1. We have adopted the value of Silver Lake on a controlling basis, adjusted for the exclusion of our assessed Silver Lake corporate costs prior to the Scheme, any transaction costs incurred as part of the Scheme process borne by Silver Lake if the Scheme is not successfully implemented and the valuation of Silver Lake's interest in Red 5. This is summarised below:

Value of Silver Lake prior to the Scheme (control), adjusted for Silver Lake-specific corporate costs, transaction costs and interest in Red 5	Ref	Low \$'000	Preferred \$'000	High \$'000
Value of Silver Lake prior to the Scheme (control)	11.3	837,328	1,049,261	1,268,283
Add back: Corporate costs of Silver Lake prior to the Scheme	11.1.3	89,000	80,000	71,000
Add back: Transaction costs specific to Silver Lake	11.1.5	1,640	1,640	1,640
Less: Silver Lake's interest in Red 5	11.1.4	(109,904)	(118,837)	(128,059)
Less: Tax impact of cancellation of Silver Lake's interest in Red 5		(7,420)	(10,507)	(13,595)
Total		810,644	1,001,557	1,199,269

Source: BDO analysis

We have added back corporate costs of Silver Lake on the basis that we have considered the present value of the aggregate corporate costs incurred by the Merged Group in Section 12.1.5. Similarly, transaction costs relating to the Scheme that are borne by Silver Lake regardless of whether the Scheme is implemented are considered in Section 12.1.7 and are therefore excluded above.

As part of the terms of the Scheme and in accordance with the requirements of section 259D of the Corporations Act, Silver Lake will either have to monetise or cancel its existing interest in Red 5. We note that as at the date of our Report, the Company has not committed to a course of action in relation to their shares in Red 5 as it will be a matter for the board of the Merged Group.

We have assumed for the purpose of our valuation above that these shares are to be cancelled, and have therefore deducted the value of this investment as detailed in Section 11.1.4 and adjusted the number of shares on issue in the Merged Group (see Section 12.1.9).

We have assumed a cancellation of these shares as the monetisation of these shares would require assumptions around the timing of sale, the future share price or share prices at various selling points over the next twelve months and the impact that selling these volumes of Red 5 shares on market could have on the market price.

We have made assumptions around likely realised prices if the Red 5 shares are monetised following the implementation of the Scheme and note that the change in value of the Scheme Consideration is not material and would not impact our conclusion in relation to the Scheme. In undertaking this analysis we considered the post announcement pricing of Red 5 and applied a discount of between 5% and 10% to reflect the size of the holding. This included considering the daily market depth of Red 5 and observed placement discounts. We note that the same discount was applied for the Red 5 investment held by Silver Lake prior to the Scheme under note e) in Section 11.1.4. We deducted notional capital gains tax from the realised balance and considered the revised value of the Merged Group based on the Red 5 shares held by Silver Lake remaining on issue. This did not have a material effect on our conclusion of the value of the Merged Group.

Therefore, rather we have assumed the cancellation of the shares for the presentation of our analysis. For the avoidance of doubt, as at the date of our Report, the proposed treatment of these shares is yet to be

determined and will be at the discretion of the board of the Merged Group. Therefore, this valuation assumption has been made solely due to the certainty of the treatment under the cancellation scenario for presentation purposes. We make no representation as to the most likely treatment of the Red 5 shares following the implementation of the Scheme.

12.1.2. Present value of tax savings following the implementation of the Scheme

Following the implementation of the Scheme there will be some tax benefits available to the Merged Group. We have been provided with tax advice commissioned by Red 5 which sets out a number of possible taxation implications for the Merged Group. Based on our review of the advice and through discussions with BDO Corporate Tax (WA) Pty Ltd, we have assumed that a portion of the Silver Lake tax losses will be cancelled and that there will be a step up in the Allocable Cost Amount of the assets. The present value of these tax savings has been estimated at \$7 million.

12.1.3. Value of Red 5's Operating Assets

We have elected to use the DCF approach in valuing Red 5's Operating Assets, which comprise the KOTH Mines, Darlot and the KOTH Processing Hub (we note the value of the Darlot Processing Plant is considered separately in Section 12.1.7 as it is currently not operating and not part of the operations at King of the Hills). The DCF approach estimates the fair market value of the assets by discounting the future cash flows to their net present value. Performing a DCF valuation requires the determination of:

- The future cash flows that Red 5's Operating Assets are expected to generate; and
- An appropriate discount rate to apply to the cash flows from Red 5's Operating Assets to convert them to their present value equivalent.

The value that we have ascribed to Red 5's Operating Assets is based on technical inputs and assumptions that have been reviewed by SRK and our view of future economic assumptions, all of which are derived from information available at the time of the Independent Specialist Report and our Report respectively. The technical and economic assumptions may change in the future, which may change the value of Red 5's Operating Assets.

The management of Red 5 has prepared a detailed corporate-level cash flow model for Red 5's Operating Assets ('the Red 5 Model'). The Red 5 Model estimates the future cash flows expected from gold ore and gold concentrate production following processing at the KOTH Processing Hub.

The Red 5 Model depicts forecasts of real, after-tax cash flows for a forecast period of approximately 19 years (from FY2024 to FY2042) on a monthly basis, beginning from 1 July 2023 (i.e. the start of FY2024). The Red 5 Model also includes the repayment on the Syndicated Facility and therefore, the cash flows in the Red 5 Model represents levered cash flows, which are attributable to equity holders.

BDO has made certain adjustments to the Red 5 Model where it was considered appropriate to arrive at an adjusted model ('the Adjusted Red 5 Model'). In particular, we have adjusted the Red 5 Model to:

- remove cash flows associated with the Siana royalty interest as this is assessed separately in Section 12.1.5;
- remove corporate costs as these are considered separately in our Sum-of-Parts valuation;
- reflect any changes to technical assumptions as a result of SRK's review;
- reflect any changes to the economic and other input assumptions from our research;

- add closure and post-monitoring costs, which were previously not contained within the Red 5 Model, as recommended by SRK;
- convert cash flows to be on a nominal basis using our inflation assumptions; and
- adopt a valuation date of 31 December 2023.

From its review of the technical assumptions, SRK recommended certain adjustments to the Red 5 Model. Further details of SRK's proposed adjustments are set out in the Independent Specialist Report, included in Appendix 5. We have adopted SRK's recommendations in forming our DCF valuation range of Red 5's Operating Assets.

The Red 5 Model was prepared based on estimates of Red 5's mining and production profile, operating costs and capital expenditure. In addition to the KOTH OP, KOTH UG and Darlot mines, the Red 5 Model assumed mining and production from its Rainbow, Centauri and Cerebus-Eclipse deposits, which are the current satellite open pit resource bases within the King of the Hills operation. The main assumptions underlying the Adjusted Red 5 Model include:

- mining and milling volumes;
- operating costs;
- capital expenditure;
- rehabilitation and closure costs (both mine and plant closure);
- royalties;
- commodity prices (including any gold hedging arrangements);
- foreign exchange rates;
- corporate taxes; and
- discount rate.

BDO has undertaken an analysis of the Red 5 Model which has involved:

- appointing SRK as a technical specialist to review, and where required, provide suggested changes to the technical assumptions underpinning the Red 5 Model;
- analysing the Red 5 Model to confirm its integrity and mathematical accuracy;
- conducting independent research on certain economic and other inputs such as commodity prices, exchange rates, inflation and discount rate applicable to the future cash flows of Red 5's Operating Assets;
- holding discussions with Red 5 management and its advisers regarding the preparation of the forecasts in the Red 5 Model and its views; and
- performing sensitivity analyses on the value of Red 5's Operating Assets as a result of flexing certain assumptions and inputs.

The Adjusted Red 5 Model, which forms the basis of our DCF valuation, has been adjusted based on the above procedures.

We have not undertaken a review of the cash flow forecast in accordance with the Standards on Assurance Engagement ASAE 3450 'Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information' and do not express an opinion on the achievability of the forecast. However,

nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted Red 5 Model has been based have not been prepared on a reasonable basis.

Appointment of technical expert

SRK was engaged to prepare the Independent Specialist Report which includes a technical assessment of the assumptions underlying the Red 5 Model. SRK's assessment involved the review and provision of an opinion on the reasonableness of the assumptions adopted in the Red 5 Model, including but not limited to:

- the Mineral Resources and Reserves included in the Red 5 Model;
- mining physicals (including volume mined, recovery and grades);
- processing assumptions (including volumes milled and gold recovered);
- operating costs (comprising mining, processing, transportation and administration costs);
- capital expenditure (comprising development and operating capital);
- royalties;
- rehabilitation and closure costs; and
- other relevant assumptions.

SRK's Independent Specialist Report is included in Appendix 5.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Red 5 Model, as it is often the case that some events and circumstances do not occur as expected, or are not anticipated, and those differences may be material.

Economic assumptions used in the DCF valuation of Red 5's Operating Assets

Our DCF valuation of Red 5's Operating Assets rely on the set of macroeconomic assumptions as set out in Section 11.1.1.

Mining physicals

For the purpose of this section, our discussion and presentation of outputs from our DCF assessment of Red 5's Operating Assets are in fiscal year periods ending 30 June.

Mining at King of the Hills has already commenced and the Adjusted Red 5 Model contemplates a remaining forecast period of approximately 19 years, beginning from the valuation date of 31 December 2023 through to FY2043 when the last of the ore stocks are processed and sold. We note that mining is forecast to complete in FY2036 with the remaining forecast period essentially for processing and sales.

We have adopted SRK's suggested amendments to certain assumptions relating to mining and processing physicals in the Adjusted Red 5 Model including:

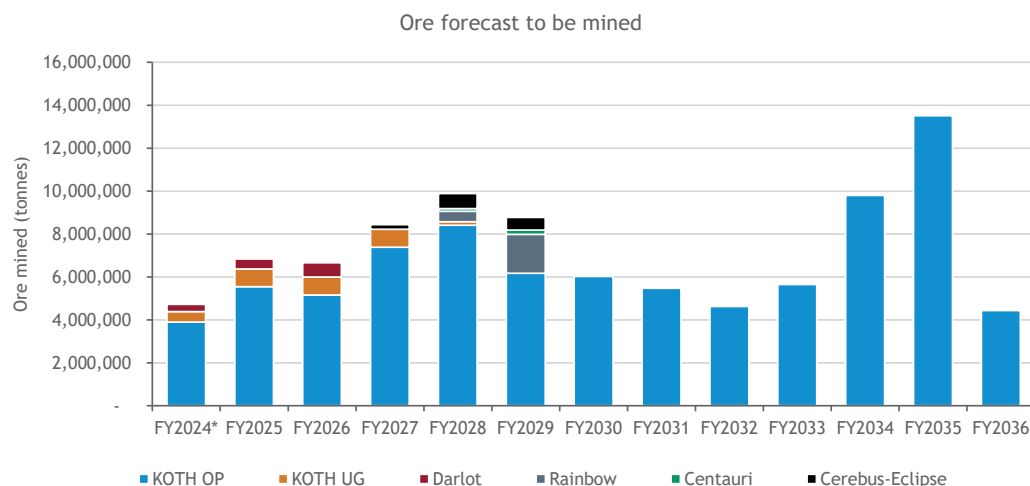
- adjustments to the life of mine plan for KOTH UG and Darlot to remove a portion of the mining inventory as SRK did not consider there to be reasonable grounds for their inclusion in a DCF valuation;

- adjustments to the mined grades at KOTH UG and Darlot;
- adjustments to the operating and capital costs to reflect the life of mine adjustments above;
- adjustments to the mill throughput and utilisation levels; and
- adjustments to the closure costs including post-closure monitoring.

The details of SRK’s proposed amendments above can be found in the Independent Specialist Report attached as Appendix 5.

SRK has also advised that there are Residual Resources not accounted for in the Red 5 Model, which could extend the life of mine beyond the forecast period. SRK has also provided a valuation for these Residual Resources, which we have accounted for outside of the DCF valuation of Red 5’s Operating Assets, separately in our Sum-of-Parts valuation.

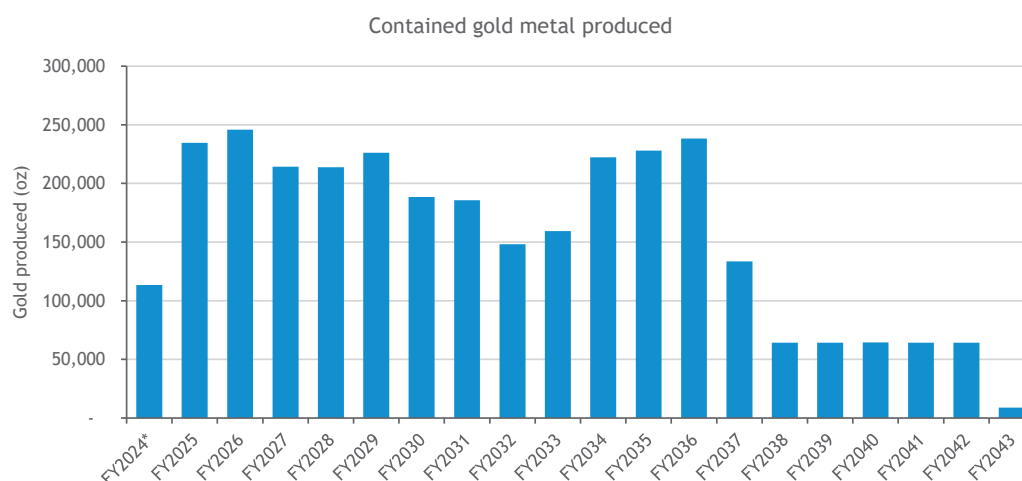
The graph below shows the forecast ore to be mined over the life of mine of Red 5’s Operating Assets. The periods in the charts below are in financial years beginning 1 July and ending 30 June of each year. The exception to this is for FY2024, which represents a partial period due to our adopted valuation date of 31 December 2023. We also note that SRK’s recommendations are reflected in the charts below.



*FY2024 reflects partial fiscal year beginning 1 January 2024 and ending 30 June 2024

Source: Adjusted Red 5 Model

The ore that is mined is processed into gold for sale. The contained gold metal produced over the Adjusted Red 5 Model’s forecast period are presented in the graph below. We note that SRK recommended limiting the mill throughput as it did not have reasonable grounds to accept the higher throughput forecast in the Red 5 Model, and adopting a ramp up profile for the mill operating times to align with the mill’s historical operating performance. These adjustments are reflected in the gold production figures below, however, we have also considered the NPV impact from a higher mill operating time and assessed it to fall within our range of values for Red 5’s Operating Assets.



*FY2024 reflects partial fiscal year beginning 1 January 2024 and ending 30 June 2024

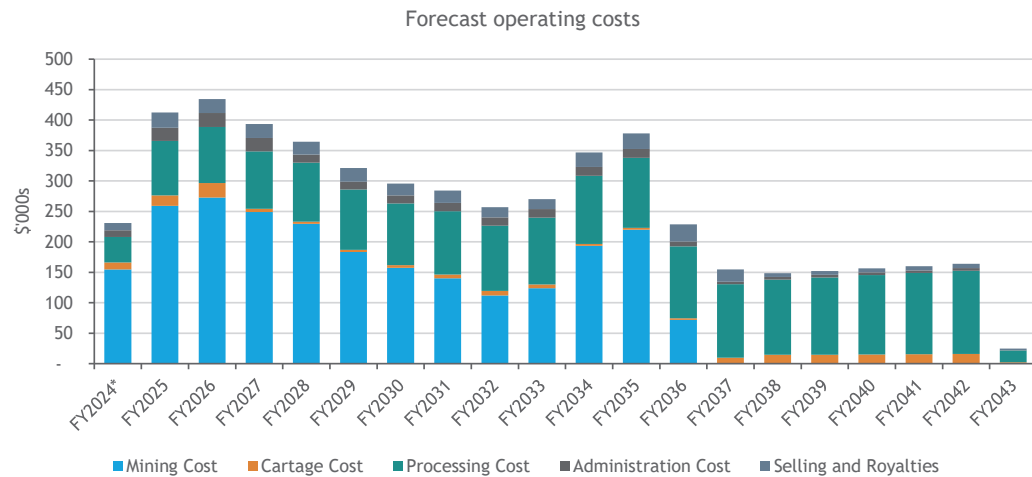
Source: Adjusted Red 5 Model

Operating costs

The operating costs forecast in the Red 5 Model include mining, cartage, processing, administration costs, royalties and corporate costs, which are all on a real basis. In preparing the Adjusted Red 5 Model, we have applied our inflation assumptions to these forecast operating costs so that they are stated in nominal terms. In addition, we have removed corporate costs as we account for these separately in our Sum-of-Parts valuation.

SRK has considered the reasonableness of the forecast operating cost assumptions in the context of their experience with similar mining projects. We have reflected SRK's suggested amendments to certain operating costs in the Adjusted Red 5 Model including mining and processing costs. As detailed in the Independent Specialist Report, these adjustments are to reflect SRK's recommendation to remove a portion of mining inventory from the life of mine plan as discussed previously, as well as to align certain costs with the actual operational performance at the sites over the first half of FY2024.

The forecast operating costs for Red 5's Operating Assets incorporating BDO's inflation assumptions and SRK's technical input assumptions, are illustrated in the charts below.



*FY2024 reflects partial fiscal year beginning 1 January 2024 and ending 30 June 2024

Source: Adjusted Red 5 Model

Royalties

Royalties are included within the operating costs outlined above and comprise:

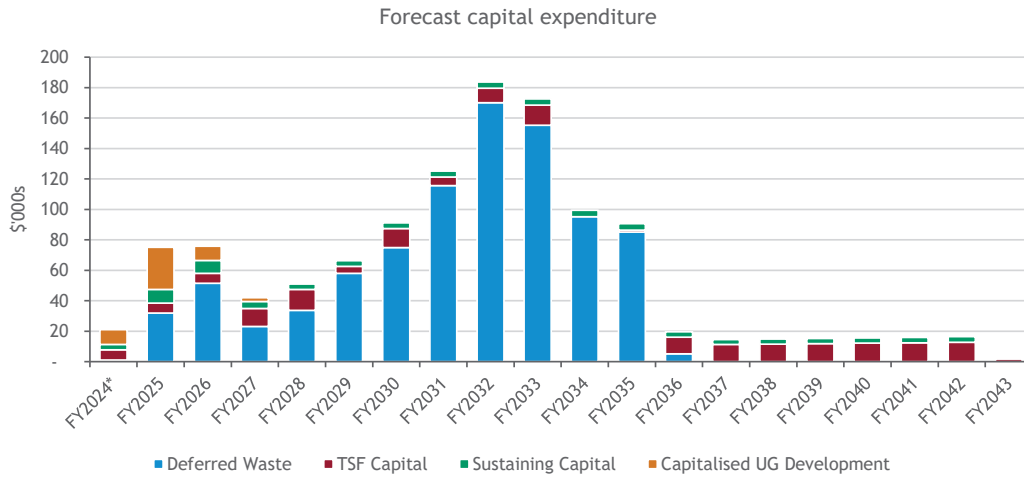
- Mine royalties - being royalties specific to each mine site, for example a 1.5% royalty on the value of gold revenue applies to all the mines except for Darlot.
- State royalties - being 2.5% of the value of the gold produced.

These rates are consistent with those outlined in the Independent Specialist Report and therefore we have adopted them for the purposes of our DCF valuation.

Capital expenditure

The capital expenditure requirements for Red 5’s Operating Assets relate to deferred waste costs, tailings storage facility (‘TSF’) capital expenses (noting that TSF closure costs are separately considered in the Adjusted Red 5 Model), ongoing sustaining capital expenditure and capitalised underground development. SRK recommended changes to sustaining and capitalised underground development costs to reflect its recommendation to remove a portion of the mining inventory as discussed previously. We have also adjusted the costs to reflect inflation over the forecast period in the Adjusted Red 5 Model.

The forecast capital expenditure for Red 5’s Operating Assets incorporating BDO’s inflation assumptions and SRK’s technical input assumptions, are illustrated in the charts below.



*FY2024 reflects partial fiscal year beginning 1 January 2024 and ending 30 June 2024

Source: Adjusted Red 5 Model

Rehabilitation and closure costs

Closure costs were absent from the Red 5 Model and SRK consider it appropriate to include closure costs and post-closure monitoring costs totalling approximately \$64 million (in real terms). This figure accounts for TSF closure costs as well. Accordingly, in the Adjusted Red 5 Model, we have included these costs at the end of the life of mine and adjusted it for inflation. Further details of SRK’s adjustments can be found in the Independent Specialist Report.

Taxation

We have adjusted the available tax losses within the Adjusted Red 5 Model to reflect the carried forward Australian tax losses available as at 31 December 2023, as disclosed in the Company’s half-year financial report. The Australian corporate tax rate of 30% is then applied in the calculation of taxes payable.

Trade receivables and trade payables

The Adjusted Red 5 Model assumes all payments are made to suppliers and revenue is received from sales within each of the forecast months.

Ore inventory

Ore is mined and processed based on the available capacity of the KOTH Processing Hub. As a result of capacity constraints at the mills, there is a gradual build-up of ore stocks which peaks in FY2036, which eventually is processed over the remaining forecast period. **We have included Red 5’s ore stockpile balance at 31 December 2023 as an opening balance for the Adjusted Red 5 Model.**

Debt repayments

The Adjusted Red 5 Model incorporates the repayment of debt and interest on the Syndicated Facility, which as at 31 December 2023, had an outstanding balance of \$102.47 million. The debt repayment schedule is determined based on input from Red 5 management, with consideration for the available unrestricted cash each month within the Adjusted Red 5 Model.

Based on the Adjusted Red 5 Model, the Syndicated Facility is anticipated to be fully repaid by end FY2025.

Red 5 discount rate

We have calculated the NPV of Red 5's Operating Assets excluding taxation and financing cash flows. In our assessment of an appropriate discount rate to apply to the cash flows of the Adjusted Red 5 Model, we consider the most appropriate discount rate to be the cost of equity for Red 5's Operating Assets. This is due to the Adjusted Red 5 Model already including consideration for the debt repayments and therefore, we are discounting cash flows which are wholly attributable to the equity holders of Red 5's Operating Assets.

For the DCF valuation of Red 5's Operating Assets, we have selected a nominal post-tax discount rate in the range of 9.38% to 10.87% with a preferred rounded midpoint of 10.0%. We have used our preferred rounded midpoint to discount the post-tax, levered cash flows in the Adjusted Red 5 Model.

In selecting our range of discount rates we considered the following:

- the rate of return for comparable ASX listed gold mining companies operating in Australia; and
- the risk profile of Red 5's Operating Assets as compared to the projects of the comparable companies identified.

A detailed consideration of how we arrived at the adopted post-tax nominal discount range is discussed in Appendix 4.

Sensitivity analysis on Red 5's Operating Assets

We have analysed the key assumptions to the Adjusted Red 5 Model and have prepared sensitivities on the post-tax NPV. The sensitivity analysis considers the value of Red 5's Operating Assets under various pricing scenarios and in applying:

- a relative change of +/- 10% to the gold price;
- a relative change of +/- 10% to operating costs;
- a relative change of +/- 10% to capital costs;
- a relative change of +/- 10% to the AUD:USD exchange rate;
- a discount rate in the range of 9.0% to 11.0%; and
- an absolute change of +/- 1% on the inflation rate over the forecast period.

These sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of Red 5's Operating Assets if our base case assumptions change.

in \$'000s				
Sensitivity Analysis of Red 5's Operating Assets				
% Relative Flex	Gold Price	Operating Costs	Capital Costs	AUD:USD Rate
+10.0%	865,864	376,053	594,635	366,675
+8.0%	814,775	423,414	597,601	412,247
+6.0%	763,614	470,487	600,566	459,265
+4.0%	712,379	517,275	603,528	507,821
+2.0%	661,036	563,778	606,488	558,033
-	609,448	609,448	609,448	609,448
-2.0%	556,991	654,255	612,408	662,085
-4.0%	503,713	698,780	615,369	716,651
-6.0%	450,140	743,139	618,329	773,416
-8.0%	396,236	787,415	621,289	832,556
-10.0%	341,965	831,604	624,249	894,215

Source: BDO analysis and the Adjusted Red 5 Model

Sensitivity Analysis of Red 5's Operating Assets to the discount rate					
Discount rate	9.0%	9.5%	10%	10.5%	11.0%
Value (\$'000s)	644,445	626,564	609,448	593,058	577,356

Source: BDO analysis and the Adjusted Red 5 Model

Sensitivity Analysis of Red 5's Operating Assets to the inflation rate					
% Absolute Flex on Inflation Rate	-1.0%	-0.5%	-	+0.5%	+1.0%
Value (\$'000s)	611,554	610,303	609,448	609,016	609,034

Source: BDO analysis and the Adjusted Red 5 Model

In considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

We also note that we have presented the above sensitivities to highlight the sensitivity of the value of Red 5's Operating Assets to changes in pricing and other assumptions.

Conclusion on DCF valuation of Red 5's Operating Assets

Based on the above analysis we consider the value of Red 5's Operating Assets to be in the range of \$503 million to \$717 million with a preferred value of \$609 million.

Our assessed range incorporates SRK's recommendations for certain input assumptions and was formed having consideration to sensitivities around a +/-4% relative change in AUD:USD exchange rate and a circa +/-5% relative change in the gold price, given the sensitivity of the NPV to these assumptions.

12.1.4. Value of Red 5's Other Mineral Assets

SRK has valued the residual resources not accounted for in the Adjusted Red 5 Model for Darlot, KOTH and Montague. SRK has also assigned a value to the exploration potential associated with these projects.

In valuing the residual resource of each project, SRK has considered comparable transactions and the yardstick approach to inform its valuation range. In forming its valuation range for the exploration potential, SRK has applied equal weighting to the comparable transaction and geoscientific valuation approach.

This is summarised below with further details in SRK's Independent Specialist Report attached as Appendix 5.

Value of Red 5's Other Mineral Assets	Low \$ million	Preferred \$ million	High \$ million
Value of Darlot's Residual Resources	71.9	103.7	135.5
Value of Darlot's Exploration Potential	27.6	45.1	62.6
Darlot subtotal	99.5	148.8	198.1
Value of KOTH's Residual Resources	80.0	111.3	142.6
Value of KOTH's Exploration Potential	16.3	27.1	37.9
KOTH subtotal	96.3	138.4	180.4
Value of Montague's Residual Resources	-	-	-
Value of Montague's Exploration Potential	0.5	1.0	1.5
Montague subtotal	0.5	1.0	1.5
Total value of Red 5's Other Mineral Assets	196.2	288.1	379.9

Source: SRK's Independent Specialist Report

12.1.5. Value of the Siana NSR

As outlined in Section 6, Red 5 has an NSR royalty interest in Siana, a gold project in the Philippines, which Red 5 previously owned before it sold its interest in September 2021. The NSR royalty is 3.25% payable for up to 619 koz of gold produced from Siana. Royalty payments are due to Red 5's wholly-owned Philippines subsidiary, Surigao Holdings and Investment Corporation ('SHIC').

Red 5 has advised that as at 31 December 2023, NSR royalty payments had already been paid for 6.2 koz of the total 619 koz obligation, which results in the outstanding NSR payable on total gold produced of up to 612.8 koz.

Red 5 provided us with a forecast, which outlines monthly gold and silver production from Siana for FY25 and calculates the NSR payable using the following steps:

1. Calculate revenue based on forecast gold and silver produced and the respective gold and silver prices;
2. Deduct costs for refining, transport and marketing;
3. Deduct 50% of the excise tax due to the Philippines government incurred in relation to the sale of gold and silver;
4. Apply the royalty rate of 3.25% on net revenue to derive the royalty payments.

Based on discussions with Red 5 management, no forecast is available for production at Siana beyond FY25 and as such, we do not have reasonable grounds to assess the future production profile at Siana. Therefore, for the purpose of our assessment, we have elected to extend the current FY25 forecast by assuming a consistent gold and silver production profile, using the average production quantities in the FY25 forecast for gold and silver. The forecast period is extended until the remaining 612.8 koz obligation is met.

Revenue is calculated by multiplying the forecast gold and silver produced by the respective gold and silver prices, which are based on our macroeconomic assumptions outlined in Section 11.1.1. Refining, transport and marketing costs for the extended period are also extended based on the average costs in the FY25 forecast, with the additional application of our inflation assumptions as outlined in Section 11.1.1. Royalty cash payments due to Red 5 are then calculated by deducting costs and excise tax and applying the 3.25% royalty rate.

Based on current taxation advice provided to Red 5, the royalty payments received by SHIC are not taxable income to Red 5 as they are not attributable controlled foreign company (‘CFC’) income. Therefore, we have considered no tax payable on the royalty payments received.

To calculate the value of Siana NSR, the present value of the future cash flows to be generated by this stream was calculated. The WACC was deemed to be most appropriate as a discount rate to account for the risks inherent in these cash flows.

To calculate the WACC, a cost of equity and a cost of debt was calculated for Siana. In determining the project’s cost of equity, we have used the capital asset pricing model. The capital asset pricing model requires the inputs included in the table below.

Capital Asset Pricing Model

CAPM	
K_e	$= R_f + B \times (R_m - R_f) + R_a$
Where:	
K_e	= expected equity investment return or cost of equity in nominal terms
R_f	= risk free rate of return
R_m	= expected market return
$R_m - R_f$	= market risk premium
R_a	= country risk premium
B	= equity beta

To determine the equity beta, a peer group of comparable gold producing companies was selected and their historic equity betas were used to establish an appropriate equity beta for Siana.

To calculate the cost of debt we have used the interest rate on the debt facility that is funding the Siana project. Furthermore, in determining the debt to equity ratio of Siana, we have considered the funding structures of the peer group of comparable companies. Based on our analysis, we concluded that a 20% debt-to-equity ratio would be most appropriate for Siana.

Inputs for the CAPM and WACC calculation for Siana are included in the tables below. We note that we performed a sensitivity analysis of the discount rate to the value of the Siana NSR valuation and the overall value of the Merged Group and note that the discount rate is not material to our assessment of the Scheme.

Cost of Equity

Input	Value adopted	
	Low	High
Risk free rate of return	3.00%	4.00%
Equity market risk premium	6.00%	6.00%
Beta (regeared)	1.17	1.29
Country risk premium	2.78%	2.78%
Cost of Equity	12.83%	14.51%

WACC (Calculation)

WACC	
WACC	$= \frac{E}{E+D} K_e + \frac{D}{D+E} K_d (1-t)$
Where:	
K_e	= cost of equity
K_d	= cost of debt (pre-tax)
t	= corporate tax rate
E	= market value of equity
D	= market value of debt
$(1-t)$	= tax adjustment

WACC (Inputs)

Input	Value Adopted	
	Low	High
Cost of Equity (K_e)	12.83%	14.51%
Cost of Debt (K_d)	7.02%	7.02%
Proportion of Equity ($E/(E+D)$)	83.33%	83.33%
Proportion of Debt ($D/(E+D)$)	16.67%	16.67%
Corporate Tax Rate	30.0%	30.0%
WACC	11.51%	12.91%

Based on our analysis above, we have discounted the cash flows using a discount rate of 12%. This resulted in an NPV of \$31.44 million.

In order to assess a range of values, we have applied a +/- 10% adjustment to the gold price and forecast gold produced from Siana, as well as a +/- 2.0% absolute adjustment to the discount rate adopted. We note the NPV is less sensitive to changes in the price for Silver and cost assumptions.

We conclude that the present value of the Siana NSR royalty stream ranges from \$28 million to \$34 million. Our low and high values are based on +/- 10% adjustment to the forecast gold price and gold production, as well as a +/- 2% movement in the discount rate.

Gold Price

Sensitivity Analysis of Siana Royalty to Gold Price					
Gold price	-10.0%	-5.0%	-	5.0%	10.0%
Value (\$m)	28.30	29.87	31.44	33.01	34.58

Source: BDO analysis

Gold Production

Sensitivity Analysis of Siana Royalty to Gold Production					
Gold produced	-10.0%	-5.0%	-	5.0%	10.0%
Value (\$m)	29.94	30.72	31.44	32.12	32.76

Source: BDO analysis

Discount Rate

Sensitivity Analysis of Siana Royalty to Discount Rate					
Discount rate	-2.0%	-1.0%	-	1.0%	2.0%
Value (\$m)	34.20	32.77	31.44	30.19	29.03

Source: BDO analysis

12.1.6. Present value of corporate costs of the Merged Group

Following the implementation of the Scheme, the Merged Group will be a larger entity (when compared to Silver Lake prior to the Scheme) reflecting the combined operations of Silver Lake and Red 5. We have assumed that as a larger entity with multiple operating assets, and an eight person board, the Merged Group will incur higher corporate costs than those incurred historically by Silver Lake and Red 5 as standalone entities.

However, we have not aggregated the corporate costs of Silver Lake and Red 5 as there is likely to be some corporate cost synergies arising as a result of the Scheme. This is on the basis that the Merged Group is only expected to incur one set of listing costs, office lease and occupancy costs, management (albeit a larger management team) and director salaries (albeit a larger Board) and other administration costs.

As part of our analysis, we have considered the corporate costs that Silver Lake and Red 5 have incurred historically. Set out below are the corporate costs incurred by Silver Lake and Red 5 for the years ended 30 June 2023 and 30 June 2022 and the half-year ended 31 December 2023 (on an annualised basis).

Historical corporate costs	Annualised* to year ending	Audited for the year ended	Audited for the year ended
	30-Jun-24	30-Jun-23	30-Jun-22
	\$'000	\$'000	\$'000
Corporate costs of Silver Lake	22,673	23,744	17,516
Corporate costs of Red 5	16,952	8,419	12,972

Source: Silver Lake's and Red 5's audited financial statements for the years ended 30 June 2022, 30 June 2023 and reviewed financial statement for the half-year ended 31 December 2023

We have also considered the corporate costs incurred by ASX-listed companies with a similar size and scale of operations to the Merged Group. We have analysed ASX-listed gold mining companies, whilst considering other company characteristics such as total assets, revenue, production guidance, and market capitalisation, as proxies for the size and scale of operations.

Our analysis of the corporate costs for the identified ASX-listed companies is set out below.

Company Name	Revenue annualised ⁽¹⁾ to the year ending 30-Jun-24 \$'000	Market cap. as at 04-Feb-24 \$'000	Corporate costs annualised ⁽¹⁾ to the year ending 30-Jun-24 \$'000	Corporate costs for the year ended 30-Jun-23 \$'000	Corporate costs for the year ended 30-Jun-22 \$'000
Silver Lake Resources Limited	801,382	903,784	22,673	23,744	17,515
Evolution Mining Limited	2,434,296	8,114,652	63,234	57,080	49,472
Perseus Mining Limited ⁽³⁾	1,489,478	1,667,629	21,172	40,189	37,410
Regis Resources Limited	1,147,641	1,774,482	10,502	12,818	11,730
Resolute Mining Limited ⁽²⁾⁽³⁾	925,786	847,383	55,894	21,109	23,007
Red 5 Limited	546,396	1,217,206	16,952	8,419	12,972
Ramelius Resources Limited	675,044	1,579,854	34,824	26,535	19,845
Westgold Resources Limited	701,436	777,857	20,296	16,442	12,077

(1) Annualised figures based on financial statements for the half year ended 31 December 2023.

(2) Resolute Mining Limited has a 31 December year end. Therefore, actual revenue and corporate cost figures have been used for the years ended 31 December 2021, 31 December 2022 and 31 December 2023.

(3) Perseus Mining Limited and Resolute Mining Limited have a presentation currency of USD, therefore we have converted these to A\$ at the average exchange rate over the respective periods, as sourced from Bloomberg.

Source: Respective companies' half-year and annual reports, S&P Capital IQ and BDO analysis

Based on the above analysis of corporate costs incurred by comparable ASX-listed companies and having consideration for the corporate costs incurred by Silver Lake and Red 5 historically, we have assessed the corporate costs of the Merged Group to be in the range of \$25 million to \$30 million per annum, in real terms, for the purposes of our valuation of the Merged Group.

We have applied our assessed forecast inflation rates as set out in Section 11.1.1 of our Report to the corporate costs over the forecast period and have discounted these cash flows at our assessed cost of equity of 10%.

Based on the above analysis, we have assessed the present value of the after tax corporate costs to be in the range of \$130 million to \$156 million. We have selected a preferred value of \$143 million, being the midpoint between the low and high values as there is no reason for us to select a preferred value on either end of the above assessed range.

12.1.7. Value of Red 5's other assets and liabilities

The other assets and liabilities of Red 5 represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Red 5 and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Other assets and liabilities	Notes	Reviewed as at	Adjusted value	Adjusted value	Adjusted value
		31-Dec-23	Low	Preferred	High
		\$'000s	\$'000s	\$'000s	\$'000s
CURRENT ASSETS					
Cash and cash equivalents		28,321	28,321	28,321	28,321
Trade and other receivables	a	22,367	22,367	22,367	22,367
Inventories	b	68,492	28,799	28,799	28,799
TOTAL CURRENT ASSETS		119,180	79,487	79,487	79,487
NON-CURRENT ASSETS					
Property, plant and equipment	c	274,074	10,000	12,800	16,000
Mine properties	d	231,279	-	-	-
Exploration and evaluation assets	d	10,924	-	-	-
Trade and other receivables	a	6,168	6,168	6,168	6,168
Inventories	b	26,914	-	-	-
Intangible assets	d	141	-	-	-
TOTAL NON-CURRENT ASSETS		549,500	16,168	18,968	22,168
TOTAL ASSETS		668,680	95,655	98,455	101,655
CURRENT LIABILITIES					
Trade and other payables	a	67,515	61,295	61,295	61,295
Financial liability	d	39,412	-	-	-
Provisions	d	1,652	-	-	-
Employee benefits		5,611	5,611	5,611	5,611
Lease liabilities	c	18,320	-	-	-
TOTAL CURRENT LIABILITIES		132,510	66,906	66,906	66,906
NON-CURRENT LIABILITIES					
Financial liability	d	63,061	-	-	-
Provisions	d	60,162	-	-	-
Employee benefits		917	917	917	917
Lease liabilities	c	55,682	-	-	-
TOTAL NON-CURRENT LIABILITIES		179,822	917	917	917
TOTAL LIABILITIES		312,332	67,823	67,823	67,823
NET ASSETS		356,348	27,832	30,632	33,832

Source: Red 5’s reviewed financial statements for the period ended 31 December 2023, discussions with Red 5 and BDO analysis.

We have not undertaken a review of Red 5’s financial statements in accordance with Australian Auditing and Assurance Standard 2405 ‘Review of Historical Financial Information’ and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We have been advised that there has not been any other significant change in the net assets of Red 5 since 31 December 2023 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the reviewed position at

31 December 2023 we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to the above valuation to Red 5's other assets and liabilities:

Note a) Trade and other receivables and trade and other payables

The DCF valuation of Red 5's Operating Assets does not consider the opening balance of Red 5's trade receivables and payables and therefore, we have included these balances as at 31 December 2023 in our valuation of other assets and liabilities. An exception to this is the balance of royalties payable of \$6.22 million as at 31 December 2023, which has been considered in our DCF valuation. Therefore, we have excluded this balance from the value of trade and other payables as at 31 December 2023 in our assessment of the value of other assets and liabilities.

We note the trade and other receivables balance includes \$7.5 million of restricted cash and highlight that the debt repayment assumptions within the DCF valuation of Red 5's Operating Assets considers the minimum level of cash required to be held by Red 5 (hence restricted cash) and consequently assumes that Red 5 would only use unrestricted cash for debt repayments. However, the NPV from the DCF valuation does not include the restricted cash balance, and therefore, it is appropriately reflected in our valuation of other assets and liabilities.

Note b) Inventories

The run of mine stockpiles (current and non-current) and crushed ore stockpiles, which total \$66.6 million as at 31 December 2023 are reflected in the DCF valuation of Red 5's Operating Assets. Therefore, we have reflected the remaining inventory balance of \$28.8 million at 31 December 2023 in our valuation of other assets and liabilities. These inventories relate to stores, spares and consumables (offset by slow-moving stock provisions), gold in circuit and gold bullion.

Note c) Property, plant and equipment and lease liabilities

We consider the value of property, plant and equipment to be implicit within our DCF valuation of Red 5's Operating Assets as they are primarily contributory assets to mining operations, therefore, we have adjusted the balance of property, plant and equipment to nil. We note this includes right of use assets and hence the corresponding lease liabilities have also been adjusted to nil.

However, an exception to this is the Darlot Processing Plant, which we note has been written down to a net book value of nil in the Red 5 balance sheet. Red 5 management has advised that there have been recent developments in the potential sale of the Darlot Processing Plant, which implied a valuation ranging between \$10.0 million and \$16.0 million, with a preferred value of \$12.8 million. We have been provided with support for the sale discussions, however for commercial reasons this has not been disclosed.

Note d) Balance sheet items already accounted for in the DCF valuation of Red 5's Operating Assets and SRK's valuation of Red 5's Other Mineral Assets

We have adjusted the book value of mine properties and exploration and evaluation assets to nil, as they are already accounted for in the valuation of Red 5's Operating Assets and Red 5's Other Mineral Assets. In addition we have considered intangible assets (which relate to capitalised software development costs) inherent to the DCF and therefore have adjusted it to nil for our assessment.

Similarly, we note that the DCF valuation of Red 5's Operating Assets already includes the debt repayments in relation to the Syndicated Facility and therefore, have been removed from this analysis.

We have also adjusted the book value of provisions to nil as they relate to rehabilitation provisions and levies for the Mine Rehabilitation Fund, which are included in our DCF valuation in Section 12.1.1.

12.1.8. Transaction-related costs

In connection with the Scheme, and as detailed in the Scheme Booklet, Silver Lake and Red 5 have estimated the transaction-related costs expected to be incurred should the Scheme be implemented. This includes:

- a preliminary estimate of the stamp duty costs associated with the Scheme;
- an allowance for termination payments to outgoing Red 5 employees; and
- both Silver Lake's and Red 5's estimated share of transaction costs assuming the Scheme is implemented.

Similar to Section 11.1.5, we have only included those costs which have been or are expected to be incurred after 31 December 2023, on the basis that any costs prior to this date are already accounted for in the valuation of Silver Lake's and Red 5's other assets and liabilities.

The breakdown of the transaction-related costs are outlined in the table below, with the total amount rounded to the nearest ten thousand:

Transaction-related costs	Low \$'000	Preferred \$'000	High \$'000
Estimated stamp duty costs associated with the Scheme	30,000	30,000	30,000
Estimated termination payments	3,140	3,140	3,140
Silver Lake's estimated share of transaction costs assuming the Scheme is implemented	6,940	6,290	5,640
Red 5's estimated share of transaction costs assuming the Scheme is implemented	8,300	7,800	7,300
Total (rounded to nearest ten thousand)	48,380	47,230	46,080

Source: Scheme Booklet and discussions with the management of Silver Lake and Red 5.

12.1.9. Adjusted number of shares outstanding

In calculating the number of Merged Group shares on issue following the implementation of the Scheme, we have reflected the following adjustments:

- The conversion of Silver Lake's current shares on issue and performance rights to vest prior to the Scheme into Red 5 shares based on the exchange ratio of 3.434 shares in the Merged Group for every Silver Lake share held;
- The conversion of all existing Red 5 Rights into shares in the Merged Group (refer to Section 4.3 for further details); and
- The cancellation of the 411.66 million shares in Red 5 held by Silver Lake pursuant to the requirements of section 259D of the Corporations Act. For the avoidance of doubt, as at the date of our Report, the proposed treatment of these shares is yet to be determined and will be at the discretion of the board of the Merged Group. Therefore, this valuation assumption has been made solely to minimise the extent to which forward looking assumptions are used in the valuation. We make no representation as to the most likely treatment of the Red 5 shares following the implementation of the Scheme.

The share structure of the Merged Group following the implementation of the Scheme is summarised below.

Share structure following the implementation of the Scheme	
Number of Silver Lake shares on issue prior to the Scheme	934,744,333
Number of Silver Lake performance rights to be converted into Red 5 shares as part of the Scheme*	22,511,692
Total number of Silver Lake shares	957,256,025
<i>Number of Red 5 shares that Silver Lake shareholders will receive for every share they hold in Silver Lake</i>	<i>3.434</i>
Number of Merged Group shares to be issued to Shareholders	3,287,217,190
Number of Red 5 shares on issue prior to the Scheme	3,463,800,549
Number of Red 5 Rights to be converted into Red 5 shares following the implementation of the Scheme	54,192,395
Less: Number of Red 5 shares held by Silver Lake assumed to be cancelled as part of the Scheme	(411,662,268)
Total ordinary shares on issue in the Merged Group following the implementation of the Scheme	6,393,547,866

*Note: includes consideration for Silver Lake's plan shares available to satisfy performance rights that vest.
Source: BDO analysis

12.2 QMP of Red 5 following the announcement of the Scheme

We have also considered the market price of Red 5 following the announcement of the Scheme as an appropriate valuation methodology to our Sum-of-Parts valuation in Section 12.1.

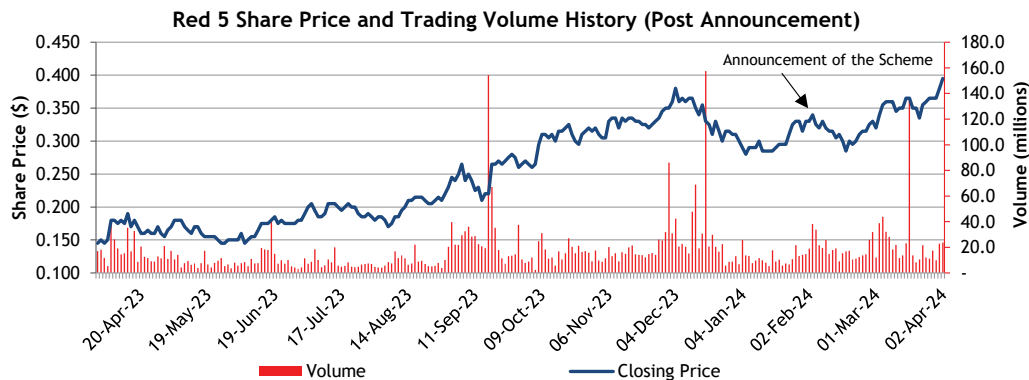
The market price of Red 5 shares in the period following the announcement of the Scheme is considered to be an indicator of the value of a share in the Merged Group because market participants are fully informed as to the terms of the Scheme, with the price reflecting the market’s view of value based on its expectations of the Scheme being approved.

We note that market pricing can be volatile and as such, we have assessed post-announcement pricing on a volume weighted average price over a number of different time periods in order to smooth the day to day price fluctuations.

Minority interest value

Our analysis of the quoted market price of a Red 5 share is based on the pricing following the announcement, but we have also considered the pre-announcement volumes and pricing in order to assess the level of reliance that we can place on the QMP methodology.

A graph of Red 5’s share price and trading volume leading up to and following the announcement of the Scheme is set out below.



Source: Bloomberg, BDO analysis

The Scheme was announced on 5 February 2024. On the date the Scheme was announced, the share price closed at \$0.340, up approximately 3% from a closing price of \$0.330 on the previous day. On that day, 38.14 million shares were traded, representing approximately 1.10% of Red 5’s current issued capital.

Following the announcement of the Scheme, the closing share price of Red 5 has fluctuated between a low of \$0.285 on 19 February 2024 to a high of \$0.395 on 2 April 2024.

Over the whole assessed period from 30 March 2023 to 2 April 2024, the daily price of Red 5 shares ranged from a low of \$0.145 on 5 June 2023 to a high of \$0.395 on 2 April 2024. The highest single day of trading over assessed period was 15 December 2023, when 157.47 million shares were traded.

To provide further analysis of the market prices for a Red 5 Share following the announcement of the Scheme, we have also considered the weighted average market price for the below periods following the announcement up to 2 April 2024:

Share Price per unit	06-Feb-24	5 Days	15 Days	25 Days	39 Days to 2-Apr-24
Closing price	\$0.325				
Volume weighted average price (VWAP)		\$0.323	\$0.313	\$0.327	\$0.341

Source: BDO analysis

In accordance with the guidance in RG 111, we also consider it appropriate to assess the liquidity of Red 5 shares before utilising the QMP basis. The table below sets out the liquidity of Red 5 shares as proxied by the volume traded as a percentage of the number of shares on issue. We have analysed this over the period from 30 March 2023 to 2 April 2024, in order to determine whether there is sufficient trading in Red 5 shares historically in order to rely on a QMP approach.

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued Capital
1 Day	\$0.375	\$0.395	23,679,288	0.68%
10 Days	\$0.333	\$0.395	150,978,631	4.36%
30 Days	\$0.285	\$0.395	683,285,755	19.73%
60 Days	\$0.270	\$0.395	1,127,256,552	32.54%
90 Days	\$0.270	\$0.395	2,007,530,181	57.96%
180 Days	\$0.165	\$0.395	3,493,494,927	100.86%
1 Year	\$0.140	\$0.395	4,369,373,373	126.14%

Source: Bloomberg, BDO analysis

The table above indicates that Red 5's shares displayed a high level of liquidity over the period assessed, on the basis that 126.14% of its current issued capital has been traded in the twelve month period to 2 April 2024. In addition, of the 52 weeks in which our analysis is based on, there were 44 weeks for which more than 1% of the Company's securities had been traded.

We have also analysed the liquidity of Red 5 shares, as proxied by the volume traded as a percentage of the number of shares on issue, over the post announcement period up to 2 April 2024. We conduct this analysis in order to determine whether we consider Red 5 shares to be liquid and active in the period following the announcement of the Scheme.

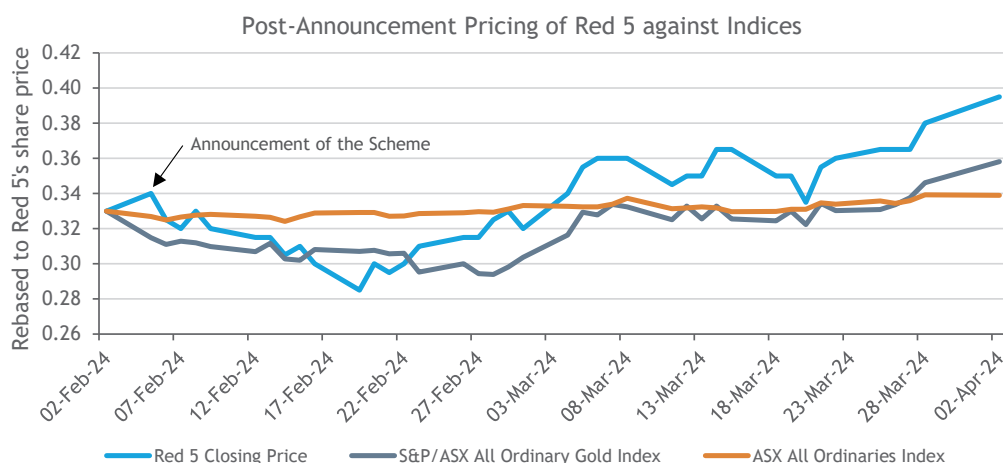
Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued Capital
1 Day	\$0.320	\$0.338	33,775,143	0.98%
5 Days	\$0.310	\$0.338	115,279,693	3.33%
15 Days	\$0.285	\$0.338	258,496,230	7.46%
25 Days	\$0.285	\$0.365	525,935,969	15.18%
39 Days	\$0.285	\$0.395	859,952,939	24.83%

Source: Bloomberg, BDO analysis

We consider the trading following the announcement of the Scheme to continue to show high levels of liquidity with 24.83% of Red 5's shares being traded in the period (39 trading days to 2 April 2024) following the announcement. However, we consider the share price over the period following the announcement of the Scheme to display high levels of volatility, with the closing share price ranging from \$0.285 to \$0.395 in the period up to 2 April 2024, reflecting an approximately 39% movement in the

closing share price. We note that this may indicate uncertainty in the market about the potential effect on valuation of Red 5 shares that may arise following the acceptance of the Scheme but is also likely a result of volatility and general appreciation of companies in the gold sector amidst a rising gold price environment.

We note that there are other market factors which may influence the Red 5 share price following the announcement of the Scheme, such as industry changes, commodity prices, significant corporate actions and other market factors. As such, we have also conducted an analysis of movements in the ASX All Ordinaries Index, as a proxy for the market and the S&P/ASX All Ordinaries Gold index as a proxy for Red 5’s industry, one month pre-announcement through to the immediate post-announcement period. Our analysis is depicted in the graph below, with each of the indices rebased to Red 5’s share price at the start of the period in order to illustrate the relative performance of the indices to Red 5.



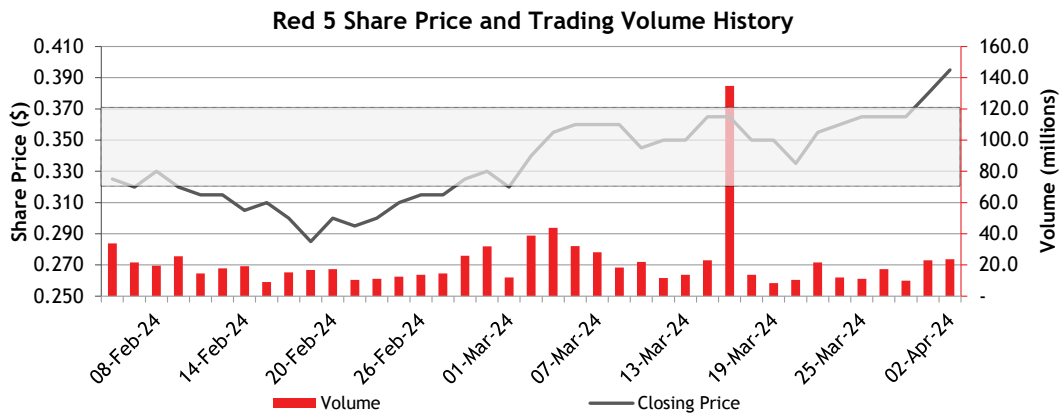
Source: Bloomberg, BDO analysis

On the day of the announcement of the Scheme, Red 5’s share price experienced a 3% increase. However, by 19 February 2024, Red 5’s share price had declined by 13.6% from pre-announcement levels. Red 5 experienced an upward trend following this low, having risen by 38.6% to 2 April 2024.

Similarly, the gold index exhibited a decrease of approximately 7% from the date prior to the announcement of the Scheme to 19 February 2024, before increasing 16.6% to 2 April 2024.

Based on the above analysis, we consider there to be sufficient liquidity in Red 5’s shares in order to utilise the post-announcement pricing as an approach to valuing the Offer Consideration. We also note the high volatility in the Red 5 share price over the post-announcement period may indicate uncertainty in the market about the potential effect of the acceptance of the Scheme on the valuation of Red 5 as a proxy for the Merged Group.

Considering the above, our assessment of QMP valuation for Red 5’s shares based on post-announcement market pricing is between \$0.32 and \$0.37 with a preferred value being a midpoint of \$0.345 as we have no reason to select either end of the range. Set out below is the share price chart of Red 5 following the announcement of the Scheme, with our assessed value range shaded.



Source: BDO analysis

Based on the above analysis, the value of the Scheme Consideration based on the QMP valuation is set out in the table below.

QMP value of the Scheme Consideration	Low	Preferred	High
QMP valuation of a Red 5 share (\$/share)	0.320	0.345	0.370
<i>Multiplied by: Exchange ratio</i>	<i>3.434</i>	<i>3.434</i>	<i>3.434</i>
QMP value of the Scheme Consideration (\$)	1.099	1.185	1.271

12.3 Assessed value of the Scheme Consideration

The results of our assessments of the value of the Scheme Consideration, which is equivalent to 3.434 shares in the Merged Group on a minority interest basis are summarised in the table below:

Value of the Scheme Consideration	Ref	Low \$	Preferred \$	High \$
Sum-of-Parts valuation of the Scheme Consideration	12.1	0.522	0.707	0.907
QMP valuation of the Scheme Consideration	12.2	1.099	1.185	1.271
Concluded value of the Scheme Consideration		1.099	1.185	1.271

Source: BDO analysis

Similar to our assessment of the value of a Silver Lake share prior to the Scheme, we note from the table above that the values under the Sum-of-Parts approach are lower than the values derived from the QMP approach. The lower Sum-of-Parts valuation of the Merged Entity is driven by the mineral assets valuation of Silver Lake and Red 5, which, have all been independently valued using a DCF valuation approach with technical inputs provided by SRK or valued by SRK in the case of the residual resource and exploration potential. The valuations have been independently assessed by BDO and SRK in accordance with the VALMIN Code and ASIC’s Regulatory Guides.

As discussed in Section 11.3, investors are not governed by these industry codes and may adopt more optimistic assumptions which results in the higher valuation range under the QMP approach. We note that SRK’s recommendations for Silver Lake also have an impact on the value of the Merged Group. Further, SRK’s recommendations for the DCF valuation of Red 5’s Operating Assets were similar to those for Silver Lake’s Operating Assets, including the exclusion of a portion of mining inventory from the Red 5 Model and the adjustment of certain technical assumptions on the basis of recent operating performance. SRK has made these adjustments on the basis of reasonable grounds having consideration for the VALMIN Code and

ASIC's Regulatory Guides. As highlighted in Section 11.3, these factors, in combination with alternative assumptions adopted by investors may contribute to the higher QMP valuation range, compared to the Sum-of-Parts approach. The Sum-of-Parts approach provides broad support for the low end of the QMP range.

Given our analysis in Section 12.2 indicates that there is a liquid and active market for Red 5 shares both prior to and following the announcement of the Scheme, with substantial and regular trading activity in Red 5 shares, we also consider the QMP valuation to be the most appropriate and primary methodology to value the Scheme Consideration. Furthermore, having consideration for the limitations faced by SRK in forming its views and recommendations as a result of industry codes such as the VALMIN Code and ASIC's regulatory guides, we have elected to adopt the QMP values as our assessed valuation range for the Scheme Consideration.

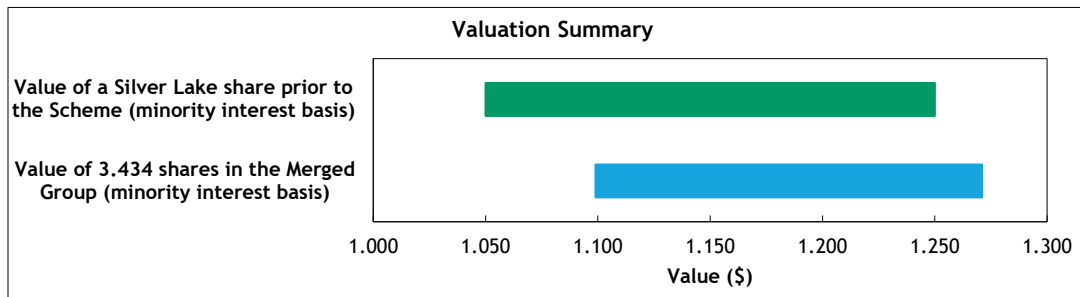
13. Is the Scheme fair?

The value of both a Silver Lake share and the Scheme Consideration on a minority interest basis is compared below:

	Ref	Low \$	Preferred \$	High \$
Value of a Silver Lake share prior to the Scheme on a minority interest basis	11.3	1.050	1.150	1.250
Value of 3.434 shares in the Merged Group on a minority interest basis	12.3	1.099	1.185	1.271

Source: BDO analysis

The above valuation ranges are graphically presented below:



Source: BDO analysis

Based on the above, the range of values for the Scheme Consideration, being 3.434 shares in the Merged Group (on a minority interest basis), is greater than the range of values for the value of a Silver Lake share prior to the Scheme (also on a minority interest basis). Therefore, in the absence of any other relevant information, and a superior proposal, we consider that the Scheme is fair.

14. Is the Scheme reasonable?

14.1 Advantages of approving the Scheme

We have considered the following advantages when assessing whether the Scheme is reasonable.

14.1.1. The Scheme is fair for Shareholders

As set out in Section 13, the Scheme is fair. RG 111.12 states that an offer is reasonable if it is fair.

14.1.2. The consolidation of two mid-tier gold producers will create a leading mid-tier gold producer with a large market presence, which may result in improved liquidity, enhanced ability to raise capital and achieve share price re-rating

Based on the pre-Scheme market capitalisations of both Silver Lake and Red 5, if the Scheme is approved then the Merged Group will have a pro-forma market capitalisation of over \$2.3 billion.

Both Silver Lake and Red 5 are currently members of the S&P ASX200 index, however the larger market capitalisation of the Merged Group may result in a larger weighting within the index. The S&P ASX200 index is rebalanced quarterly (with the next rebalancing due on 21 June 2024), therefore if the Scheme is approved, Shareholders may benefit from the increased weighting the Merged Group would have within that index, compared to Silver Lake on a standalone basis.

In addition, the merger of Silver Lake and Red 5 will result in the Merged Group having a total Mineral Resource and Ore Reserve of 12.4 Moz (resource) and 4.0 Moz (reserve) of gold, respectively (based on Silver Lake's and Red 5's Mineral Resource and Ore Reserve statements at 30 June 2023). This, in combination with the larger gold production output of 425koz (based on FY2024 guidance as outlined in Section 9.1), will place the Merged Group as one of the leading mid-tier gold mining companies on the ASX, thereby increasing the market presence of both companies in the Australian gold sector. From an operational perspective, a larger entity will result in greater labour and supply chain scale, potentially improving efficiencies within the business.

An increased market presence and increased weighting within the S&P ASX 200 index may also create increased demand for the Merged Group's shares with investors re-balancing their portfolios to increase their exposure to the larger constituents of the index, as well as creating increased buying support from Exchange Traded Funds. These types of investors often transact in high values relative to retail shareholders, which may create upward pressure on the Merged Group's share price as well as improve liquidity.

Furthermore, having a large market presence may result in an increased analyst coverage, which coupled with an improved liquidity, may increase the attractiveness of the Merged Group's shares and improve its ability to raise capital in the future. A larger entity with a diversified suite of assets may also have increased access to government, export agencies, and private sector funding as compared to Silver Lake and Red 5 as standalone entities. Finally, a larger market presence, when combined with the Merged Group's enlarged asset base, may also enable a wider range of acquisitions to be considered in the future, providing strategic optionality to capitalise on any opportunities that could arise.

14.1.3. Shareholders gain exposure to assets that are complementary to Silver Lake's existing portfolio whilst retaining exposure to Silver Lake's existing assets

If the Scheme is implemented, Shareholders will be gaining exposure to an additional Tier 1 gold operation, King of the Hills comprising the KOTH and Darlot mines, which are complementary to the Company's existing portfolio. This will increase the existing Silver Lake portfolio from three to five cash flow positive projects. Despite all these projects being gold assets, exposure to additional producing assets may diversify away part of the project specific risk associated with Silver Lake's existing portfolio of gold assets.

Furthermore, notwithstanding Silver Lake's opportunities to extend the life of its existing operations through exploration and optimisation activities, the addition of Red 5's KOTH mine will provide Shareholders exposure to a long mine life asset, providing greater certainty of gold production over a longer period.

14.1.4. Shareholders are not foregoing the opportunity to receive a control premium in the future

Pursuant to ASIC's regulatory guides, we have assessed the Scheme as a control transaction. Notwithstanding this, as set out in the table below, no individual shareholder will hold a controlling interest in the Merged Group, with the largest shareholder being US-based asset manager, Van Eck Inc and its associates, who will hold approximately 9.54% of the issued capital of the Merged Group. Immediately following the Scheme and prior to the Merged Group either selling or cancelling its interest in Red 5, the next largest shareholder in the Merged Group will be itself (6.10%), arising from Silver Lake's current shareholding in Red 5. Based on shareholdings as at the date of our Report, no other shareholder will hold 5% or more of the issued capital of the Merged Group.

As such, the Scheme does not preclude Shareholders from receiving a control premium in the future and is unlikely to deter a future takeover offer from being made. Therefore, by approving the Scheme, Shareholders are not foregoing a potential takeover premium in the future.

14.1.5. Increased experience and broader expertise of the Board and management team of the Merged Group

As detailed in Section 4, if the Scheme is implemented, the Board of the Merged Group will comprise the combined expertise of the existing directors from Silver Lake and Red 5, with the exception of Mr. Mark Williams, existing Managing Director of Red 5, who will resign his directorship upon implementation of the Scheme.

The proposed Board the Merged Group are set out below:

- Mr. Russell Clark - Non-Executive Chairman;
- Mr. Luke Tonkin - Managing Director;
- Ms. Andrea Sutton - Non-Executive Director;
- Mr. Peter Johnston - Non-Executive Director;
- Mr. Ian Macpherson - Non-Executive Director.
- Mr. David Quinlivan - Non-Executive Director;
- Mr. Kelvin Flynn - Non-Executive Director; and

- Ms. Rebecca Prain - Non-Executive Director.

The Proposed Merged Entity will be led by a credentialed Board of Directors and an experienced management team with experience in exploration and mining operations, and capital markets.

Furthermore we note that from a technical expertise standpoint, Silver Lake's management team has extensive underground mining experience and knowledge, with the operations at Mount Monger, Deflector (including Rothsay) and Sugar Zone primarily focused on underground mine development and production. Meanwhile, Red 5 has experience in mining both open pit and underground operations, although we note that the Ore Reserves at King of the Hills is largely underpinned by an open pit portion and Red 5's primary focus at the project over the past financial year has been on ramping up the open pit to full production. Together, the Merged Group's combined expertise and strong experience in both open pit and underground operations should contribute to maximising the value at existing as well as future operations, which is an advantage for Shareholders.

14.2 Disadvantages of approving the Scheme

We have considered the following potential disadvantages to Shareholders when assessing whether the Scheme is reasonable.

14.2.1. Dilution of Shareholders' interest and exposure to Deflector, Mount Monger and Sugar Zone

Following the implementation of the Scheme, Shareholders' interests will be diluted from holding 100% of the assets of Silver Lake to holding approximately 48% of the Merged Group. Therefore, Shareholders' ability to participate in the potential upside of the Merged Group's assets will be reduced as a result of the dilution.

14.2.2. Change in the Company's risk profile

If the Scheme is implemented, the Merged Group will have a different risk profile to the risk profile of Silver Lake on a standalone basis, and Shareholders will be exposed to the additional risks of Red 5's mineral assets.

The risks of the Merged Group may not be aligned with Shareholders' investment objectives and risk preferences. Some of these risks already impact Silver Lake or relate to the resources sector generally, and therefore, Shareholders already have some exposure to. However, there may be some additional risks which are new to Shareholders, such as integration risk, or potentially bear a greater impact than that of Silver Lake on a stand-alone basis.

In particular, Silver Lake presently does not have debt, however Red 5 does. Notwithstanding the possibility of the Merged Group repaying, refinancing or restructuring the Syndicated Facility (noting Silver Lake and Red 5 have yet to determine the optimum balance sheet structure for the Merged Group as at the date of our Report), the Syndicated Facility introduces financial risks to Shareholders as it brings leverage into the business and is subject to financial and non-financial covenants. The introduction of this financial risk is a potential disadvantage to Shareholders.

14.2.3. The value of the Scheme Consideration is not certain

As the Scheme Consideration is in the form of Red 5 shares (rather than cash which would offer certainty), the final monetary value of the Scheme Consideration is not certain and will be dependent on the price at which Red 5 shares trade on the ASX following the Scheme implementation date.

Shareholders will receive shares in Red 5, the value of which will fluctuate as it continues to trade on the ASX. We note that as detailed in Section 12.2, we consider Red 5’s shares to display a high level of liquidity, therefore, Shareholders will be able to sell their shares to realise cash and achieve certainty should they wish to realise their investment. Alternatively they may choose to retain the shares they receive to retain exposure to any potential increase in value that may arise.

Shareholders are directed to Section 9 of the Scheme Booklet for a more detailed explanation of the risk factors associated with the Scheme, which we recommend that Shareholders read in full.

14.3 Alternative offer

We are unaware of any alternative proposal that might offer the Shareholders of Silver Lake a premium over the value resulting from the Scheme.

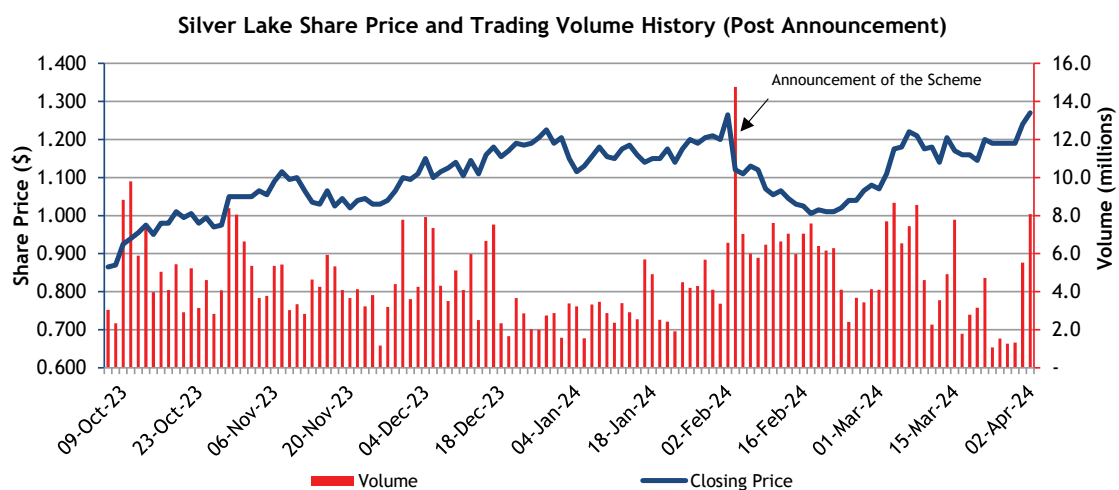
14.4 Taxation implications

Shareholders are directed to Section 10 of the Scheme Booklet for a more detailed explanation of the tax implications of the Scheme for Shareholders. We emphasise that the tax circumstances of each shareholder can differ significantly, and individual shareholders are advised to obtain their own specific advice.

14.5 Consequences of not approving the Scheme

14.5.1. Potential impact on share price

We have analysed movements in Silver Lake’s share price since the Scheme was announced. A graph of Silver Lake’s share price and trading volume leading up to and following the announcement of the Scheme is set out below.

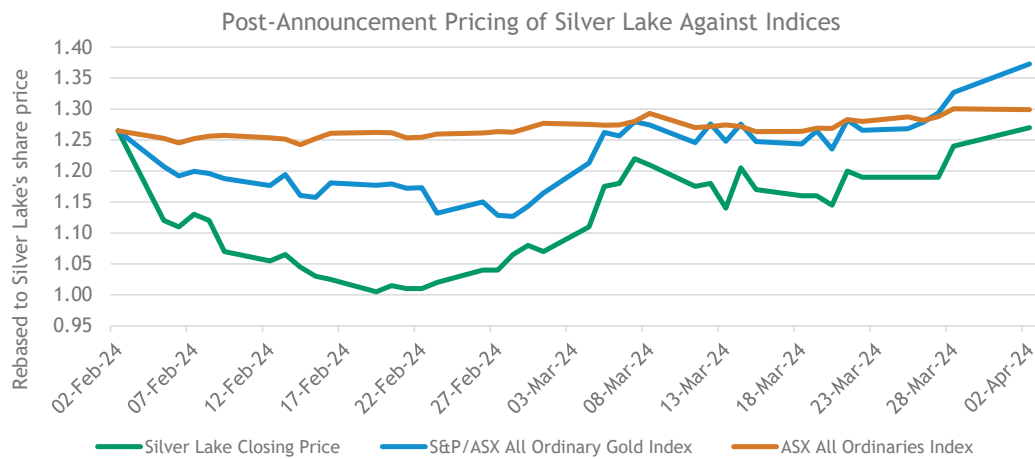


Source: Bloomberg and BDO Analysis

The closing price of a Silver Lake share from 5 October 2023 to 2 April 2024 ranged from a low of \$0.865 on 5 October 2023 to a high of \$1.270 on 2 April 2024.

The Scheme was announced on 5 February 2024. On the date the Scheme was announced, the share price closed at \$1.120, down approximately 11.5% from a closing price of \$1.265 on the previous day. On that day, 14.77 million shares were traded, representing approximately 1.58% of Silver Lake’s current issued capital.

To consider other influencing market factors, we have conducted an analysis of movements in the ASX All Ordinaries Index as a proxy for the broader Australian market and the S&P/ASX All Ordinaries Gold index as a proxy for Silver Lake’s industry from the day before the announcement of the Scheme (2 February 2024) through to the immediate post-announcement period (to 2 April 2024). Our analysis is depicted in the graph below, with each of the indices rebased to Silver Lake’s share price at the start of the period in order to illustrate the relative performance of the indices to Silver Lake.



Source: Bloomberg and BDO Analysis

On the day of the announcement of the Scheme, Silver Lake’s share price experienced a 11.5% drop, while the broader ASX All Ordinaries Index closed approximately 1.0% lower. However, the fall in Silver Lake’s share price was also likely influenced by gold industry-specific factors as the gold index also declined approximately 4.6% on the day. In the days following the announcement, Silver Lake’s share price continued to fall and approached the \$1.00 level towards the latter part of February 2024, although this trend was also observed in the gold index, which underperformed the broader market throughout this period.

From 21 February 2024 onwards however, Silver Lake’s share price recovered (in line with movements in the gold index) and by early March, prices had rebounded and returned to trade at pre-announcement levels through to late March. Therefore, although the announcement of the Scheme may have been initially received negatively by the market (as evidenced by the decline in the price of a Silver Lake share on the day), Silver Lake’s share price has since recovered to pre-announcement levels, albeit partially driven by gold-industry specific factors given the recovery in the gold index as well.

Given the above analysis, it is unclear whether the share price would increase or decrease if the Scheme is not approved.

14.5.2. Transaction costs incurred by Silver Lake

If the Scheme is not implemented, transaction costs of approximately \$1.64 million (in addition to what has already been expensed up to 31 December 2023) will be borne by Silver Lake with no achieved outcome. In addition to this, there is a potential reimbursement fee of \$9.6 million that may be payable to Red 5, depending on the circumstances under which the Scheme does not proceed, further details of which are contained within Section 11.12 of the Scheme Booklet.

We note that the reimbursement fee is not payable by Silver Lake as a result in itself of Silver Lake not obtaining the requisite approval level from Shareholders.

15. Conclusion

We have considered the terms of the Scheme as outlined in the body of this Report and have concluded that, in the absence of a superior proposal, the Scheme is fair and reasonable for Shareholders. Therefore, we consider the Scheme to be in the best interests of Shareholders.

16. Sources of information

This report has been based on the following information:

- Scheme Booklet;
- Audited financial statements of Silver Lake and Red 5 for the years ended 30 June 2023 and 30 June 2022;
- Reviewed financial statements of Silver Lake and Red 5 for the half-years ended 31 December 2023;
- Unaudited management accounts of Silver Lake and Red 5 for the period ended 31 January 2024;
- Independent Specialist Report on the mineral assets of Silver Lake and Red 5 performed by SRK Consulting (Australasia) Pty Ltd;
- Joint announcement of the Scheme and joint presentation on the ASX on 5 February 2024 including the Scheme Implementation Deed ;
- Share registry information from Silver Lake and Red 5;
- The Silver Lake Model provided by Silver Lake;
- The Red 5 Model provided by Red 5;
- Estimates of transaction costs associated with the Scheme prepared by Silver Lake and Red 5;
- S&P Capital IQ;
- Consensus Economics;
- Bloomberg;
- IBIS World;
- World Gold Council;
- Reserve Bank of Australia;
- United States Geological Survey;
- Information in the public domain; and
- Discussions with Directors and Management of Silver Lake and Red 5.

17. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$240,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Silver Lake and Red 5 in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Silver Lake and Red 5, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Silver Lake and Red 5 and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Red 5 and Silver Lake and their respective associates.

A draft of this report was provided to Silver Lake and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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18. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a Fellow of Chartered Accountants Australia & New Zealand and a Member of the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 500 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance

Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Ashton Lombardo is a member of the Australian Institute of Chartered Accountants, is a CA BV Specialist and is member of the committee established to develop and maintain the VALMIN Code. Ashton has over twelve years of experience in Corporate Finance and has facilitated the preparation of numerous independent expert's reports and valuations. Ashton has a Bachelor of Economics and a Bachelor of Commerce from the University of Western Australia and has completed a Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

19. Disclaimers and consents

This report has been prepared at the request of Silver Lake for inclusion in Scheme Booklet which will be sent to all Silver Lake Shareholders. Silver Lake engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed Scheme with Red 5.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Red 5. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by Silver Lake, Red 5 and their advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Silver Lake, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Silver Lake and Red 5. The valuer engaged for the mineral asset valuation, SRK, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Adam Myers
Director



Sherif Andrawes
Director

Appendix 1 – Glossary of terms

Reference	Definition
\$ or A\$	Australian Dollars
2022 Placement	A \$60.0 million institutional two-tranche placement announced by Red 5
2022 SPP	A \$6.0 million Share Purchase Plan eligible to Red 5 shareholders
2023 Placement	An institutional two-tranche placement announced by Red 5 to raise \$80.0 million
2023 SPP	An \$8.0 million Share Purchase Plan eligible to Red 5 shareholders
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
CAPM	Capital asset pricing model
CCAA	Canada's Companies' Creditors Arrangement Act
CFC	Controlled foreign company
CGT	Capital gains tax
Cock-eyed Bob	Cock-eyed Bob underground mine
Corporations Act	The Corporations Act 2001 Cth
CPI	Consumer Price Index
Daisy Complex	Daisy Complex underground mine
Darlot	Darlot Satellite Gold underground mine
Darlot Processing Plant	The central processing plant for production at Darlot
Darlot UG Mine	Darlot Satellite Gold underground mine
DCF	Discounted Future Cash Flows
Deflector	Deflector operation
Doray	Doray Minerals Limited
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FME	Future Maintainable Earnings
FSG	Financial Services Guide
FY	Financial Year
GDP	Gross Domestic Product
Genesis	Genesis Minerals Limited
Gold Fields	Gold Fields Limited
Harte Gold	Harte Gold Corp
IFRS	International Financial Reporting Standards

Reference	Definition
Independent Specialist Report	Independent Specialist Report on the mineral assets of Silver Lake and Red 5 prepared by SRK
King of the Hills	King of the Hills project
Km	Kilometres
KOTH Mines	Collectively KOTH OP Mine and KOTH UG Mine
KOTH OP Mine	King of the Hills open pit mine
KOTH Processing Hub	King of the Hills processing hub
KOTH UG Mine	King of the Hills underground mine
Koz	Thousand troy ounces
Macmahon	Macmahon Holdings Limited
Maxwells	Maxwells underground mine
Merger of Equals	A merger of entities of equivalent value
Mount Monger	Mount Monger operation
NAV	Net Asset Value
NPV	Net Present Value
NSR	Net smelter return
Our Report	This Independent Expert's Report prepared by BDO
Ours	BDO Corporate Finance (WA) Pty Ltd
QMP	Quoted market price
Randalls	Randalls processing facility
RBA	Reserve Bank of Australia
Red 5	Red 5 Limited
Red 5 Performance Rights	Red 5's performance rights on issue at the date of Our Report
Red 5 Retention Rights	Red 5's retention rights on issue at the date of Our Report
Red 5 Rights	Collectively the Red 5 Performance Rights and Red 5 Retention Rights
Red 5's Operating Assets	Red 5's producing mineral assets relating to its King of the Hills operations and comprising the KOTH Mines, Darlot and the KOTH Processing Hub
Red 5's Other Mineral Assets	Value of Red 5's residual resources and exploration potential not included in the DCF valuation
Regulations	Corporations Act Regulations 2001 (Cth)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 60	Schemes of arrangement (September 2011)
Scheme Consideration	The shareholders of Silver Lake will receive 3.434 Red 5 shares for every Silver Lake share held and Silver Lake will become a wholly owned subsidiary of Red 5
Section 411	Section 411 of the Corporations Act
Shareholders	Shareholders of Silver Lake
SHIC	Suriago Holdings and Investment Corporation
Siana	Siana Gold Mine

Reference	Definition
SID	Scheme Implementation Deed
Silver Lake	Silver Lake Resources Limited
Silver Lake Rights	Silver Lake performance rights
Silver Lake's Operating Assets	Silver Lake's operating assets comprising the Deflector and Mount Monger mines and processing facilities
Silver Lake's Other Mineral Assets	Value of Silver Lake's interest in other mineral assets
SRK	SRK Consulting Australasia (Pty) Ltd
Sugar Zone	Sugar Zone operation
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
The Act	The Corporations Act 2001 Cth
The Adjusted Red 5 Model	The BDO-adjusted Red 5 Model
The Adjusted Silver Lake Model	The BDO-adjusted Silver Lake Model
The Board	The board of directors of the Merged Group as defined by the terms of the Scheme
The Company	Silver Lake Resources Limited
The Merged Group	The merged entity in which Red 5 will own 51.7% of shares and Silver Lake will own the remaining 48.3% of shares should the Scheme be successful
The RBA Board	The Board of the RBA
The Red 5 Model	A detailed corporate-level cash flow model for Red 5's Operating Assets prepared by the management of Red 5
The Scheme	Scheme of arrangement between Silver Lake and Red 5
The Silver Lake Model	A detailed corporate-level cash flow model for Silver Lake's Operating Assets prepared by the management of Silver Lake
The Syndicated Facility	The \$175 million debt facility received by Red 5 from a syndicate comprising BNP Paribas, Australia branch, the Hongkong and Shanghai Banking Corporation Limited, Sydney Branch and Macquarie Bank Limited
TSF	Tailings storage facility
TSR	Total shareholder return
Us	BDO Corporate Finance (WA) Pty Ltd
USGS	United States Geological Survey
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
WACC	Weighted Average Cost of Capital
We	BDO Corporate Finance (WA) Pty Ltd
Westgold	Westgold Resources Limited

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Appendix 2 – Valuation methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 Net asset value ('NAV')

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 Quoted Market Price Basis ('QMP')

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 Capitalisation of future maintainable earnings ('FME')

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 – Minority discount

In order to determine an appropriate minority interest discount, we first need to assess an applicable control premium for the transaction. This is because the minority discount is based on the inverse of the control premium and is calculated using the formula $1 - (1/[1+\text{control premium}])$.

The concept of a premium for control reflects the additional value that is attached to a controlling interest. We have reviewed control premiums on completed transactions, paid by acquirers of gold mining companies, general mining companies and all ASX-listed companies over the ten-year period to February 2024.

In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e., less than a 0% premium). We have also excluded transactions with an assessed paid premium of over 100%, as we consider it likely that the acquirer in these transactions would have paid for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, and not specific strategic value to the acquirer. We have summarised our findings below.

ASX-listed gold mining companies

Year	Number of transactions	Average deal value (\$m)	Average control premium (%)
2024	-	-	-
2023	4	184.59	25.33
2022	4	3,792.50	17.46
2021	4	1,520.22	35.98
2020	1	2,748.89	10.10
2019	1	219.98	56.41
2018	2	31.26	21.77
2017	2	13.74	41.04
2016	4	23.31	47.88
2015	3	48.26	57.90
2014	6	124.78	43.96

Source: Bloomberg, BDO analysis

ASX-listed general mining companies

Year	Number of transactions	Average deal value (\$m)	Average control premium (%)
2024	1	69.12	42.66
2023	14	162.16	30.31
2022	9	1,929.90	22.67
2021	6	1,235.14	29.89
2020	5	592.06	35.90
2019	9	182.08	41.27
2018	6	68.30	28.27
2017	4	9.28	39.86
2016	10	72.56	50.15
2015	6	318.69	58.37
2014	11	75.02	39.42

Source: Bloomberg, BDO analysis

All ASX-listed companies

Year	Number of transactions	Average deal value (\$m)	Average control premium (%)
2024	1	69.12	42.66
2023	35	421.28	27.41
2022	39	3,199.03	23.39
2021	28	1,095.24	35.17
2020	16	367.97	40.43
2019	29	4,165.55	32.83
2018	26	1,571.79	30.07
2017	24	1,168.71	36.75
2016	28	490.46	38.53
2015	28	948.39	33.53
2014	32	522.73	35.39

Source: Bloomberg, BDO analysis

The mean and median of the entire data sets comprising control transactions from 2014 onwards for ASX-listed gold mining companies, ASX-listed general mining companies and all ASX-listed companies, are set out below:

Entire data set metrics	ASX-listed gold mining		ASX-listed general mining		All ASX-listed companies	
	Deal value (\$m)	Control premium (%)	Deal value (\$m)	Control premium (%)	Deal value (\$m)	Control premium (%)
Mean	867.37	36.65	445.24	37.23	1,467.10	32.56
Median	46.12	36.83	54.48	30.68	127.26	28.47

Source: BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;

- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined as 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

The table above indicates that the long-term average control premium paid by acquires of ASX-listed gold mining companies, ASX-listed general mining companies and all ASX listed companies is approximately 36.65%, 37.23% and 32.56%, respectively. However, in assessing the transactions included in the table above, we noted that control premiums appear to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 36.83% for ASX-listed gold mining companies, 30.68% for ASX-listed general mining companies and 28.47% for all ASX listed companies.

Based on our analysis, we consider an appropriate premium for control to be between 30% and 40%, with our preferred value being a midpoint of 35%. This assessed control premium range gives rise to a rounded minority discount in the range of 23% to 29% with a rounded midpoint of 26% being our preferred minority interest discount.

Appendix 4 - Discount rate assessment

Silver Lake discount rate

Determining the correct discount rate, or cost of capital, for a business (or project) requires the identification and consideration of a number of factors that affect the returns and risks of the business, as well as the application of widely accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model ('CAPM') is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business' WACC, the CAPM results are combined with the cost of debt funding. WACC represents the return required on the business, whilst CAPM provides the required return on an equity investment.

In our assessment of the appropriate discount rate for Silver Lake's Operating Assets, we consider the most appropriate discount rate to be the cost of equity. This is because Silver Lake's Operating Assets have no debt funding and therefore, the resultant cash flows from the Adjusted Silver Lake Model are wholly attributable to equity holders.

Cost of Equity and Capital Asset Pricing Model

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk-free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity and is calculated as follows:

CAPM	
K_e	$= R_f + \beta \times (R_m - R_f)$
Where:	
K_e	= expected equity investment return or cost of equity in nominal terms
R_f	= risk free rate of return
R_m	= expected market return
$R_m - R_f$	= market risk premium
β	= equity beta

The individual components of CAPM are discussed below.

Risk Free Rate (Rf)

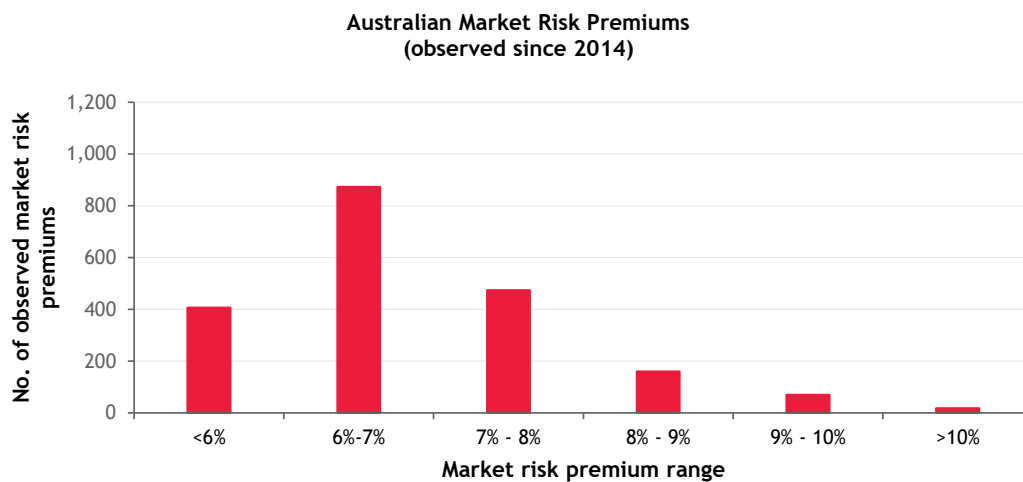
The risk free rate is typically approximated by reference to a forecast long term government bond rate with a maturity approximately equivalent to the timeframe over which the returns from the assets are expected to be received.

In determining an appropriate ten-year bond rate to use as a proxy for the risk free rate we have given consideration to the ten-year Australian Government Bond rate and projections of the ten-year Australian Government Bond rate based on forecasts sourced from Bloomberg. Based on this analysis, we have used a risk-free rate ranging from 3.0% to 4.0% in our analysis.

Market Risk Premium ($R_m - R_f$)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice. In order to determine an appropriate market risk premium in Australia, we have analysed historical data. Our sample of data included the daily historical market risk premiums in Australia over the last ten years.

The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 200 Index minus the risk free rate, which is dependent on the 10-year Australian Government Bond rate.



Source: Bloomberg and BDO analysis

The graph above illustrates the frequency of observations of the Australian market risk premium over the past ten years. The graph indicates that a high proportion of the sample data for Australian market risk premiums lie in the range of 6% to 8%. This is supported by the long term historical average market risk premium of between 6% and 8%, which is commonly used in practice.

In addition to the above historical analysis, we maintain a database of market risk premiums adopted by other valuation practitioners. This database indicates that 6% is the median market risk premium adopted by reputable valuation practitioners in Australia, with the mean being 6.1%.

Based on the above analysis, and our professional judgement, we have used a market risk premium of 6% in our assessment.

Equity Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market. A beta greater than one implies that an investment's return will outperform the market's average return in a bullish market and underperform the market's average return in a bearish market. On the other hand, a beta less than one implies that the business will underperform the market's average return in a bullish market and outperform the market's average return in a bearish market.

Equity betas are normally estimated using either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed

relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future, and is hence derived from historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into consideration the industry risk factors, which make the operating risk of the company greater or less risky than comparable listed companies.

It is important to note that it is not possible to compare the equity betas of different companies without having regard to their gearing levels. It is generally accepted that a more valid analysis of betas can be achieved by 'ungearing' the equity beta to derive an asset beta (β_a) by applying the following formula:

Asset beta (β_a)	
β_a	= $B / (1 + (D/E \times (1-t)))$
Where:	
β_a	= ungeared or asset beta
B	= equity beta
D	= value of debt
E	= value of equity
t	= corporate tax rate

Selected Beta (β)

In order to assess the appropriate equity beta for Silver Lake's Operating Assets we have had regard to the equity beta of ASX-listed gold producing companies with operations in Australia. The ASX-listed companies identified have similar operations to Silver Lake, in respect of commodity exposure, stage of development and geographic location of operations. We note that our assessment includes the equity beta of Silver Lake and Red 5 on the basis that we consider them relevant to our assessment.

The betas have been assessed over a two-year period using weekly returns, against the S&P/ASX All Ordinaries Index.

The list of companies we selected are set out below:

Company	Market Capitalisation as at 29-Feb-24 (A\$m)	G geared Beta (β)	Gross Debt/Equity (%)	Ungeared Beta (β_a)	R ²
Silver Lake Resources Limited*	1,182.45	1.31	3%	1.28	0.15
Red 5 Limited*	1,143.05	1.01	50%	0.75	0.04
Capricorn Metals Limited	1,792.78	1.31	29%	1.10	0.15
Genesis Minerals Limited	1,716.56	1.42	1%	1.41	0.22
Gold Road Resources Limited	1,601.54	1.20	14%	1.10	0.14
Ramelius Resources Limited	1,648.70	1.14	2%	1.13	0.08
Regis Resources Limited	1,370.94	1.31	26%	1.11	0.14
Westgold Resources Limited	928.30	1.21	5%	1.17	0.09
Mean	1,423.04	1.24	16%	1.13	0.13
Median	1,486.24	1.26	9%	1.12	0.14

*We note Silver Lake and Red 5 data are presented as at 2 February 2024 in order to exclude any impacts on trading following the announcement of the Scheme.

Source: Bloomberg and BDO analysis

As set out in the table above, the ungeared beta for the list of comparable companies, based on the two-year period, ranges from 0.75 to 1.41 with a mean and median of 1.13 and 1.12, respectively. Descriptions of the comparable companies are provided at the end of this appendix.

In selecting an appropriate beta for Silver Lake’s Operating Assets, we have considered the similarities and differences of Silver Lake’s Operating Assets compared to the set of comparable companies as set out above. The comparable similarities and differences noted are:

- the comparable companies are all exposed to the gold industry in Australia;
- the comparable companies are all listed on the ASX with head offices based in Australia;
- the flagship assets of the comparable companies are located in Western Australia;
- the comparable companies are of similar size based on market capitalisations which as at 29 February 2024, ranged between \$0.9 billion and \$1.8 billion; and
- Silver Lake’s Operating Assets are primarily underground mines, whereas most of the comparable companies operate open pit mines, with the exception of Westgold Resources Limited (‘Westgold’) who also primarily operate underground mines and Genesis Minerals Limited (‘Genesis’) who operates a combination of both.

We note that gold companies with a primary focus on underground operations such as Silver Lake and Westgold tended to have higher equity betas within the dataset (1.28 and 1.17, respectively) and Genesis, who operates a combination of both, had the highest equity beta of 1.41. Notwithstanding this, we consider the constituents of our dataset to still be highly comparable to Silver Lake’s Operating Assets as they have the same commodity and geographical exposure. Therefore, we elected to adopt an equity beta range of 1.10 to 1.20 based on our dataset. We note that our beta range results in a midpoint of 1.15, which is marginally higher than the dataset’s mean and median of 1.13 and 1.12, respectively, to account for the higher betas of the companies with underground operations.

As Silver Lake’s Operating Assets have no debt, the ungeared beta is equivalent to its geared beta, which are included in our cost of equity assessment using CAPM.

Tax rate

We have adopted a tax rate of 30% based on Australia’s corporate tax rate.

Cost of Equity (Silver Lake)

We have assessed the cost of equity of Silver Lake to be in the range of 9.6% to 11.2%, with our preferred discount rate being a rounded midpoint of 10% (rounded to the nearest 1%).

Input	Value adopted	
	Low	High
Risk free rate of return	3.00%	4.00%
Equity market risk premium	6.00%	6.00%
Beta	1.10	1.20
Cost of Equity	9.60%	11.20%

Source: Bloomberg and BDO analysis

Red 5 discount rate

In our valuation of Red 5's Operating Assets, the Adjusted Red 5 Model includes the repayments relating to the Syndicated Facility. As such, the free cash flows derived from the Adjusted Red 5 Model are cash flows available to equity holders. Therefore, the appropriate discount rate to apply is the cost of equity.

The individual components of CAPM are discussed below.

Risk Free Rate (R_f)

Consistent with our discount rate assessment for Silver Lake's Operating Assets, we have adopted a risk free rate range of 3.0% to 4.0% for Red 5's Operating Assets, based on the ten-year Australian Government Bond rate and projections of the ten-year Australian Government Bond rate based on forecasts sourced from Bloomberg.

Market Risk Premium ($R_m - R_f$)

Consistent with our discount rate assessment for Silver Lake's Operating Assets, we have adopted an Australian market risk premium of 6% for Red 5's Operating Assets.

Selected Beta (β)

In order to assess the appropriate equity beta for Red 5's Operating Assets, we have had regard to the equity betas of ASX-listed gold producing companies with operations in Australia. We note our comparable companies are derived from the same set of comparable companies used in our discount rate assessment for Silver Lake's Operating Assets on the basis we also consider them to be similar to Red 5 in respect of commodity exposure, stage of development and geographic location of operations. We also note that our assessment includes the equity beta of Silver Lake and Red 5 on the basis that we consider them relevant to our assessment.

The betas below have been assessed over a two-year period, against the S&P/ASX All Ordinaries Index.

The list of comparable companies we selected for Red 5 are set out below:

Company	Market Capitalisation		G geared Beta	Gross Debt/Equity	Ungeared Beta	R^2
	as at					
	29-Feb-24					
	(A\$m)	(β)	(%)	(β_a)		
Silver Lake Resources Limited*	1,182.45	1.31	3%	1.28	0.15	
Red 5 Limited*	1,143.05	1.01	50%	0.75	0.04	
Capricorn Metals Limited	1,792.78	1.31	29%	1.10	0.15	
Genesis Minerals Limited	1,716.56	1.42	1%	1.41	0.22	
Gold Road Resources Limited	1,601.54	1.20	14%	1.10	0.14	
Ramelius Resources Limited	1,648.70	1.14	2%	1.13	0.08	
Regis Resources Limited	1,370.94	1.31	26%	1.11	0.14	
Westgold Resources Limited	928.30	1.21	5%	1.17	0.09	
Mean	1,423.04	1.24	16%	1.13	0.13	
Median	1,486.24	1.26	9%	1.12	0.14	

*We note Silver Lake and Red 5 data is presented as at 2 February 2024 in order to exclude any impacts from the announcement of the Scheme

Source: Bloomberg and BDO analysis

As set out in the table above, the ungeared beta for the list of comparable companies, based on the two-year period, ranges from 0.75 to 1.41 with a mean and median of 1.13 and 1.12, respectively. Descriptions of the comparable companies are provided at the end of this appendix.

In selecting an appropriate beta for Red 5's Operating Assets, we have considered the similarities and differences of Red 5's Operating Assets compared to the set of comparable companies as set out above. The comparable similarities and differences noted are:

- the comparable companies are all exposed to the gold industry in Australia;
- the comparable companies are all listed on the ASX with head offices based in Australia;
- the flagship assets of the comparable companies are located in Western Australia;
- the comparable companies are of similar size based on market capitalisations which as at 29 February 2024, ranged between \$0.9 billion and \$1.8 billion; and
- Red 5's Operating Assets are primarily open pit operations as is the focus of majority of the comparable companies, with the exception of the aforementioned Westgold and Silver Lake, who primarily operate underground mines, as well as Genesis Minerals Limited ('Genesis') who operates a combination of both.

Red 5's ungeared beta of 0.75 was the lowest of the dataset, which we consider can be attributable to the company having the highest debt to equity ratio of 50%. Notwithstanding this, we note Red 5 also exhibited the lowest equity beta on a geared basis of 1.01. Although this may warrant a selected beta range lower than the mean and median of our full dataset, we have also considered the R^2 of Red 5's trading data against the S&P/ASX All Ordinaries Index, which was 0.04, the lowest of our dataset. R^2 is a measure of correlation against the index, and therefore, a lower R^2 implies a lower correlation and hence a lower relevance to our assessment. Therefore, we have elected to place a lower level of reliance on Red 5's ungeared equity beta of 0.75 in our assessment.

As discussed in our discount rate assessment for Silver Lake's Operating Assets gold companies with a primary focus on underground operations such as Silver Lake and Westgold tended to have higher equity betas within the dataset (1.28 and 1.17, respectively) and Genesis, who operates a combination of both, had the highest equity beta of 1.41. As Red 5's Operating Assets primarily comprise the KOTH OP Mine, we have weighted our analysis towards comparable open pit-focused peers, such as Capricorn Metals Limited, Gold Road Resources Limited and Regis Resources Limited, which have ungeared betas of 1.10, 1.10 and 1.11, respectively.

Therefore, we elected to adopt an equity beta range of 1.05 to 1.15 based on our dataset.

Gearing

Before determining the discount rate for Red 5's Operating Assets, the proportion of funding provided by debt and equity (i.e. gearing ratio) over the forecast period must be determined.

The Adjusted Red 5 Model includes the repayment on the Syndicated Facility over the forecast period. The debt to equity ratio in relation to Red 5's Operating Assets has an opening balance of 49.5% as at the 31 December 2023 valuation date, which is forecast to be fully paid down over 1.5 years to mid-2025.

As we are discounting forecast cash flows over the full forecast period, we have considered the average debt to equity ratio over the life of Red 5's Operating Assets' cash flows. We have assessed this to be approximately 2% based on the repayment schedule in the Adjusted Red 5 Model.

Regeared beta

Applying the above 2% debt-to-equity ratio to the ungeared beta range calculated previously results in a regeared beta range of between 1.06 and 1.17.

Cost of Equity (Red 5)

We have assessed the cost of equity for Red 5's Operating Assets to be in the range shown in the table below with our preferred value being a rounded midpoint of 10%.

Input	Value adopted	
	Low	High
Risk free rate of return	3.00%	4.00%
Equity market risk premium	6.00%	6.00%
Beta (regeared)	1.06	1.17
Cost of Equity	9.39%	11.00%

Source: Bloomberg and BDO analysis

Set out below are the descriptions of the companies we considered in our comparable company analysis.

Company Name	Business Description
Red 5 Limited (ASX:RED)	Refer to Section 6 of our Report.
Silver Lake Resources Limited (ASX:SLR)	Refer to Section 5 of our Report.
Capricorn Metals Limited (ASX:CMM)	Capricorn Metals Limited engages in the evaluation, exploration, development, and production of gold properties in Australia. It holds a 100% interest in the Karlawinda gold project located in the Pilbara region of Western Australia as well as the Mt Gibson Gold Project located in the Murchison region of Western Australia.
Genesis Minerals Limited (ASX:GMD)	Genesis Minerals Limited engages in the exploration and development of gold deposits in Western Australia. Its assets consist of The Leonora operations and The Laverton operations as well as Genesis Mining Services which is an inhouse mining services provider for Genesis. It also operates the Bardoc Gold Project.
Gold Road Resources Limited (ASX:GOR)	Gold Road Resources Limited, together with its subsidiaries, engages in the exploration and development of mineral properties in Western Australia. The company owns 50% interest in the Gruyere gold mine located north-east of Perth.
Ramelius Resources Limited (ASX:RMS)	Ramelius Resources Limited, together with its subsidiaries, engages in the exploration, mine development and operation, production, and sale of gold in Australia. It operates through three segments: Mt Magnet, Edna May, and Exploration. The company owns and operates the Mt Magnet, the Edna May, the Vivien, the Marda, the Tampia, the Rebecca, and the Penny gold mines located in Western Australia. It also develops Symes' Find prospect located in the Southern Cross Province of the Eastern Goldfields.

Company Name	Business Description
Regis Resources Limited (ASX:RRL)	Regis Resources Limited, together with its subsidiaries, engages in the exploration, evaluation, and development of gold projects in Australia. It owns 100% interests in the Duketon gold project located in the North Eastern Goldfields of Western Australia as well as the McPhillamys gold project situated in the Central Western region of New South Wales. Regis also holds 30% interest in Tropicana Gold Project.
Westgold Resources Limited (ASX:WGX)	Westgold Resources Limited engages in the exploration, operation, development, mining, and treatment of gold assets primarily in Western Australia. The company's assets include Bryah Operations, Murchison Operations, Meekatharra Gold Operations, and Cue Gold Operations that comprise various mining titles covering 1,300 square kilometres in the Murchison region.

Source: S&P Capital IQ and BDO analysis

Appendix 5 - Independent Specialist Report

Final

Independent Specialist Report on the mineral assets of Silver Lake Resources Limited and Red 5 Limited

Prepared for BDO Corporate Finance (WA) Pty Ltd and Silver Lake Resources Limited



SRK Consulting (Australasia) Pty Ltd ■ BDO032 ■ 26 April 2024



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Haulage truck at Mount Monger mine

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Independent technical assessment and valuation report

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Appendix B	Tenure data
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Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

°C	degrees Celsius
A\$	Australian dollars
AC	aircore drilling
AMEC	Association of Mining and Exploration Companies
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
BAC	base acquisition cost
BDO	BDO Corporate Finance (WA) Pty Ltd
BDO Report	Independent Expert’s Report
CNG	Compressed Natural Gas
DBCA	Department of Biodiversity, Conservation and Attractions
DCCEEW	Department of Climate Change, Energy, the Environment and Water
DCF	discounted cashflow
DMIRS	Department of Mines, Industry Regulation and Safety
DWER	Department of Water and Environmental Regulation
EBIT	earnings before interest and tax
EBITDA	earnings before interest, tax, depreciation and amortisation
ELs	exploration licences
EP Act	<i>Environmental Protection Act 1986</i>
EPA	Environmental Protection Authority
EPBC	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
EV	Enterprise Value
FY	financial year
GSWA	Geological Survey of Western Australia
ha	hectares
IP	induced polarity
ISBD	in situ bulk density
IVSC	International Valuation Standards Committee
JORC	Joint Ore Reserves Committee
JV	joint venture
K	potassium
kg	kilograms
km ²	square kilometres
ktpa	kilo/thousand tonnes per annum
L	litres
LNG	liquid natural gas
LOM	Life of Mine
M	million
m ³	cubic metres
MCP	Mine Closure Plan

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MEE	multiples of exploration expenditure
mg	milligrams
ML	megalitres
ML/s	Mining Lease/s
Model(s)	All financial models provided to SRK by Silver Lake and Red 5 for review. Models refers to the collective group of associated models unless stated specifically to an individual model.
MRF	Mining Rehabilitation Fund
Mt	million tonnes
MTO	Mineral Titles Online
Mtpa	million tonnes per annum
MTR	metal transaction ratio
NMR	nuclear magnetic resonance
NPV	net present value
OK	ordinary kriging
P&L	profit and loss
PFS	Pre-feasibility Study
PLs	prospecting licences
PPE	processing plant and equipment
QA/QC	quality assurance/quality control
RAB	rotary air blast
RC	reverse circulation
Report	Independent Technical Assessment and Valuation Report
RICS	Royal Institution of Chartered Surveyors
ROM	Run of Mine
S	sulfur
S&P	Standard & Poor's
SRK	SRK Consulting (Australasia) Pty Ltd
SRK Scope	Independent Technical Assessment and Valuation Report providing its opinion on matters to which BDO are not Specialist
t	tonnes
tpa	tonnes per annum
TSF	tailings storage facility
US\$	United States dollar
WA	Western Australia
10 ⁶	mega, million

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Executive Summary

BDO Corporate Finance (WA) Pty Ltd (BDO) has been engaged by Silver Lake Resources Limited (Silver Lake or the Company) to prepare an Independent Expert Report (IER – BDO Report) commenting on the fairness and reasonableness of the proposed transaction which is a merger of equals between Silver Lake and Red 5 Limited (Red 5) (the Proposed Transaction). Under the terms of the Proposed Transaction, Red 5 has agreed to acquire 100% of the fully paid ordinary shares in Silver Lake via a scheme of arrangement in accordance with the *Corporations Act 2001* (Cth) (the Scheme).

BDO subsequently contacted SRK Consulting (Australasia) Pty Ltd (SRK) to prepare an Independent Specialist Report (Report) incorporating a technical assessment and valuation of certain mineral assets and providing its opinion on matters to which BDO is not the Specialist (SRK Scope).

The mineral assets to be considered by SRK are primarily located in Western Australia's Eastern Goldfields and include:

- Silver Lake's 100% interest in the Mount Monger and Deflector mines
- Red 5's 100% interest in the King of the Hills and Darlot mines.

In addition, the international mineral assets of Silver Lake's 100% interest in the Sugar Zone development opportunity situated in Ontario, Canada, are to be considered. For the avoidance of doubt, the 3.25% net smelter return (NSR) royalty over the Siana gold mine in the Philippines, held by Red 5, is not included in SRK's scope.

Based on discussions with BDO, SRK's scope comprises:

1. A review of the relevant technical project assumptions and the provision of an assessment on the reasonableness of each of the assumptions used in the cashflow models (the Models), including:
 - a. Mineral Resources and Ore Reserves incorporated into the production profile
 - b. mining and processing physicals (including tonnes of ore mined, ore processed, recovery and grade) informing the Life of Mine (LOM) plan and production profile
 - c. capital expenditure (including but not limited to appropriateness of equipment, pre-production costs, project capital costs, sustaining capital expenditure, and any residual value of equipment at the end of the mine life)
 - d. operating costs (including, but not limited to, mining, processing, haulage, general site costs/administration, penalties, transport, contingencies and royalties, etc.)
 - e. any other relevant technical assumptions including environmental, rehabilitation and permitting provisions.

Should SRK determine that an assumption (primarily revenue, cost or timing related) in the provided Models is unreasonable, it will advise and assist BDO to modify the Models to reflect SRK's opinion. SRK's scope specifically excludes any work relating to the marketing, commodity price and exchange rate assumptions, inflation rates and financial analysis (including discount rate) adopted in the Models.

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2. Provision of an independent opinion on the market valuation of:
- a. Any stated Mineral Resources not included in the Models (defined as Residual Resources)
 - b. The exploration potential associated with any other project tenures or exploration assets that SRK considers is likely to have material value.

The SRK Report has been prepared in accordance with the guidelines outlined in the *Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets* (VALMIN Code, 2015), which incorporates the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code, 2012).

SRK's recommended valuation ranges and preferred values are detailed in Section 10 of this Report (Valuation) and are summarised in Table ES-1. The valuation represents the Market Value of the Mineral Assets as at the Valuation Date, this being 29 March 2024.

Based on its technical assessment and valuation, Tables ES-1 summarises SRK's market value assessment of the defined Residual Resources (i.e. those Mineral Resources that lie outside the LOM schedule) and exploration potential at each of the relevant Projects in accordance with its mandate.

SRK notes that the Market Value of the LOM schedules at each of these projects has been assessed by BDO (with input from SRK on the appropriate technical inputs) in its IER and SRK has therefore not ascribed any value in Table ES-1.

Table ES-1: Summary valuation

Project	Low (A\$ M)	High (A\$ M)	Preferred (A\$ M)
Silver Lake	299.9	582.7	437.9
Red 5	196.2	379.9	288.1
Total	496.2	962.7	726.0

Note: Any discrepancies between values in the tables are due to rounding.

Based on its analysis, SRK considers the Market Value of the Mineral Assets of Silver Lake resides between A\$299.9 million and A\$582.7 million, with a preferred valuation of A\$437.9 million. SRK considers the Market Value of the Mineral Assets of Red 5 resides between A\$196.2 million and A\$379.9 million, with a preferred valuation of A\$288.1 million.

In defining its valuation ranges, SRK notes that there are inherent risks involved when conducting any arm's length valuation exercise. These factors can ultimately result in significant differences in valuations over time. By applying narrower confidence ranges, a greater degree of certainty regarding these assets is being implied than may be the case. Where possible, SRK has endeavoured to narrow its valuation range.

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1 Introduction

On 5 February 2024, Red 5 and Silver Lake announced they had entered into a binding Scheme Implementation Deed, under which the companies will merge via a Silver Lake scheme of arrangement (the Scheme) subject to a number of conditions precedent to the Scheme, including Silver Lake shareholder and Court approval of the Scheme.

BDO Corporate Finance (WA) Pty Ltd (BDO) was engaged by Silver Lake to prepare an Independent Expert Report (BDO Report) relating to the Company's mineral assets, as well as those of Red 5.

Mr Adam Myers, Partner at BDO, subsequently contacted SRK Consulting (Australasia) Pty Ltd (SRK) to provide an Independent Specialist Report (Report) incorporating a technical assessment and valuation of the mineral assets of both Silver Lake and Red 5 when considering the Proposed Transaction on a pre-completion and/or post-completion basis (SRK Scope). SRK understands its Report is to accompany the BDO Report.

The mineral assets to be considered by SRK are predominantly located in the Leonora–Laverton region of Western Australia's Eastern Goldfields and include:

- Silver Lake's 100% interest in the Mount Monger gold mine and the Deflector gold mine
- Red 5's 100% interest in the King of the Hills gold mine and the Darlot gold mine

In addition, the international mineral assets of Silver Lake's 100% interest in the Sugar Zone development opportunity in Ontario, Canada are to be considered.

1.1 Scope

Under its Letter of Instructions from BDO dated 22 February 2024, SRK is to provide:

1. An independent opinion on the market value of the following assets:
 - a. Silver Lake's interest in the Sugar Zone Project in Canada and include consideration for whether there are reasonable grounds to perform a discounted cashflow valuation of Sugar Zone's Ore Reserves and/or Mineral Resources
 - b. Any Residual Resources and Reserves of the Deflector and Mount Monger projects in Western Australia that are not already incorporated in the Silver Lake consolidated cashflow model (the Silver Lake Model)
 - c. Any Residual Resources and Reserves of the King of the Hills Project in Western Australia that are not already incorporated in the Red 5 consolidated cashflow model (the Red 5 Model)
 - d. Any other mineral assets held by Silver Lake that SRK considers is likely to have a material value
 - e. Any other mineral assets held by Red 5 that SRK considers is likely to have a material value, including any residual plant and equipment, for example the Darlot mill which has been placed on care and maintenance.
 - f. For the avoidance of doubt, the 3.25% NSR royalty over the Siana gold mine in the Philippines, held by Red 5, is not included in SRK's scope.

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2. A review of the relevant technical project assumptions and the provision of an assessment on the reasonableness of each of the assumptions used in the Silver Lake and Red 5 Models (and their supporting LOM schedules) and provide BDO with an assessment of the reasonableness of each of the assumptions used in the Silver Lake and Red 5 Models, including:
 - a. Mineral Resources and Ore Reserves incorporated into the Models
 - b. Mining physicals (including tonnes of ore mined, quality, waste material and mine life)
 - c. Processing physicals (including ore processed and produced)
 - d. Production and operating costs (including but not limited to drilling, blasting, mining, haulage, processing, transport, general administration, distribution and marketing, contingencies and royalties or levies)
 - e. Capital expenditure (including but not limited to pre-production costs, project capital costs, sustaining capital expenditure, salvage value, rehabilitation and contingency)
 - f. Any other relevant technical assumptions not specified above.

Should SRK determine an assumption (physical production factors, cost or timing related) in the Models to be unreasonable, it will advise and assist BDO to modify the Model/s to reflect SRK's opinion. SRK's scope specifically excludes any work relating to the marketing, commodity price and exchange rate assumptions, inflation rates and financial analysis (including discount rate) adopted in the Model/s.

1.2 Site visit

To meet the requirements set out in Section 11.1 of the VALMIN Code (2015), a site inspection to the material Mineral Assets may be required. SRK's representatives, Steve Gemell and David Slater, completed a site inspection of Mount Monger, King of the Hills, and Deflector between 5 March 2024 and 8 March 2024. Brian Buss had visited the site as recently as September 2023 and no material change to the operations has occurred, with Sugar Zone focused on exploration drilling since he last visited site.

1.3 Reporting standard

As noted previously, the Report has been prepared in accordance with the guidelines outlined in the *Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets* (VALMIN Code, 2015), which incorporates the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code, 2012).

A first draft of the Report was supplied to BDO, Silver Lake and Red 5 to check for material errors, factual accuracy and omissions before the final report was issued.

For the purposes of this Report, value is defined as 'market value', being the amount of money (or the cash equivalent or some other consideration) for which a mineral asset should change hands on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing, wherein the parties each acted knowledgeably, prudently and without compulsion.

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The SRK Report does not comment on the 'fairness and reasonableness' of any transaction between Silver Lake and any other parties.

For this Report, SRK has classified the mineral assets of Silver Lake in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early-Stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a pre-feasibility study (PFS).
- **Production Projects** – Tenure holdings – particularly mines, borefields and processing plants that have been commissioned and are in production.

As discussed further in this Report, SRK has classified Silver Lake's Mount Monger and Deflector mines and Red 5's King of the Hills and Darlot mines as Production Projects, while Silver Lake's Sugar Zone is classified as a Development Project

SRK has used valuation approaches that are typically used for mineral assets at each of these respective stages. Additional details are provided in Section 10 of this Report.

1.4 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this valuation. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture (JV) agreements, local heritage or potential environmental or land access restrictions. In accordance with section 7.2 of the VALMIN Code (2015), SRK has satisfied itself regarding the legal status of the Company's projects by reviewing the WA TENGRAPH online website that outlines the status of the project tenures.

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1.5 Valuation date

The Valuation Date adopted for this Report is 31 December 2023, which is the starting date of the Model, but SRK has considered the gold price up to 28 February 2024.

1.6 Project team

This Report has been prepared by a team of consultants from SRK's offices in Australia and Canada. Details of the qualifications and experience of the consultants who have carried out the work in this Report, who have extensive experience in the mining industry and are members in good standing of appropriate professional institutions, are set out in Table 1-1.

1.7 Limitations, independence, indemnities and consent

1.7.1 Limitations and reliance

SRK's opinion contained herein is based on information provided to SRK by Silver Lake throughout the course of SRK's investigations as described in this Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by Silver Lake was taken in good faith by SRK. SRK has not recalculated the Mineral Resources or Ore Reserves estimates, but has independently assessed the reasonableness of the estimates.

This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider them to be material.

As far as SRK has been able to ascertain, the information provided by Silver Lake and Red 5 was complete and was not incorrect, misleading or irrelevant in any material aspect.

1.7.2 Statement of SRK independence

Neither SRK, nor any of the authors of this Report, has any material present or contingent interest in the outcome of this Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting their independence or that of SRK. SRK has no beneficial interest in the outcome of this Report capable of affecting its independence.

1.7.3 Indemnities

As recommended by the VALMIN Code (2015), Silver Lake has represented in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

In line with the VALMIN Code (2015), Silver Lake has provided SRK with an indemnity letter under which SRK is to be compensated for any liability and/or expenditure resulting from any additional work required which:

- results from SRK's reliance on information provided by Silver Lake, or Silver Lake not providing material; or

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- relates to any consequential extension of workload through queries, questions or public hearings arising from this report.

1.7.4 Consent

SRK understands that this Report will be provided to Silver Lake's shareholders. SRK provides its consent for this Report to be included in the BDO Report on the basis that the technical assessment and valuation expressed in the Executive Summary and in the individual sections of this Report is considered with, and not independently of, the information set out in the complete Report.

1.7.5 Consulting fees

SRK's estimated fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$300,500. The payment of this professional fee is not contingent on the outcome of this Report.

1.8 Structure of the Report

This Report adopts the following structure:

Part A: Australian Mineral Assets – Sections 2 to 6.

Part B: International Mineral Assets – Sections 7 to 9

Part C: Valuation – Sections 10 to 12.

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Table 1-1: Details of qualifications and experience of consultants

Specialist	Position, Company	Responsibility	Length and type of experience	Site inspection	Professional designation
Jeames McKibben	Principal Consultant, SRK	Project Manager	29 years; 19 years in valuation and corporate advisory, 2 years as an analyst and 8 years in exploration and project management roles	None	BSc (Hons), MBA, FAusIMM (CP), MAIG, MRICS, MSME
David Slater	Principal Consultant, SRK	Mineral Resources	+30 years; 19 years in mineral resource estimation and audit	Mount Monger, King of the Hills, Deflector 5–8 March 2024	BAppSci, DipEd, FAusIMM, MAIG
Steve Gemell	Associate Corporate Consultant, SRK	Mining	48 years; 38 years in consulting and mining company directorships; 10 years in operations and exploration management	Mount Monger, King of the Hills, Deflector 5–8 March 2024	BE (Mining) (Hons), FAusIMM(CP), MAIME
Katie Barns	Associate Principal Consultant, SRK	Processing	20 years in mineral processing and extractive metallurgy, circuit design, feasibility study, audits, commissioning and pilot to full-scale plant	None	MBA, Meng, MAusIMM, MIPENZ
Lisa Chandler	Associate Principal Consultant, SRK	ESG – Australia	30 years international experience in ESG management and sustainability	None	MEng, MAusIMM
Ludovic Rollin	Senior Consultant, SRK	ESG – Australia	12 years international experience in ESG management and sustainability, including 6 years in consulting and 6 years in operations management	5–8 March 2024	BSc, MEng, EUR ING (CP), MAusIMM
Mathew Davies	Senior Consultant, SRK	Valuation	12 years – 9 years in consulting specialising in valuation and corporate advisory and 3 years as an exploration geologist	None	Bsc(Hons), MAusIMM
Brian Buss	Associate Corporate Consultant, SRK CA	Mining – Sugar Zone	+30 years international mining experience in rock mechanics, mine engineering and planning, project development and operations	Previously worked at Sugar Zone until September 2023	BSc, PEng, PMP
Mark Liskowich	Associate Corporate Consultant, SRK CA	ESG – Sugar Zone	+30 years as exploration geologist, environmental mine inspector, community liaison and mine closure	None	BSc, PGeo, APEGS
Gary Poxleitner	Principal Consultant, SRK CA	Project management – SRK CA		None	
Ian de Klerk	Principal Consultant, SRK	Peer Review	>35 years; +20 years in exploration, evaluation and assessment of Mineral Resources, 15 years in geological modelling and resource consulting	None	BSc (Hons), MSc, GradDip Eng (Mining), MAusIMM

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Part A: Australian Mineral Assets ■ Final

Part A: Australian Mineral Assets

Independent Specialist Report on the mineral assets of Silver Lake Resources Limited and Red 5 Limited
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2 Context to the Scheme

2.1 Introduction

Silver Lake is a multi-asset gold company operating in the Eastern Goldfields and Mid West regions of Western Australia and in northern Ontario, Canada. The Company's principal activities are exploration, mine development, mining operations and the sale of gold and gold-copper concentrate in Australia and Canada. The Company's principal assets are the Deflector, Mount Monger and Sugar Zone projects. Silver Lake's stated strategy is to become a larger, lower cost and longer life business.

Red 5 is a mid-tier Australia gold producer with established mines in the Leonora district of Western Australia. Red 5's principal activities are gold mining and mineral exploration. Red 5's key assets are the King of the Hills open pit and underground mine near Leonora and the Darlot underground (a satellite deposit) mine, which collectively feed the King of the Hills centralised 5.5 Mtpa processing hub (the current environmental operating licence allows processing of up to 6 Mtpa).

In their presentations to shareholders dated 5 February 2024, Red 5 and Silver Lake each outlined the rationale for the proposed transaction as including:

- The creation of a leading mid-tier gold company with diversified operations and growth opportunities in Tier 1 mining jurisdictions
 - Enhanced production profile supported by significant Ore Reserve and Mineral Resource inventory
 - De-risk shareholder returns through asset diversification and provision of opportunities not available on a standalone basis
 - Opportunity for shareholders to participate in stronger combined group
- Combination of highly complementary assets and balance sheets
 - The merged group will have net cash and listed investments totalling A\$380 million with strong near-term cashflow generation and long mine life assets
 - Enhanced balance sheet position providing financial flexibility
 - Elimination of duplicate corporate functions, listing costs and economies of scale to provide cost benefits
- Experienced leadership team with a proven track record and able to leverage the complementary skills sets of the respective companies to deliver increased capacity and capability
- A strong platform poised for growth based on four established mining hubs supported by extensive infrastructure, low capital intensity LOM extensions and growth opportunities
- Enhanced market significance through improved trading liquidity and potential re-rating of the merged group increasing access to capital markets and lowering the cost of capital.

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Over recent years, Silver Lake and Red 5 have both commenced and implemented a strategy of growth through disciplined acquisition. The ongoing maturation of this strategic intent is evident through the following.

- On 18 September 2023, Silver Lake announced that it had acquired an approximately 11.9% holding in Red 5's issued capital, as a strategic investment given Red 5's ownership of the King of the Hills operation and broad footprint in the Leonora district of Western Australia. Silver Lake noted it would '*continue to make investment decisions and deploy capital into organic and external opportunities, consistent with its stated objective to become a larger, lower cost and longer life business*'.
- On 28 April 2023, Silver Lake submitted a non-binding, indicative and conditional proposal to St Barbara Limited (St Barbara) for its Leonora assets in response to an earlier competing offer from Genesis Minerals Limited (Genesis) for these same assets. On 4 May 2023, this offer was revised to address concerns regarding conditionality, timing and residual liquidity. St Barbara subsequently determined not to engage with Silver Lake and ultimately Genesis acquired the assets on 30 June 2023.
- In January 2020, Silver Lake completed the compulsory acquisition of Egan Street Resources Limited, providing Silver Lake with access to the Rothsay gold mine to the southeast of the recently acquired Deflector gold mine. At the time of the announcement of this transaction, Silver Lake noted that Rothsay provided a near-term development opportunity to introduce a new high-grade ore source to the upgraded Deflector processing facility, and the combination of these assets was also consistent with Silver Lake's strategy to maximise the value of its established operations.
- In April 2019, Silver Lake completed the acquisition of Doray Minerals Limited. Key reasons advanced by both Silver Lake and Doray for this transaction included: i) the combination of two highly complementary high-grade gold operations allowing for a site-focused operating model with aggregated functional support, ii) diversification of production sources and cashflow generation, iii) significant reserve conversion and brownfield exploration opportunities, iv) financial strength and v) a balance of operating and capital market credentials within the leadership team able to execute a growth-focused strategy.
- On 2 August 2021, Red 5 announced its new King of the Hills processing hub strategy which was designed to use latent capacity in the new King of the Hills processing plant as a more cost-effective processing alternative for Darlot ore, and thus repositioning Darlot as a high-grade satellite ore source for King of the Hills.
- In November 2020, Red 5 entered into a farm-in joint venture with Ardea Resources Limited (Ardea), enabling Red 5 to earn up to an 80% interest in the Mount Zephyr and Darlot East gold projects, both located near the Darlot gold mine. Subsequent to this, Red 5 has spent its farm-in amount. While subject to an audit, SRK has been informed that Red 5 currently owns 80% of the Mount Zephyr and Darlot East gold projects.
- On 22 May 2020, Red 5 announced it had exercised an option to acquire a sub-lease over a defined area covering the Cables and Mission gold deposits within E37/1220, and approximately 10 km from the Darlot gold mine.
- In April 2020, Red 5 acquired the Emperor and King of the West tenements, both of which have historical workings that have yielded high gold grades.

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- On 9 April 2020, Red 5 announced it had completed the acquisition of a 100% interest in the Great Western gold deposit within M37/54 from Terrain Minerals Limited.
- On 16 April 2018, Red 5 announced it had acquired the Ockerbury Hill tenement (E36/865), located approximately 20 km west of Darlot from AngloGold Ashanti.
- In February 2018, Red 5 announced its intention to make a conditional off-market takeover bid for Bullseye Mining Limited (Bullseye), which was deemed to be consistent with Red 5's previously announced Eastern Goldfields Consolidation Strategy, given the proximity of the Laverton project to the Darlot operation.
- On 3 August 2017, Red 5 announced that it was embarking on a new strategy centred on the acquisition of a 100% interest in the operating Darlot gold mine from Gold Fields Limited (Gold Fields) and the King of the Hills project from Saracen Mineral Holdings Limited (Saracen). These transactions were completed on 2 October 2017. As a result of the acquisitions, Red 5 controlled a strategic footprint in the Leinster district with the ability to leverage this position by pursuing a regional consolidation strategy aimed at establishing the Darlot mill as a central processing hub.

In addition to these Australian mining and processing operations, Silver Lake and Red 5 hold the following international mineral interests:

- Silver Lake's Sugar Zone development opportunity, which is situated approximately 30 km northeast of White River or midway between Thunder Bay and Sault St Marie in northern Ontario, Canada. Silver Lake completed the acquisition of Harte Gold Corp (Harte Gold), the holder of a 100% interest in the Sugar Zone mine, in February 2022.
- Red 5's 3.25% NSR royalty interest in the Siana gold project, which is located on the island of Mindanao in the southern Philippines.

2.2 Location, access and climate

Silver Lake and Red 5's mineral assets are predominantly located in the Eastern Goldfields of Western Australia (Figure 2-3).

Key Australian gold operations which are the subject of this Report comprise:

- Silver Lake's 100% owned Mount Monger Operations located approximately 50 km southeast of the City of Kalgoorlie–Boulder. Access is via the Mount Monger Road which is sealed for the first 15 km and all-weather gravel road thereafter.
- Silver Lake's 100% owned Deflector Operations located in the southern Murchison region approximately 160 km east of Geraldton and 450 km north of Perth.
- Red 5's 100% owned King of the Hills open pit mining operation located adjacent to the sealed Goldfields Highway approximately 28 km north of Leonora and 80 km south of the Company's Darlot satellite gold mine. Leonora is approximately 230 km north of Kalgoorlie and 832 km east-northeast of Perth.

Additionally, each company maintains a regional exploration portfolio within the Eastern Goldfields region.

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Key population centres in proximity to Silver Lake and Red 5's mineral assets include Leonora, Laverton, Kalgoorlie–Boulder and Geraldton.

- Leonora is a sub-regional centre with an estimated residential population of 1,588 and fly-in fly-out (FIFO) or drive-in drive-out (DIDO) population of approximately 2,000 (Leonora Strategic Resource Plan 2022–2037, 2021). Facilities available at Leonora include basic emergency services (police station, hospital, medical support and ambulance service), various accommodation types (caravan park, hotels and motel), shopping (supermarkets, butchers, pharmacy, news agency), post office, banks, retail (nursery, furniture, café), potable water, transport, gas, fuel depot, banking, meals/accommodation, recreation and aquatic centres (including resource centre, information centre and public library), service centres, mechanical repairs, welding and general hardware. The town is serviced daily by flights from Perth and can also be accessed by road from Perth via the sealed Great Eastern and Goldfields highways, which takes approximately 8.5 hours.
- Laverton is a small mining town located on the western edge of the Great Victoria Desert, with an estimated residential population of 1,150 and FIFO or DIDO population of approximately 3,000 (Laverton Draft Strategic Resource Plan 2020–2035, 2020). As a local centre, the types and levels of services and facilities available are limited compared to larger regional hubs, but include a small hospital and medical centre, a variety of accommodation options, supermarkets and convenience stores, primary and secondary schooling, post office, bank, petrol stations and recreation facilities (library, aquatic centre, racecourse, parks and community centre). The town is frequently serviced by flights from Perth and can also be accessed from Leonora along the Leonora-Laverton Road, taking approximately 1.5 hours. Nearby gold projects include AngloGold Ashanti's Sunrise Dam mine, Gold Fields' Granny Smith mine, Northern Star's Carosue Dam mine and Regis Resource's Duketon gold project.
- The City of Kalgoorlie–Boulder has an estimated population of 30,000 and is the region's main mining and services centre. It is home to the Western Australian School of Mines: Minerals, Energy and Chemical Engineering. Skilled and unskilled labour can be readily sourced from the city, which also provides wholesale goods and services. The city is serviced daily by regional flights from Perth and can also be accessed by train from Perth via The Prospector route, which takes approximately 6 hours and 50 minutes, or by road from Perth via the sealed Great Eastern Highway, which takes approximately 7 hours.
- Geraldton is a significant coastal port city in the Mid West region of Western Australia with an estimated population of approximately 38,595 (2021 census). The city is an important service and logistics centre for regional mining, fishing, wheat, sheep and tourism industries.

Collectively, the subject mineral assets are well located with respect to existing regional infrastructure including sealed roads (e.g. the Goldfields Highway, Leonora–Laverton Road), an operational standard gauge rail line connects Leonora to Kalgoorlie and then onto either Esperance, Perth or the eastern states of Australia, and the Goldfields gas pipeline (including adjacent spurs). In addition, good shire-maintained unsealed roads connect the major mining centres and pastoral properties. Public airstrips are located at Laverton and Leonora, with scheduled commercial and private chartered flights most days. These are used for FIFO requirements. There are several other private airstrips in the surrounding area, including at the Murrin Murrin and Granny Smith operations.

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The regional workforce predominantly operates on a FIFO basis to and from Perth to either Leonora (via a fully sealed all-weather air strip) or Kalgoorlie, although some personnel work on a DIDO basis from Kalgoorlie–Boulder or Mullewa, or reside in Leonora. Goods and services and skilled labour are typically sourced from Kalgoorlie–Boulder or Geraldton and unskilled labour is sourced locally.

The Goldfields region is semi-arid to arid with two main seasons: hot and dry in summer and cool to mild in winter. Summer maximum temperatures may exceed 40°C, but average around 33°C, while winter temperatures average around 22°C but may fall as low as 5°C, occasionally falling below freezing at night. Rainfall is evenly distributed throughout the year and averages approximately 260 mm per annum. The most reliable rains occur in winter and June is typically the wettest month, with approximately 32 mm. Summer rainfall usually occurs during thunderstorms and occasionally, through decaying tropical cyclones from the northwest. At such times, annual rainfall can exceed 500 mm. Evapotranspiration is high, particularly during summer from November to April (source: Bureau of Meteorology).

The physiography of the region is characterised by broad plains and playas with areas of low ridges and hills, with elevations ranging between 300 m and 560 m above Australian Height Datum (m AHD). Resistant greenstone belts (mafic basement rocks and banded iron formations) form prominent hills and ridges. Broad valleys are occupied by saline playa lakes, with some connectivity to palaeochannels (buried former river channels present during the Tertiary when climate conditions were wetter). There are no permanent rivers, with intermittent flow only occurring after major rainfall and with surface water runoff flowing into playa lakes. Current surface drainage is poorly defined by ephemeral floodways, which typically have no flow for several consecutive years.

Other than the summer thunderstorms, mining and exploration activities in the region are largely unimpeded by climate and topography throughout the year.

The area is too arid to support broadacre agriculture, but there is a substantial pastoral industry (mainly cattle). Natural vegetation comprises mainly low eucalypt woodland or sparsely vegetated areas with mulga growing on granitoid rocks and alluvium, and saltbush and samphire growing on most of the gypsum dune country surrounding the salt playas.

2.3 Tenure and land access

2.3.1 Native title

Mount Monger

Most of the Mount Monger operation is intersected by the registered (but not determined) Kakarra Part A native title claim area (Federal Court number WAD297/2020, registered on 3 March 2021). The Kakarra Part B native title claim (WAD298/2020) is partially located over Karonie. The Part B claim was determined on 29 November 2023. Native title rights in the Karonie area are non-exclusive: no part of the Kakarra Part B determination area where exclusive native title has been recognised is intersected by the Silver Lake tenements. Parts of the Aldiss tenement package lie within the determined Ngadju native title claim. M28/289, for example, lies within an area where

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non-exclusive native title exists (Federal Court number WAD6020/1998). All Mining Leases of the Daisy Complex were granted prior to native title.

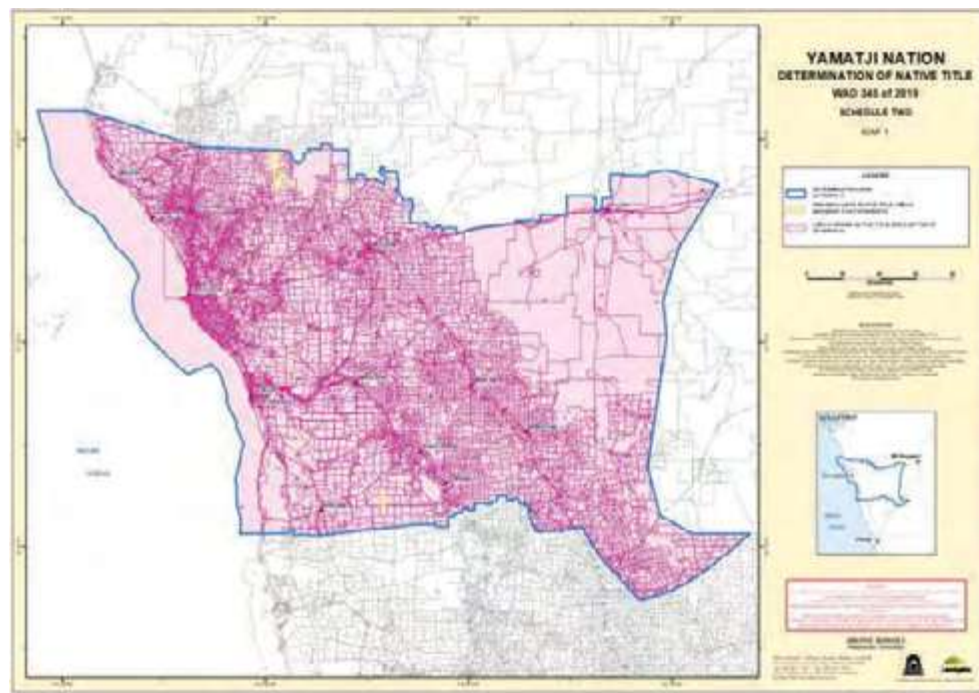
The existence of native title (or native title claims) in the project area is not likely to significantly impede future mining operations, as the native title rights are non-exclusive, meaning that there is an expectation that shared land use will occur. However, it will be necessary for the project owner to maintain constructive relations with the native title holders/claimants and to actively demonstrate that any commitments made through engagement with these groups are being delivered.

Deflector and Rothsay

The whole of the Deflector tenement package and nearly all of the Rothsay tenement package lie within the determined Yamatji Nation Native Title claim area (Figure 2-1). On 7 February 2020, the Federal Court of Australia determined that non-exclusive native title exists in small parts of the claim area. However, the Court determined that native title *does not exist* in the parts of the claim area that overlie Deflector and Rothsay tenements.

Parts of some miscellaneous tenements that form part of the Rothsay tenement package (L59/24, L59/173 and L59/174) are intersected by the Badimia People’s Native Title claim (WAD6123/1998). A Federal Court decision on 25 May 2015 found that native title does not exist in any part of the Badimia claim area, including those parts corresponding to tenements within the Rothsay tenement package.

Figure 2-1: Yamatji Nation native title claim area



Source: Federal Court of Australia, Native Title Determination - Yamatji Native Title, 07/02/2020

Notes: Areas where native title does not exist are shown in pink.

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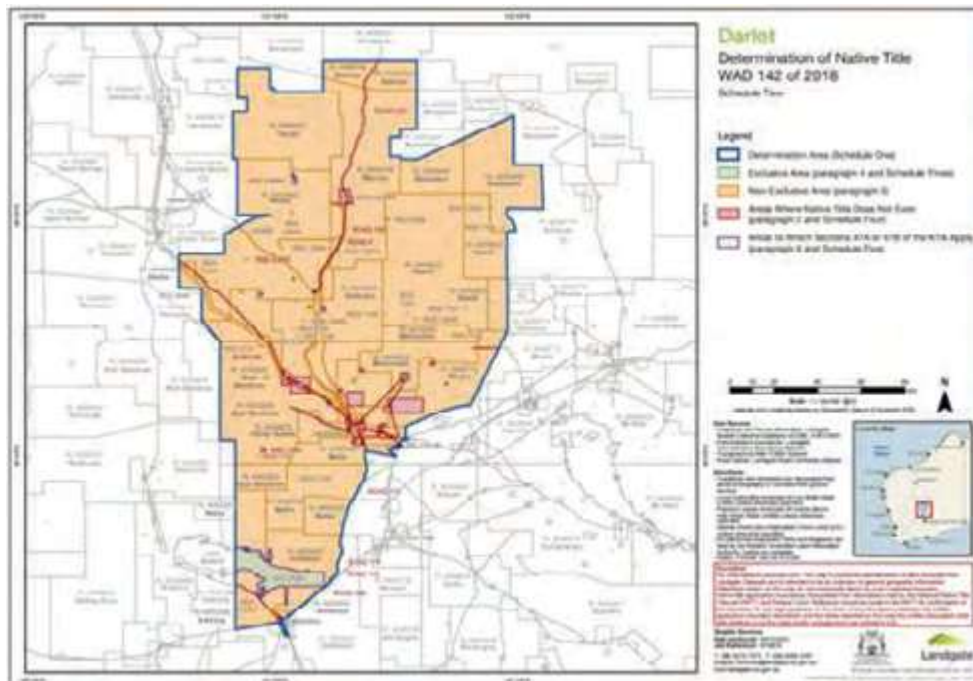
Darlot and King of the Hills

The whole of the Darlot and King of the Hills tenement packages lie within the determined Darlot native title claim area (Figure 2-2). On 5 July 2022, the Federal Court of Australia determined that non-exclusive native title exists over most of the claim area (WAD142/2018). In very small parts of the claim area, including some areas coinciding with the Darlot tenement package, the Court determined that native title *does not exist*. The Court decision recognised exclusive native title rights in parts of the claim area corresponding to Lake Ballard, which lies well to the south of Red 5’s Darlot tenement package. As a result, native title holders have the right to:

- access, traverse, remain in and move about the area
- camp and erect shelters on the area
- access, use and take for any purpose the resources of the area (not including mineral or petroleum resources)
- hold meetings, participate in cultural activities and conduct ceremonies
- maintain and protect places of significance on the area.

The native title rights do not include confer rights or interests to the exclusion of others’ access to or use of the land and do not confer mineral rights or exclusive rights in relation the extraction or use of surface water or groundwater.

Figure 2-2: Darlot native title claim area



Source: Federal Court of Australia, Native Title Determination – Darlot Native Title, 05/07/2022

Notes: Areas where non-exclusive native title exists are shown in tan.

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2.3.2 Mineral tenure – Silver Lake

Silver Lake’s mining (M), miscellaneous (L) and general purpose (G) tenures at Mount Monger and Deflector extend over a combined area of approximately 21,236 ha (not including exploration (E) and prospecting (P) tenements or mining tenements that have been applied for but not yet granted at the time of report preparation). Overall, the Silver Lake package comprises 12 granted Exploration Licences, 53 granted Mining Leases, 11 granted Prospecting Licences, 41 Miscellaneous Licences and 7 General Purpose Licences. Two mining tenements are listed as pending. Several tenements are due to expire in 2024, but tenure can be extended, providing an application to extend the holding is lodged before the expiry date. SRK has received representations from Silver Lake that the schedule detailed in Table 2-1 is to be relied upon for the purpose of this Report. SRK has made all reasonable enquiries with Silver Lake and cross-checked with the WA online database, TENGRAPH (https://www.dmp.wa.gov.au/Tengraph_online.aspx), into the status of this tenure as at 17 March 2024.

Table 2-1: Silver Lake’s tenement summary – as at 17 March 2024

Tenement type	Monger	Randalls	Aldiss	Deflector	Rothsay
Exploration (E)	1	0	0	7	4
General purpose (G)	2	1	4	0	0
Miscellaneous (L)	6	14	4	12	5
Mining (M)	26*	7	4	16	2
Prospecting (P)	11	0	0	0	0
Total	46	22	12	35	11

Source: Silver Lake, WA site Tengraph

Note: Two mining licences within the Mount Monger tenement package are listed as ‘pending’.

2.3.3 Mineral tenure – Red 5

Red 5’s exploration (E), prospecting (P), mining (M), miscellaneous (L) and general purpose (G) tenures at Darlot and King of the Hills extend over a combined area of approximately 272,484 ha (~2,725 km²). Overall, the Red 5 package comprises 50 granted and 11 pending Exploration Licences, 65 granted Mining Leases, 11 granted and one pending Miscellaneous Licences and 1 granted General Purpose Licence.

SRK has received representations from Red 5 that the schedule detailed in Table 2-2 is to be relied upon for the purpose of this Report. SRK has made all reasonable enquiries with Red 5 and cross-checked with the WA online database, TENGRAPH (https://www.dmp.wa.gov.au/Tengraph_online.aspx), into the status of this tenure as at 19 March 2024.

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Table 2-2: Red 5 tenement summary – as at 19 March 2024

Tenement type	Darlot	King of the Hill
Exploration (E)	57 ¹	3
General purpose (G)	1	0
Miscellaneous (L)	9	3
Mining (M)	29	34
Prospecting (P)	13	41
Total	109	81

Source: Excel spreadsheet dated 29 February 2024, document number 07.08.03.02.02_240301_Tenure Current Red 5 Ltd

Note: In all, 14 tenements are pending grant: Eleven of the 47 exploration licences within the Darlot tenement package are listed as ‘pending’. One prospecting licence at Darlot and one prospecting licence at King of the Hills are pending. One miscellaneous licence at Darlot is pending.

2.3.4 Other forms of tenure

Mount Monger

The Cock-eyed Bob deposit and the greater part of the Randalls tenement package is located on the Randell Timber Reserve (gazetted in 1975) and the coincident pastoral lease (Mount Monger pastoral lease) which is used for livestock grazing.

Deflector

The Deflector processing facility lies on M59/442 which is situated on the former Barnong pastoral lease, which is now administered by the Department of Biodiversity, Conservation and Attractions and Attractions (DBCA) for conservation purposes.

The Rothsay project is located on unallocated Crown land within the Shire of Perenjori.

Darlot and King of the Hills

The Darlot and King of the Hills tenement packages intersect several pastoral leases. The Darlot operation lies within the Melrose pastoral lease, which is wholly owned and managed by Red 5. The King of the Hills operation mostly lies within the Tarmoola pastoral lease, with some exploration tenements within the King of the Hills tenement package extending onto the Sturt Meadows and Tarmoola pastoral leases.

2.4 Regional geological setting and gold mineralisation

The Mount Monger, King of the Hills and Darlot mineral assets are geologically located within the Eastern Goldfields Superterrane (EGS) of the Yilgarn Craton. The Yilgarn Craton consists of a series of accretionary terranes, where continental collision has added to, or thickened, the continental crust. It is characterised by numerous linear, north-northwesterly trending greenstone belts of Archaean age comprising metamorphosed volcanic and sedimentary rocks, with intervening areas of granitoid intrusive bodies. Proterozoic mafic and felsic dykes cut both the greenstone and granitoid rocks.

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The greenstone belts contain metamorphosed and deformed sequences of mafic and ultramafic volcanic rocks; felsic volcanic and volcanoclastic rocks; sedimentary rocks and minor chert and banded iron formations (BIFs). A variety of granitoid rocks, generally foliated, has extensively deformed the greenstone belts, resulting in complex structures. The granite-greenstone contacts are generally strongly deformed, with localised high-grade metamorphism and interleaving of granitoid and greenstone rocks. As a result, the greenstones are highly sheared and fractured, while the granitoids are generally massive, except for jointing and local fracturing developed adjacent to the greenstone contacts.

Gold mineralisation can form at all stages of orogenic evolution and, as a result, evolving metamorphic belts typically contain a diverse range of gold deposit types that may be juxtaposed or overprint each other (Goldfarb et al., 2005).

Most of the Archaean gold deposits in the Yilgarn Craton belong to a group of structurally controlled orogenic gold deposits. At the regional scale, most of the orogenic gold deposits are spatially associated with regional shear zones. In the greenstone belts of the EGS, significant vein-hosted gold deposits are typically distributed along specific regional structures formed under compressional to transpressional regimes. Due to their association with regional structures, such gold prospects are typically located at the boundaries of contrasting lithologies or age domains within the greenstone belts. Within these prospects, the gold deposits commonly cluster along structures, where they are localised at bends or at the intersection of two or more faults (Goldfarb et al., 2005; Robert et al., 2005). The EGS is divided, from west to east, into the Kalgoorlie, Kurnalpi and Burtville terranes. In turn, these terranes are divided into a number of fault-bound geologically continuous domains (Figure 2-3).

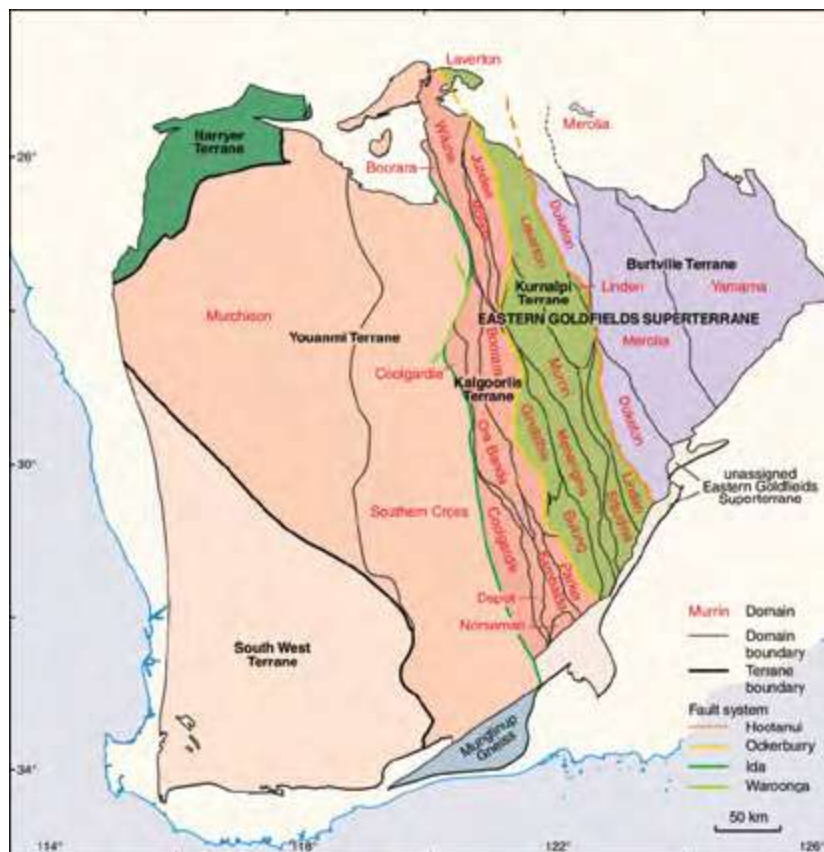
Red 5's King of the Hills operations straddle the eastern margin of the Kalgoorlie Terrane and the adjacent Kurnalpi Terrane, while Silver Lake's Mount Monger operations lie entirely within the Bulong domain of the southern Kurnalpi Terrane.

The Kalgoorlie Terrane is exposed over a width between 50 km and 120 km and a length of approximately 500 km. It is bound to the west by the east-dipping Ida Fault and to the east by the Ockerbury Fault. The Kalgoorlie Terrane comprises ten structural domains (Wiluna, Moilors, Jundee, Boorara, Ora Banda, Coolgardie, Depot, Kambalda, Parker and Norseman) which contain metamorphosed and dismembered units of the dominantly mafic-ultramafic volcanic Kambalda Sequence, the volcanoclastic Kalgoorlie Sequence and siliciclastic sedimentary rocks of the Kurrawang and Merougil Sequences (Vielreicher et al., 2016).

The Kurnalpi Terrane lies immediately adjacent and to the east of the Kalgoorlie Terrane. Like the Kalgoorlie Terrane, it forms a north-northwest trending strip ranging from 50 km to 150 km in width and is sporadically exposed over a 650 km strike length. It is bound to the west by the east dipping Ockerbury Fault and to the east by the Hootanui Fault. The terrane is composed of seven internal structural domains (Laverton, Linden, Edjudina, Murrin, Menangina, Gindalbie and Bulong). It comprises several calc-alkaline volcanic centres and associated sedimentary sequences, primarily divided into the Laverton (mafic volcanic), Kurnalpi (calc-alkaline volcanic and volcanoclastic sedimentary), Minerie (mafic volcanic) and Basinal (siliciclastic) sequences.

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Figure 2-3: Regional geological setting



Source: Modified from Cassidy et al. (2006)

Red 5’s King of the Hills operations are located within the Boorara domain of the Kalgoorlie Terrane. The eastern boundary of the Boorara domain is bound by the Perseverance fault system (in the north) and the Ockerbury fault system (in the south). The western boundary of this domain is controlled by the Bardoc Shear Zone Lefroy fault system and the Warronga fault system in the north. Stratigraphy of the Boorara domain is dominated by mafic to ultramafic intrusive and extrusive rocks with intercalated sedimentary horizons. Minor felsic to intermediate volcanic rocks and their derivatives are also evident. Coarse conglomerates of variable ultramafic to mafic character represent graben fill sediments associated with rifting along the major crustal structures.

The remaining portions of Red 5’s King of the Hills operations, namely the Darlot project, fall within the Gindalbie and Menangina domains of the Kurnalpi Terrane.

The Gindalbie domain lies along the western margin of the Kurnalpi Terrane and comprises several volcanic centres ranging in age (2692–2683 Ma) and composition (from basalt to rhyodacite volcanics, felsic volcanoclastics and rhyolitic flows). The domain has complex faulted margins (the Emu Fault to the east and portions of the Ockerbury fault system to the west) with a dominant south-southeast structural trend and localised refolding throughout the domain.

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The Minangina domain greenstones consist of basalt, gabbro, ultramafic rocks, andesite and sedimentary and felsic volcanic rocks. Interlayering of felsic volcanoclastic units with the komatiitic flows suggests contemporaneous felsic and komatiitic volcanism. Parts of this domain are characterised by intensely deformed, locally mylonitised amphibolite facies schist derived from felsic and mafic volcanic and volcanoclastic rocks.

Silver Lake's Deflector deposit lies within the Gullewa Greenstone Belt in the Murchison Province of the Youanmi Terrane in the Yilgarn Block. The southern end of the belt has the form of a broad east-west oriented synform comprising a lower group of mafic and ultramafic rocks, with BIF units overlain by more felsic rocks and an upper group of conglomerates, arenites, shales and minor basalts. Intrusive bodies into this sequence include trachyandesite, granodiorite and gabbro. The major north–south oriented Salt River Lineament runs through the eastern portions of the belt, along with several other northeast trending faults and shears. All structures are known to host gold mineralisation. Outcrop is virtually non-existent, with a thin cover of shear wash and partly lateritised alluvial sediments (known as the 'Murchison Hardpan').

Further information on the local geology and gold mineralisation within each of the projects is provided in sections 3.5 (Mount Monger), 4.5 (Deflector) and 5.5 (King of the Hills), respectively.

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Silver Lake’s Mount Monger Gold Project ■ Final

3 Silver Lake’s Mount Monger Gold Project

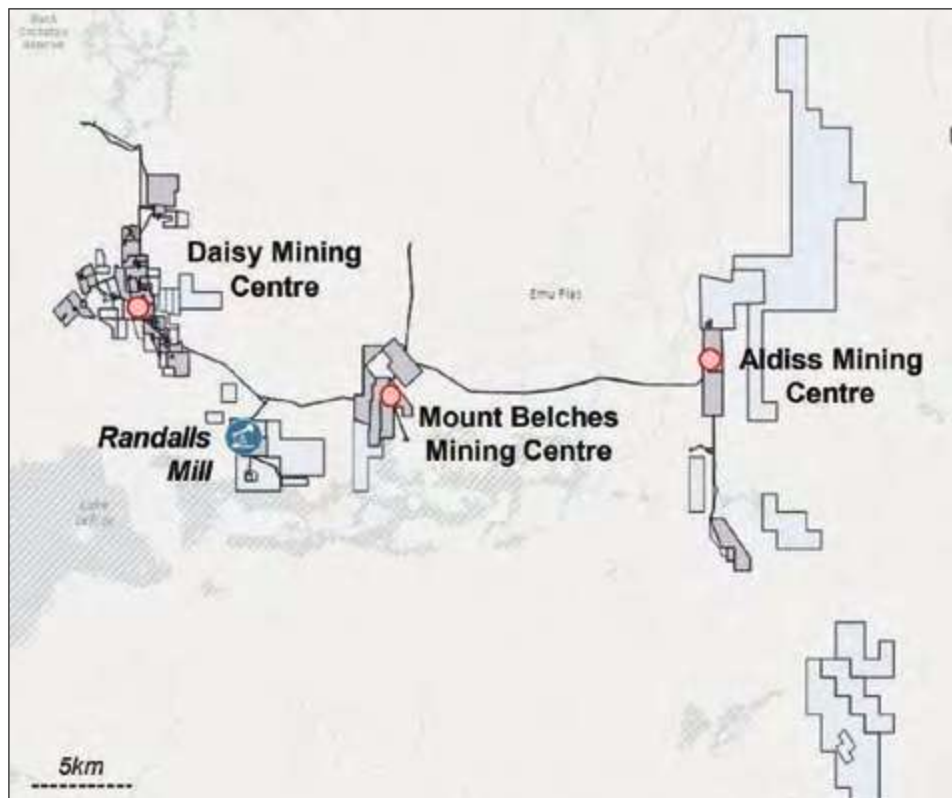
3.1 Project description and background

Silver Lake’s 100% owned Mount Monger gold project is located at -31.02°S and 121.92°E approximately 50 to 110 km southeast of Kalgoorlie within the Hampton Land District in the Kalgoorlie–Boulder local government area. It comprises three mining centres and several smaller deposits. All ore is processed at the 1.3 Mtpa Randalls processing facility.

The operation is accessible via the Mount Monger Road, which is sealed for the first 15 km and then an all-weather gravel road for the remaining 35 km.

Silver Lake currently operates three independent mining centres at Mount Monger: the Daisy Mining Centre (underground), the Mount Belches Mining Centre (underground) and the Aldiss Mining Centre (open pit), along with the Randalls Mill (processing plant). The project layout is shown in Figure 3-1.

Figure 3-1: Location and tenure of Mount Monger gold project



Source: Red 5 – Silver Lake joint ASX announcement dated 5 February 2023

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The Daisy Mining Centre is located 19 km northwest of the Randalls mill and has provided a baseload asset for the Mount Monger operation. The Daisy complex comprises the underground mine which is surrounded by several smaller deposits; collectively, these form the Daisy Mining Centre. The Daisy complex comprises several mineralised lodes and typically delivered approximately 1,500 ounces per vertical metre since FY2009. In the half year to 31 December 2023, the Daisy Mining Centre produced 122,426 t at 5.0 g/t Au for 19,790 ounces of contained gold with production sourced from the Easter Hollows, Haoma West and Lower Prospect mining areas¹.

Mount Belches is a separate mining centre located 18 km to the east of the Randalls Mill and is focused on the shallow Maxwells and Cock-eyed Bob underground mines (currently suspended). There are Ore Reserves which attach to these mines, as well as the Santa (majority of the Mount Belches Ore Reserve) and Rumbles, along with Mineral Resources at Santa and Rumbles. Silver Lake's focus is on commencement of the Santa and Flora open pits which collectively host 285 koz in Ore Reserves. Earthworks have commenced and will progressively ramp up through Q4 FY24. Further drilling is also planned to potentially convert Mineral Resources to Ore Reserves and extend its LOM at Maxwell and Cock-eyed Bob as both remain open down plunge. Silver Lake is also targeting an increase in production from Mount Belches through the potential addition of new mines at Santa and potentially Rumbles. Following recent exploration success at Flora Dora, Silver Lake has revised its operating strategy at the Mount Belches Mining Centre, moving directly to the larger Santa open pit and the inclusion of the Flora Dora pit in the mine plan, providing increased certainty and baseload LOM visibility related to the previously announced plan of initially mining Stage 1 Santa open pit prior to mining Santa Stage 2².

The first development from Cock-eyed Bob was accessed in late 2018, with FY18 ore sourced predominantly from development. Drilling has intersected mineralised below the current mine plan, and this presents an opportunity to restart the current LOM at Cock-eyed Bob.

The Aldiss Mining Centre is located approximately 50 km east of the Randalls Mill. In FY24, mining at Aldiss is exclusively from the Tank South underground mine.

Ore from the three mining centres is transported to the 1.3 Mtpa Randalls Mill (conventional crush, grind carbon-in-pulp (CIP) plant). Ore milled for the 6 months to 31 December 2023 totalled 588,490 tonnes at a blended grade of 3.0 g/t Au for 51,070 recovered ounces. The high-grade underground mines provided approximately 26% of the mill feed with the balance source from open pit stockpiles.

Exploration success has created a pipeline of projects at Mount Monger to further leverage on the established infrastructure and enhance mine life visibility. Re-optimisation of the pit shells of existing Mineral Resources has identified potential open pits proximal to the Santa open pit. Further opportunities for medium term to longer term scheduling include the recommencement of underground mining at Mount Belches³.

¹ Silver Lake ASX announcement 'Appendix 4D; half year report period ended 31 December 2023', dated 21 February 2024, page 5.

² Silver Lake ASX announcement 'Appendix 4D; half year report period ended 31 December 2023', dated 21 February 2024, page 5.

³ Silver Lake ASX announcement 'Appendix 4D; half year report period ended 31 December 2023', dated 21 February 2024, page 5.

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FY23 actual costs all-in sustaining costs (AISC) are A\$2,104/oz for production of 96 koz Au. For FY24, the forecast is between 90 koz and 100 koz of gold for AISC of A\$2,300/oz to A\$2,500/oz (including A\$398/oz non-cash inventory charge).

3.1.1 Tenure

Silver Lake holds a 100% interest in the Mount Monger tenure through its wholly owned subsidiary company, Silver Lake (Integra) Pty Ltd. The Mount Monger project area comprises 1 granted Exploration Licence, 26 granted Mining Leases, 11 granted Prospecting Licences, 6 Miscellaneous Licences and 2 General Purpose Licences covering a combined area of approximately 51 km² (Table 3-1).

SRK has received representation from Silver Lake that the schedule detailed in Table 3-1 is to be relied upon for the purpose of this Report. SRK has made all reasonable enquiries into the status of this tenure as at 28 February 2023 and cross-checked with the WA online database, TENGRAPH (https://www.dmp.wa.gov.au/TENGRAPH_online.aspx).

Table 3-1: Mount Monger project – summary tenement schedule

Type	Number	Area (km ²)
Exploration Licence (EL)	1	13
Prospecting Licence (PL)	11	16
Mining Lease (ML)	26	21
Miscellaneous Licence (L)	6	1
General Purpose Licence (G)	2	0.1
Total	46	51

Source: TENGRAPH

Royalties

State royalties are distributed to the Western Australian Government at the ad valorem rate of 2.5% of the royalty value of any gold produced from Silver Lake’s Mount Monger operations as defined under the Mining Regulations 1981.

Third-party royalties are applicable to the Daisy Complex and Mount Belches tenures and are based on production or proportion of net profit.

3.2 Infrastructure

Silver Lake’s existing facilities at Mount Monger operations comprise the following:

- underground mining operations (Daisy-Milano, Tank South)
- open pit mining operations (Santa)
- multiple historical open pits (including groundwater supply for dust suppression)
- associated waste rock dumps (WRDs)
- roads, tracks, go-lines and laydown yards

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- administration area (offices, change rooms and crib room)
- mine ore pads (Run of Mine, ROM pads) located at mining areas
- workshops
- core yard
- Randalls Mill (gold processing facility) and tailings storage facilities
- process water ponds/turkey’s nests
- pipelines/high-voltage lines
- LNG powered power generation plant
- historical infrastructure (mine shafts, stockpiles, battery, buildings, etc.).

3.3 Permitting and compliance

3.3.1 Environmental permitting

Environmental aspects of mining and related activities at the Mount Monger, Randalls, Rothsay, Aldiss and Deflector operations are primarily regulated under the following Western Australian legislation:

- Mining Act 1978
- Environmental Protection Act 1986
- Rights in Water and Irrigation Act 1914.

A summary of the most recent approvals issue under these Acts is provided in Table 4-2.

None of the mining activities that form part of Silver Lake’s operations are considered by Silver Lake to be ‘environmentally significant’ and none have been referred to the Federal Government or to the Western Australian Environmental Protection Authority (EPA) for environmental impact assessment under (respectively) the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) or the *Environmental Protection Act 1986* (WA).

Mining and related activities

Commitments made in approved mining proposals and mine closure plans are legally binding and remain as legal obligations unless explicitly altered or superseded by succeeding Mining Act approvals. Environmental obligations travel with mining tenure and are binding on successive tenement holders. Over 40 mining proposals have been approved in connection with tenements now forming part of Silver Lake’s Mount Monger operations over the period from 1991 to 2023. The two most recently approved mining proposals approved for the Mount Monger operations (Project Codes: J00251 and J00184) are listed in Table 4-2.

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Groundwater extraction and use

Water allocations approved under the *Rights in Water and Irrigation Act 1914* (RIWI Act) are summarised in Table 4-2. Approvals to extract water under Section 5C of the RIWI Act do not automatically entitle licence holders to discharge water to the environment. Discharge of water to the environment (including disposal of water to mine pit voids) is regulated as a 'prescribed activity' under Part V of the *Environmental Protection Act 1986* (EP Act).

Prescribed activities (environmental operations)

Silver Lake currently holds three 'prescribed premises' licences under Part V of the EP Act at Mount Monger, one at Rothsay and one at Deflector. The Act does not regulate mining activities, but does regulate mine dewatering, ore processing, storage of tailings and a range of other prescribed activities (many of which relate to water management).

Clearing of native vegetation

At least a dozen native vegetation clearing permits have been issued to Silver Lake in connection with its mining and exploration activities at Mount Monger (and associated mining areas). Of these, it appears that eight permits (CPS 6329, CPS 6457, CPS 7885, CPS 8051, CPS 8329, CPS 8519, CPS 9778 and CPS 10286) are still valid, although two (CPS 8329 and CPS 8519) are due to expire on 3 May 2024 and 13 September 2024, respectively. In the aggregate, the valid clearing permits authorise clearing of up to approximately 914 ha of native vegetation.

A large portion of the Mount Belches mining area lies within the Randell Timber Reserve 194/25, a Class C nature reserve administered by the DBCA. Silver Lake advises that it has been granted Ministerial consent for mining within the reserve, subject to the company conducting mining operations in accordance with a Conservation Management Plan endorsed by DBCA. SRK has not sighted the Conservation Management Plan.

Aboriginal heritage

Public datasets available from the Department of Planning, Lands and Heritage (DPLH) show a number of 'heritage places' wholly or partly within the Mount Monger tenements. Some of these are classified as 'stored sites', meaning that they have been assessed as not meeting criteria for registration as a 'heritage site' as described in Section 5 of the *Aboriginal Heritage Act 1972*. These locations are not considered to be 'heritage sites'. A number of other mapped 'heritage places' are categorised as 'lodged sites', meaning the locations have been reported to DPLH, but that no assessment has so far been completed to determine if the features meet registration criteria. To SRK's knowledge, only two registered Aboriginal heritage sites (site ID 36961 and site ID 37124, both artefact scatters) lie within the Mount Monger tenements. SRK is unaware of whether all tenements required for implementation of current and future mining activities have been comprehensively surveyed for heritage sites. According to public records issued by the Aboriginal Cultural Heritage Committee, a Section 18 consent under the *Aboriginal Heritage Act 1972* was granted on 25 October 2017, authorising disturbance on Silver Lake tenements L28/55, M28/289 and M28/171 to allow exploration, mining and establishment of infrastructure at the Mount Monger Operation (subject to conditions). SRK has not sighted the Section 18 approval, but infers it relates to the disturbance of heritage site ID 37124. An earlier Section 18 consent (for exploration, mining and establishment of infrastructure on tenements L26/215, M25/125 and M26/251) was granted (subject to conditions) on 29 June 2017. SRK infers that this consent relates to disturbance of heritage site ID 36961.

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Table 3-2: Environmental authorisations – Silver Lake Mount Monger operation (as at March 2024)

Statutory instrument	Date approved (or most recently amended)	Regulated activities
Mining Act 1978		
Mining proposal REG ID 120523 (Randalls Gold Processing Facility TSF2 East Groundwater Recovery Drain)	28 September 2023	Mining, mineral processing and related ancillary activities
Mining proposal REG ID 113934 (Aldiss (Tank Open Pit Backfill))	28 October 2022	Mining, mineral processing and related ancillary activities
Part V of Environmental Protection Act 1986		
Licence L8449/2010/1 (valid to 8 September 2030) – Mt Monger Operations	27 July 2020	<ul style="list-style-type: none"> ■ L8449 authorises: <ul style="list-style-type: none"> – Crushing, screening or milling up to 0.5 Mtpa of material (not including ore processing) – Disposal of no more than 5,000 tpa of waste and 600 tyres in a putrescible waste landfill. ■ L8457 authorises: <ul style="list-style-type: none"> – Processing up to 1.7 Mtpa of ore – Mine dewatering and discharge to the environment of up to 0.7 GLpa of groundwater – Disposal of no more than 1,000 tpa of waste in a putrescible waste landfill. ■ L9112 authorises: <ul style="list-style-type: none"> – Mine dewatering and discharge to the environment of up to 0.45 GLpa of groundwater – Crushing, screening or milling up to 0.438 Mtpa of material (not including ore processing) – Disposal of no more than 5,000 tpa of waste in a putrescible waste landfill.
Licence L8457/2010/2 (valid to 5 September 2030) – Randalls Salt Creek processing facility	7 November 2023 11 July 2023	
Licence L9112/2018/1 (valid to 10 August 2025) – Aldiss operations		
Works approval W6316/2019/1 (valid to 13 January 2025) – Salt Creek processing facility		
Clearing permits 6329, 6457, 7885, 8051, 8329, 8519, 9778 and 10286 ¹	Various dates	Permits authorised clearing of up to 914.39 ha of native vegetation
Rights in Water and Irrigation Act 1914		
GWL158446 (M26/271 – Mt Monger) – Expires 16 March 2033	17 March 2023	Authorises extraction of 0.03 GLpa of groundwater

⁴ ‘Time limited operations’ allows a permit holder to continue to operate under a works approval while transitioning to a full licence.

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Statutory instrument	Date approved (or most recently amended)	Regulated activities
GWL162889 (M26/393; M26/825; M26/665; M26/94; G26/168; M26/411; M26/282; M26/410; M26/415; M26/129; L25/41; M26/636; M26/38; M26/836; M26/402; M26/250; M26/280; M26/389; M26/271; M26/251; M26/500; L26/285; M26/401; M26/325; M26/847 – Mt Monger) – Expires 8 June 2031	9 June 2021	Authorises extraction of 0.295 GLpa of groundwater
GWL165088 (25/125; M25/71; M25/133; M25/347; L25/22 – Mt Monger) – Expires 25 November 2031	17 February 2022	Authorises extraction of up to 0.5 GLpa of groundwater
GWL171076 (M25/347 – Salt Creek) – Expires 29 June 2030	30 June 2020	Authorises extraction of up to 1 GLpa of groundwater
GWL180131 (M25/307 – Randalls) – Expires 18 February 2025	27 February 2015	Authorises extraction of up to 0.90 GLpa of groundwater
GWL200257 (L28/57; M28/171; M28/208; M28/43 – Aldiss) – Expires 19 December 2027	28 October 2021	Authorises extraction of up to 0.91 GLpa of groundwater
GWL2002457 (L28/55; G28/3; G28/1; L28/57; G28/4; M28/289; M28/43; L25/46; M28/208; G28/2; M28/171 – Aldiss) – Expires 19 December 2027	28 October 2021	Authorises extraction of up to 0.91 GLpa of groundwater
GWL200690 (L28/55; M28/289 – Aldiss) – Expires 19 December 2027	21 January 2020	Authorises extraction of up to 0.45 GLpa of groundwater

Note: It is not possible to transfer or assign clearing permits issued under the *Environmental Protection Act 1986*.

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3.3.2 Environmental management and compliance

In its mining proposals, Silver Lake says it has implemented an environmental management system aligned with ISO 1400. An environmental management system manual provided by Silver Lake (document reference *PLN-E-SLR-001*, dated 20 January 2023) indicates that the management system is applied across Silver Lake's Mount Monger, Deflector/Rothsay and Sugar Zone operations. The management system has not been formally accredited. The environmental management system manual provides a high-level framework describing the general objectives and management strategies proposed to be implemented by Silver Lake. SRK has not sighted the various management plans, procedures, record, registers and other components of Silver Lake's management system and has instead relied on statutory compliance reports supplied by the Company.

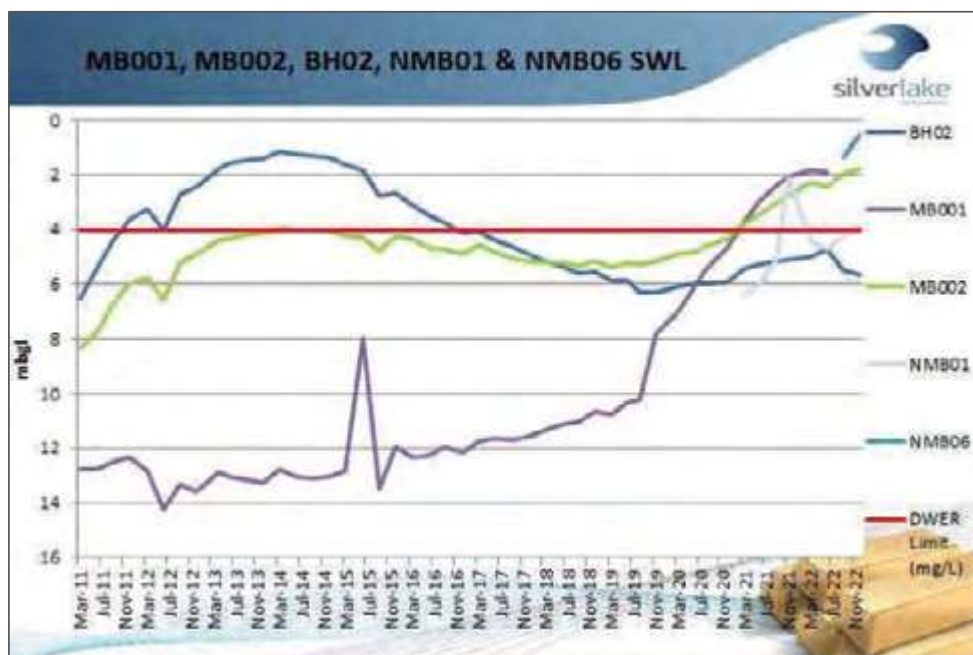
Silver Lake is required to lodge annual environmental reports (AERs) for its Mount Monger/Randalls operations with the Department of Energy, Mines, Industry Regulation and Safety (DEMIRS). The most recent AERs lodged for Silver Lake's operations⁵ show that the mining projects did not exceed authorised clearing extents. SRK notes that current DEMIRS guidelines (*Guidance Note on Environmental Non-compliance and Incident Reporting*, Version 3.0, November 2022) now require tenement holders to notify breaches any environmental outcomes or performance criteria of the approved mining proposal. Additionally, an incident arising from mining activities that has caused, or has the potential to cause environmental harm or injury to land is classified as a 'reportable incident'. The AERs reviewed by SRK do not report any recent environmental non-compliances at Silver Lake's Mount Monger operations.

Annual compliance reports are also required to be submitted by Silver Lake for each of its Part V operations licences. The most recent available reports generally indicate compliance with licence conditions, although SRK notes that the most recent reports available for review are dated March 2022, November 2022 and March 2023. A compliance report for the Randalls operation (L8457/2010) submitted in March 2023 reports non-compliance with environmental licence conditions relating to groundwater levels (which are meant to remain below a depth of 4 m below the ground surface, Figure 3-2). The groundwater exceedance apparently resulted from seepage from TSF2. Silver Lake has implemented additional seepage recovery drains and has modified its monitoring procedures in response to the non-compliance event.

⁵ Rothsay AER-255-55377, for 12-month period ending January 2024 – submitted 27 February 2024; Deflector AER-613-55568 for 12-month period ending February 2024 – submitted 19 March 2024; Mount Monger/Randalls AER-203-55171 for 12-month period ending September 2023 – submitted 30 October 2023.

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Figure 3-2: Groundwater levels – selected Mount Monger monitoring bores 2011–2022



Source: Silver Lake Annual Environmental Report for licence L8457/2010/2 (reporting period from 1 January 2022 to 31 December 2022)

Silver Lake is also required to submit annual compliance and triennial reports in connection with its groundwater licences (GWLs). The most recent triennial report for the Mount Monger operations (GWL200257(3) and GWL200690(2)) was completed in September 2023. The report notes two administrative non-compliance matters, but generally finds that statutory requirements have been met.

A separate annual groundwater monitoring summary (for GWL171076(2)) was completed in August 2023. The annual groundwater monitoring summary concludes that all statutory requirements were met during the 1 July 2022 to 30 June 2023 reporting period.

3.4 History

The Mount Monger goldfield was discovered in 1895 but production was limited until advanced geophysical and geochemical exploration techniques combined with deep diamond drilling and three-dimensional modelling were used in the 1990s.

3.4.1 Daisy Complex

Gold mining commenced in the Mount Monger area during the early 1900s and was marked by a series of historical shafts and workings. Production records indicated that the field had produced more than 400 koz of gold. The area was initially mined using shaft access, with at least three main mines operating in the immediate vicinity of the current workings: Daisy shaft, the Milano shaft and the Rosemary shaft.

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Following major gold discoveries at Kalgoorlie in 1893, gold was first discovered at Mount Monger in 1896. Production at Daisy-Milano was first recorded in the 1900s via the aforementioned shafts. The main production period dates from 1916 when several mines were developed close to the Mount Monger homestead, including the Caledonian, Daisy, Big Bull, Leslie, Pauline, Milano, Haoma and Maranoa mines. In 1955, the Mount Monger operation consisted of up to 25 mines with a populated township. While the township no longer exists, the Mount Monger homestead remains operational for coordinating pastoral activities at the Mount Monger pastoral station.

Modern production commenced in 1970 when the private company Nickel Seekers accessed the deposit via the current decline. Nickel Seekers developed the mineralisation to the 15 Level and produced 113,000 ounces of gold at a grade of 11.0 g/t.

Mining of the Daisy-Milano underground mine commenced in December 2003. Perilya acquired the project in 2005 and continued development and mining to the 21 Level, producing approximately 53,000 ounces at a grade of 7.5 g/t Au.

Silver Lake purchased the project from Perilya in November 2007 and resumed mining using smaller-scale mining methods. Underground mining continues today and although no active open pits are being mined.

3.4.2 Mount Belches

Mining in the Mount Belches area appears to have commenced in the early 1900s and was mostly based in the Santa area. A report on the area was prepared by the State Mining Engineer in 1906. At the time, 2,500 tonnes of ore had been treated, with poor recoveries of gold. The main workings in the area appear to have been developed after Montgomery's visit. Reported production in 1965 was 33,180 tons of ore for a yield of 11,100 ounces of gold.

Historical production for the Maxwells area (or Karnibinia, as Rumbles and Maxwells was known) is reported as 460.6 tonnes of ore for 3.96 kg of gold (8.58 g/t Au) between 1902 and 1909. Specific production for the Maxwells area alone is unknown.

Maxwells was an operating mine which Silver Lake inherited when it took over Integra Mining Ltd in January 2013. Integra Mining had recommenced mining at Maxwells in April 2011 and ceased for a second time in June 2014 at the completion of the open pit. The final depth of the pit was 137 m from an initial surface of 495 mRL to the base of the lowest cut. Mining continued underground until July 2022.

Gold was discovered and mined in the Cock-eyed Bob–Knob Hill area between 1904 and 1916. Historical production at the Comstock and Surprise deposits is recorded as 806.3 tonnes of ore for 23.95 kg of gold (Awan, 2023). These mines are in the Cock-eyed Bob–Knob Hill area, but there was no historical production from the site of the current Cock-eyed Bob resource.

Two adjacent pits were exploited in the mid-1990s, producing 215,300 tonnes of ore for 785 kg gold (3.1 g.t Au). One of these pits is oriented north–south and measured 360 m by 135 m and has been mined to a depth of 62 m. The other pit is located immediately south of the first and is oriented north-northeast with dimensions of 200 m by 115 m. The second pit has been mined to a depth of at least 30 m and was backfilled with material from the northern pit. Mining continued underground until July 2022.

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3.4.3 Aldiss

The Aldiss area has an extended history of mineral exploration dating from the mid-1960s until the present. Harrys Hill has been variously mapped, drilled and sampled since the mid-1980s. The previous project holders included Freeport McMoRan Inc. (1987: 65 reverse circulation (RC) and diamond (DD) holes for 4,289 m), Poseidon NL (1989: 77 RC and DD holes for 6,970 m), Border Gold NL (1993–1994: 58 RC and DD holes for 8,008 m) Integra Mining Ltd (2004–2012: 33 RC and DD holes for 5,477 m) and Silver Lake (2013–2016: 12 RC holes for 2,183 m).

Freeport conducted mining operations at the Karonie Main and West ones and Harrys Hill between 1987 and 1992, producing approximately 161,000 ounces of gold.

3.5 Local geology and mineralisation styles

The regional geological context is provided in Section 2.4 of this Report. The following sections are modified versions of the previous geological setting disclosures as per Optiro (2020).

3.5.1 Daisy Complex

The Daisy Mining Centre lies along the Bulong Anticline within the Gindalbie Terrane of the Norseman-Wiluna Greenstone Belt. The core of the Bulong Anticline (the Yindarlgooda Dome) contains mineralised granitic intrusive rocks in a sequence of felsic to intermediate conglomeratic sedimentary rock, structurally overlain by a mafic-ultramafic succession. Quartz-feldspar porphyry dykes and sills intrude the sequence.

A northwest striking (50°), south dipping shear (the Godard Shear) separates the ultramafic sequence to the south from the felsic volcanoclastic rocks to the north. The structural setting of the Daisy Complex is analogous to that of the Kanowna gold mining centre, with is located on shears spaying away for the regional Kanowna Shear.

The Daisy Complex comprises intermediate to felsic volcanic rocks. The mineral deposits are located east and beneath an overlying north-northwest trending ultramafic unit of approximately 250 m thickness, comprising mostly variably serpentinised peridotites with localised talc alteration.

The entire sequence is intruded by two quartz-feldspar porphyritic units. One group (the footwall cross-cutting porphyries) are oriented northwest and dip at 45°–60° west, while the other set (Main porphyries) are oriented north–south and are vertical to steeply east dipping. There are also numerous east–west trending Proterozoic mafic dolerite intrusive dykes, ranging from a few centimetres to several metres thick, distributed throughout the deposit area.

Mineralisation occurs along north–south trending, transpressional structures, commonly along or associate with the Main porphyry contacts and/or north–south shear structures. Haloes of sericite-pyrite-fuchsite alteration around mineralised quartz carbonate veins typically highlight metal-rich fluid pathways. Galena and sphalerite are generally enriched in typical Daisy ore veins and compressional shear structures on vein margins are also excellent indicators of gold mineralisation.

Mineralised veins are typically subvertical, vary between 0.05 m and 1 m in width, generally trend north–south and exhibit significant wall rock alteration. Milky white (bucky), often wide (>2 m) non-mineralised veins trend east–west, have significant alteration halos and cross-cut ore mineralisation.

Mineralisation is not bound to one lithology or structural type at the Daisy Complex. Observations highlight that gold mineralisation has occurred along a north–south series of planes and that fluids have used favourably oriented structures during migration. Deposition appears to be structurally controlled; however, some chemical deposition may have occurred near the overlying ultramafic unit.

3.5.2 Mount Belches

The Mount Belches area is underlain by the Mount Belches greywacke and lies between the Mulgabbie and Kurnalpi terranes to the east and the Gindalbie and Kalgoorlie terranes to the west. The Mount Belches greywacke is bound by the Mount Monger Fault, the Randalls Fault (locally known as the Bare Hill Shear) in the west and the Avoca Shear in the east.

The Mount Belches greywacke forms part of a turbidite sequence which comprises biotite-bearing siltstones, sandstones and greywackes and BIFs.

The known gold deposits at Mount Belches are hosted within several metamorphosed BIF units that form a minor component of the Mount Belches greywacke. Two BIF packages are recognised: a poorly outcropping lower or 'Maxwells' package and an outcropping upper or 'Santa-Craze' package. Two facies of BIF are recognised in the upper and lower sequences: a magnetite–grunerite-rich⁶ facies and a magnetite-rich facies.

The interpreted regional deformation sequence in the area consists of early, dominantly layer-parallel contractional faults (D₁) followed by two progressive phases for regional shortening (D₂ and D₃) which has produced a series of northwest trending folds and widely spaced transcurrent faults. A final deformation event (D₄) produced north striking faults oblique to the earlier fold trends, generally with dextral movement. The most obvious structural feature in the area is the tight chevron folding pattern of the BIFs. The Cock-eyed Bob pit is located in an area where the BIF units are isoclinally folded and oriented north–south in the vicinity of the Bare Hill Shear.

The gold mineralisation is developed in shallow to moderate south plunging shoots in quartz veins preferentially hosted in both facies of the BIF. Minor amounts of mineralisation are also located in the chloritic siltstones adjacent to these BIF units. Sulfidation is the key chemical mechanism controlling gold precipitation, and the iron-rich BIFs present an ideal host. Pyrrhotite is the dominant sulfide and is accompanied by pyrite and arsenopyrite. From petrological analysis, these minerals formed as part of the same metamorphic paragenetic assemblage. Arsenopyrite is commonly present as well-formed crystals up to 1 cm in size.

3.5.3 Aldiss

The Aldiss area lies on the eastern margin of the Eastern Goldfields Greenstone Province (EGGP) where Archaean volcano-sedimentary sequences are juxtaposed against granitoid-gneissic terranes. The province is characterised by an interconnecting series of north-northwest trending greenstone belts surrounded by ovoid to elongate granite batholiths. The province differs from adjacent provinces in that it contains a higher proportion of komatiites and a lower proportion of BIF units. The overall stratigraphic succession in the greenstone of the EGGP is characterised by a

⁶ Magnetite (chemical formula Fe₃O₄) and grunerite (chemical formula Fe₇Si₈O₂₂)

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lower sequence dominated by mafic to ultramafic volcanic and intrusive units, overlain by more felsic volcanics and an upper sequence dominated by felsic sedimentary units of clastic and chemical origin. Structurally the greenstone sequences record a protracted history of deformation that has produced steeply west dipping and north-northwest striking lithological contacts and a well-developed foliation that trends in the same direction.

The Aldiss Mining Centre covers an area to the east of the Aldiss Fault, a regional-scale shear zone located on the eastern margin of the EGGP, near the contact with the Erayinia Granite Suite. As is generally the case in the Eastern Goldfields, much of the Archaean geology is concealed.

The geology of the area consists of a sequence of north-northeast trending amphibolites and associated metasediments. The rock has a strong metamorphic overprint, generally obliterating the pre-metamorphic textures. The lithologies hosting the Harrys Hill deposit are mid- to upper-greenschist facies alteration that is prominent elsewhere in the Eastern Goldfields. The mineralisation host is a quartz amphibolite, but varies in composition from more mafic varieties, with up to 80% hornblende, to leucocratic varieties with more abundant (up to 20%) interstitial quartz and feldspar. The quartz amphibolites are intercalated with quartz-feldspar-biotite marker units between 0.5 m and 3 m thick. Many marker units appear to have a spatial relationship with mineralisation as they are often observed to flank the ore zones.

Two alteration styles are evident at Harrys Hill. A zone of pale green calc-silicate alteration loosely forms a halo around the deposits. Alteration mineral assemblages include diopside, carbonate (calcite), titanate, epidote, sericite and lesser chlorite. Biotite alteration pervasively replaces hornblende, especially in the ore zones.

Gold mineralisation occurs almost exclusively within the quartz amphibolites and occurs dominantly as native gold. The habit of the native gold is as coarse interstitial grains, located along hornblende and quartz grain boundaries or included within the hornblende grains along cleavage. Sulfides are present, with pyrite subordinate to pyrrhotite and lesser chalcopyrite and minor molybdenite. Gold mineralisation is not associated with the sulfides in any way, which is unusual. Mineralisation also occurs within the metasediments but appears to be related to a late-stage event. Visible gold within quartz veins, microscopic gold adjacent to quartz veins and gold associated with minute shear zones suggest that the mineralisation is structurally controlled.

3.5.1 Main deposits

SRK has focused its review on the Mineral Resources included in the Ore Reserves and LOM Plan. In the Aldiss Mining Centre, this comprises the Tank South underground deposit. In the Daisy complex, this comprises the Daisy-Milano underground deposit. In the Mount Belches complex, this comprises the Cock-eyed Bob underground deposit, Flora Dora open pit deposit, and Santa open pit deposits. Other individual Mineral Resources over a global 30 koz Au threshold considered by SRK to be material have been described by SRK. Table 3-3 summarises the key characteristics associated with the main Mineral Resources at Silver Lake's Mount Monger project.

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Table 3-3: Summary of the main deposits at Silver Lake’s Mount Monger project

Area	Geological overview
Aldiss Mining Centre	<p>■ Atreides/Tank South</p> <p>The Aldiss area gold mineralisation lies within a north trending ductile shear zone as Karonie Main and West Zones, Spice, Atreides and Tank. It consists of a series of sheared amphibolite facies, mafic rocks, with remnant veining and late-stage faulting. Several ‘late stage’ porphyries intrude the host rock. A north-northwest trending barren thin porphyry intrusion cross-cutting ore zone has been mapped and modelled in the area.</p> <p>Mineralisation at Spice, Atreides and Tank is associated with several thin, (sub)vertical shear zones within a sequence of volcano-sedimentary amphibolites and associated metasediments. Subvertical shear zones are typically 3–18 m thick and dip steeply either towards east or west. Shear zones are associated with minor quartz veining, silica + epidote + haematite alteration and minor pyrite and pyrrhotite. Minor gold values coincide with the above-mentioned shear zones, but also within generally inconspicuous, slightly foliated, slightly chloritised amphibolites. There is a thin (1–3 m) supergene enrichment zone at the transition between Lower saprolite and fresh rock.</p> <p>The Tank-Atreides resource consists of seven individual domains delimited by a nominal grade of approximately 0.25 g/t.</p> <p>The Tank-Atreides resource has a strike length of 1,850 m. It is 800 m across strike, 325 m down dip.</p>
	<p>■ French Kiss</p> <p>The French Kiss project lies on the eastern margin of the EGGP where Archaean volcano-sedimentary sequences are juxtaposed against granitoid-gneissic terranes. The province is characterised by an interconnecting series of north-northwest trending greenstone belts surrounded by ovoid to elongate granitoid batholiths. The geology of the French Kiss area consists of a sequence of north-northwest trending amphibolites and associated metasediments. The rock has a strong metamorphic overprint, generally obliterating the pre-metamorphic textures. The lithologies hosting the French Kiss deposit are mid to upper amphibolite facies and a much higher metamorphic grade than the greenschist facies that is prominent elsewhere in the Eastern Goldfields.</p> <p>Gold mineralisation occurs almost exclusively within the quartz amphibolites and occurs dominantly as native gold. The habit of the native gold is as coarse interstitial grains located along hornblende and quartz grain boundaries or included within the hornblende grains.</p> <p>The French Kiss resource has a strike length of 840 m strike. It is 800 m across strike, 300 m down dip and open at depth.</p>
Daisy Mining Centre	<p>■ Daisy Milano</p> <p>The mineralisation type is classified as an orogenic within the Norseman-Wiluna greenstone sequence. The accepted interpretation for gold mineralisation is related to (regional D₂–D₃) deformation of the stratigraphic sequence during an Archaean orogeny event. Locally, the mineralisation is characterised as a deformed vein, hosted within intermediate volcanic and volcanoclastic units and closely associated with felsic intrusive rock types of the Gindalbie Terrane. The metamorphic grade is defined as lower greenschist facies.</p> <p>The geological interpretation was based on identifying geological structures, associated alteration, veining and gold content (predominantly from level development). Gold tenor is used as the key indicator for mineralisation. In the absence of gold enrichment, the lithological codes determining vein boundaries were used. The Daisy-Milano resource has a strike length of 2,600 m strike. It is 840 m across strike, 1,440 m down dip and open at depth. These extents host approximately 76 known mineralisation domains.</p>

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Area	Geological overview
	<p>■ Mirror Magic</p> <p>Mirror Magic mineralisation is located at the southern end of the Kurnalpi Terrane (formerly the Gindalbie Terrane) on the western limb of the Bulong Anticline. The Mirror Magic area lies to the west of the Juglah Monzogranite – an oval intrusion emplaced into a domed sequence of felsic to intermediate volcanoclastic and volcanic rocks. The Majestic and Imperial mineralisation occur within a small quartz diorite/tonalite stock to the immediate west of the Juglah Monzogranite. Quartz diorite is the dominant lithology at Imperial and hosts the mineralisation. The gold mineralisation is associated with crystalline and disseminated sulfides, dominantly chalcopyrite and pyrite. The Mirror Magic resource has a strike length of 750 m. It is 340 m across strike, 400 m down dip and open at depth.</p>
	<p>■ Lorna Doone</p> <p>Spinifex-Lorna Doone mineralisation is located at the southern end of the Kurnalpi Terrane (formerly the Gindalbie Terrane) on the western limb of the Bulong Anticline. The core of the Bulong Anticline (the Yindarlgooda Dome) contains mineralised granitic intrusives in a sequence of felsic to intermediate conglomeratic sedimentary rock, which are structurally overlain by a mafic-ultramafic succession. Quartz feldspar porphyry dykes and sills intrude the sequence. The Bulong Domain is bound to the west and separated from the Kalgoorlie Terrane by the Mount Monger Fault. The terrane has undergone significant deformation which has been described as four major events D₁–D₄ inclusive. The host rocks at Spinifex-Lorna Doone comprise a sequence of volcanoclastic sandstone and polymictic conglomerates of intermediate composition. The volcanoclastic rocks are intercalated with the ultramafic rocks, which are typically altered to talc, chlorite, serpentine, calcite and magnetite and commonly contain calcite veins. Three thick feldspar quartz porphyry sills have been modelled at the deposit. Mineralisation cross-cuts these porphyries. All logged rock types dip moderately to the southwest parallel to the earliest deformation (D₁) foliation of S₁. Mineralisation zones display a strong enrichment in sulfides, including pyrite, pyrrhotite and arsenopyrite. The sulfides are typically dispersed through the host rock in contact with sheared quartz veins. Pervasive sericite alteration, moderate chlorite and silicification is also commonly observed in mineralisation zones.</p> <p>The Spinifex-Lorna Doone resource has a strike length of 950 m. It is 450 m across strike, 560 m down dip and open at depth.</p>
<p>Mount Belches Mining Centre</p>	<p>■ Santa/Flora Dora</p> <p>The ‘Maxwells’, CEB and ‘Flora Dora’ mineralisation is hosted within the lower ‘Maxwells’ member of the Mount Belches Group and the ‘Santa’ deposit is hosted within the upper ‘Santa’ member. Both members are located in the southern Eastern Goldfields Superterrane, Yilgarn Craton. The iron formation is a silicate/oxide-facies unit with overprinting sulfides and has undergone metamorphism (upper greenschist facies) and deformation (two generations of folds). The gold deposits are hosted in both the hinge zone and along the limbs of a regional scale, chevron folded BIF package. Gold dominantly occurs as inclusions of native gold and/or electrum within or around pyrrhotite, magnetite, and arsenopyrite, and economic mineralisation is typically restricted to the BIF horizons.</p> <p>Mineralisation consists of localised alteration of a series of sedimentological BIF units and iron-poor to iron-rich siltstones that had been previously altered by magnetite and chlorite. The mineralisation is defined by the abundance of arsenopyrite, pyrrhotite, (minor) pyrite, carbonate and quartz veinlets.</p> <p>The Santa Mineral Resource model was extended towards south and west to include nearby Flora Dora mineralisation. The current combined model extents are 2,900 m strike length, 1,300 m across strike and 500 m down dip. The resource is open at depth.</p>

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Area	Geological overview
	<p>■ Cock-eyed Bob</p> <p>The Cock-eyed Bob is hosted within the upper 'Santa Clause' member of the BIF of the Mount Belches Group. The iron formation is a silicate/oxide facies unit with overprinting sulfides and has undergone metamorphism (upper greenschist facies) and deformation (two generations of folds). The gold deposits are hosted in both the hinge zone and along the limbs of a regional-scale, chevron folded BIF package.</p> <p>Gold dominantly occurs as inclusions of native gold and/or electrum within or around pyrrhotite, magnetite, and arsenopyrite, and economic mineralisation is typically restricted to the BIF horizons.</p> <p>The Cock-eyed Bob complex's resource has a strike length of 1,480 m. It is 416 m across strike, 660 m down dip and open at depth.</p>
	<p>■ Maxwells</p> <p>The Maxwells mineralisation is hosted within the lower 'Maxwells' member. The Mount Belches Group is located in the southern Eastern Goldfields Superterrane, Yilgarn Craton.</p> <p>The iron formation is a silicate/oxide facies unit with overprinting sulfides and has undergone metamorphism (upper greenschist facies) and deformation (two generations of folds). The gold deposits are hosted in both the hinge zone and along the limbs of a regional-scale, chevron folded BIF package.</p> <p>Gold dominantly occurs as inclusions of native gold and/or electrum within or around pyrrhotite, magnetite, and arsenopyrite, and economic mineralisation is typically restricted to the BIF horizons.</p> <p>The Maxwells resource has a strike length of 2,020 m. It is 440 m across strike, 790 m down dip and open at depth.</p>
	<p>■ Rumbles</p> <p>The Rumbles mineralisation is hosted within the 'Santa Clause' member of the banded BIF of the Mount Belches Group located in the southern Eastern Goldfields Superterrane, Yilgarn Craton. The iron formation is a silicate/oxide facies unit with overprinting sulfides and has undergone metamorphism (upper greenschist facies) and deformation (two generations of folds). The gold deposit is hosted in the hinge zone of a regional-scale, chevron folded anticline. Gold dominantly occurs as inclusions of native gold and/or electrum within or around pyrrhotite, magnetite, and arsenopyrite, and economic mineralisation is typically restricted to the BIF horizons.</p> <p>The Rumbles resource has a strike length of 1,100 m. It is 700 m across strike, 400 m down dip and open at depth.</p>
Stockpiles	<p>There are many historical stockpiles throughout Mount Monger tenements. Karonie South is the most significant contributor to the stockpile inventory (48 koz). Tonnage is determined by survey pick-up (volume) divided by associated swell factor multiplied by assigned bulk density. During production, the survey pick-ups are reconciled each month by the truck factored numbers to ensure they are in-line. Grade is assigned from the production data derived from the Grade Control Model and subsequent diluted dig blocks. The data are tracked daily and reconciled at the end of the month. Stockpiles use a weighted average grade of month opening tonnes and grade (T&G) + mined T&G. Any material removed from the stockpile uses the weighted average grade on the stockpile on the day of removal. A closing grade is then derived at the end of the month.</p>

Source: Adapted from Silver Lake ASX announcements dated 27 September 2023

3.6 Mineral Resource estimates

The current Mineral Resource estimate for the Mount Monger project was reported to the Australian Securities Exchange (ASX) on 27 September 2023 ('Mineral Resource and Ore Reserve Statement'). The Mineral Resource estimates were reported at the mining surfaces to 30 June 2023.

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SRK notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code (2012) with respect to the Mineral Resource estimate. The Competent Person taking responsibility for the Mineral Resource estimate for the Harrys Hill, Santa, Cock-eyed Bob, Maxwells, Daisy Combined, Mirror Magic, Tank-Atreides, Spice, Aspen, French Kiss, Italia-Argonaut, Lorna Doone, Rumbles, Costello, Randalls Dam and Karonie deposits is Mr Aslam Awan, a full-time employee of Silver Lake. Mr Kane Hutchinson and Mr David Buckley, who are full-time employees of Silver Lake, take responsibility for the Rothsay and Deflector Mineral Resources, respectively. Mr Sam Larritt is a full-time employee of Silver Lake and takes responsibility for the stockpiles.

SRK considers that all individuals have the requisite experience to act as Competent Persons.

Silver Lake's current Mineral Resource estimate for the Mount Monger project is summarised in Table 3-4.

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Table 3-4: Silver Lake's Mount Monger Mineral Resources as at 30 June 2023

June 2023	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Total Mineral Resources		
	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)
Daisy Mining Centre												
Daisy Complex	83	22.5	60	608	16.3	319	885	19.0	540	1,576	18.1	919
Mirror/Magic	493	2.5	39	1,003	2.3	74	682	2.5	55	2,178	2.4	168
Lorna Doone	-	-	-	1,501	2.0	98	785	2.0	51	2,286	2.0	149
Costello	-	-	-	37	1.7	2	237	2.0	15	274	1.9	17
Subtotal	576	5.3	99	3,149	4.9	493	2,589	7.9	661	6,314	6.2	1,253
Mount Belches Mining Centre												
Maxwells	154	5.3	26	1,443	4.0	185	1752	3.4	194	3,349	3.8	405
Cock-eyed Bob	295	5.5	52	1,560	4.0	199	724	4.5	108	2,579	4.3	359
Santa	-	-	-	7,015	2.8	629	1,096	3.6	127	8,111	2.9	756
Rumbles	-	-	-	1,722	1.9	104	298	2.2	21	2,020	1.9	125
Anomaly A	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	449	5.4	78	11,740	3.0	1,117	3,870	3.5	450	16,059	3.2	1,645
Aldiss Mining Centre												
Karonie	-	-	-	2,493	1.9	150	1,150	1.6	60	3,643	1.8	210
Tank/Atreides	-	-	-	1,107	2.3	82	234	1.6	12	1,341	2.2	94
French Kiss	-	-	-	1,112	2.2	80	189	2.0	12	1,301	2.2	92
Harrys Hill	-	-	-	479	2.2	34	415	2.3	31	894	2.3	65
Italia/Argonaut	-	-	-	531	1.6	27	19	1.6	1	550	1.6	28
Spice	-	-	-	136	1.6	7	296	1.4	13	432	1.4	20
Aspen	-	-	-	112	1.7	6	139	1.6	7	251	1.6	13
Subtotal	-	-	-	5,970	2.0	386	2,442	1.7	136	8,412	1.9	522

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	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Total Mineral Resources		
	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)
June 2023												
Randalls Mining Centre												
Lucky Bay	13	4.8	2	34	4.6	5	8	7.8	2	55	5.1	9
Randalls Dam	-	-	-	95	2.0	6	24	1.3	1	119	1.8	7
Subtotal	13	4.8	2	129	2.7	11	32	2.9	3	174	2.9	16
Mount Monger												
Stockpile	2,384	1.2	90	-	-	-	-	-	-	2,384	1.2	90
Subtotal	2,384	1.2	90	-	-	-	-	-	-	2,384	1.2	90
Total	3,422	2.4	269	20,988	3.0	2,007	8,933	4.4	1,250	33,343	3.3	3,526

Source: Adapted from Silver Lake ASX announcements dated 27 September 2023

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Data collection has been conducted by industry standard methods and SRK considers that the data are broadly appropriate for use in estimation studies. A summary of the key Mineral Resource data is given in Table 3-5.

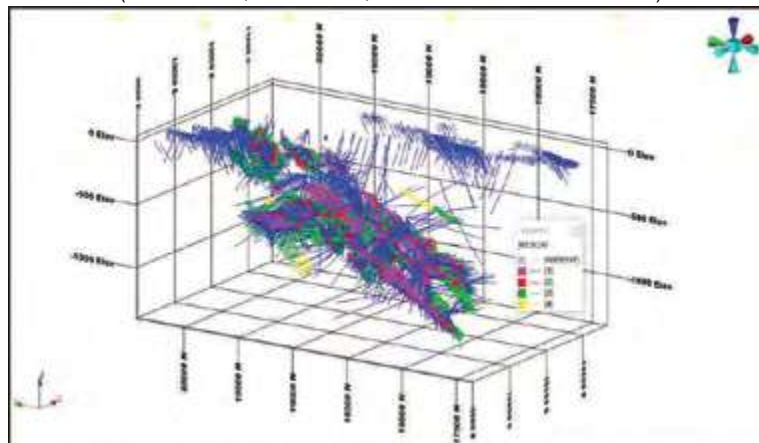
Table 3-5: Summary of key Mineral Resource estimation data for Silver Lake’s Mount Monger project

Prospect	Estimation overview
Daisy-Milano	<p>The Silver Lake geological data are stored in SQL server databases. The SQL databases are hosted on site at Daisy Complex and managed by Silver Lake personnel. User access to the database is regulated by specific user permissions and validation checks to ensure data are valid. DataShed software has been implemented as a front-end interface to manage the geological database.</p> <p>A seam model was used to prepare the data for estimation and is based on the extremely narrow vein system. A linear estimation technique, ordinary kriging (OK), was used to estimate the seam model. The OK technique uses a single direction of continuity modelled for each ore domain for a global grade estimate. An advantage of OK is the statistically unbiased weighting of composite samples to generate an estimate. A disadvantage is the use of this technique on variable, skewed datasets leading to conditional bias when reporting the resource at increasing cut-off grades. Q-Q and probability calibration plots are used to remove any significant grade/width bias between the face sample and drilling data populations.</p> <p>Geological domains were based on the geological interpretation and mineralised trends. 3D wireframes were generated by sectional interpretation of the drilling dataset orthogonal to the mineralisation. Where there was geological uncertainty, domain boundaries were modelled to a 3 g/t Au lower cut. Domain boundaries were treated as hard boundaries. Variograms were generated using composited drill data in Snowden Supervisor v8 software. The search ellipse dimensions and orientation reflect the parameters derived from the variography analysis and the kriging neighbourhood analysis (KNA). Block sizes were selected based on drill spacing and the thickness of the mineralised veins.</p> <p>Average drill spacing was 40 m × 40 m in most of the unmined deposit, and 3 m × 4 m on the remaining developed section of the mine. Block sizes were ‘Vein Width’ × 5 m × 4 m with sub-celling to ‘Vein Width’ × 1.25 m × 1 m. Blocks were generated in the mineralised surfaces that defined each vein. Blocks within these veins were estimated using data contained within the same vein. Hard boundaries were used for all domains. Top-cuts were applied to the data to control the effects of outlier high grade values that were considered not representative. The effect of the top-cuts was reviewed with respect to the resulting Mean and coefficient of variation (CV) values.</p> <p>The statistics for each domain were viewed and key univariate statistical indicators used to describe the nature of each. Each domain showed a positively skewed data distribution with high-grade outlier composites. Various top-cuts were applied to all domains by viewing accumulated grade distribution histograms, where the continuity of the higher-grades diminished.</p> <p>Model validation has been completed using visual and numerical methods and formal peer review sessions by key geology staff. The model was validated by comparing statistics of the estimated blocks against the composited sample data, visual examination of the block grades versus assay data in section, swath plots and reconciliation against historical production.</p> <p>The adopted cut-off grades 1.0 g/t (less than 100 m depth from surface) and 2.0 g/t (more than 100 m depth from surface) for reported Mineral Resources are based on the assumption that mining will be open pit operation near surface and an underground operation at approximately 100 m depth from surface.</p> <p>The models and associated calculations used all available data and have been depleted for known workings. The Silver Lake classification system is used with individual block classification being assigned statistical methods and visually considering the following factors:</p> <ul style="list-style-type: none"> ■ Drill spacing and orientation (typically 40 m × 20 m for Indicated) ■ Classification of surrounding blocks ■ Confidence of certain parts of the geological model.

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Prospect	Estimation overview
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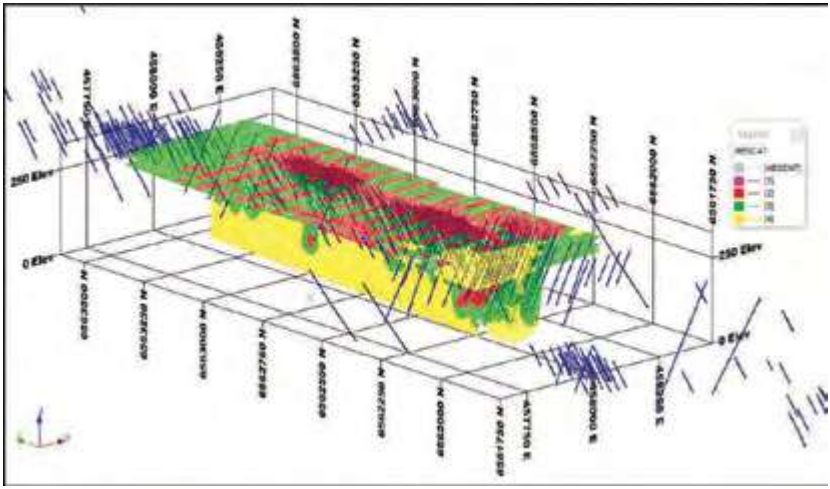
The figure below shows an isometric view of Mineral Resource classification assigned to the 2023 model (1= Measured, 2= Indicated, 3= Inferred and 4= Unclassified).



Tank South	<p>The Silver Lake geological data are stored in SQL server databases. The SQL databases are hosted centrally and managed by Silver Lake personnel. User access to the database is regulated by specific user permissions and validation checks to ensure data are valid. DataShed software has been implemented as a front-end interface to manage the geological database.</p> <p>Gold grade was estimated using OK. It was considered that a more robust geological model with smoother and more continuous mineralised lodges will reduce the effects of higher variograms were generated using composited drill data in Snowden Supervisor v8 software. The search ellipse dimensions and orientation reflect the parameters derived from the variography analysis and the KNA. In addition to gold (Au), sulfur (S), molybdenum (Mo), vanadium (V), chromium (Cr), tungsten (W), arsenic (As), antimony (Sb), selenium (Se) and nickel (Ni) grades were also estimated but are not reported.</p> <p>Block sizes were selected based on drill spacing and the thickness of the mineralised veins. Average drill spacing was approximately 20 m × 20 m in well-drilled areas of the deposit, and more sparse drilling up to 80 m × 80 m occurs at resource extents. Block sizes were 5 m × 5 m × 5 m, with sub-celling down to 1 m × 1 m × 1 m to accurately reflect the volumes of the interpreted wireframes.</p> <p>Blocks were generated in the mineralised surfaces that defined each mineralised zone. Blocks within these zones were estimated using data contained in the same zone. Hard boundaries were used for all domains. Top-cuts were applied to the data to control the effects of outlier high-grade gold values that were considered not representative. The effect of the top-cuts was reviewed with respect to the resulting Mean and CV values. The model was validated by comparing statistics of the estimated blocks against the composited declustered sample data and visual examination of the block grades versus assay data in section and swath plots.</p> <p>The adopted cut-off grades 1.0 g/t (less than 100 m depth from surface) and 2.0 g/t (more than 100 m depth from surface) for reported Mineral Resources are based on the assumption that mining will be open pit operation near surface and an underground operation at approximately 100 m depth from surface. Bulk density is assigned based on regolith profile and geology. Values of 1.62 t/m³, 2.36 t/m³ and 2.98 t/m³ are used for oxide, transitional and fresh rock, respectively. Mineral Resource classifications were defined by a combination of data, including drillhole spacing, estimation quality (search pass, number of samples and number of holes), geological confidence, and mineralisation continuity. No Measured Mineral Resources are calculated.</p> <p>Indicated Mineral Resources are assigned to drill spacing that is typically around 20 m × 20 m or better and having good geological continuity along strike and down dip.</p>
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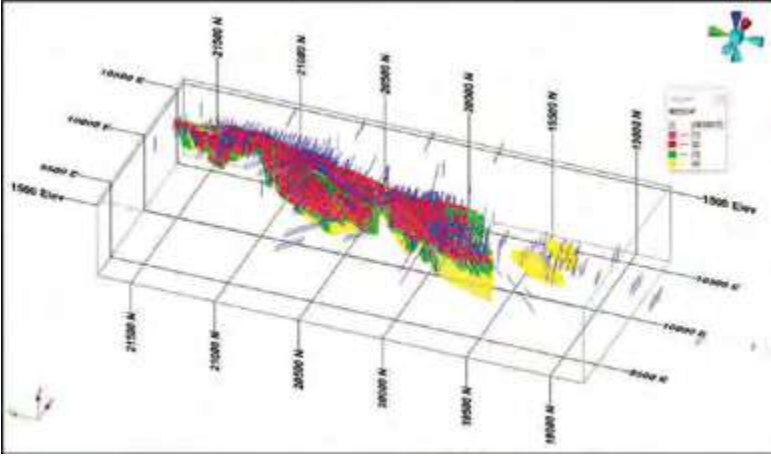
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	<p>Inferred Mineral Resources are based on limited data support; typically drill spacing greater than 40 m × 40 m (down to 80 m × 80 m at resource extents).</p> <p>Further considerations for Mineral Resource classification include data type and quality (drilling type, drilling orientations, downhole surveys, sampling and assaying methods), geological mapping and understanding, statistical performance including number of samples, slope of regression and kriging efficiency.</p> <p>The figure below shows an isometric view of Mineral Resource classification assigned to the model (1= Measured, 2= Indicated, 3= Inferred and 4= Unclassified).</p>



Santa	<p>The Silver Lake geological data are stored in SQL server databases. The SQL databases are hosted centrally and managed by Silver Lake personnel. User access to the database is regulated by specific user permissions and validation checks to ensure data are valid. DataShed software has been implemented as a front-end interface to manage the geological database.</p> <p>Gold grade was estimated using OK. It was considered that a more robust geological model with smoother and more continuous mineralised lodes will reduce the effects of higher variograms were generated using composited drill data in Snowden Supervisor v8 software. Search ellipse dimensions and orientation reflect the parameters derived from the variography analysis and KNA. Block sizes were selected based on drill spacing and the thickness of the mineralised veins.</p> <p>Average drill spacing was 20 m × 20 m in most of the deposit, and down to approximately 10 m × 10 m grade control spacing in the previously mined sections. Deeper Inferred Mineral Resource sections are more sparsely drilled out up to 80 m × 80 m. Block sizes were 5 m × 20 m × 10 m, with a sub-celling down to 0.5 m × 2 m × 1 m to accurately reflect the volumes of the interpreted wireframes.</p> <p>Blocks were generated within the mineralised surfaces that defined each mineralised zone. Blocks within these zones were estimated using data contained in the same zone. Hard boundaries were used for all domains. Top-cuts were applied to the data to control the effects of outlier high-grade gold values that were considered unrepresentative. The effect of the top-cuts was reviewed with respect to the resulting Mean and CV values. The model was validated by comparing statistics of the estimated blocks against the composited sample data; visual examination of the block grades versus assay data in section; swath plots and support analysis.</p> <p>Bulk density is assigned based on regolith profile and geology. Values of 1.90 t/m³, 2.40 t/m³ and 3.0 t/m³ are used for oxide, transitional and fresh waste rock, respectively.</p> <p>Mineral Resource classifications were defined by a combination of data, including drillhole spacing, estimation quality (search pass, number of samples and number of holes), geological confidence and mineralisation continuity. Indicated Mineral Resources are</p>
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Prospect	Estimation overview
	<p>assigned to drill spacing that is typically around 20 m × 20 m or better and having good geological continuity along strike and down dip. Inferred Mineral Resources are based on limited data support; typically drill spacing greater than 20 m × 20 m (down to 40 m × 80 m at resource extents). Further considerations for Mineral Resource classification include data type and quality (drilling type, drilling orientations, downhole surveys, sampling and assaying methods); geological mapping and understanding, and statistical performance including slope of regression and kriging efficiency.</p> <p>The figure below shows an isometric view of Mineral Resource classification assigned to the model (1= Measured, 2= Indicated, 3= Inferred and 4= Unclassified).</p> 

Maxwells	<p>The Silver Lake geological data are stored in SQL server databases. The SQL databases are hosted centrally and managed by Silver Lake personnel. User access to the database is regulated by specific user permissions and validation checks to ensure data are valid. DataShed software has been implemented as a front-end interface to manage the geological database.</p> <p>Gold grade was estimated using OK. It was considered that a more robust geological model with smoother and more continuous mineralised lodes will reduce the effects of higher CV. Variograms were generated using composited drill data in Snowden Supervisor v8 software. The search ellipse dimensions and orientation reflect the parameters derived from the variography analysis and the KNA. Block sizes were selected based on drill spacing and the thickness of the mineralised veins.</p> <p>Average drill spacing was 20 m × 20 m in most of the deposit, 10 m × 10 m in the existing open pit, and down to approximately 3 m spaced face sample spacing within the underground development. Deeper Inferred Mineral Resource sections are more sparsely drilled out – up to 80 m × 80 m. Block sizes were 2 m × 10 m × 5 m, with sub-celling down to 0.1 m × 1.0 m × 1.0 m to accurately reflect the volumes of the interpreted wireframes.</p> <p>Blocks were generated within the mineralised surfaces that defined each mineralised zone. Blocks within these zones were estimated using data contained in the same zone. Hard boundaries were used for all domains. Top-cuts were applied to the data to control the effects of outlier high-grade gold values that were considered not representative. The effect of the top-cuts was reviewed with respect to the resulting Mean and CV values. The model was validated by comparing statistics of the estimated blocks against the composited declustered sample data; visual examination of the block grades versus assay data in section; swath plots and reconciliation against previous production.</p> <p>The adopted cut-off grades 1.0 g/t (less than 100 m depth from surface) and 2.0 g/t (more than 100 m depth from surface) for reported Mineral Resources are based on the assumption that mining will be open pit operation near surface and an underground operation at approximately 100 m depth from surface.</p>
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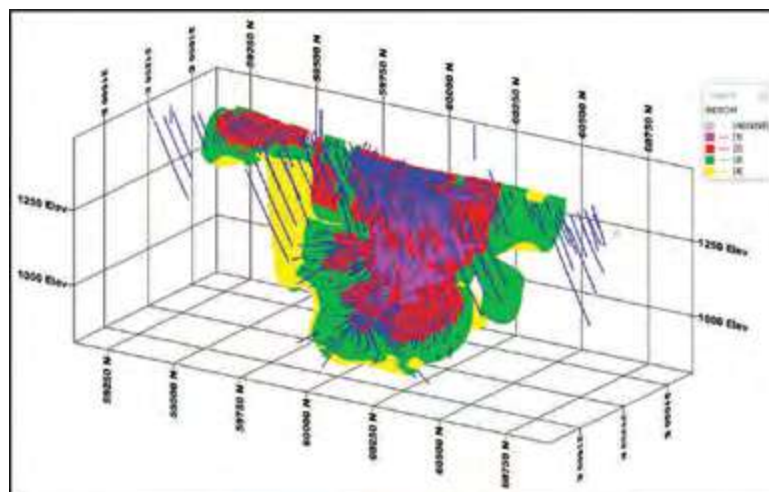
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Cock-eyed Bob	<p>Bulk density is assigned based on regolith profile and geology. For ore values of 2.0 t/m³, 2.3 t/m³ and 2.97 t/m³ are used for oxide, transitional and fresh rock ore, respectively.</p> <p>Mineral Resource classifications were defined by a combination of data, including drillhole spacing, estimation quality (search pass, number of samples and number of holes), geological confidence and mineralisation continuity. The models and associated calculations used all available data and depletion for known workings. Measured Mineral Resources are assigned to areas containing face sampling and underground developments. Indicated Mineral Resources are assigned to drill spacing that is typically around 20 m × 20 m or better but outside existing underground development and having good geological continuity along strike and down dip. Inferred Mineral Resources are based on limited data support; typically drill spacing greater than 20 m × 20 m (down to 40 m × 80 m at resource extents). Further considerations for Mineral Resource classification include data type and quality (drilling type, drilling orientations, downhole surveys, sampling and assaying methods); geological mapping and understanding, and statistical performance including slope of regression and kriging efficiency.</p> <p>The Silver Lake geological data are stored in SQL server databases. The SQL databases are hosted centrally and managed by Silver Lake personnel. User access to the database is regulated by specific user permissions and validation checks to ensure data are valid. DataShed software has been implemented as a front-end interface to manage the geological database.</p> <p>Gold grade was estimated using OK. It was considered that a more robust geological model with smoother and more continuous mineralised lodes will reduce the effects of higher CV. Variograms were generated using composited drill data in Snowden Supervisor v8 software. Search ellipse dimensions and orientation reflect the parameters derived from the Variography analysis and the KNA. Block sizes were selected based on drill spacing and the thickness of the mineralised domains plus KNA.</p> <p>Average drill spacing was 20 m × 20 m in most of the deposit, and down to 3 m × 4 m grade control face and backs sampling. Block sizes were 4 m × 4 m × 4 m, with sub-celling down to 0.25 m × 1 m × 1 m to accurately reflect the volumes of the interpreted wireframes. Blocks were generated within the mineralised surfaces that defined each mineralised zone. Blocks within these zones were estimated using data contained in the same zone. Hard boundaries were used for all domains. Top-cuts were applied to the data to control the effects of outlier high-grade gold values that were considered not representative. The effect of the top-cuts was reviewed with respect to the resulting Mean and CV values.</p> <p>The model was validated by comparing statistics of the estimated blocks against the composited declustered sample data; visual examination of the block grades versus assay data in section, swath plots and reconciliation against historical production.</p> <p>The adopted cut-off grades 1.0 g/t (inside the optimised pit shell and less than 100 m depth from surface outside the optimised pit shell) and 2.0 g/t (below the optimised pit shell and more than 100 m depth from surface away from the walls of optimised pit shell) for reported Mineral Resources are based on the assumption that mining will be an open pit operation near surface and an underground operation at approximately 100 m depth from surface away from the current optimised pit shell.</p> <p>Bulk densities are assigned based on calculated densities from 1,306 measurements using the Archimedes method adapted from previous reporting. Bulk density is assigned based on regolith profile and geology. Values of 2.1 t/m³, 2.3 t/m³ and 3.1 t/m³ are used for oxide, transitional and fresh rock, respectively.</p> <p>Measured Mineral Resources are typically supported by close spaces development sampling which was mostly less than 3 m × 5 m spacing (faces and backs sampling) and approximately 10 m × 10 m spaced drilling. Measured Mineral Resources are additionally confirmed by geological mapping. Indicated Mineral Resources are like Measured but with less support from underground development. Drill spacing is typically ~20 m × 20 m. Inferred Mineral Resources are based on limited data support. No development for geological mapping; typically drill spacing greater than 20 m × 20 m (down to 40 m × 80 m at resource extents). Further considerations for Mineral Resource classification include data type and quality (drilling type, drilling orientations, downhole surveys, sampling and assaying methods); geological mapping and understanding; statistical performance including number of samples, number of holes, slope regression and kriging efficiency.</p>

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The figure below shows an isometric view of Mineral Resource classification assigned to the model (1= Measured, 2= Indicated, 3= Inferred and 4= Unclassified).



Source: Adapted from Silver Lake ASX announcements dated 27 September 2023 and associated documentation (JORC Code 2012) Table 1

SRK reviewed the input data, construction, estimation and reporting of the Mineral Resources as described in Table 3-4 and finds that, while some local refinement is possible, the global quantum of the Mineral Resources is appropriate for valuation purposes. SRK notes that while SRK has reviewed the key deposits in detail, the workflows for grade estimation and reporting for the other deposits are very similar and SRK therefore considers that all reported Mineral Resources for the Mount Monger project are appropriate in global quantum for valuation purposes.

3.6.1 Reconciliation and applicability of Mineral Resources to Ore Reserve and LOM Plan

Reconciliation data supplied by Silver Lake for all material show outcomes between Mineral Resource and mill. This is shown in Table 3-6 for Daisy-Milano and Table 3-7 for Tank South (DOM is mill reconciled, RM is the Resource Model with mining modifying factors applied, and GC is grade control). At Daisy-Milano, there is discrepancy in grade reconciliation and this should therefore be considered for valuation purposes. SRK notes that the material reconciled is a small proportion of the overall reported Mineral Resource.

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Table 3-6: Mount Monger Daisy-Milano reconciliation data

Date	RM			GC			DOM		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Mar-23	19,470	6.80	4,256	19,470	8.46	5,297	23,277	7.31	5,469
Apr-23	24,657	4.42	3,508	24,657	5.00	3,962	22,138	4.47	3,179
May-23	24,597	4.17	3,301	24,597	3.58	2,829	23,314	4.41	3,305
Jun-23	18,273	2.39	1,404	18,273	4.81	2,827	19,732	4.55	2,886
Jul-23	13,614	6.48	2,838	13,614	6.23	2,728	22,852	3.98	2,925
Aug-23	18,913	5.72	3,481	18,913	5.90	3,588	19,326	5.22	3,241
Sep-23	23,468	3.12	2,355	23,468	3.19	2,406	20,855	5.59	3,746
Oct-23	26,693	3.05	2,615	26,693	3.07	2,638	19,132	4.39	2,703
Nov-23	15,435	3.80	1,886	15,435	3.95	1,961	23,061	6.13	4,544
Dec-23	18,669	3.19	1,914	18,669	3.47	2,080	17,200	4.76	2,631
Jan-24	9,615	3.80	1,175	9,615	3.70	1,145	16,738	6.87	3,699
Feb-24	15,044	1.54	745	15,044	3.19	1,541	15,370	4.78	2,362
YTD Total	228,448	4.01	29,478	228,448	4.49	33,001	242,995	5.21	40,690

Source: SLR Reconciliation_Charts_SLR_SITE.xlsx

Table 3-7: Mount Monger Tank South Reconciliation data

Date	RM			GC			DOM		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Mar-23	20,734	3.53	2,350	18,755	4.02	2,425	16,211	5.89	3,069
Apr-23	67,804	3.75	8,182	63,291	3.86	7,849	42,588	4.26	5,834
May-23	53,802	2.88	4,981	55,102	2.78	4,919	61,101	4.05	7,948
Jun-23	56,861	3.49	6,372	62,303	3.20	6,417	62,909	3.62	7,330
Jul-23	42,908	3.49	4,814	60,702	2.69	5,249	60,684	3.27	6,387
Aug-23	28,086	3.89	3,513	43,238	2.74	3,810	40,396	3.06	3,975
Sep-23	1,762	3.11	176	13,716	1.73	764	13,245	2.22	945
Oct-23	16,281	3.16	1,655	18,833	2.95	1,785	13,715	3.24	1,429
Nov-23	37,614	3.69	4,459	50,876	3.09	5,062	44,506	3.82	5,464
Dec-23	45,517	3.29	4,822	59,295	2.75	5,240	41,338	2.92	3,877
Jan-24	41,303	3.53	4,689	54,900	2.93	5,169	53,520	3.16	5,435
Feb-24	94,985	3.37	10,284	98,098	3.32	10,461	67,626	3.49	7,597
YTD Total	507,656	3.45	56,298	599,109	3.07	59,150	517,837	3.56	59,290

Source: SLR Reconciliation_Charts_SLR_SITE.xlsx

3.6.2 Prospectivity

SRK notes that there are several growth opportunities for additional Mineral Resources at Silver Lake's Mount Monger operations which are continuing to be assessed through ongoing drilling at the Daisy and Santa mining complexes. Drilling returned high grade gold results at Flora Dora (a

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higher-grade open pit) when compared with the larger Santa open pit and provides the opportunity to bring forward higher grade gold ounces to the Randalls Mill. Ongoing underground resource definition and extensional drilling at the Daisy Complex delivered increased confidence in the continuity of the high-grade plunging lodes and demonstrates the potential for further expansion of the Mineral Resource base and conversion to Ore Reserves.

3.7 Metallurgy and processing

The metallurgical review of the Randalls Gold Processing Facility (RGPF) is based on data supplied by Silver Lake. The GR Engineering Services (GRES) project summary and design criteria from the 2011 upgrade indicated the 1 Mtpa upgrade consisted of the installation of the Integra-owned (ex-New Celebration) plant with additional leach tanks, new upgraded gravity circuit, larger reagent facilities and additional lime silo. The upgrade increased the capacity of the RGPF from 800,000 tpa at 95.5 tph to a nameplate capacity of 1 Mtpa⁷, with the capability to treat 125 tph and a milling circuit design utilisation of 95%. However, data provided from July 2022 to January 2024 indicate that throughputs of 150 tph have been consistently achieved, equating to an annual throughput of 1.25 Mtpa at a design utilisation of 95%.

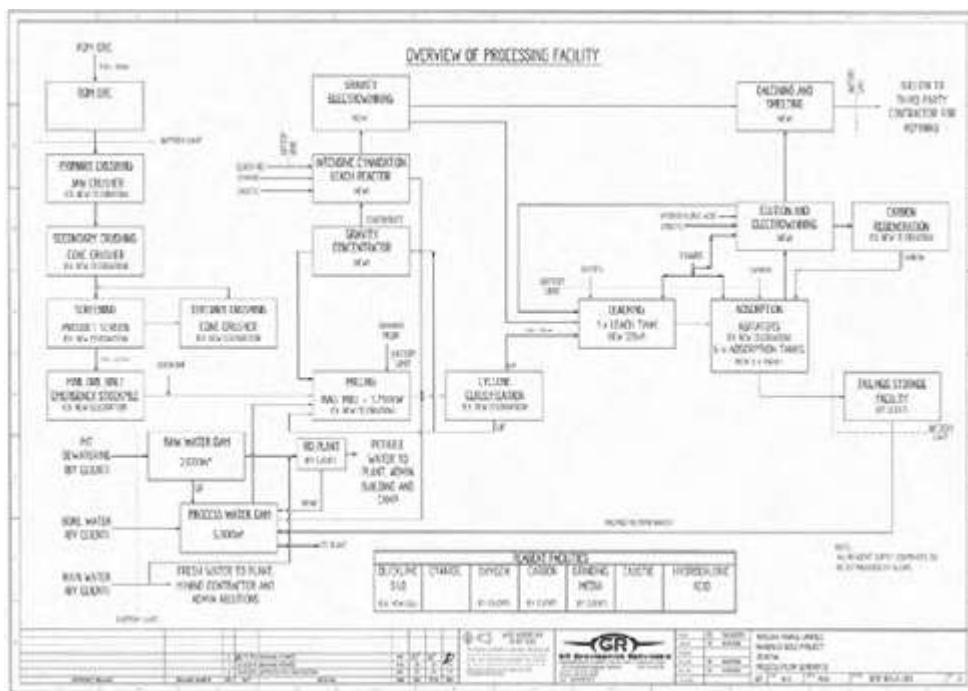
3.7.1 Process flowsheet

The 2011 GRES process flowsheet is shown in Figure 3-3.

⁷ Albeit, Silver Lake has provided data demonstrating the plant consistently operates at 1.25 to 1.3 Mtpa. These production rate equates to 150 tph.

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Figure 3-3: RGPF process flowsheet



Source: Randalls flow schematic pdf sheet

Note: The provided graphic does not include the second ball mill.

The RGPF consists of:

- a comminution circuit consisting of a 3-stage crushing circuit and two ball mills in series in closed circuit with cyclones to achieve a leach circuit feed P₈₀ of 106 µm
- a 2-stage Knelson gravity concentration circuit with intensive cyanide leaching and electrowinning circuit on the cyclone underflow stream to recover the gold
- a CIP cyanide leach and adsorption circuit to recover gold from the cyclone overflow stream with a dedicated Zadra elution and electrowinning circuit
- a carbon regeneration kiln circuit.

SRK notes that RGPF treats ore from a wide variety of sources, indicating some geometallurgical risk. However, the circuit configuration of a 3-stage crushing–ball mill comminution circuit does assist in reducing some of the risk that ore variations would have on processing plant throughput.

3.7.2 Process throughput and metallurgical recovery

The conclusions on metallurgical performance are based on comparison of budgeted performance with supplied monthly site report data from the 2023 and 2024 financial years.

The budgeted performance data are collected from 2.2.2 SLR_Consolidated Corporate Model_November-23_V4.0.xlsx and indicates the following process plant model inputs:

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- Throughput: 102,000 t per month.
- Feed source: Daisy Milano (FY24 – FY26), Cock-eyed Bob (FY24 – FY26), Tank UG (FY23 – FY24), Santa OP (FY24 – FY28)
- Gold recovery:
 - in corporate model : Fresh- 95%, Oxide and transitional- 94%, Low grade- 85%.
 - Gold Recovery in FY24 budget plan (by ore source): Daisy Milano – 97%, Cock-eyed Bob – 95%, Tank UG – 79%, Santa OP – 95%.

Based on the actual mill throughput (average of 104,245 t per month for July 2022–January 2024) and assuming no changes in feed rock type or mineralogy SRK would not adjust the average RGPF throughput.

However, comparison of the actual gold recovery with budgeted recovery in Figure 3-4 indicates that the process plant gold recovery has historically performed significantly below the corporate model budget recoveries. The low historical recoveries can be directly attributed to the treatment of low-grade material and the treatment of ore from low recovery deposits, including Tank, Harrys Hill, French Kiss, Karonie and Karonie South and Atreides which are exhausted in the corporate LOM model. Future ore sources (after FY24) will come entirely from Daisy-Milano, Cock-eyed Bob and the Santa open pit with the recoveries of these ore sources budgeted at 95–97%, which as reported in the Silver Lake reserve reports, is based on actual historical recoveries and laboratory testwork. The corporate model uses a single ore source recovery figure for each of these deposits and does not account for a minimum tails grade limit, culminating in a reduced gold recovery for low-grade feed sources. This is particularly relevant for the treatment of low-grade Santa ore which makes up over 35% of the plant feed in FY25 and over 70% in FY26.

Data analysing the metallurgical performance of low-grade Santa ore from the low-grade plant operation on 22 and 23 March 2024 were reviewed. Unreconciled daily production reports, while assuming Daisy and Tank South ore recoveries were 95% and 80%, respectively, indicate gold recovery from the low-grade Santa feed averaged 91.5% over this period.

SRK notes that low-grade Santa material makes up 50% of the FY25 and 75% of the FY26 feed in the *FY24B Randalls Processing 08052023 V6 - DAISY OPTION 2 - UPDATED SPILES 090723 adjusted.xls* spreadsheet. Based on the lower recovery of this ore and the feed split in the *FY24B processing model*, SRK recommends reducing recovery in the corporate model by 0.9% in FY25 and by 2.1% in FY26 and subsequent years (assuming the Santa low-grade content remains at 76%).

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Figure 3-4: RGPF gold recovery actual vs budget



Sources: 2.2.2 SLR_Consolidated Corporate Model_November-23_V4.0.xlsx and monthly reports

3.8 Ore Reserves and mine planning

3.8.1 Current operations

At the date of this Report, the Mount Monger project hosts three operating mine sites, each providing or intended to provide feed to the RGPF. The currently active sites are the Daisy-Milano underground mine, the Tank underground mine and the Santa open pit. The Daisy-Milano mine is in steady-state production, the Tank underground mine is in its final operating phase and the Santa open pit is undergoing preparatory site works (including clearing, grubbing and topsoil removal) prior to waste pre-stripping.

Daisy-Milano

The Daisy-Milano orebody is being mined solely by underground methods with access by decline. The decline (5.0 m wide by 5.5 m high) spirals (switchbacks) downwards from the portal at a gradient of 1:7 in the footwall of the orebody, and splits into two declines (Main and Haoma West) at the 602 Level (that is, 602 m below nominal surface). As at September 2023, the mine extended to a depth of approximately 1,215 m below surface. Production is currently focused on Ore Reserves located at Haoma West and Easter Hollow, an area offset from the historical workings at approximately 500–700 m below surface.

Cross-cuts (4.0 m wide by 4.5 m high) with associated stockpile bay development are established approximately every 16 vertical metres, with ore drives (3.0 m wide by 3.5 m high) extending to the pay limits of the orebody. Development round drilling is undertaken by two Sandvik DD321 jumbos, one DD421 model and a slightly smaller DD321 model.

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The orebody is mined using a combination of stoping methods, primarily depending on orebody dip and width. Planned stope widths are at least 2.4 m. In flat, narrow or irregular width zones a variety of airleg stoping methods are applied, including leading, gallery and slot stoping. In the December half of FY24, airleg mining contributed only approximately 3% of the mined tonnage. Longitudinal open stoping is used, in a top-down sequence, in wider, steeper dipping areas. The longhole open stoping panels are typically 20 m long and 15 vertical metres floor-to-floor. Two production drill rigs are available on site: an Atlas Copco Simba H1257 boom rig and an Atlas Copco H157 boom rig.

Stopes are bogged using two Caterpillar R1300 LHDs fitted with remote controls, and development ends by a Caterpillar R1700 LHD. Ore and waste is loaded from stockpiles using a Caterpillar R2900 LHD into 45-tonne underground trucks for haulage to the surface ROM pad. At the date of this Report, the haul fleet comprises three Caterpillar AD45 underground trucks, supplemented by a Caterpillar AE35 underground truck fitted with an ejector tray for backfilling completed stopes where appropriate.

Air is exhausted from the mine via a return air rise fitted with a Korfmann AL28-8000 vertical fan powered by an 800 kW motor. Primary air flow is complemented by three 110 kW Clemcorp CC1400 Mk4 axial flow fans established in parallel at a single underground location, with assistance from booster fans at two other underground locations. Intake air is supplied via the decline and fresh air rises. A heat management plan has been established.

Water is pumped from collection sumps on the levels by submersible pumps up to, or drained down to, one of a series of underground Mono™ WTM4 37 kW skid-mounted pump stations.

In the reported 2.5 months from November 2023 through February 2024, Silver Lake reported a decrease in seismic activity compared to 180-day and 360-day averages, with no large events and several moderate events being recorded.

Underground operations are conducted by an experienced contractor, Macmahon Contractors Pty Ltd (Macmahon), under the technical direction of Silver Lake's personnel.

The haul distance from Daisy-Milano to the Randalls Mill is 15 km.

In the December half of FY24, Daisy-Milano performed moderately above budget in tonnage and grade, providing an additional 3 koz of gold above plan. Development contributed more than a third of the mined ore tonnage and approximately half of the contained gold. Both total operating and unit operating costs were below budget (unit costs by approximately 15%).

Tank underground

The Tank mine is located at the Aldiss Mining Centre. It is a mature underground operation with development now completed. Production is expected to continue until the end of FY24.

The underground workings are accessed from a portal in the dormant open pit wall, at ~1270 mRL (natural surface being at approximately 1320 mRL) by a 1-in-7 decline (5.0 m wide by 5.5 m high). The completed ore drives (4.8 m wide by 4.8 m high) permit access by large underground loaders. The stope blocks, in an economic lode measuring approximately 160 m long by 90 m high by 12 m wide, extend from approximately 1230 mRL down to 1110 mRL. All ore is currently extracted from longhole open stopes. Stope bogging is undertaken by loaders fitted with remote control access.

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Paste fill is used for stope cavity support. Ore is loaded into trucks and hauled to the surface ROM pad.

Underground operations are again conducted by Macmahon, under the technical direction of Silver Lake's personnel.

The haul distance from Tank to the Randalls plant is 56 km.

In the December half of FY24, Tank performed moderately above budget in tonnage and grade, providing an additional 3 koz of gold above plan. Total operating costs were above budget, but unit operating costs were almost exactly aligned to budget.

Santa and Flora Dora

The Santa mine is located at the Mount Belches Mining Centre, with Flora Dora located immediately to its south. An open pit mining program has recently commenced, with clearing, grubbing and site preparation works underway. The Santa deposit was previously mined, with waste having been placed in an area that will be impacted by future open pit mining and will therefore be relocated. The Flora Dora area will also be mined during the Santa mining operations, with the two areas eventually forming one combined pit. The pit has an approximate surface level at 1508 mRL (1490 mRL at Flora Dora), with the historical pit floor at 1414 mRL. A portal accessing historical underground workings is located at 1432 mRL. The expanded pit is planned to reach a depth of approximately 170 m (i.e. 1220 mRL) in the main pit area but at Flora Dora will be shallower (i.e. 1345 mRL).

The haul distance from Santa to the Randalls plant is 21 km.

Cock-eyed Bob (dormant)

Cock-eyed Bob is located at the Mount Belches Mining Centre and is currently a dormant underground operation, having been worked continuously from 2017 to 2022. It was mined to 1330 Level by Silver Lake before being placed on care and maintenance. Access is provided from a portal in the historical open pit by a decline (5.0 m wide by 5.5 m high) at a gradient of 1-in-7, with cross-cuts of similar dimensions established at approximately 16 vertical metres floor-to-floor. Below 1170 Level ore drives are 4.0 m wide by 4.5 m high in wider sections of the orebody but revert to 2.5 m wide by 3.0 m high (the standard dimensions above 1170 Level) at the orebody extremities. Longhole open stope was employed, with approximately 95% of ore outside island pillars recovered. Pillars account for approximately 11% of mineralised tonnage within stope boundaries. Dilution was included in the stope design by adding 0.5 m width to each of hanging wall and footwall.

The haul distance from Cock-eyed Bob to the Randalls plant is 19 km.

Other mining projects

No mining operations are currently being conducted at French Kiss at the Aldiss Mining Centre, or Maxwells or Rumbles at the Mount Belches Mining Centre.

French Kiss has a small open pit Ore Reserve. The pit design anticipates a waste-to-ore ratio of 10.0:1.

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Rumbles also has a small open pit Ore Reserve, with an anticipated waste-to-ore ratio of 7.6:1.

Maxwells is a dormant underground mine accessed by decline extending from a portal at approximately 1400 mRL. Previously stoped blocks extend from surface to approximately 1260 mRL. The Ore Reserves are located adjacent to and below the previously stoped zones, extending from approximately 1280 mRL to 1255 mRL, with a minor remnant tonnage above 1355 mRL.

3.8.2 Geotechnical

Rock mass conditions at Daisy-Milano can be classified as 'very poor' in faulted areas to 'good' elsewhere. The four principal rock types at Daisy-Milano are andesite, porphyry, conglomerates and ultramafics. Dolerite is present in dike structures and minor quantities of monomictic andesite tuff are also present. Tests conducted in 2016 on material sourced below 700 mRL indicated that the porphyry, andesite tuff and conglomerate are all very strong, with mean uniaxial compressive strength (UCS) readings ranging from 181 MPa for the andesitic tuff up to 262 MPa for the conglomerate. Consequently, stability is generally controlled by geological structure. From analysis undertaken in 2019, the structural regime appears consistent across the mine, with the same defect sets apparent in the hanging wall, footwall and orebody regardless of rock type. Strong foliation is present throughout, which in the southern end of the mine tends to introduce stability issues in development backs. Stope stability assessment is undertaken using typical rock mass classification and modified stability graphs. Yielding rib pillars are used to separate stoping panels and reduce the hydraulic radius, with design adapted based on previous experience.

Rock mass conditions at Tank are classified as 'good' or better. Stope cavities were designed with hydraulic radii less than or equal to 10 m, equating to cavities 31 m long by 50 m high prior to paste filling.

The Santa open pit mineralisation is hosted in a competent BIF unit, with the walls of the historical pit showing little, if any, signs of deterioration.

The orebody at Cock-eyed Bob comprises three near-vertical lodes and is hosted in very competent rock. Ground conditions are expected to range from 'poor' to 'good', as they did in previous mine operations, with five principal defect orientations having been identified for geotechnical assessment. The rock mass at Cock-eyed Bob comprises a sedimentary series of interbedded greywackes, BIFs, shales and siltstones. The BIF strength (130 MPa) is generally lower than the greywacke host rock (193 MPa). Island pillars (3 m by 3 m) will provide stope stability, sterilising approximately 10% of the mineralisation within the stope boundaries.

3.8.3 Ore Reserves

The current Ore Reserve estimate for Silver Lake's Mount Monger operations was reported to the ASX in an announcement dated 27 September 2023. The Ore Reserve estimate was reported as at 30 June 2023.

SRK again notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code (2012) with respect to the Ore Reserve estimate. The named Competent Person taking responsibility for the Mount Monger Ore Reserve estimates is Mr Sam Larritt, Silver Lake's Group Planning Manager.

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SRK has received representations from Silver Lake confirming that:

- it is not aware of any new information or data that materially affects the information included in the relevant market announcement;
- in the case of estimates of the stated Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed; and
- the form and context in which the Competent Person’s findings are presented have not been materially modified.

In SRK’s opinion, the Ore Reserve estimate reported for the Mount Monger project has been prepared to a sufficient quality standard under the guidelines set out in the JORC Code (2012).

The Ore Reserve estimate is summarised in Table 3-8.

Table 3-8: Silver Lake’s Mount Monger Ore Reserve estimates as at 30 June 2023

Deposit	Mine Type	Proved Reserves			Probable Reserves			Total Ore Reserves		
		kt	g/t	koz	kt	g/t	koz	kt	g/t	koz
Daisy-Milano	UG	100	6.9	22	378	7.7	94	478	7.5	116
Tank	UG	-	-	-	419	3.0	41	419	3.0	41
Santa	OP				4,646	1.5	222	4,646	1.5	222
Santa ¹	OP/UG	-	-	-	5,538	1.7	303	5,538	1.7	303
Cock-eyed Bob	UG	25	3.6	3	194	3.9	24	219	3.8	27
French Kiss	OP	-	-	-	489	1.9	30	489	1.0	30
Rumbles	OP	-	-	-	316	1.3	13	316	1.3	13
Maxwells	UG	20	3.2	2	154	3.5	17	174	3.5	19
Stockpiles	-	2,384	1.2	90	-	-	-	2,384	1.2	90

Source: Silver Lake ASX announcement dated 27 September 2023

Notes: ¹ Santa includes Santa open pit, Santa underground, and Flora Dora open pit

Data are rounded to thousands of tonnes and thousands of ounces, and total grade to 2 significant figures.

The Ore Reserves estimation is predicated on ore from each of these sites being trucked to Silver Lake’s Randalls processing plant, which has a considerably higher throughput rate (approximately 1.25 to 1.3 Mtpa) than can be achieved by any one of the Mount Monger underground mines in isolation. When this plant is provided with ore feed from several sites simultaneously, a lower cut-off grade can be effectively applied to the estimated Ore Reserves. The stope evaluation cut-off grade at Daisy-Milano was determined to be 3.4 g/t Au. Silver revenue is expected to offset doré transport and refining charges.

The estimates have been prepared applying various gold prices: A2,400/oz for Daisy-Milano and Cock-eyed Bob, A\$2,200/oz for Tank Underground, A\$2,600/oz for Santa Open Pit, A\$1,600/oz for French Kiss, A\$2,500/oz for Rumbles open pit and A\$2,300/oz for Maxwells. The French Kiss estimate is as at 30 June 2021 and has not been updated. It is therefore conservative.

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The cut-off grades for the Ore Reserves have been estimated as follows:

- Daisy-Milano: 4.78 g/t Au fully costed; 3.40 g/t Au incremental stope; 0.71 g/t Au incremental development
- Tank: 2.0 g/t Au fully costed; 1.8 g/t Au incremental stope; 0.8 g/t Au incremental development
- Cock-eyed Bob: 3.56 g/t Au fully costed; 2.64 g/t Au incremental stope; 0.71 g/t Au incremental development
- French Kiss (open pit): 0.8 g/t Au
- Rumbles (open pit): 0.65 g/t Au
- Maxwells: 3.0 g/t fully costed; 2.1 g/t Au incremental stope.

Daisy-Milano has been continuously mined by underground methods since 2008. The mine's contemporary operating parameters and cost have been applied in formulating the Ore Reserve estimate. For Ore Reserve estimation purposes, Silver Lake applied stoping recovery factors at Daisy-Milano of 85% in longhole stoping areas (with unplanned dilution of 20%), 70% in airleg stopes (with unplanned dilution of 15%), 100% for development (with unplanned dilution of 16%). These factors were derived from historical reconciliation data.

Tank underground is a mining operation, with the 2023 Ore Reserve being a depletion of the 2022 Ore Reserve estimate. Tank operating and cost inputs were updated in the FY24 budget formulation process. The design stope dilution is 0.5 m in the hanging wall and 0.5 m in the footwall, with 95% recovery.

The Santa Ore Reserve was estimated on the basis of a study completed in August 2021 considered to be at pre-feasibility study (PFS) level and updated to conform with the 2023 Mineral Resource estimate.

The Cock-eyed Bob Ore Reserve was first estimated in 2017 in conjunction with a PFS coordinated by the Company officer who is also the Competent Person authorising publication of the current estimates. The mine's costs from its recent operations were applied to the 2023 Ore Reserve estimation procedure.

The French Kiss open pit Ore Reserve estimate was based on a study completed in August 2021 considered to be at PFS level, with costs and inputs more recently updated.

The Rumbles open pit Ore Reserve estimate was based on a study completed in June 2023 considered to be at PFS level, with current actual and tendered costs applied. The pit design anticipates a waste-to-ore ratio of 10:1.

The Maxwells underground Ore Reserve estimate was based on a study completed in May 2016 considered to be at PFS level. Underground mining commenced at Maxwells in 2016, and actual operating costs have been applied in determining the Ore Reserve.

3.8.4 Life of Mine Plan

Silver Lake and Red 5 both provided SRK with LOM models for standalone operations at each of the Australian mining centres under consideration, namely Mount Monger, Deflector (including Rothsay) and King of the Hills (including Darlot). As these centres are mutually distal, the Scheme does not impact on the projected mining schedules with respect to any perceived synergy. Consequently, any near-term amendments to the schedules should the Scheme be implemented

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are more likely to result from management and operational philosophy than from project characteristics. The models are similarly formatted and, except for the selection of Mineral Resources for inclusion and operating parameter selection, are broadly similar.

Silver Lake has included four principal ore sources in its LOM model: Daisy-Milano underground, Tank underground, Santa open pit and Cock-eyed Bob underground. The Santa open pit schedule incorporates the Flora-Dora pit as an operational extension. Although Ore Reserves have been published for French Kiss, Rumbles and Maxwells, no production is currently scheduled.

The sequencing of production is unlikely to change in the near future, but the duration of operations at each site will be highly dependent on future exploration success (particularly for Daisy-Milano) and future gold prices. Table 3-9 therefore represents the Company’s best indications given the data currently available and current gold price and macro-economic projections, and should not be interpreted as a commitment by Silver Lake with respect to operational timing.

Table 3-9: Life of Mine Plan – production sequencing from Silver Lake’s deposits

Project	Start	Finish
Daisy-Milano	Ongoing	Q4 FY26
Tank underground	Ongoing	Q4 FY24
Santa, Flora-Dora	Q3 FY24	Q3 FY28
Cock-eyed Bob	Q1 FY25	Q4 FY26

Source: 2.2.2 SLR_Consolidated Corporate Model_November-23_V4.0Consol Budget Model 22-11-11 (SLR)

3.9 Mine closure plan and cost estimate

The most recent mine closure plans (MCPs) and closure cost estimate reviewed by SRK for Mount Monger operations (MMO) include:

- 2023 Daisy MMO, MCP, Site Code: S0223022, Site Name: Mount Monger Environmental Group/Silver Lake, Silver Lake Resources Limited, Triennial review, Rev.4, 30/10/2023 (last DEMIRS approved MCP dated 18/04/2018⁸)
- 2023 Daisy MMO closure cost estimate model (ref. *Mt Monger Closure Cost Model 230630.xlsx*).
- 2020 Randalls MMO, MCP, Project Code: J251, Mineral Field 25 and 26, Tenement Holder: Silver Lake (Integra) Pty Ltd, Site Codes S000910 (Randalls Group) and S0231383 (Mount Monger South Environmental Group), Silver Lake Resources Limited, third iteration, 30/04/2020 (last DEMIRS approved MCP dated 06/09/2018⁹)
- 2023 Randalls MMO closure cost estimate model (ref. *Randalls Closure Cost Model 230630.xlsx*).

⁸ DEMIRS Annual Environmental Report, Reference ID: AER-203-55171, Project: J00251 Randalls - Mount Monger, Environmental Group Site (Site): S0223022 Mount Monger Environmental Group/Silver Lake, Period Finish: Sep/2023, printed 01/03/2024

⁹ DEMIRS Annual Environmental Report, Reference ID: AER-631-50826, Project: J00251 Randalls - Mount Monger, Environmental Group Site (Site): S000910 Randalls Group, Period Finish: Mar/2023, printed 01/03/2024

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- 2023 Aldiss MMO, MCP, Site Code: S0002077, Site Name: Karonie Group, Silver Lake (Integra) Pty Limited, Triennial review, Rev. 8.0, 28/02/2023 (last DEMIRS approved MCP dated 11/11/2020¹⁰)
- 2023 Aldiss MMO closure cost estimate model (ref. *Aldiss Closure Cost Model 230630.xlsx*).

The 2023 LOM closure cost estimates for Mount Monger (including the Daisy, Randalls and Aldiss operations) totalled A\$18,229,750 (including 5% contingency) is for carrying out the activities listed in Table 3-10. Silver Lake reported that ‘this is at 30 June 2023 and that these cost models were adjusted for inflation/cost increases to 31 December 2023 (hence there is a small difference to the summary table below)’ (ref. *SLR_Mine closure plan and cost estimations* email dated 28/03/2024). SRK notes the following comments to the closure cost models:

- It does not appear that any property-holding costs have been included.
- There are mentions of a 10-year period of land management (post-closure or after completion of rehabilitation works), but the monitoring period included is only 5 years. It is considered good practice in Western Australia for ‘post-closure monitoring to continue until agreed completion criteria have been demonstrated to be met. A minimum monitoring period after closure should be provided for in the Mine Closure Plans, usually in the order of 10 years’¹¹.
- MMO closure cost models include 5% contingency. According to the *AusIMM Cost Estimation Handbook*¹² ‘contingency is an amount added to an estimate to account for items, conditions or events which experience suggests will result in additional costs above those estimated based on quantities and unit rates. This includes, but is not limited to, planning and estimating errors or omissions, price fluctuations (other than escalation), design development and within scope changes, and variations in market and environmental conditions. The magnitude of the contingency applied to an estimate is determined for the analysis of the sensitivity or potential variation key estimate parameters (e.g. rates, quantities, tasks)’. Silver Lake has advised that the current MMO closure cost estimates are built up from first principles. This is reasonable at a closure design conceptual/scoping study level. However, given the MMO closure cost estimates do not rely on a closure design feasibility study level, the 5% contingency is optimistic. According to the *AusIMM Cost Estimation Handbook*, accuracy of conceptual/scoping study level closure design ranges from ±30% to ±35% and expected contingency ranges between 25% and 35%.

The financial model provisioned a closure cost of A\$19,869,000 for MMO.

SRK has reviewed Silver Lake’s closure costing and generally considers that the rates used are appropriate. The description of closure concepts presented in Silver Lake’s most recent mine closure plans generally reflects conventional practice in the Western Australia.

¹⁰ DEMIRS Annual Environmental Report, Reference ID: AER-946-55467, Project: J00184 Aldiss - Karonie, Environmental Group Site (Site): S0002077 Karonie Group, Period Finish: Jan/2024, printed 01/03/2024

¹¹ Guidelines for Preparing Mine Closure Plans, Department of Mines and Petroleum, Environmental Protection Authority, Government of Western Australia, May 2015 (<https://www.dmp.wa.gov.au/Documents/Environment/ENV-MEB-121.pdf>)

¹² *AusIMM Cost Estimation Handbook*, Second Edition, Monograph 27 (<https://www.ausimm.com/publications/monograph/monograph-27---cost-estimation-handbook-/>)

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Based on the MMO mine closure plans and closure cost models and taking account of current practice in similar mining and processing operations in Western Australia, SRK recommends a minimum 20% contingency to the closure cost models, for a total closure cost estimate of A\$21 million.

Silver Lake's closure costings are based on an LOM considering Mount Monger mining and processing operations. SRK estimates a relinquishment date in 2040, based on a period of a minimum 3 years of closure works and 7 years of post-closure monitoring in line with the *Guidelines for Preparing Mine Closure Plans*. Closure is expected to start upon last material sent through the mill, at the latest.

Table 3-10: 2023 Mount Monger closure cost provisions summaries

Domains	Daisy (A\$)	Randalls (A\$)	Aldiss (A\$)
Landforms	1,792,670	2,395,908	1,654,473
Industrial infrastructure	680,430	2,999,787	629,057
Mining infrastructure	383,915	522,872	43,096
Water containment facilities	24,180	205,624	41,158
Groundwater infrastructure	19,381	104,211	48,976
Roads	161,672	997,722	1,309,279
Exploration and historical disturbance	289,414	77,076	64,975
Water treatment – Post closure	-	165,609	-
Post-closure monitoring	275,000	275,000	135,000
Owner's management (closure and post closure)	640,400	492,900	538,674
Contingency (5%)	213,353	411,835	223,234
Other closure costs during operations	360,000	255,000	180,000
Total	4,840,415	8,903,544	4,867,922

Source: Silver Lake Resources

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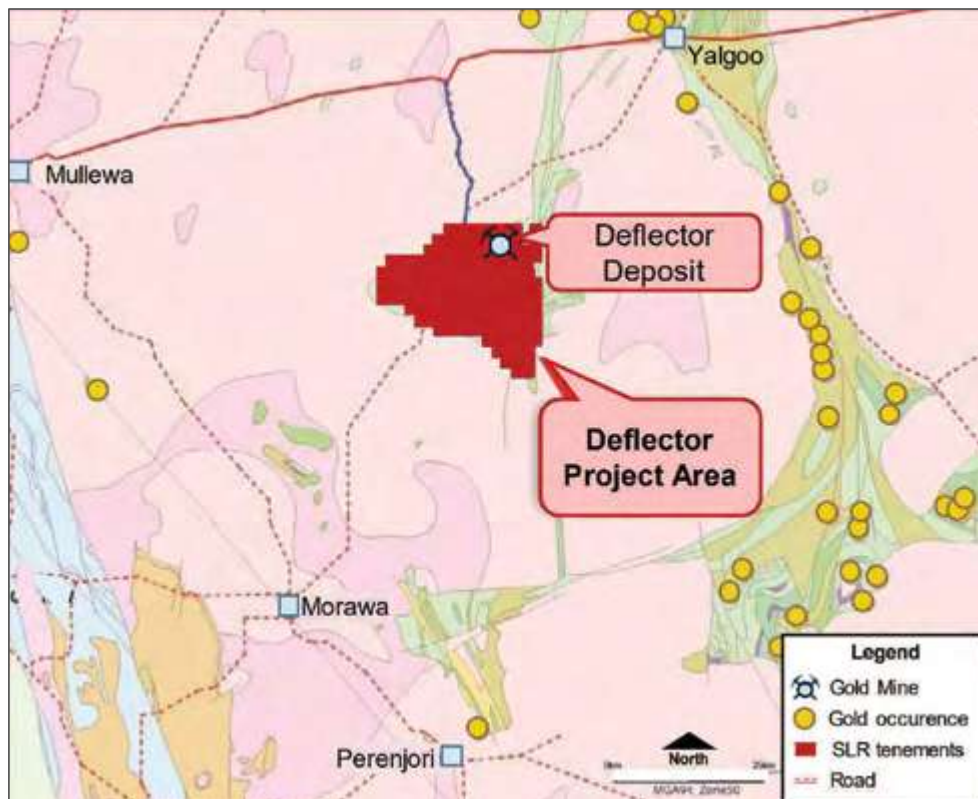
4 Silver Lake’s Deflector Operations

4.1 Project description and background

Silver Lake’s Deflector operations are situated in the Mid West region of Western Australia and comprise the Deflector and Rothsay underground mines and the Deflector mill (Figure 4-1).

The Deflector mine lies approximately 370 km north of Perth, 160 km east of Geraldton, 70 km north-northeast of Morawa and 50 km southwest of Yalgoo in the southern Murchison region of Western Australia. The project is located at latitude $-28^{\circ} 40' S$ and longitude $116^{\circ} 22' E$ on the Yalgoo (SH 50-2) 1:250,000 scale and Mellenbye (2140) 1:100,000 scale topographic sheets.

Figure 4-1: Location of Deflector (and Rothsay) gold mining operations



Source: ASX announcement 'Red 5 and Silver Lake Resources to Merge' dated 5 February 2024

The Deflector area is situated within a wide drainage system of sheetwash plus braided channel deposits which transports alluvium from the northwest, through Deflector towards the Salt River. The system is 12 km long and is 5 km wide at Deflector. In general, Deflector lies on a palaeo-topographic high, with alluvial cover being thicker away from the deposit in all directions and typically 20–30 m thick a few hundred metres from the deposit.

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Deflector is a structurally controlled, shallow, narrow vein high grade gold and copper underground mine. Gold and copper mineralisation is hosted within a series of structurally controlled lodes.

The Deflector open pit was mined between 2015 and 2017, with a final footprint measuring 530 m long by 180 m wide and a depth of 80 m. Deflector open pit mining was conducted using conventional drill and blast, and load and haul mining techniques. Underground mining commenced in mid-2016 and is accessed via two portals and declines within the Deflector open pit named Deflector and Deflector South West. The Deflector underground mine design is based on standard Western Australian mechanised mining, top-down bench stoping as the primary means of ore extraction.

In the half year to 31 December 2023, Deflector mined 412,118 t at 4.3 g/t Au for 56,566 ounces of contained gold and 0.2% copper¹³. Production was sourced from the Deflector (Western, Central) and Deflector South West lodes. Mine production and development is active in both mining areas, with development activities weighted towards the Deflector South West mining area.

The Deflector processing facility comprises a 3-stage closed crushing circuit, gravity gold circuit and conventional copper flotation circuit. The plant is designed for hard rock capacity of approximately 460 ktpa, which it has consistently exceeded and is permitted to a capacity of 700 ktpa. The first gold production from Deflector underground was in May 2016. For the half year ending 31 December 2023, the Deflector mill throughput was 380,414 t at an average gold grade of 5.5 g/t Au and copper grade of 0.18% for production of 65,487 ounces of gold and 541 tonnes of copper¹⁴. Total gold recovery was 97.2% with copper recovery of 77.1%. Concentrate production totalled 6,195 tonnes with an average gold grade of 132 g/t and copper concentrate grade of approximately 15%. Approximately 71% of milled ore tonnes were sourced from Deflector, with the balance sourced from Rothsay.

The Rothsay mine is located approximately 70 km east of the wheatbelt town of Perenjori and approximately 300 km north-northeast of Perth in the southern Murchison region of Western Australia. The Deflector mine and processing facility are located approximately 84 km northwest of Rothsay, a satellite mining operation to the broader Deflector operations.

The Rothsay area is accessed by gazetted sealed and gravel roads from Perenjori. Access within and around the site is by numerous existing roads and exploration and mining tracks.

Rothsay production for the half year ended 31 December 2023 totalled 114,711 t at 4.4 g/t Au for 16,054 ounces of contained gold, with 99,667 t hauled to the Deflector mill¹⁵.

4.1.1 Tenure

Silver Lake's Deflector project comprise the Deflector and Rothsay tenements that cover a total area of 469 km². The Deflector tenements comprise 16 granted Mining Leases covering approximately 39.2 km² and seven granted Exploration Licences covering approximately 375 km².

¹³ Silver Lake ASX announcement 'Appendix 4D; half year report period ended 31 December 2023', dated 21 February 2024, page 5.

¹⁴ Silver Lake ASX announcement 'Appendix 4D; half year report period ended 31 December 2023', dated 21 February 2024, page 5.

¹⁵ Silver Lake ASX announcement 'Appendix 4D; half year report period ended 31 December 2023', dated 21 February 2024, page 5.

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A further 12 Miscellaneous Licences (required for infrastructure relating to mining production activities) over approximate 13.0 km². All tenements are 100% held. Total current annual expenditure requirements on the tenements total A\$971,300 with a further A\$170,306 in rents.

Key tenures supporting ongoing mining and processing at Deflector are M59/442 and M59/356. The tenements are held by Silver Lake’s subsidiary companies, Deflector Gold Pty Ltd and Gullewa Gold Project Pty Ltd.

Similarly, Silver Lake holds a 100% interest in the Rothsay tenements through its wholly owned subsidiary company, Silver Lake (Rothsay) Pty Ltd. The Rothsay project area comprises four granted Exploration Licences, two granted Mining Leases and five Miscellaneous Licences covering a combined area of approximately 42 km² (Table 4-1). The key tenures are M59/39 and M59/40.

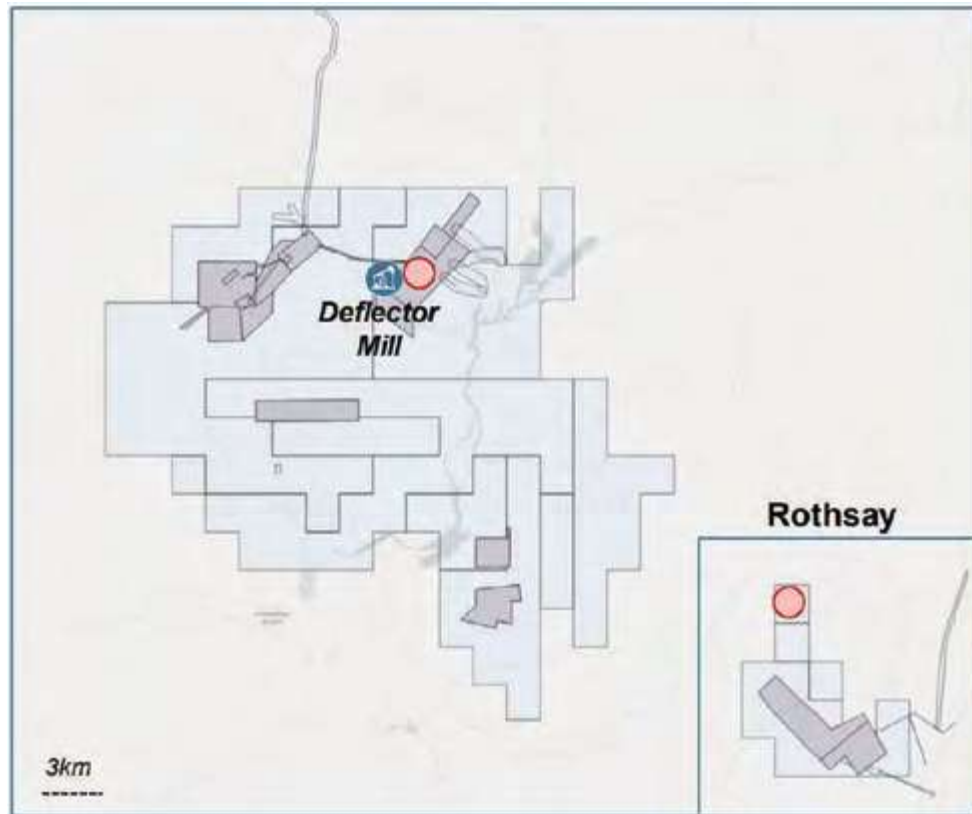
SRK received representation from Silver Lake that the schedule detailed in Table 4-1 is to be relied upon for the purpose of this Report. SRK has made all reasonable enquiries into the status of this tenure as at 28 February 2023 and cross-checked with the WA online database, TENGRAPH (https://www.dmp.wa.gov.au/TENGRAPH_online.aspx).

Table 4-1: Silver Lake’s Deflector Project – summary tenement schedule

Project	Type	Number	Area (km ²)
Deflector	Exploration Licence (E)	7	375
	Prospecting Licence (P)	0	--
	Mining Lease (M)	16	39
	Miscellaneous Licence (L)	12	13
	General Purpose Licence (G)	0	--
Rothsay	Exploration Licence (E)	4	29
	Prospecting Licence (P)	0	--
	Mining Lease (M)	2	11
	Miscellaneous Licence (L)	5	2
	General Purpose Licence (G)	0	--
Total		46	469

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Figure 4-2: Tenures comprising the Deflector (and Rothsay) gold mining operations



Source: Silver Lake

Royalties

State royalties are distributed to the Western Australian Government at the ad valorem rate of 2.5% of the value of any gold produced from Silver Lake’s Deflector operations. Copper produced in concentrate is subject to a 5% royalty on the value of the material.

In addition, a 1% gross revenue royalty is payable on various tenements including M59/442 (hosting the Deflector mine) payable to Gullewa Ltd. SRK has been advised by Silver Lake that this royalty is immaterial given it relates to the Golden Stream mineralisation, which is not currently in the mine plan, Ore Reserve or Mineral Resource statements.

A further royalty of 1% of gold produced or 3% of net profits (whichever is greater) from M59/68 is payable to Woods, Woods and Searle, but is not currently in the mine plan, Ore Reserve or Mineral Resource statements.

Under a royalty agreement dated June 2007, Magnetite Mines Limited (Magnetite) is entitled to a royalty of A\$10/oz gold extracted from the Rothsay tenements commencing upon sales of 10,000 oz from the Rothsay tenements. The royalty will cease after the cumulative royalty payments reach an amount of A\$595,000 (Magnetite ASX announcement dated 13 October 2020).

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4.2 Infrastructure

As an existing open pit and underground mining and processing operation, the surface infrastructure at Deflector comprises the processing plant, tailings storage facility (TSF), power station, accommodation village, administration buildings, maintenance workshops and support contractor facilities.

Infrastructure is appropriate to manage and process ores from the Deflector lodes.

Rothsay ore has been processed at the Deflector processing plant (CIP circuit) since 2021. The mineralogy of the ore has not changed with depth and the metallurgical recovery is well understood.

Infrastructure at Rothsay includes:

- accommodation village (including a licenced reverse osmosis plant)
- landfill (putrescible and inert), including bioremediation facility
- borefields – RYMP1 and RYMP2 to supply camp, RYMP3 and RYMP4 to supplement mine water if required
- non-processing infrastructure (NPI) including:
 - levelled earthworks pad
 - administration buildings/ablution/medic/carpark
 - stores/laydown yard; workshop/washdown bay
- power station (diesel with future gas option)
- magazine
- communications tower
- overhead power lines, pipework and roads
- airstrip.

4.3 Permitting and compliance

4.3.1 Environmental permitting

Environmental aspects of mining and related activities at the Rothsay and Deflector operations are primarily regulated under the following Western Australian legislation:

- Mining Act 1978
- Environmental Protection Act 1986
- Rights in Water and Irrigations Act 1914.

A summary of the most recent approvals issue under these Acts is provided in Table 4-2.

None of the mining activities that form part of Silver Lake's Deflector operations appear to have been referred to the federal government or to the Western Australian Environmental Protection

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Authority (EPA) for environmental impact assessment under (respectively) the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) or the *Environmental Protection Act 1986* (WA). It is not compulsory to refer projects for assessment under either piece of legislation, although there is an expectation that 'environmentally significant' projects will be referred and assessed. SRK has been advised Silver Lake considers that the activities carried out in connection with the Deflector project are not environmentally significant.

Mining and related activities

Commitments made in approved mining proposals and mine closure plans are legally binding and remain as legal obligations unless explicitly altered or superseded by succeeding Mining Act approvals. Environmental obligations travel with mining tenure and are binding on successive tenement holders. Some 20 mining proposals have been approved in connection with tenements now forming part of the Deflector and Rothsay operations over the period from 1988 to 2023.

Groundwater extraction and use

Water allocations approved for the Deflector and Rothsay projects under the *Rights in Water and Irrigation Act 1914* (RIWI Act) are summarised in Table 4-2. Approvals to extract water under Section 5C of the RIWI Act do not automatically entitle licence holders to discharge water to the environment. Discharge of water to the environment (including disposal of water to mine pit voids) is regulated as a 'prescribed activity' under Part V of the *Environmental Protection Act 1986* (EP Act).

Prescribed activities (environmental operations)

Silver Lake currently holds two 'prescribed premises' licences under Part V of the EP Act for Deflector/Rothsay. The Act does not regulate mining activities, but does regulate mine dewatering, ore processing, storage of tailings and a range of other prescribed activities (many of which relate to water management).

Clearing of native vegetation

At least five native vegetation clearing permits have been issued in connection with mining and exploration activities on tenements that are now part of the Deflector/Rothsay tenement package. Of these, it appears that two permits (CPS 5128/5 and CPS 8855/1) are still valid. In the aggregate, the valid clearing permits authorise clearing of up to approximately 1,097 ha of native vegetation.

Aboriginal and non-Aboriginal heritage

Information presented in a mining proposal approved for the Deflector project in June 2022 (Reg ID 1-0992 - *Mining Proposal with MCP Deflector Gold Copper Mine Rev 2b*) reported that areas proposed for disturbance were surveyed for possible Aboriginal heritage sites in 2021. SRK has not sighted the heritage survey report. As a result of that survey, three previously unknown heritage sites were recorded on tenements L59/160, M59/49, M59/522, M59/442, M59/133 and M59/68. Aboriginal heritage sites reported by Silver Lake to occur near its Deflector operation are shown in Figure 4-3. Silver Lake proposes to avoid the heritage sites, rather than seeking authorisation to impact the sites.

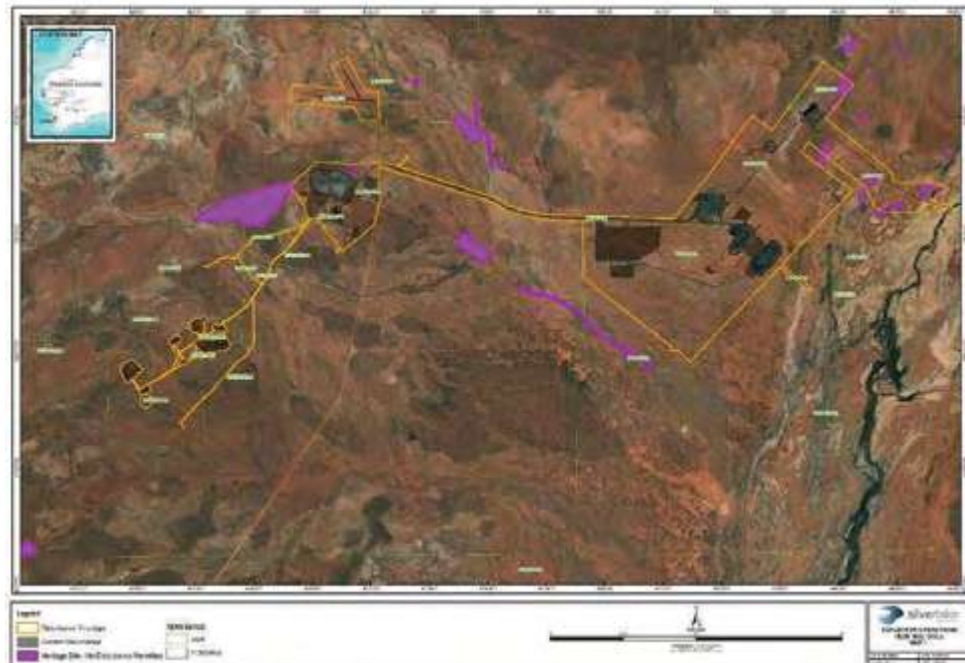
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Table 4-2: Environmental authorisations – Deflector/Rothsay Project (as at March 2024)

Statutory instrument	Date approved (or most recently amended)	Regulated activities
Mining Act 1978		
Mining proposal REG ID 100992 (<i>Mining Proposal with Mine Closure Plan Deflector Gold Copper Mine Rev 2b</i>)	17 June 2022	Mining and related activities
Mining proposal REG ID 115643 (<i>Rothsay Mining Proposal Rev 5C</i>)	26 May 2023	
Part V of Environmental Protection Act 1986		
Licence L7798/1993/8 (valid to 30 November 2026) – Deflector/Gullewa Operations	20 April 2023	<ul style="list-style-type: none"> ■ L7798 authorises: <ul style="list-style-type: none"> – Processing of up to 0.877 Mt/pa of ore – Mine dewatering and discharge to the environment of up to 1.54 GLpa of groundwater – Disposal of no more than 4,000 tpa of waste in a putrescible waste landfill
Licence L9293/2021/1 (valid to 8 November 2041) – Rothsay operations	21 December 2023	<ul style="list-style-type: none"> – Treatment of up to 60 m³/day of sewage. ■ L9293 authorises: <ul style="list-style-type: none"> – Mine dewatering and discharge to the environment of up to 0.595 GLpa of groundwater – Disposal of no more than 500 tpa of waste in a putrescible waste landfill – Treatment of up to 35 m³/day of sewage.
Clearing permits 5128, 8855 ¹	Various dates	Permits authorise clearing of up to 889.524 ha of native vegetation
Rights in Water and Irrigation Act 1914		
GWL168757(M59/133-I, M59/294, M59/335, M59/391, M59/442, M59/49, M59/507, M5-522 - Deflector) – Expires 7 June 2028	7 December 2023	Authorises extraction of 4.7 GLpa of groundwater
GWL175275(L59/24, M59/39, M59/40 – Rothsay operations) – Expires 7 December 2032	8 December 2022	Authorises extraction of 0.75 GLpa of groundwater

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Figure 4-3: Aboriginal heritage sites near Deflector operations



Source: Figure 71 in Mining Proposal with MCP Deflector Gold Copper Mine Rev 2b (Reg ID 100992)

4.3.2 Environmental management and compliance

As outlined in Section 3.3.2, Silver Lake operates a common environmental management system across its operations in Western Australia and Canada. Statutory compliance reporting for the Deflector/Rothsay operations is similar to the reporting requirements for the Mount Monger operations. Annual compliance/performance reports are required in relation to:

- Mining proposals and mine closure plans
- ‘Prescribed premises’ licences
- Groundwater extraction licences.

As is the case for all Western Australian mines (with the exception of operations administered under State Agreement Acts), annual reports of mining disturbance and rehabilitation must also be submitted in accordance with the requirements of the *Mining Rehabilitation Fund Act 2012*.

A number of non-compliance matters were identified in the prescribed premises report submitted for the period from 1 January 2021 to 31 December 2021 (report submitted 30 March 2022). Non-compliances were also recorded for the reporting period from 1 January 2022 to 31 December 2022 (report submitted 21 March 2023). Both years reported failures to maintain daily records of inspections of the TSF and associated pipelines and discharge points. The cause of the non-compliance was attributed to shortcomings in personnel training and/or supervision. In the earlier reporting period, an accidental release of 120 m³ tailings decant water was also reported.

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Silver Lake has advised that in most instances TSF inspections are completed and it does not consider the failure to document inspection records in a log book a cause for concern.

SRK notes that the water quality results for treated septic effluents in both reporting periods are indicative of poor performance of the septic waste treatment facility. A works approval (W6407) was approved on 20 March 2024, allowing Silver Lake to replace a 30 m³/day containerised wastewater treatment plant with a 50 m³/day containerised wastewater treatment plant. This modification may improve wastewater treatment performance.

In its 2022 annual compliance report, Silver Lake reports that 762,518 tonnes of ore was processed at its Deflector facility. At the time, this represented approximately a 9% exceedance of the approved production capacity of the plant. The approved production capacity was subsequently increased to 877,000 tpa through a licence amendment. It is worth noting that licensing of ore processing under Part V of the *Environmental Protection Act 1986* is meant to regulate production or design capacity – not plant throughput.

Recent annual environmental reports submitted to the DEMIRS for the Deflector/Rothsay operations generally indicate compliance with statutory requirements. The most recent AER submitted for the Deflector operation (AER613-55568, submitted 19 March 2024, reports that of some 370 ha of disturbance, approximately 16 ha has been reshaped (Stage 1 rehabilitation earthworks) and a further 10.2 ha has progressed to Stage 2 rehabilitation, which could include, for example, revegetation and monitoring. Additional investigation to address rehabilitation and closure knowledge gaps is proposed at the Deflector operations area during the period from 2024 to 2026. Much of the additional work proposed at Deflector relates to characterisation of mineral wastes stored in waste landforms and to defining design requirements to ensure erosional stability of engineered landforms (resistance to water and wind erosion) in the post-closure period (Table 29 in Deflector mine closure plan, appended to mining proposal REG ID 100992, approved on 17 June 2022).

Rothsay's most recent mine closure plan (Revision 9.1, dated May 2023) commits to a range of investigation and monitoring programs to address rehabilitation and closure knowledge gaps. The proposed investigations and monitoring are to be carried out between 2024 and 2027. Silver Lake advises that it reviews progress on rehabilitation tasks annually.

4.4 History

4.4.1 Deflector

Gold mining is first recorded in the surrounding area to Deflector at Gullewa from 1897 to 1943, predominantly from the Daisy, Shannadoah, Gullewa Queen, Monarch, Phoenix, Victory United, Golden Stream, Mugga King and Mugga Queen mines. Limited unrecorded gold production may have occurred at a number of small historical workings scattered across the Gullewa project area such as those at the Caldwell, Dunbar and Oliver's Well prospects.

From 1960s to 1985, base metal exploration was the primary focus of activities, with no known gold production during this period. Exploration during this time was completed by CRA Exploration Pty Ltd, Anglo American, Esso Exploration and Production Australia Inc., Goldfields Exploration Pty Ltd and Samin Ltd, along with BHP and Union Oil Development Corporation.

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Between 1985 and 1989, Golden Plateau NL in joint venture with Axtec Exploration Limited, explored the area surrounding the historical Golden Stream workings, approximately 2 km northeast of Deflector.

More recent exploration over the Deflector area has mainly consisted of mapping, sampling and surface drilling as carried out by various parties, including Sons of Gwalia Ltd (1990–1994), National Resources Exploration Ltd (1995–1996), Gullewa Gold NL (1996–2000), King Solomon Mines Pty Ltd/Menzies Gold NL (2001–2002), Batavia/Hallmark Consolidated Ltd (2003–2008), ATW Gold Corp Pty Ltd (2008–2010), Mutiny Gold (2010–2014) and Doray Minerals Ltd (2014–2018).

Key activities included:

- Sons of Gwalia Ltd formed a joint venture with National Resources Exploration Limited (NRE) and carried out extensive scout rotary air blast (RAB) drilling throughout the Gullewa greenstone belt and at various targets initiated through a review of the existing exploration data. Sons of Gwalia also acquired and interpreted existing aeromagnetic geophysical data, which resulted in the identification of Deflector – an interpreted northeast–southwest trending structure along the western edge of the Gearless Well intrusive that was offset by a northwest–southeast trending fault. Initial infill bedrock RAB drilling at Deflector defined a bedrock gold-copper geochemical anomaly within a 2 km by 1 km area which returned maximum grades of 1,900 ppb gold and 2,760 ppm copper. Subsequent RC drilling and a small amount of diamond drilling during October 1991 marked the discovery of significant mineralisation and led to the first resource estimate in 1993.
- In 1994, Sons of Gwalia sold its assets to NRE, which then built the Gullewa gold treatment plant. In 1996, NRE changed its name to Gullewa Gold NL. Ore was mined from open pits (Monarch, Michealangelo and Golden Stream) and underground (King Solomon and New Phoenix). Mining ceased in 1996 and efforts were then directed to resource definition drilling at Deflector.
- From 1998 to 1999, Gullewa Gold NL entered into a joint venture with Acacia Resources Ltd (Acacia) which excluded Deflector. Gullewa Gold NL did not undertake any significant exploration at Deflector during this period.
- In September 2000, King Solomon Mines entered an agreement to purchase the Gullewa CIL gold project. During 2001, King Solomon Mines acquired the remaining tenements from Gullewa Gold NL and merged with Menzies Gold Limited (Menzies) to facilitate development of the project. Menzies refurbished the Gullewa CIL gold plant in 2002. Ore was mined from the Brandy Hill, Rocksteady, Michaelangelo and Deflector open pits. A portion of mill feed was also mined from the underground workings of the King Solomon and Christmas Gift mines. Production ceased in January 2003, as the Deflector gold-copper ore could not be treated in the existing CIL plant.
- In July 2003, Hallmark Consolidated Limited (Hallmark) purchased the Menzies assets and renamed as Batavia Mining Limited (in September 2003). From this time, a series of resource definition drilling campaigns were undertaken at Deflector.
- In 2008, ATW Gold Corp. Pty Ltd (ATW) purchased 100% of the Gullewa mine and associated operating assets. Initial exploration activities included the completion of induced polarity (IP) and gravity geophysical surveys.

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- In July 2010, Mutiny Gold Limited (Mutiny) reached agreement to purchase the Gullewa project from ATW. Following initial drilling, Mutiny completed a scoping study showing that Deflector was potentially profitable, and that further exploration and development studies were warranted. As a result, Mutiny embarked on a series of additional drilling and metallurgical testwork programs to improve the geological and metallurgical confidence in the defined mineralisation. A study review was commenced in March 2013 and completed in September 2013, concluding that Deflector was a viable project.
- In October 2014, Doray and Mutiny announced a merger which was completed in March 2015. Construction of the Deflector processing plant and mining operations commenced shortly thereafter. On 8 February 2016, Doray advised that it had successfully commenced open pit mining at Deflector. Underground development commenced in June 2016 and stoping operations commenced in January 2017.
- In 2020, Silver Lake and Doray merged.

4.4.2 Rothsay

Gold was first discovered in the Rothsay area in 1894. Historical gold production is estimated at 54 koz.

Historical exploration, open pit and underground mining was carried out at Rothsay by various parties between 1894 and 2019. Metana Minerals NL last mined the Rothsay project up until May 1991. Extensive underground development infrastructure from these historical workings remains in place.

Modern exploration and mining consisting of mainly mapping, sampling and surface drilling was carried out by Metana Minerals NL and Genmin joint venture (1989–1991), Hunter Exploration and Central West Gold joint venture (1991–1997), Thundelarra and Central West Gold joint venture (2000–2001), Thundelarra and Menzies Gold Ltd (2001–2002), United Gold (2002–2003), Silver Lake Resources (2007–2009) and Egan Street Resources Ltd (until 2019).

Mining operations at Rothsay were approved on 28 November 1988, including underground mining via a portal and decline, and (to a lesser degree) various small open cut operations.

Under Egan Street's stewardship, Rothsay progressed through the exploration and study phases with the delivery of a PFS in 2017, an initial definitive feasibility study (DFS) in July 2018 and an updated DFS in February 2019. The Rothsay Mining Proposal was approved by DMIRS in June 2019.

In January 2020, Silver Lake completed the compulsory acquisition of Egan Street and took over management of the Rothsay mine. Upon completion of the transaction, Silver Lake proposed various amended activities and new methodology to mine the gold ore at Rothsay, with a revised Mining Proposal approved in December 2020, for the airstrip and ventilation shaft.

4.5 Local geology and mineralisation styles

The regional geological context is provided in Section 2.4 of this Report.

4.5.1 Deflector

The Deflector deposit is a gold-copper mineral system located within the Gullewa Greenstone Belt of the Yilgarn Craton, Western Australia. The stratigraphic sequence at Gullewa comprises a lower group of ultramafic and mafic greenstones with minor local BIF units, overlain by intermediate and felsic volcanic rocks, with an upper association of clastic sediments, including shale, sandstone, conglomerate and turbidites. Three distinct lithological domains – northern, southern and eastern have been identified.

The Gullewa Goldfield and the Deflector deposit occur in the northern domain, which is dominated by high-magnesium basalts and contains a distinct package of tholeiitic basalt and BIF, which is the preferred host for much of the known mineralisation. A thin sequence of turbidites and black shales is present in drilling southeast of the Deflector trend, where the rocks young to the southeast towards the Gearless Well Trachyandesite.

There are several gold prospects within the Gullewa Greenstone Belt, including the Gearless Well, Golden Stream, King Solomon, Monarch, Michealangelo, Gullewa Hill and Rocksteady prospects. Comparatively, the occurrence of gold-only mineralisation within the Gullewa Greenstone Belt far outweighs the base metal occurrences. Isolated intercepts of copper and zinc have also been observed at Rocksteady and beneath a gossan at Murdalyou Range at Mugga King; however, these have been described by others as being largely insignificant.

The Deflector deposit lies beneath a broad drainage system, comprising sheetwash, and a braided channel deposit that transports alluvium from the northwest through the project area towards the Salt River. Beneath the cover sequence, the Deflector deposit is hosted by a monotonous sequence of pillowed, variolitic, high-magnesium basalts that have been intruded by dacitic porphyry, dolerite and dolerite – lamprophyre dykes typically oriented 45° towards 240°) and exlithic stock. Underlying the northwestern side of Deflector is a large area of metabasalt that has a thickness of at least 300 m, strikes 045° and dips steeply to the southeast. The metabasalt is in contact with a sedimentary unit dominated by siltstone on the southeastern side of the deposit.

The high-magnesium metabasalt is generally black, fine grained, extremely hard and lacks any obvious cleavage. A needle-like texture that is similar to spinifex textures in komatiites is observed in approximately half of the basalt units and the others have poorly developed pillows.

The heterogeneous nature of the sedimentary sequence makes rock identification difficult. Siltstone is interpreted to be the major rock type in the sedimentary zone, which is mostly black and graphitic; however, it can be locally pale brown or grey. There is an absence of cleavage or fissile bedding. The sedimentary sequence is cut by quartz feldspar porphyries and dark grey to black, intermediate biotite lamprophyres.

A major sinistral reverse fault in the north end of the mine, called the Shredder Fault, offsets the ore lodes by approximately 35 m and is itself intruded by dacitic porphyry.

The five main lodes within Deflector (Western, Central, Da Vinci, Contact and Deflector South West) are tabular sheets of gold-copper mineralisation, all striking northeast with a moderate variation in thickness and occurring parallel to the enclosing strata. All lodes are narrow, subparallel, fault-hosted, quartz sulfide veins.

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4.5.2 Rothsay

The Rothsay gold mine is located within the Warriedar Greenstone Belt, an Archaean sequence of mafic, ultramafic, metavolcanic and sedimentary rocks folded in an anticlinal formation which plunges and strikes to the north-northwest with steeply dipping limbs.

4.5.3 Main deposits

Table 4-3 summarises the key characteristics associated with the main gold deposits at Silver Lake’s Deflector project, which includes the Deflector and Rothsay operations.

Table 4-3: Summary of main deposits at Silver Lake’s Deflector project

Prospect	Geological overview
Deflector	<p>The mineralisation type is classified as a hybrid Archaean orogenic gold-copper type within the Gullewa greenstone sequence. The deposit comprises a series of <i>en echelon</i> veins hosted within a flexure in the greenstone stratigraphy. Locally, the mineralisation is hosted in five main vein sets, the Western, Central, Da Vinci, Contact and Deflector South West lodes. Ongoing work at the Deflector South West lode indicates that it is likely the continuous strike extension of Western domain. The main lodes are narrow, subparallel, fault-hosted, quartz-sulfide veins within a thick sequence of high-magnesium basalt intruded by a series of dacitic, dolerite and lamprophyric dykes. The mafic sequence is bound in the east by a volcanoclastic unit, and in the west by an ultramafic unit. The metamorphic grade is defined as lower greenschist facies. Mineralisation occurs as quartz, carbonate, chalcopyrite and pyrite veins and associated breccias with visible gold observed in both oxide and fresh mineralisation. Mineralisation is strongly associated with ‘spinfex’ basalt, but also occurs along the footwall ultramafic contact to the basaltic package, and also along the sedimentary hanging wall contact.</p> <p>Chalcopyrite is the only significant copper-bearing mineral in the primary unweathered mineralised areas of the lodes, with pyrite also occurring. The oxidised zone contains the copper minerals malachite and chrysocolla, with native copper being common in the lower parts of the zone and closely correlated with cuprite.</p> <p>The Deflector resource extents are approximately 1,600 m along strike, 430 m across strike and 630 m below surface. These extents host approximately 100 known mineralised zones (mineralised domains). The mineralised zones are typically 0.3–5 m wide.</p>
Rothsay	<p>The Rothsay gold mine is located within the Warriedar Greenstone Belt, an Archaean sequence of mafic, ultramafic, metavolcanic and sedimentary rocks folded in an anticlinal formation which plunges and strikes to the north-northwest with steeply dipping limbs. The deposit is hosted in three discrete areas and within five individual shear zones. Woodley Shear (formerly A Shear), Woodley East and associated hanging wall shears (formerly H Shear) occur to the east of the main Woodley Lode. Orient Shear (formerly B Shear) and Clyde and Clyde East shears (formerly C and D shears) occur in a second area further west and Miners Shear (formerly E Shear) occurs as an isolated shear in the northwest. The Woodley Shear is located at the contact between serpentinitised peridotite and a porphyritic pyroxenite. The serpentinite forms the hanging wall unit. A sequence of mafic volcanic and sub-volcanic sills forms the hanging wall to the serpentinite. The Woodley Shear is characterised by several generations of quartz veining with adjacent tremolite alteration. The early quartz phase is typically blue-black due to the partial replacement of alumina by chromium oxide. The shear zone is typically 2–5 m thick, and mineralisation does not typically occur outside the shear zone. The main gold mineralisation is associated with shear-hosted quartz veins of blue and white quartz up to 3 m thick. The footwall porphyritic dolerite is relatively unaltered, while the hanging wall serpentinite is strongly foliated and has been subject to intense, though patchy, tremolite alteration.</p> <p>The geological interpretation was based on identifying lithology from drillhole logging, associated alteration, veining, and gold content. Presence of a structural feature with/without quartz veining is used as a key indicator for mineralisation. In the absence of gold enrichment, the lithological codes determining vein boundaries were used.</p>

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Prospect	Geological overview
	The Rothsay resource extents are 1,500 m strike, 300 m across strike and 400 m below surface and the resource is open at depth. These extents host approximately 17 interpreted ore lodes. The lodes are 0.1–2 m wide.

Source: Silver Lake ASX announcements dated 27 September 2023

4.6 Mineral Resource estimates

The current Mineral Resource estimate for Silver Lake’s Deflector project was reported to the ASX on 27 September 2023 (‘Mineral Resource and Ore Reserve Statement’). The Mineral Resource estimates were reported at the mining surfaces as at 30 June 2023.

SRK notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code (2012) with respect to the Mineral Resource estimate. The named Competent Person taking responsibility for the Mineral Resource estimate for Deflector is Mr David Buckley, a full-time employee of Silver Lake Resources. The named Competent Person taking responsibility for the Mineral Resource estimate for Rothsay is Mr Kane Hutchinson, a full-time employee of Silver Lake Resources.

SRK considers that both individuals have the requisite experience to act as Competent Persons.

Silver Lake’s current Mineral Resource estimate is summarised in Table 4-4, with estimation methodology summarised in Table 4-5.

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Table 4-4: Silver Lake's Deflector project Mineral Resources as at 30 June

June 2023	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Total Mineral Resources		
	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)
Deflector												
Deflector	352	14.2	161	1,095	11.9	420	707	9.0	204	2,154	11.3	785
Stockpile	278	3.0	27	-	-	-	-	-	-	278	3.0	27
Subtotal	630	9.3	188	1,095	11.9	420	707	9.0	204	2,432	10.4	812
Rothsay												
Rothsay	-	-	-	579	9.9	184	408	10.1	133	987	10.0	317
Stockpile	130	2.2	9	579	-	-	-	-	-	130	2.2	9
Subtotal	130	2.2	9	579	9.9	184	408	10.1	133	1,117	9.1	326
Total	760	8.0	197	1,674	11.2	604	1,115	9.4	337	3,549	9.9	1,138

Source: Silver Lake ASX announcements dated 27 September 2023

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Data collection has been conducted by industry standard methods and SRK considers that the data are broadly appropriate for use in estimation studies.

Table 4-5: Summary of Mineral Resource estimation at Silver Lake’s Deflector project

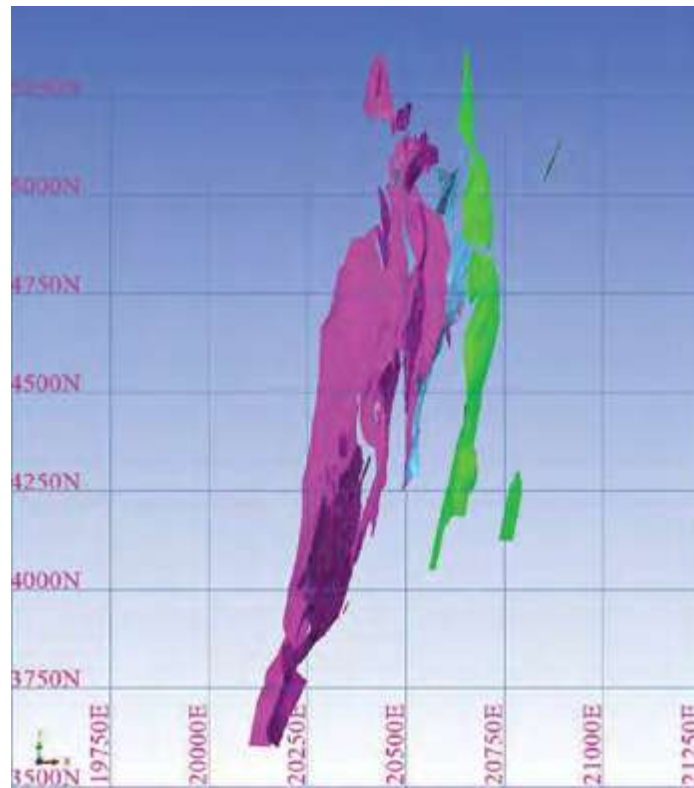
Prospect	Estimation overview
Deflector	<p>The Silver Lake geological data are stored in a DataShed SQL server database. The database is hosted on an internal company server managed by Silver Lake personnel. User access to the database is regulated by specific user permissions and validation checks to ensure data are valid.</p> <p>Estimates used a combination of OK for suitably informed mineralised domains and the Inverse Distance interpolation method for domains with limited data. The OK technique used a single direction of continuity modelled for each ore domain for a global grade estimate.</p> <p>Geological domains were based on the geological interpretation and mineralised trends. Three dimensional (3D) wireframes were generated in Leapfrog Geo with minimum and maximum vein width parameters of 0.3 m and 1.0 m to control interpolated volumes away from drillhole data. Domain boundaries were treated as hard boundaries in the estimation. Data was composited in Surpac using the best fit method to 1 m intervals. Variogram models for the key domains were generated using composited drill data in Snowden Supervisor™ v8 software.</p> <p>Search ellipse dimensions and orientation reflect the parameters derived from KNA outcomes and modelled variogram model directions. A two-pass ellipsoidal search strategy was used for the estimation of domains. Any remaining unestimated blocks within the domain are excluded from the Mineral Resource and assigned a default background gold grade (i.e. 0.01 g/t Au). Gold and copper are the only elements estimated.</p> <p>Block sizes were selected based on drill spacing and the geometry and thickness of the mineralised lodes. A 3D block model consisting of 4 mE × 10 mN × 20 mRL parent cells was created, with sub-celling to 0.125 mE × 2.5 mN × 1.25 mRL. Block sizes were selected based on drill spacing and the geometry and thickness of the mineralised veins. Block discretisation points were set to 4(Y) × 2(X) × 4(Z) points. Reconciliation between production records and the metal depleted by mining shapes in the block estimate indicate the Mineral Resource model is robust.</p> <p>Copper is assumed to be recoverable on existing processing parameters at Deflector. Silver is a recoverable by-product, but no assumptions are made regarding recovery, and is not estimated. Average drill spacing was 40 m × 40 m in most of the unmined deposit, and 20 m × 20 m on the remaining developed section of the mine. Face samples occur every 3–3.5 m along the development drives.</p> <p>Blocks were generated within the mineralised surfaces that define each vein. Blocks within these veins were estimated using data contained in the same vein. Hard boundaries were used for all domains. Gold and copper are weakly correlated but are estimated separately as no assumptions on the correlation being consistent across the deposit have been made. The two elements have been treated separately from variogram modelling to block estimation. Mineralisation is hosted in quartz-sulfide veins that are modelled in Leapfrog Geo. Hard boundaries are enforced between mineralisation and waste (background) rock. Known fault offsets control the limits of lode interpretations and are applied where necessary. Statistical analysis of each domain was used to assess suitability for top-cutting and applied where high-grade outliers are present. Top-cuts for gold were between 6 ppm and 415 ppm, and for copper between 0.2% and 30%.</p> <p>Model validation was completed using visual and numerical methods and as part of formal peer review sessions by key geology staff. The model was validated by comparing statistics of the estimated blocks against the composited sample data, visual examination of the block grades versus assay data in section, swath plots and reconciliation against historical production.</p> <p>Cut-off parameters are 1.0 g/t Au in the upper 100 m of the deposit and 2.0 g/t for the material 100 m below surface for the Mineral Resource estimate. Cut-off parameters are based on current Silver Lake mining (underground) and milling costs.</p>

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In situ bulk density (ISBD) (dry basis) values applied to the Mineral Resource estimate were based on systematic testwork completed on drill core for selected material types. The ISBD determination method includes a combination of downhole gamma and a water immersion technique.

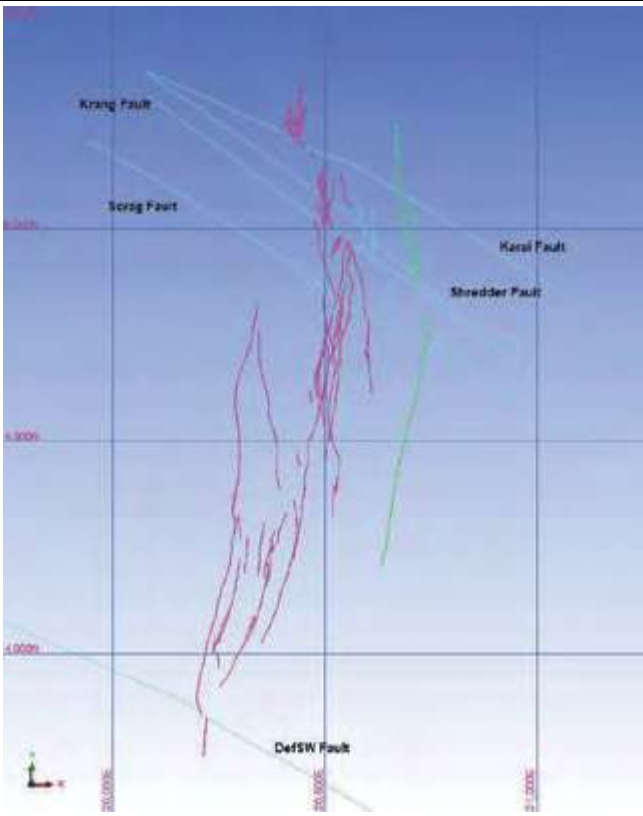
Silver Lake follows the classification system with individual block classification being assigned statistical methods and visually considering drill spacing and orientation, confidence in the geological model and validation of the estimated gold and copper against drillhole and face data.

The figures below show a plan view of mineralisation domains and sectional (1600 mRL) plan view of mineralisation domains.



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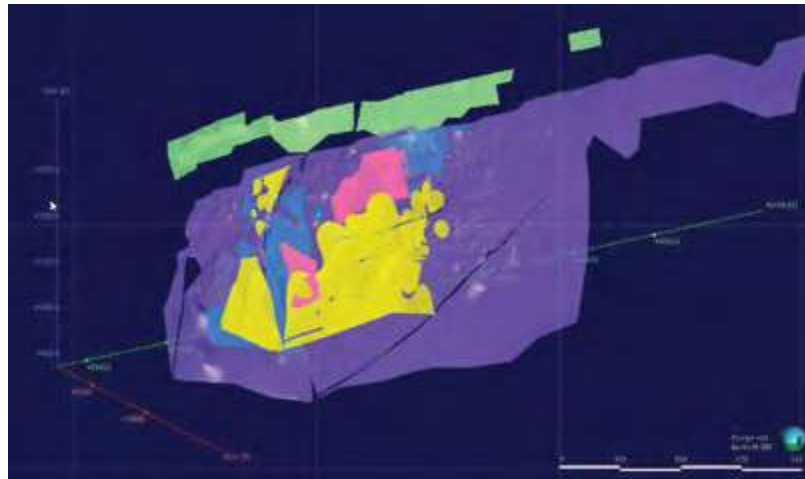
Prospect	Estimation overview
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Rothsay	<p>The Silver Lake geological data are stored in a DataShed SQL server database. The database is hosted on an internal company server managed by Silver Lake personnel. User access to the database is regulated by specific user permissions and validation checks to ensure data are valid.</p> <p>The Mineral Resource was estimated via OK, using 3D dynamic anisotropy. Geological domains were based on the geological interpretation and mineralised trends. 3D wireframes were generated in Leapfrog Geo with minimum and maximum vein width parameters of 0.3 m and 1.0 m to control interpolated volumes away from drillhole data. Domain boundaries were treated as hard boundaries. Compositing was undertaken in Leapfrog Edge, by generating an accumulated metal value for every drillhole intersection of a lode. Variogram models were generated using composited drill data in Snowden Supervisor v8 software. Individual lodes were grouped into spatially and statistically coherent domains for exploratory data analysis. Semi-variogram models were built from the data of these groups. Search ellipse dimensions and orientation reflect the parameters derived from KNA.</p> <p>A three-pass search strategy was used for most estimation domains. Any remaining unestimated blocks within the domain are excluded from the Mineral Resource. Block sizes were selected based on drill spacing and the geometry and thickness of the mineralised veins. A 3D block model consisting of 1 mE × 5 mN × 5 mRL parent cells was created, with sub-celling to 0.25 mE × 1.25 mN × 1.25 mRL. Pass 1 was estimated into parent cell dimensions, while subsequent passes were estimated into amalgamated parent cells of 4 mE × 20 mN × 20 mRL. Differing estimation cells sizes were selected in conjunction with search parameters to account for the disparity in data densities between areas containing face development data and grade control drilling, and those areas predominantly informed</p>
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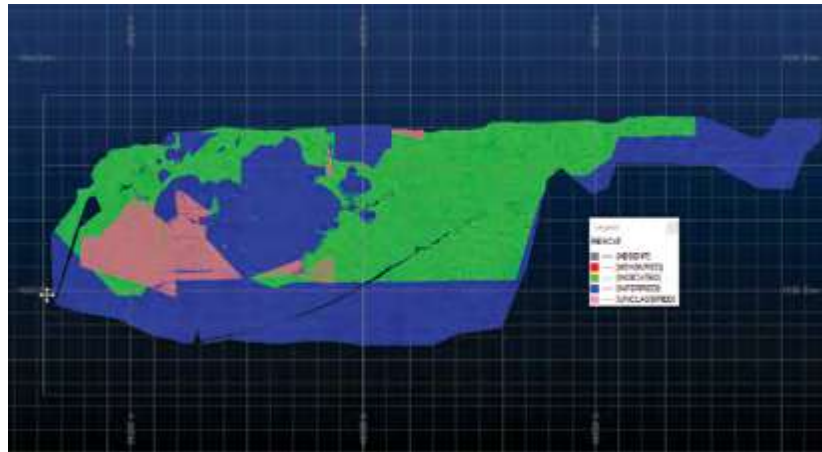
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Prospect	Estimation overview
	<p>by resource definition drilling. Block discretisation points were set to 5(Y) × 1(X) × 5(Z) points.</p> <p>Copper is estimated and is assumed as recoverable on existing processing parameters at Deflector, but the grade is extremely low. Copper was not assayed as routinely in historical drill campaigns, so data distribution is much broader than for gold. Average drill spacing was 50 m × 50 m in most of the unmined deposit, and closer to 20 m × 20 m in the first hundred metres of the deposit.</p> <p>Blocks were coded within the mineralised volumes defining each lode. Blocks within these lodes were estimated using only data contained in the same lode. Hard boundaries were used. Mineralisation is hosted in quartz veins and/or shear structures on the contact of the ultramafic and basalt units. A weakly mineralised alteration halo has been modelled around the main Woodley and Woodley East lodes. Statistical analysis of each domain was used to assess suitability for top-cutting and top-cuts were applied where high-grade outliers are present.</p> <p>Model validation has been completed using visual and numerical methods and as part of formal peer review sessions by key geology staff. The model was validated by comparing statistics of the estimated blocks against the composited sample data, visual examination of the block grades versus assay data in section, swath plots and reconciliation against historical production.</p> <p>The ISBD (dry basis) values applied to the Mineral Resource estimate were based on systematic testwork completed on drill core for selected material types using water immersion techniques.</p> <p>The models and associated calculations used all available data and depleted for known workings. Silver Lake follows a classification system with individual block classification being assigned statistical methods and visually considering drill spacing and orientation, confidence in the geological model and validation of the estimated gold and copper against drillhole data.</p> <p>The figures below show an isometric view of mineralisation domains and long section of the Mineral Resource classification applied.</p>



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Prospect Estimation overview



Source: Adapted from Silver Lake ASX announcements dated 27 September 2023 associated documentation (JORC 2012) Table 1

SRK reviewed the data collection, construction, estimation and reporting of the Mineral Resources and finds that, while some local refinement is possible, the global quantum of the Mineral Resources is appropriate for valuation purposes for both Deflector and Rothsay.

4.6.1 Reconciliation and applicability of Mineral Resources to Ore Reserve and LOM Plan

Reconciliation data supplied by Silver Lake for all material show outcomes between Mineral Resource and mill. This is shown in Table 4-6 for Deflector and Table 4-7 for Rothsay. The DOM is mill reconciled, RM is the Resource Model with some mining modifying factors applied, and GC is grade control. At Deflector and Rothsay, there has been some difference in grade reconciliation which should be considered as a risk for valuation purposes. SRK notes that the material reconciled is a relatively small proportion of the overall reported Mineral Resource.

Table 4-6: Deflector reconciliation data

Date	RM			GC			DOM		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Mar-23	44,509	6.56	9,384	75,068	5.52	13,319	82,626	4.77	12,663
Apr-23	68,252	7.63	16,738	116,276	5.28	19,756	75,189	5.84	14,116
May-23	62,347	8.84	17,714	78,045	6.65	16,683	79,485	6.36	16,261
Jun-23	64,495	8.13	16,860	87,594	6.73	18,957	92,575	5.37	15,988
Jul-23	64,159	4.50	9,279	78,818	4.35	11,027	79,087	3.85	9,791
Aug-23	50,754	4.76	7,769	67,089	4.06	8,759	71,794	3.76	8,688
Sep-23	56,089	4.72	8,507	49,633	4.10	6,548	60,012	4.60	8,875
Oct-23	70,697	5.12	11,648	63,614	4.89	10,002	64,130	4.52	9,313
Nov-23	40,942	5.45	7,168	55,207	4.81	8,545	57,845	5.32	9,885
Dec-23	47,145	5.32	8,058	54,549	4.17	7,307	79,250	3.93	10,014
Jan-24	47,877	5.85	8,998	53,837	5.76	9,964	63,336	6.27	12,759
Feb-24	46,625	6.67	9,994	56,169	5.03	9,092	57,161	5.01	9,203
YTD Total	663,892	6.19	132,115	835,899	5.21	139,958	862,488	4.96	137,558

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Table 4-7: Rothsay reconciliation data

Date	RM			GC			DOM		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Oct-20	234	1.47	11	221	1.26	9	253	1.00	8
Nov-20	2,496	1.84	148	2,496	1.87	150	2,375	3.16	241
Dec-20	3,132	2.27	228	4,988	2.27	363	3,672	2.87	339
Jan-21	2,616	2.74	231	5,446	3.23	566	4,091	3.02	397
Feb-21	4,106	3.26	430	5,044	1.98	322	4,600	3.24	479
Mar-21	5,209	4.00	670	6,142	2.16	427	5,904	2.91	553
Apr-21	4,682	4.23	637	5,910	2.77	526	5,760	2.77	513
May-21	6,322	4.42	898	7,126	3.64	834	7,231	4.27	992
Jun-21	11,785	5.84	2,214	13,016	6.48	2,710	13,810	5.02	2,227
Jul-21	16,745	5.11	2,751	14,525	4.64	2,169	15,329	5.40	2,659
Aug-21	17,793	5.61	3,209	17,286	5.17	2,875	18,072	3.89	2,260
Sep-21	17,649	5.49	3,115	15,519	4.48	2,235	16,777	4.29	2,316
Oct-21	21,806	5.26	3,687	17,733	5.48	3,122	20,495	3.85	2,534
Nov-21	28,527	6.35	5,826	29,906	4.12	3,959	32,976	4.27	4,526
Dec-21	45,163	6.10	8,852	37,607	5.70	6,897	43,134	4.06	5,628
Jan-22	38,763	7.06	8,794	37,813	5.29	6,427	36,637	4.16	4,905
Feb-22	41,501	5.51	7,356	47,586	4.54	6,949	37,217	3.89	4,657
Mar-22	32,988	6.96	7,377	28,794	4.77	4,412	34,268	4.65	5,121
Apr-22	34,757	6.33	7,077	20,529	5.57	3,677	34,386	4.79	5,297
May-22	32,560	5.86	6,139	29,782	4.84	4,631	38,081	3.88	4,748
Jun-22	22,159	8.29	5,909	24,618	4.95	3,917	27,267	5.67	4,971
Jul-22	21,959	4.23	2,984	23,018	3.25	2,404	26,374	3.83	3,249
Aug-22	23,204	3.85	2,875	29,657	3.37	3,209	34,002	3.93	4,299
Sep-22	35,442	4.88	5,558	31,192	4.06	4,072	39,822	3.79	4,852
Oct-22	34,066	6.15	6,732	34,520	4.17	4,630	38,768	3.78	4,713
Nov-22	16,189	4.71	2,453	21,318	4.23	2,902	19,198	3.79	2,338
Dec-22	23,174	4.88	3,633	18,142	4.18	2,440	22,010	3.72	2,632
Jan-23	22,707	4.87	3,556	14,791	5.15	2,447	20,801	3.84	2,571
Feb-23	17,833	4.96	2,843	14,725	3.92	1,855	19,449	2.99	1,870
Mar-23	19,295	5.31	3,295	14,588	3.92	1,840	16,110	3.95	2,047
Apr-23	17,098	5.05	2,775	13,848	5.20	2,315	17,327	5.35	2,980
May-23	18,355	4.69	2,770	16,576	4.89	2,608	16,499	5.65	2,998
Jun-23	15,605	6.01	3,014	16,936	5.23	2,850	18,276	5.41	3,178
Jul-23	15,707	5.00	2,525	16,070	4.53	2,338	19,647	3.79	2,393
Aug-23	16,913	5.68	3,090	13,058	4.53	1,903	16,165	5.21	2,706
Sep-23	18,009	4.60	2,661	21,475	4.60	3,177	20,516	3.77	2,485
Oct-23	17,149	5.33	2,941	19,392	4.48	2,791	20,400	4.74	3,110
Nov-23	12,287	6.26	2,474	16,577	4.75	2,530	18,554	4.58	2,731
Dec-23	11,671	5.19	1,949	16,911	3.90	2,123	19,424	4.25	2,652
Jan-24	17,310	5.16	2,872	13,819	5.43	2,413	15,085	5.17	2,505
Feb-24	18,849	4.94	2,995	20,175	5.25	3,403	18,531	6.49	3,867
YTD Total	783,816	5.54	139,553	758,877	4.57	111,429	839,290	4.28	115,546

Source: SILVER LAKE Reconciliation_Charts_SLR_SITE.xlsx

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4.6.2 Prospectivity

SRK notes that there are various near mine growth opportunities for additional Mineral Resources at Silver Lake's Deflector and Rothsay operations, including Woodleys, Orient and Miners (refer page 12 of <<https://announcements.asx.com.au/asxpdf/20230927/pdf/05vb4lg51hq594.pdf>>).

Since the acquisition of Doray Minerals in April 2019, Silver Lake has aggressively advanced exploration drilling, targeting immediate strike extensions to the Deflector Mineral Resource within the broader Deflector corridor, which remains open in multiple directions. Silver Lake elevated the exploration priority of the Deflector South West corridor in FY20 adjacent to the 2019 Mineral Resource and existing underground development. Three surface and underground drilling programs targeting the South West zone were completed and successfully defined high-grade gold/copper mineralisation with 'Deflector-style' quartz veining and massive sulfide mineralisation to the south and southwest over 500 m of strike.

In the period ending 31 December 2023, Silver Lake released further high-grade results for the Spanish Galleon area at Deflector which provides opportunities for Resource growth and future reserve conversion and the introduction of a new, short lead time, high-grade mining front proximal to established mine development services the Deflector South West lode.

4.7 Metallurgy and processing

The metallurgical review of the Deflector gold mine processing plant is based on the monthly report data supplied by Silver Lake and the 2020 GRES Deflector Tails Leach DFS report. At the time of the tails leach installation the Deflector processing plant had a capacity of 650,000 tpa producing gravity gold and copper-gold flotation concentrate streams. The addition of the tails leach circuit was made to provide flexibility to treat ores of varying mineralogy from varying ore sources while maximising gold recovery.

In the 2020 feasibility study, GRES noted the following concerns for plant operations:

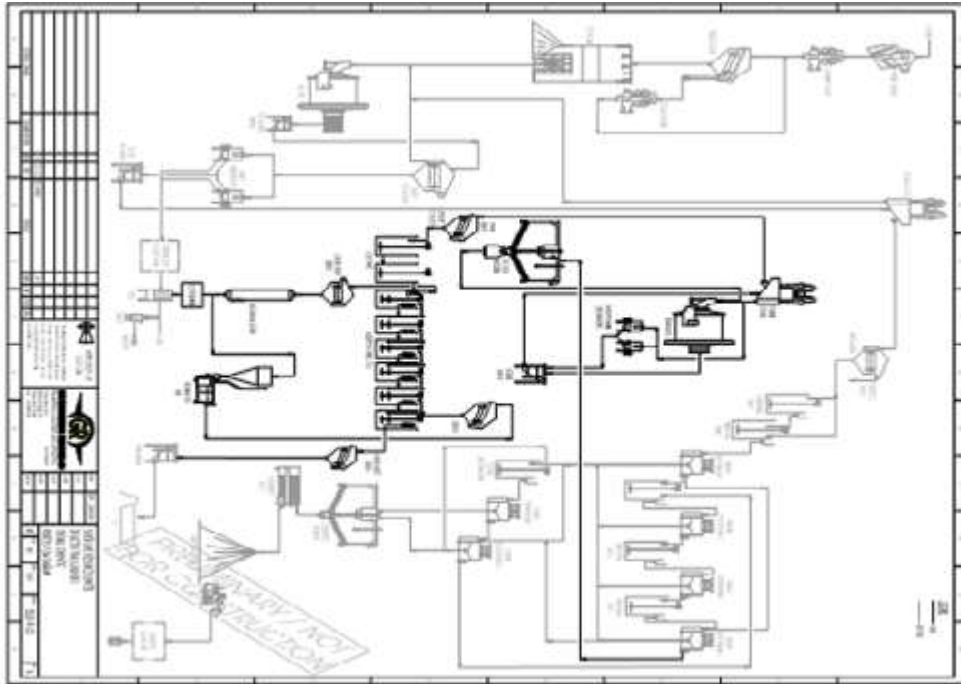
- Different ore source copper grades necessitated the blending of feed sources to provide consistent processing plant feed grades.
- The gravity recoverable gold from the Rothsay and Deflector orebodies is variable.
- Lower flotation feed copper feed grades from Rothsay ore will reduce concentrate mass pull and potentially copper concentrate grades.
- The Rothsay ore mineralisation had not been defined, which, along with the lower feed grade, may have a negative impact on flotation concentrate grade and recoveries and cyanide-consuming copper levels in the tails streams.

4.7.1 Process flowsheet

The 2020 GRES process flowsheet is shown in Figure 4-4.

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Figure 4-4: Deflector process flowsheet



Source: Silver Lake Resources Limited, Deflector Tails Leach Definitive Feasibility Study Report

The Deflector processing plant consists of:

- a comminution circuit consisting of a 3-stage crushing circuit and overflow ball mill with the ball mill in closed circuit with cyclones to achieve a flotation circuit feed P_{80} of 200 μm
- a Knelson gravity concentration circuit with intensive cyanide leaching (Acacia reactor) and electrowinning circuit on the ball mill cyclone underflow stream to recover the gravity gold
- a rougher–cleaner flotation circuit treating 89 tph to produce a copper-gold concentrate stream
- a flotation tails leach circuit consisting of a regrind ball mill to grind thickened flotation tailings to 106 μm to feed the tails CIP and adsorption circuit
- elution, electrowinning and carbon regeneration circuits.

There is some geometallurgical risk in the inability of different ore sources to make a saleable copper concentrate at a high gold recovery, which is qualitatively factored in the valuation exercise of this report.

4.7.2 Process throughput and metallurgical recovery

The conclusions on metallurgical performance are based on comparison of budgeted performance with supplied monthly site report data from the 2023 and 2024 financial years. The budgeted

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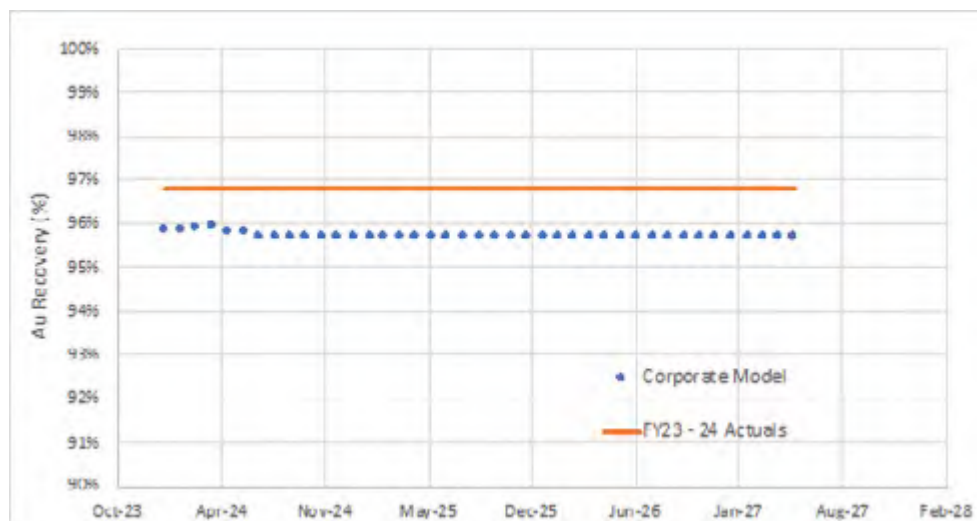
performance data are collected from *2.2.2 SLR_Consolidated Corporate Model_November-23_V4.0.xlsx* and indicate the following process plant model inputs:

- Throughput – 62,000 t per month
- Gold recovery – 95.7% from gravity, flotation concentrate and tails leaching irrespective of ore type (i.e. oxide or fresh).

Based on the actual mill throughput average of 62,067 t per month for July 2022–January 2024) and assuming no changes in rock type or feed mineralogy, SRK would not adjust the average Deflector throughput. The corporate model accuracy could be enhanced by adopting an hourly throughput and availability/utilisation metrics to reflect planned plant maintenance events.

Based on actual average gold recovery of 96.8% over the July 2022–January 2024 period and assuming no change in feed mineralogy, SRK would not adjust the budget gold recovery of 95.7% (Figure 4-5). Similarly, the budget copper recovery of 80% also reflects periods average of 80.1%; however, mineralogical variability over the short term will lead to fluctuations in this recovery.

Figure 4-5: Deflector gold recovery – actual vs budget



Sources: *2.2.2 SLR_Consolidated Corporate Model_November-23_V4.0.xlsx* and monthly reports

4.8 Ore Reserves and mine planning

4.8.1 Current operations

Silver Lake conducts an underground mining operation at Deflector, with ore being processed on site. In addition, a smaller underground mine at Rothsay also provides ore feed to the Deflector processing plant.

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Deflector

Surface at the dormant Deflector open pit is approximately 1280 mRL.

The Deflector underground mine is worked as two separate areas: Deflector Main and Deflector South West. Each is accessed through its own decline. Both declines (5.3 m wide by 5.5 m high) commence from portals located in the historical open pit and progress at gradients of 1-in-7, with the South West decline developed below 967 mRL at a gradient of 1-in-8. Levels are established at vertical intervals of approximately 20 m for Deflector and 17 m for Deflector South West, with access cross-cuts (again 5.3 m wide by 5.5 m high), sumps and stockpiles. Level drives (3.0 m or 4.0 m wide by 3.8 m high or 5.0 m high depending on orebody width at South West, and 4.0 m or 5.0 m wide by 5.0 m high at Deflector) are established along strike of the orebody.

The predominant stoping method employed at Deflector is longhole open stoping, sequenced in a top-down manner in a shallow chevron retreat pattern. A variety of pillar configurations are adopted, including island, sill, and rib pillars. Stopes are designed with a minimum width of 2.5 m for the larger profile ore drives and 2.2 m for the smaller profile ore drives. Subject to this restriction, stope designs include 0.5 m footwall and 0.5 m hanging wall dilution.

Stopes are bogged using three Sandvik LH307 LHDs fitted with remote controls, and a fleet of larger loaders (two Sandvik LH517s and four Sandvik LH514s) are employed for truck loading and cleaning development ends. The ore is hauled to surface by a fleet of underground trucks currently comprising two 60-tonne capacity units (Epiroc MT6020) and three 50-tonne capacity units (Epiroc MT54).

Air is exhausted from the mine via two return air rises, each fitted with an axial flow fan at surface. The Deflector (Main) airway is served by a Fläktwoods unit driven by a 600 kW motor, exhausting (as surveyed in November 2022) approximately 199 m³/s. The Deflector South West airway is equipped with a Howden AF50 1200/2450 mm fan driven by a 465 kW motor, exhausting approximately 211 m³/s. The return air rises (6 m by 4 m in section) are developed by longhole drill and blast methods. Fresh air is provided via the declines and escapeways. As of November 2023, the lowest levels linking the declines to the return air rises were 875 mRL at Deflector Main and 952 mRL at Deflector South West.

Deflector has two main pump stations established in series. The 935 mRL station is equipped with two Mono™ WTX3 pumps (each fitted with 55 kW motor) and receives water pumped in series from sumps on the levels below. The 985 mRL station is designed to accommodate four Mono™ WTX6 pumps (three installed at date of inspection, each fitted with a 110 kW motor) that receives drainage water from above (including from the open pit catchment), pumped water from the 935 mRL station and water pumped from sumps at levels between the two main stations. The 985 mRL station delivers water to a surface clarifier plant.

Rothsay

Surface level at Rothsay is approximately 1351 mRL. Old workings extend down to approximately 1240 mRL.

The Rothsay mine is accessed by a decline (5.0 m wide by 5.5 m high arched profile) proceeding at 1-in-7 gradient from a portal located in the historical open pit. The decline forks in the depleted upper levels, with one decline extension serving the southern ore zones and one serving the more

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extensive northern zones. Levels are established at vertical intervals of approximately 15 m, with access cross-cuts (either 5.0 m wide by 5.5 m high, or 4.0 m wide by 4.5 m high), sumps and stockpiles. Level drives (2.5 m wide by 3.0 m high, with shanty backs where required) are established along strike of the orebody.

Ore is mined using conventional longhole open stoping. Stopes are designed with a minimum width of 1.0 m and, subject to this restriction, include 0.2 m footwall and 0.3 m hanging wall dilution. Sill pillars with horizontal-to-vertical ratios of 1.5 are retained, together with island pillars (3 m by 3 m) every 7 m along strike.

The Rothsay ventilation circuit uses the declines and escapeways as air intakes, with return air being exhausted by rises. A 500 kW axial flow AL28 fan draws approximately 180 m³/s from the principal ventilation rise. The mine is dewatered using skid-mounted pump-and-tank combinations (Mono™ WT103 and WT104) that are established temporarily at various levels and permanently at 1225 mRL and 1105 mRL, and (in the Jupiter section) at 1161 mRL and 1036 mRL.

The haul distance from Rothsay to the Deflector ROM pad is 196 km.

4.8.2 Geotechnical

The Deflector orebody is hosted within a competent basalt. Test results on this material returned an average uniaxial compressive strength (UCS) of 343 MPa. The other proximal geological domains display UCS ranging from 80 MPa to 290 MPa. Geological structures are the primary controls on underground void stability.

At Rothsay, the orebody rock mass conditions are classified as 'good' (with expected Q values of approximately 10.8 to 29.2) above 1150 mRL, and 'fair' to 'good' (with expected Q values of approximately 4.3 to 11.7) below 1150 mRL. The footwall and hanging wall are less competent, being rated as 'fair' to 'good' (with Q values of approximately 5.6 to 23.3) above 1150 mRL and 'poor' to 'fair' (with Q values of approximately 2.2 to 9.3) below 1150 mRL. Due particularly to the presence of fewer joint sets, the Woodley rock mass quality is generally better than that of Woodley East.

Both Deflector and Rothsay maintain ground control management plans that are updated annually.

4.8.3 Ore Reserves

The current Ore Reserve estimate for Silver Lake's Deflector operations was reported to the ASX in an announcement dated 27 September 2023. The Ore Reserve estimate was reported as at 30 June 2023.

SRK again notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code (2012) with respect to the Ore Reserve estimate. The named Competent Person taking responsibility for the Deflector Ore Reserve estimate is Mr Sam Larritt, Silver Lake's Group Planning Manager. The named Competent Person taking responsibility for the Rothsay Ore Reserve estimate is Mr Jigar Patel, an employee of Silver Lake.

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SRK has received representations from Silver Lake confirming that:

- it is not aware of any new information or data that materially affects the information included in the relevant market announcement;
- in the case of estimates of the stated Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed; and
- the form and context in which the Competent Persons' findings are presented have not been materially modified.

In SRK's opinion, the Ore Reserve estimate reported for the Deflector and Rothsay projects has been prepared to a sufficient quality standard under the guidelines set out in the JORC Code (2012).

The Ore Reserve estimate is summarised in Table 4-8.

Table 4-8: Silver Lake's Deflector and Rothsay Ore Reserve estimates as at 30 June 2023

Deposit	Mine Type	Proved Reserves			Probable Reserves			Total Ore Reserves		
		kt	g/t	koz	kt	g/t	koz	kt	g/t	koz
Deflector	OP	-	-	-	140	3.1	14	140	3.1	14
Deflector	UG	255	5.4	44	918	4.3	128	1,174	4.6	172
Deflector	S/pile	278	3.0	27	-	-	-	278	3.0	27
Total Deflector		533	4.1	71	1,058	4.2	142	1,592	4.2	213
Rothsay	UG	-	-	-	353	6.5	74	353	6.5	74
Rothsay	S/pile	130	2.1	9				130	2.1	9
Total Rothsay		130	2.1	9	353	6.5	74	483	5.3	82

Source: Silver Lake ASX announcement dated 27 September 2023

Note: Data are rounded to thousands of tonnes and thousands of ounces, and grade to 2 significant figures.

The Ore Reserves estimation is predicated on ore from Rothsay being trucked to Silver Lake's Deflector processing plant, which has a considerably higher throughput rate (approximately 0.75 Mtpa) than can be achieved by the Rothsay underground mine in isolation. When this plant is provided with ore feed from several sites simultaneously, a lower cut-off grade can be effectively applied to the estimated Ore Reserves (noting that for Rothsay this is offset by the additional ore haulage cost).

The estimates have been prepared applying various gold prices. For Deflector open pit and Deflector underground, a gold price of A\$2,400/oz and a copper price of A\$11,900/t were assigned. The gold prices applied for the Rothsay estimate are A\$2,800/oz for the revenue calculation and A\$2,400/oz for the cut-off grade determination.

The Deflector open pit is currently dormant. The open pit Ore Reserves are located in two zones: a northeastern extension to the existing pit designated the North Pushback and a southern extension to the existing pit named the South Pushback. The Ore Reserves are contained within a designed pit with bench heights of 10 m in oxide and transitional material and 20 m in fresh rock, with berm widths of 5 m. The design batter angles range from 50° in oxide material to 72.5° in fresh rock. The haul ramp is expected to be 21 m wide for dual-lane traffic, with the lower segments being

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13 m wide for single-lane operations. The minimum design mining width is 12 m, excluding goodbye cuts.

Deflector underground and Rothsay underground are both current mining operations, with operating and cost parameters derived from current practice and outcomes.

The most recent techno-economic study for Rothsay is a PFS completed in June 2020, but those parameters have been superseded where appropriate by those applied in the FY24 budget and LOM plan revision. Stope ore recovery at Rothsay was estimated at 78% after accounting for both pillar loss (17%) and mining loss (5%), and operating development ore recovery was estimated at 100% with 10% dilution. Stope plans were derived from mining stope optimisation runs, with scheduling undertaken using standard Deswik software.

4.8.4 Life of Mine Plan

Silver Lake has included two principal ore sources in its LOM model: Deflector underground and Rothsay underground. Although Ore Reserves have been published for Deflector open pit, no LOM production is currently scheduled for this ore source.

The sequencing of production is unlikely to change in the near future, but the duration of operations at each site will be highly dependent on future exploration success and future gold prices. Table 4-9 therefore represents the Company’s best indications given the data currently available and current gold price and macro-economic projections, and should not be interpreted as a commitment by Silver Lake with respect to operational timing.

Table 4-9: Life of Mine Plan – production sequencing

Project	Start	Finish
Deflector underground	Ongoing	Q4 FY27
Rothsay underground	Ongoing	Q2 FY27

Source: 2.2.2 SLR_Consolidated Corporate Model_November-23_V4.0Consol Budget Model 22-11-11 (SLR)

The Deflector underground component of the LOM Plan extends beyond the Ore Reserves, incorporating additional Mineral Resources in the production schedule, as well as a small portion of unclassified mill feed. The LOM Plan provided to SRK does not permit accurate differentiation between anticipated production sourced from diluted, recoverable Measured and Indicated Mineral Resources and from diluted, recoverable Inferred Mineral Resources. However, Silver Lake provided a Deswik schedule compilation based on a near-identical total production tonnage. SRK’s review indicates that the Inferred Mineral Resource contribution is likely to be approximately 22% in tonnage terms, with the unclassified material contributing a further 2%. SRK particularly notes that source locations for the unclassified mineralisation are discrete stopes either sandwiched between Indicated Mineral Resource stoping blocks or (in one case) located high in the mine profile immediately below an Indicated Mineral Resource stoping zone in a remnant area.

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The Rothsay Ore Reserve as at 30 June 2023 extended from approximately 1186 mRL to approximately 1006 mRL, with known mineralisation extending at least down to 961 mRL. The Rothsay mining inventory in Silver Lake's LOM Plan incorporates additional substantial quantities of Inferred Mineral Resources. Whereas SRK considers that these quantities are suitable for strategic planning, in SRK's view they exceed the criterion for 'reasonable' production schedules for discounted cashflow analysis. See Section 10.3.2 for discussion of this matter.

4.9 Mine closure planning and provisioning

The most recent mine closure plans (MCPs) and closure cost estimate reviewed by SRK for Deflector and Rothsay operations include:

- 2023 Deflector Gold Copper Mine MCP, Site Code: S0004014, Site Name: Deflector, Silver Lake (Deflector) Pty Ltd, Tenement condition review, Rev.5, 31/03/2023 (last DEMIRS approved MCP dated 17/06/2022¹⁶)
- 2023 Deflector closure cost estimate model (ref. *DEF_Closure Cost Model_230630.xlsx*).
- 2023 Rothsay Mine MCP, Site Code: S0000929, Site Name: Rothsay Group, Silver Lake (Rothsay) Pty Ltd, Tenement condition review, Rev.9.1, 18/05/2023 (last DEMIRS approved MCP dated 03/08/2021¹⁷)
- 2023 Rothsay closure cost estimate model (ref. *Rothsay_Closure_Cost_Model_230630.xlsx*).

The 2023 LOM closure cost estimates for Deflector and Rothsay operations totalled A\$23,602,601 (including 5% contingency) for carrying out the activities listed in Table 4-10. Silver Lake reported that 'this is at 30 June 2023 and that these cost models were adjusted for inflation/cost increases to 31 December 2023 (hence there is a small difference to the summary table below)' (ref. *SLR_Mine closure plan and cost estimations* email dated 28/03/2024).

SRK notes the following comments to the closure cost models:

- It does not appear that any property-holding costs have been included.
- There are mentions of 11-year periods of land management and annual vegetation monitoring for the Deflector site and the monitoring period for Rothsay included in the documentation is only 5 years (post-closure or after completion of rehabilitation works). It is considered good practice in Western Australia for 'post-closure monitoring to continue until agreed completion criteria have been demonstrated to be met and a minimum monitoring period after closure should be provided for in the Mine Closure Plans, usually in the order of 10 years'¹⁸.

¹⁶ DEMIRS Annual Environmental Report, Reference ID: AER-833-50366, Project: J00147 Deflector, Environmental Group Site (Site): S0004014 Gullewa Group, Period Finish: Feb/2023, printed 15/09/2023

¹⁷ DEMIRS Annual Environmental Report, Reference ID: AER-255-55377, Project: J00315 Rothsay, Environmental Group Site (Site): S0000929 Rothsay Group, Period Finish: Jan/2024, printed 28/02/2024

¹⁸ Guidelines for Preparing Mine Closure Plans, Department of Mines and Petroleum, Environmental Protection Authority, Government of Western Australia, May 2015 (<https://www.dmp.wa.gov.au/Documents/Environment/ENV-MEB-121.pdf>)

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- The Deflector and Rothsay closure cost models include 5% contingency. According to the *AusIMM Cost Estimation Handbook*¹⁹ 'contingency is an amount added to an estimate to account for items, conditions or events which experience suggests will result in additional costs above those estimated based on quantities and unit rates. This includes, but is not limited to, planning and estimating errors or omissions, price fluctuations (other than escalation), design development and within scope changes, and variations in market and environmental conditions. The magnitude of the contingency applied to an estimate is determined for the analysis of the sensitivity or potential variation key estimate parameters (e.g. rates, quantities, tasks)'. Silver Lake has advised that the current Deflector and Rothsay closure cost estimates are built up from first principles. This is reasonable at a closure design conceptual/scoping study level. However, given the Deflector and Rothsay closure cost estimates do not rely on a closure design feasibility study level, 5% contingency is optimistic. According to the *AusIMM Cost Estimation Handbook*, accuracy of conceptual/scoping study level closure design ranges from ±30% to ±35% and expected contingency ranges between 25% and 35%.

The financial model provisioned a closure cost of A\$25,412,000 for Deflector and Rothsay operations.

SRK has reviewed Silver Lake's closure costing and generally considers that the rates used are appropriate. The description of closure concepts presented in Silver Lake's most recent mine closure plans generally reflects conventional practice in the Western Australia.

Based on the MCPs and closure cost models and taking account of current practice in similar mining and processing operations in Western Australia, SRK recommends a minimum 20% contingency to the closure cost models, for a total closure cost estimate of A\$27 million.

Silver Lake's closure costings are based on an LOM considering Deflector and Rothsay operations mining and processing operations until 2027. This is aligned with the financial model provisioning closure activities expenditure in June 2027. However, according to adjustments made to the financial model following SRK's recommendations, closure activities are expected to start – at the latest – upon last material sent through the mill. SRK estimates relinquishment dates in 2037 for Deflector and 2035 for Rothsay operations, based on a period of 3 years of closure works and a minimum of 7 years post-closure monitoring in line with the *Guidelines for Preparing Mine Closure Plans*.

¹⁹ *AusIMM Cost Estimation Handbook*, Second Edition, Monograph 27
(<https://www.ausimm.com/publications/monograph/monograph-27---cost-estimation-handbook-/>)

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Table 4-10: 2023 Deflector and Rothsay closure cost provisions summaries

Domains	Deflector (A\$)	Rothsay (A\$)
Landforms	11,161,122	849,796
Industrial infrastructure	3,917,338	538,795
Mining infrastructure	912,670	163,169
Water containment facilities	86,063	23,784
Groundwater infrastructure	273,132	44,842
Roads	50,000	79,998
Exploration and historical disturbance	529,649	2,000
Water treatment – Post closure	257,412	-
Post-closure monitoring	957,745	461,888
Owner's management (closure and post closure)	1,842,940	448,637
Contingency (5%)	999,404	130,645
Other closure costs during operations	-	130,000
Total	20,987,475	2,873,554

Source: Silver Lake Resources

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5 Red 5’s King of the Hills Operations

5.1 Project description and background

Red 5’s 100% owned King of the Hills gold mine and processing operation is located approximately 28 km north of the town of Leonora and 900 km northeast of Perth in the Eastern Goldfields region of Western Australia. The King of the Hills deposit lies within the Leonora (SH 51-1) 1:250,000 scale and the Leonora (3140) 1:100,000 scale map sheet areas.

The King of the Hills mining and processing operation comprises a centralised processing hub with capacity of up to 5.5 Mtpa which is fed by three mines: the King of the Hills open pit, King of the Hills underground and Darlot underground. Darlot is a satellite mine 80 km north of the King of the Hills mine and also has a processing facility (crush, grind, gravity and CIL circuit) on care and maintenance.

Figure 5-1: Location of King of the Hills and Darlot tenures



Source: Joint ASX announcement titled ‘Red 5 and Silver Lake Resources to Merge’ dated 5 February 2024

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King of the Hills was acquired by Red 5 from Saracen in early October 2017, with the acquisition including an underground Indicated and Inferred Mineral Resource of 2.71 Mt at 4.6 g/t Au for 402,000 ounces of contained gold, a new underground mine design developed by Saracen following a 6-month trial underground mining campaign, established site infrastructure located immediately adjacent to the Goldfields Highway and an 11,751 ha tenement with perceived exploration potential.

While ore from King of the Hills was initially transported to Darlot for processing, Red 5 announced in August 2021 that following a comprehensive review, the processing of ores would commence at the new King of the Hills processing facility by mid-2022, thus repositioning Darlot as a high-grade satellite ore source for King of the Hills. Red 5 established the King of the Hills processing hub in 2022, with commercial gold declared in December 2022.

Darlot was acquired by Red 5 in October 2017 as a going concern from a wholly owned subsidiary of Goldfields. The acquisition included a fully operational 1.0 Mtpa CIP and CIL gold processing plant which was refurbished by Barrick in 2010 to 2013.

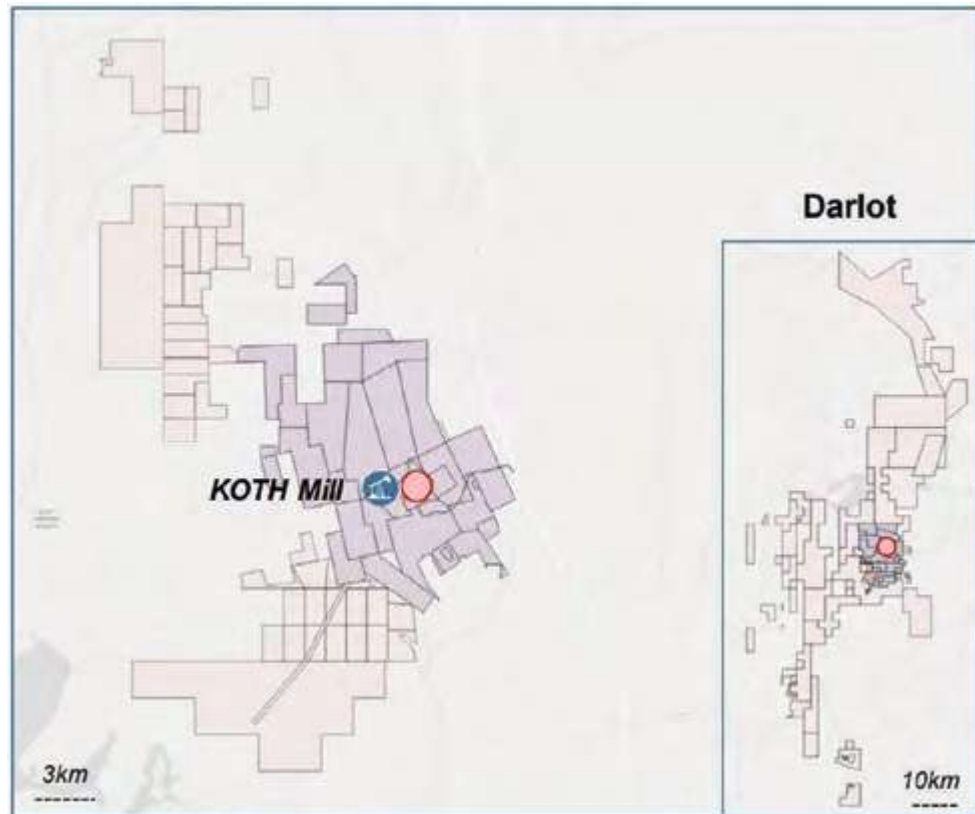
Up until mid-2022, Darlot was an established operating gold mine situated in a rich historical gold field that had produced approximately 2.7 Moz over a 28-year operating history. In July 2022, Darlot transitioned from a central processing facility to become a satellite underground mine to King of the Hills, and the Darlot process plant was placed into care and maintenance.

The Darlot underground mine is now mining approximately 600 ktpa, with the FIFO workforce residing in the Darlot camp. The transition to a high-grade satellite mine has allowed for a step-change in Darlot's gold production, benefitting from the much larger and lower-cost processing plant at King of the Hills.

FY23 actual AISC for the King of the Hills operations was A\$1,837/oz for production of 163 koz of gold. For FY24, Red 5 had forecast annual production of between 195 koz and 215 koz of gold for AISC of A\$1,850/oz to A\$2,100/oz.

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Figure 5-2: Location of King of the Hills (and Darlot) projects



Source: Joint ASX announcement titled 'Red 5 and Silver Lake Resources to Merge' dated 5 February 2024

5.1.1 Tenure

Red 5 holds a 100% interest in the King of the Hills tenure through its wholly owned subsidiary company, Greenstone Resources (WA) Pty Ltd. The King of the Hills tenure comprises two granted Exploration Licences, 34 granted Mining Leases, 40 granted Prospecting Licences and three Miscellaneous Licences covering a combined area of approximately 222 km². A summary tenement schedule is shown in Table 5-1.

The project area also includes Lake Raeside Exploration Licence and Mt Ross Prospecting Licence held by Greenstone Resources (WA) Pty Ltd.

SRK has received representation from Red 5 that the schedule detailed in Table 5-1 is to be relied upon for the purpose of this Report. SRK has made all reasonable enquiries into the status of this tenure as at 28 February 2024 and cross-checked with the WA online database, TENGRAPH (https://www.dmp.wa.gov.au/TENGRAPH_online.aspx).

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Table 5-1: Red 5 King of the Hills – summary tenement schedule

Type	Number	Area (km ²)
Exploration Licence (EL)	3	81
Prospecting Licence (PL)	41	73
Mining Lease (ML)	34	111
Miscellaneous Licence (L)	3	5
General Purpose Licence (G)	-	-
Total	81	270

Source: TENGRAPH

Royalties

State royalties are distributed to the Western Australian Government at the rate of 2.5% of the royalty value of any gold produced from Red 5's King of the Hills operations. This rate is the ad valorem rate that applies to gold metal as defined under the Mining Regulations 1981.

Third-party royalty of 1.5% is payable on the sales value or fair market value in perpetuity on all minerals produced from 46 tenement (Appendix B). This royalty relates to a deed entered between St Barara Mines Ltd and Resource Capital Fund III LP for the provision of a loan facility in March 2005.

5.2 Infrastructure

King of the Hills lies immediately adjacent to the Goldfields Highway and is accessed along a 7 km access road. Other installed infrastructure includes a 450-bed accommodation village (with common facilities, accommodation and services), 25 MW power station and electrical reticulation, gas lateral from the Eastern Goldfields pipeline system (12 km), plant offices, crib rooms and ablution block, including second-hand offices, workshops, warehouse and storage, water ponds, water supply (including raw water for processing and potable supplied) and waste water treatment plants.

The Darlot satellite mine includes a 402-room mining camp with mess facilities and other camp facilities and total landholding of 13,900 ha, extensive onsite infrastructure including ROM pads, paste plants, TSFs, maintenance workshops, exploration/core logging and storage facilities and a Civil Aviation Safety Authority (CASA) certified airstrip and all required utilities, including power and water.

The TSF was designed to accommodate processing of gold ore at a rate of 4 Mtpa discharging into TSF4, TSF5 and TSF6. In total the capacity of TSFs is 64 Mt.

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5.3 Permitting and compliance

5.3.1 Environmental permitting

Environmental aspects of mining and related activities at the King of the Hills operations are primarily regulated under the following Western Australian legislation:

- Mining Act 1978
- Environmental Protection Act 1986
- Rights in Water and Irrigations Act 1914.

A summary of the most recent approvals issue under these Acts is provided in Table 5-2.

None of the mining activities that form part of the King of the Hills operations appear to have been referred to the federal government or to the Western Australian Environmental Protection Authority (EPA) for environmental impact assessment under (respectively) the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) or the *Environmental Protection Act 1986* (WA). It is not compulsory to refer projects for assessment under either piece of legislation, although there is an expectation that ‘environmentally significant’ projects will be referred and assessed.

Mining and related activities

At least 14 mining proposals and mine closure plans have been approved for the King of the Hills/Tarmoola operation between 1989 and 2024. Commitments made in approved mining proposals and mine closure plans are legally binding and remain as legal obligations unless explicitly altered or superseded by succeeding Mining Act approvals. The most recent mining proposal for the project (Reg ID 121453) was approved on 10 January 2024.

Groundwater extraction and use

Three groundwater extraction licences are in place for the King of the Hills project:

- GWL63771(8) – Tarmoola bore field
- GWL204011(2) – Sullivan Creek bore field
- GWL204012(1) – Tarmoola alluvial bore field.

Water allocations approved under the *Rights in Water and Irrigation Act 1914* (RIWI Act) are summarised in Table 5-2.

Prescribed activities (environmental operations)

Red 5 holds a single ‘prescribed premises’ licence under Part V of the EP Act. The Act does not regulate mining activities but does regulate ore processing and storage of tailings.

Clearing of native vegetation

SRK has been able to determine, a single clearing permit is in place for the King of the Hills operation. Permit CPS8938(2) authorises clearing of up to 992 ha of native vegetation.

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Aboriginal heritage

Public datasets available from the Department of Planning, Lands and Heritage (DPLH) show a number of ‘Aboriginal heritage places’ lie wholly or partly within the King of the Hills tenements. Red 5 advises that it has sought – and been granted – approvals to disturb a number of heritage sites under Section 18 of the *Aboriginal Heritage Act 1972*. SRK has not conducted a detailed review of all heritage applications and permits issued for the project, but has independently verified that a Section 18 Ministerial consent was granted in August 2020 to allow establishment of a haul road traversing tenements M37/330, M37/571, M37/394, M37/572, M37/552 and L37/129. Based on documentation supplied by Red 5, Red 5 appears to be familiar with statutory requirements relating to Aboriginal heritage sites and generally has systems in place to engage with relevant Traditional Owners and to conduct surveys required to assess the significance of cultural impacts arising from project activities. However, Red 5 has advised that it does not currently have an approved Aboriginal Cultural Heritage Management Plan (CHMP) in place, although it is aware that such a plan is likely to be required in future. SRK considers that there is a moderate risk that the presence of culturally significant sites within the King of the Hills tenement package could delay or otherwise hinder future mining expansion. Red 5 has advised that it is aware of this possible constraint and has plans in place to prepare a CHMP and to engage with the WA Aboriginal Cultural Heritage Committee to seek guidance regarding strategies for future applications for disturbance of heritage sites.

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Table 5-2: Environmental authorisations – King of the Hills operation (as at March 2024)

Statutory instrument	Date approved (or most recently amended)	Regulated activities
Mining Act 1978		
Mining proposal REG ID 121453 (<i>King of the Hills Stage 6 Mining Proposal</i>)	10 January 2024	Mining, mineral processing and related ancillary activities.
Mining proposal REG ID 113934 (<i>King of the Hills Mine Closure Plan Revision 7</i>)	Not known	
Part V of Environmental Protection Act 1986		
Licence L8345/2009/3 (valid to 3 May 2041) – King of the Hills Gold Mine Works approval W6426/2020/1 (valid to 22 October 2025)	2 October 2023 7 November 2022	<ul style="list-style-type: none"> ■ L8345 authorises: <ul style="list-style-type: none"> – Processing of up to 6 Mtpa of ore – Generation of up to 27.7 MW power – Treatment of up to 146.25 m³/day of sewage; – Disposal of no more than 5,000 tpa of waste in a putrescible waste landfill.
Clearing permits 8938/2 – valid to 31 October 2026 ¹	22 August 2020	W6426/2020/1 allowed for the establishment and commissioning of plant and infrastructure to enable processing of up to 4 Mtpa of ore. Permits authorise clearing of up to 992 ha of native vegetation
Rights in Water and Irrigation Act 1914		
GWL63771(8) – Tarmoola bore field – Expires 26 January 2032	27 January 2022	Authorises extraction of 2.84 GLpa of groundwater
GWL204011(2) – Sullivan Creek bore field – Expires 26 January 2032	27 January 2022	Authorises extraction of 2.4 GLpa of groundwater
GWL204012(1) – Tarmoola alluvial bore field – Expires 19 February 2030	20 February 2020	Authorises extraction of up to 0.76 GLpa of groundwater

Note ¹: it is not possible to transfer or assign clearing permits issued under the *Environmental Protection Act 1986*.

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5.3.2 Environmental management and compliance

Red 5 has defined an environmental management framework to support the delivery of objectives listed in its environmental policy. The structure proposed by Red 5 for its environmental management system is generally sound, but few of the proposed standards, plans, procedures and other management tools have been developed, much less implemented. The state of development of the management system is incompatible with Red 5's position as a mid-tier company, especially taking into account the comparatively long operating history of the project.

Red 5 is required to provide annual compliance/performance reports in relation to permits held under the Mining Act, the RIWI Act and for clearing permits issued under the EP Act. It is also required to lodge annual reports of mining disturbance and rehabilitation in accordance with the requirements of the *Mining Rehabilitation Fund Act 2012*. Red 5 maintains a simple, but adequate, 'obligations register' to track statutory reporting and other compliance matters. SRK notes that the version of the obligations register provided by Red 5 was last updated in October 2021. To be effective, the obligations register should be reviewed at least annually.

Red 5 also maintains an 'action register' to track environmental improvement activities arising from site inspections or audits by DEMIRS. The actions register is a simple, but valuable, tool and appears to be regularly updated (but inadequately resourced).

Recent compliance reports submitted to DWER record many occasions on which required groundwater monitoring was not done. Red 5 has explained that staff turnover and insufficient personnel resources were the cause of these non-compliances. Documentation supplied by Red 5 generally indicates that resourcing of environmental functions is not sufficient to reliably meet statutory requirements, much less to establish a sound level of control over environmental risks.

The above are considered a low risk in the context of the valuation exercise as can easily be mitigated with appropriate action to meet compliance. SRK has assumed that compliance will be met over time and as such has not factored this as a risk in the valuation exercise.

5.4 History

King of the Hills underground mine is located beneath the former Tarmoola open pit and the historical King of the Hills prospect.

Gold was discovered in the Leonora district in the late 1890s, with most deposits worked as a series of shallow shafts and small open cut mines. The King of the Hills mineralisation was discovered in 1897 and mined intermittently by prospectors to 1918. During this period approximately 12 koz of gold were won from ore of average grade (20 g/t Au).

One of the earliest significant exploration efforts for gold was by Esso Australia and Production Australia Inc. in 1980–1981. The companies concluded that the known mineralisation had limited depth potential. During 1983, Anaconda Australia Inc. conducted minor exploration in the area but considered that there was limited possibility of near-surface resources mineable by open pit methods. However, because of encouraging assays from samples of the chert outcrop, major work was subsequently carried out in 1984 by the Agnew Joint Venture Partners (BP Minerals, AIH and Seltrust Mining Ltd) and a small resource was delineated. This resource was subsequently purchased by Kulim Ltd who mined 85,623 t to produce more than 18 koz during 1985–1986 in a joint venture with Sons of Gwalia.

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In mid-1987, Mount Edon Gold Mines Limited (MEGM) farmed into the tenements surrounding the King of the Hills site in a joint venture with Townson Holdings Pty Ltd and over the next two years, delineated laterite and oxide resources and reserves at King of the Hills West. The discovery was a gradual process, through systematic soil sampling, RAB and RC drilling during 1987 and early 1988.

Kulim transferred its interest in the project in early 1988 to Arboyne NL who during 1989 was able to delineate a new reserve. MEGM commenced pre-stripping on the adjacent leases in May 1989 with full-scale production and stockpiling shortly thereafter and commissioning of the processing plant in May 1990. Mining by Arboyne brought the cumulative production from King of the Hills to more than 400 kt at 4.4 g/t Au. However, falling head grades, problems with pit dewatering and the consequent withdrawal of Sons of Gwalia from the joint venture ultimately led to the project being sold to MEGM in January 1990. The integrated operations of King of the Hills, King of the Hills Extended and King of the Hills West were renamed Tarmoola after Tarmoola Station to the southwest of the deposit. MEGM officially opened the Tarmoola operation in August 1990.

In 1996, MEGM commissioned the upgraded 2.1 Mtpa CIP treatment plant, which was further upgraded to 2.2 Mtpa in October 1997, targeting further expansion to 2.5 Mtpa in the near term.

In March 1998, Teck and Camelot consolidated their Australian assets (including Tarmoola) into a new company, Pacific Mining (Pacmin). In October 2001, Sons of Gwalia completed the compulsory acquisition of Pacmin and thus the Tarmoola operations. In 2005, St Barbara acquired Sons of Gwalia's Gwalia, Tower Hill, Harbour Lights and Tarmoola mining leases and commenced infill drilling on the down-plunge extension of the Gwalia deposit.

Open pit mining at Tarmoola took place from 1985 to 2004 and underground mining was carried out at King of the Hills from 2011 to 2015, before being placed on care and maintenance. In August 2015, St Barbara sold the King of the Hills and Kailis resource to Saracen.

Red 5 acquired the King of the Hills project from Saracen in August 2017. Red 5 then completed various technical studies and advanced the project in order to re-commence mining and processing operations in 2022. Commercial production was declared at King of the Hills in December 2022. The Stage 1 open pit cutback was completed in February 2023 and underground development was installed to access the Regal, West and East zones.

To the six months ended 31 December 2023, activities in the King of the Hills open pit continued to focus on accessing and mining of the Stage 1 ore, while progressing the Stage 2 cutback. Stage 2 waste stripping is expected to continue for 18–24 months to ensure stable long-term ore supply from the open pit. Underground ore production was for the West Regal, East and Central mining areas.

Other acquisitions included:

- In April 2020, Red 5 acquired the Great Western gold deposit, which is approximately 55 km south of the Darlot processing plant. Open pit mining has since been undertaken at Great Western, and the company intends to evaluate the future underground potential at Great Western.
- In May 2020, Red 5 acquired the nearby Cables and Mission gold deposits (JORC Code 2004 Mineral Resources of 185 koz).

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- In November 2020, Red 5 signed a farm-in joint venture agreement with Ardea Resources Ltd (ASX: ARL) to earn up to an 80% interest in the Mount Zephyr and Darlot East Gold projects, both located in close proximity to Darlot.

5.5 Local geology and mineralisation styles

The regional geological context is provided in Section 2.4 of this Report.

5.5.1 Main deposits

Table 5-3 summarises the key characteristics associated with the main gold deposits at Red 5's King of the Hills Project and associated regional resources within trucking distance of the King of the Hills processing facilities.

Table 5-3: Summary of main deposits at Red 5's King of the Hills project

Prospect	Geological overview
King of the Hills	<p>The King of the Hills mineralisation is considered to be part of an Archaean orogenic gold deposit with many similar characteristics to other gold deposits within the Eastern Goldfields of the Yilgarn Craton. Gold mineralisation is associated with sheeted and stockwork quartz vein sets within a hosting granodiorite stock and pervasively carbonate altered ultramafic rocks. Mineralisation is thought to have occurred within a brittle/ductile shear zone, with the main thrust shear zone forming the primary conduit for the mineralising fluids. Pre-existing quartz veining and brittle fracturing of the granite created a network of second-order conduits for mineralising fluids. Brittle fracturing along the granodiorite contact generated radial tension veins perpendicular to the orientation of the granodiorite, and zones of quartz stockwork. These stockwork zones are seen in both the granodiorite and ultramafic units and contain mineralisation outside the modelled continuous vein system (High Grade Veins). Gold appears as free particles (coarse gold) or associated with traces of base metals sulfides (galena, chalcopyrite, pyrite) intergrown within quartz along late-stage fractures. Mineralisation of HGV domains are defined by quartz veining, occurrence of sulfides (galena, chalcopyrite, and pyrite) and elevated gold grade (>0.5 g/t). Mineralisation of stockwork zones (bulk domains) is defined by stockwork quartz veining along the contact of the granodiorite/ultramafic and captures all drill intercepts in the deposit.</p> <p>The main factors affecting continuity are structural offset quartz veining within the hosting granodiorite stock and the pervasively altered ultramafic rocks, and proximity to the granodiorite as mineralisation extends into the altered ultramafic rocks. Potassic alteration in the form of sericite is occasionally associated with mineralisation within the granite, while fuchsite is often present in mineralised parts of the ultramafic rocks.</p> <p>Orientation of tension vein arrays within the hosting granodiorite. These tension vein arrays within the central and southern portions of the mine may not necessarily be as continuous as modelled given the thickness of these veins, variability and fact most of these veins were modelled using RC data.</p> <p>The existence of these tension veins has been validated by current underground development and recent drilling and assay of historical information.</p> <p>Mineralisation is over 3.7 km by length up to 770 m wide at the top of the granodiorite/ultramafic contact where the mineralisation is subhorizontal. Along the eastern contact in the northern half, the subvertical mineralisation is drilled down to a depth of approximately 590 m and the southern half mineralisation has been drilled to approximately 250 m below surface. Mineralisation is still open down dip on the eastern contact and down plunge along the northern contact.</p>

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Prospect	Geological overview
Rainbow	<p>The Rainbow project is located within the Leonora District in the Eastern Goldfields of Western Australia in the Norseman-Wiluna Greenstone Belt. The greenstone stratigraphy in the Leonora District contains a western mafic-ultramafic succession and an eastern succession of felsic volcanics. The Raeside batholith intruded the greenstone units in the west. The Rainbow deposits are situated within the western mafic-ultramafic succession along the second-order Ursus Shear Zone.</p> <p>The Rainbow deposits predominantly consist of mafic and ultramafic units, with the primary mineralisation hosted in basalts and within weathered ultramafic and laterite units. Mineralisation is believed to appear in two forms:</p> <ul style="list-style-type: none"> ■ Transported mineralisation within the pisolites of laterite and colluvial channels ■ Supergene mineralisation within carbonated basalt, sheared microgranite dykes and chlorite schist. <p>Mineralisation appears to be patchy in fresh rock, with most of the mineralisation located within the transported and residual weathering horizon.</p>
Centauri	<p>The Centauri project is located within the Leonora District in the Eastern Goldfields of Western Australia in the Norseman-Wiluna Greenstone Belt. The greenstone stratigraphy in the Leonora District contains a western mafic-ultramafic succession and an eastern succession of felsic volcanics. The Raeside batholith intruded the greenstone units in the west. The Centauri deposits are situated within the mafic-ultramafic succession along the second-order Ursus Shear Zone.</p> <p>The Centauri prospect is located on the north-northwest striking Ursus Shear Zone, which is typically characterised by strongly deformed mafic lithologies, now present as chlorite + sericite + carbonate schist, with a strong crenulation cleavage and mineral stretching lineation. The stratigraphy is strongly rotated into parallelism within, and adjacent to, the northwest trending shear zone and resumes a more west to northwest strike away from the shear zone.</p> <p>Lithologies dominantly consist of basalt with lesser dolerite, high-magnesium basalt and sediments. Historical reports document felsic porphyry dykes commonly intruding the shear zone and auriferous quartz veining shows a strong spatial association with the porphyry-schist contacts. Recent drilling completed by Red 5 did not identify these felsic porphyry dykes which are now thought to be quartz veining within the Ursus Shear Zone. The prospect is bound to the north and south by two east striking Proterozoic dykes which are clearly delineated in regional aeromagnetic data.</p> <p>Gold mineralisation at Centauri is associated with quartz-pyrite veining and strong sericite-carbonate-pyrite alteration of the surrounding mafic lithologies along a north-northwest trending shear zone. The mineralised lodes, identified through drilling, dip moderately to the west with mineralisation intersected down to 80 m, with Centauri remaining open at depth.</p>
Cerebus-Eclipse	<p>The Cerebus-Eclipse project is located within the Leonora District in the Eastern Goldfields of Western Australia in the Norseman-Wiluna Greenstone Belt. The greenstone stratigraphy in the Leonora District contains a western mafic-ultramafic succession with subordinate, thin sedimentary horizons and an eastern succession of felsic volcanics. The Raeside batholith intruded the greenstone units in the west. The Cerebus-Eclipse deposits are situated within the mafic-ultramafic succession along the second-order Ursus Shear Zone.</p> <p>The Cerebus-Eclipse prospect is located on the north-northwest striking Ursus Shear Zone, which is typically characterised by strongly deformed mafic lithologies, now present as chlorite + sericite + carbonate schist, with a strong crenulation cleavage and mineral stretching lineation. The stratigraphy is strongly rotated into parallelism within, and adjacent to, the northwest trending Ursus Shear Zone and resumes a more west to northeast strike, Eclipse, away from the shear zone.</p> <p>Lithologies dominantly consist of basalt with lesser dolerite, high-magnesium basalt and sediments). Felsic porphyry dykes commonly intrude the shear zone and auriferous quartz veining shows a strong spatial association with the porphyry-schist contacts.</p> <p>Gold mineralisation at Cerebus is associated with quartz-pyrite veining and strong sericite-carbonate-pyrite alteration of the surrounding mafic lithologies along a north-northwest trending shear zone. The mineralised lodes, identified through drilling, dip moderately to the west at approximately 70°, ranging from 2 m to 20 m in width. Cerebus is open at depth.</p>

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Prospect	Geological overview
	Gold mineralisation at Eclipse is largely stratabound within a shallow, 20°, west dipping, northeast trending haematitic schists horizon. Supergene enrichment occurs at a vertical depth of 25–35 m and appears to control gold distribution along the structure. Higher-grade shoots appear strongly localised by the intersection of shallow northeast trending horizons and an interpreted northwest trending shear zone as evidenced by the steep foliation seen at surface

Source: Red 5 ASX announcements dated 7 September 2023 and associated supporting documentation

SRK notes that Rainbow, Centauri and Cerebus-Eclipse are included in Ore Reserves.

5.6 Mineral Resource estimates

The current Mineral Resource estimate for Red 5's King of the Hills project and associated local regional resources within trucking distance of the King of the Hills processing facilities was reported to the ASX on 7 September 2023 ('Mineral Resource and Ore Reserve Statement'). The Mineral Resource estimates were reported at the mining surfaces/depletion as at 30 June 2023.

SRK notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code (2012) with respect to the Mineral Resource estimate. The named Competent Person taking responsibility for the Mineral Resource estimate is Mr Byron Dumpleton, a full-time employee of Red 5.

SRK considers that Mr Dumpleton has the requisite experience to act as Competent Person.

Table 5-4: Red 5 and regional Mineral Resources as at 30 June 2023

King of the Hills Gold Project Mineral Resource at 30 June 2023						
Project	Cut-off (g/t Au)	Mining Method	Classification	Tonnes (kt)	Grade (g/t Au)	Contained metal (koz)
King of the Hills	0.4	OP ³	Measured	4,056	1.1	142
			Indicated	55,658	1.3	2,375
			Inferred	9,009	1.2	359
			Subtotal	68,722	1.3	2,876
	1.0	UG ³	Measured	37	2.3	3
			Indicated	11,901	2.4	911
			Inferred	4,622	2.0	297
			Subtotal	16,560	2.3	1,211
	Variable	All	Measured	4,092	1.1	145
			Indicated	67,559	1.5	3,286
Inferred			13,630	1.5	657	
King of the Hills – Subtotal				85,282	1.5	4,087
Regional Resources	Variable	OP	Indicated	5,410	1.4	242
			Inferred	1,610	1.3	67
Regional Resources – Subtotal				7,020	1.4	308

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King of the Hills Gold Project Mineral Resource at 30 June 2023						
King of the Hills and Regional Resources	Variable	OP	Measured	4,056	1.1	142
			Indicated	61,068	1.3	2,617
			Inferred	10,619	1.2	425
			Subtotal	75,742	1.3	3,184
1.0	UG	Measured	37	2.3	3	
		Indicated	11,901	2.4	911	
		Inferred	4,622	2.0	297	
		Subtotal	16,560	2.3	1,211	
King of the Hills and King of the Hills Regional Resource – Subtotal				92,302	1.5	4,395
Stockpiles	0.0	OP	Indicated	1,682	0.4	24
Broken Stocks	Variable	UG	Measured	18	1.7	1
ROM	Variable	UG	Measured	2,543	0.5	43
Stockpiles – Subtotal				4,244	0.5	68
King of the Hills Gold Project (at 30 June 2023)	Variable	All	Measured	6,654	0.9	189
			Indicated	74,651	1.5	3,552
			Inferred	15,240	1.5	723
Total				96,545	1.4	4,463

Data collection has been conducted in accordance with industry standard methods and SRK considers that the data are broadly appropriate for use in estimation studies.

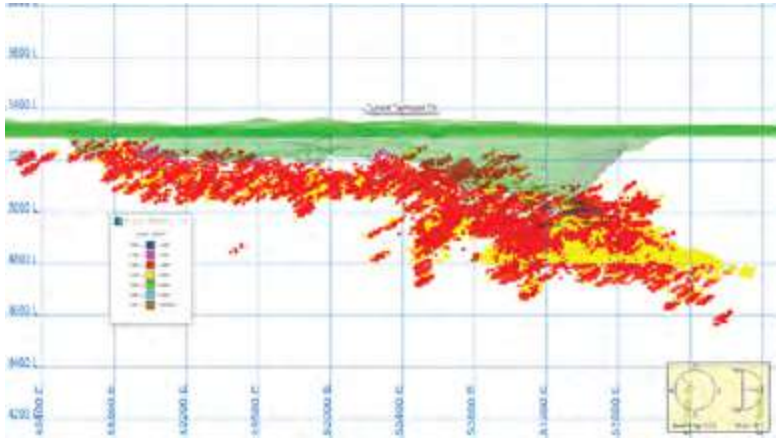
Table 5-5: Summary of Mineral Resource estimation at Red 5's King of the Hills project

Prospect	Estimation overview
King of the Hills (open Pit and outside grade control area)	<p>The database was an extract from an SQL database. The database is secure and password protected by the database administrator to prevent accidental or malicious adjustments to data. All exploration data control is managed centrally, from drillhole planning to final assay, survey and geological capture.</p> <p>A total of 117 domains (including HGV, Bulk Domains, Intermediate Dolerite Dykes (IDD)) were estimated using OK and 49 domains estimated using Inverse Distance to the power of 2 on 10 mE × 10 mN × 10 mRL parent blocks size. Search parameters are consistent with geological observation of the mineralisation geometry, with three search passes completed. OK, Inverse Distance Squared (ID2) and Nearest Neighbour (NN) were completed on all domains as validation of the OK grades.</p> <p>The Mineral Resource estimate used the parent block size of 10 m(X) by 10 m(Y) by 10 m(Z). These were deemed appropriate for the majority of the resource, where the nominal drill spacing is in the order of 20 m × 20 m. Parent blocks in the HGV domains were sub-celled to 0.625 m(X) by 0.625 m(Y) by 0.625 m(Z) and in the Bulk Domain were sub-celled to 1.25 m(X) by 1.25 m(Y) by 1.25 m(Z) using a half-by-half method to ensure that the wireframe boundaries were honoured and preserved the location and shape of the mineralisation. Search ranges have been informed by variogram modelling and knowledge of the drill spacing and the known mineralisation geometry, including direction of maximum continuity. Three search estimation runs are used. The model has been sub-celled to reflect the narrow veining with the updated domains using the string method modelled to a minimum width of 1 m and using Leapfrog modelled to a minimum of 0.2 m. Legacy wireframes are still used in this Mineral Resource estimate and have been modelled based on lithology, ore control, and not a minimum mining width.</p>

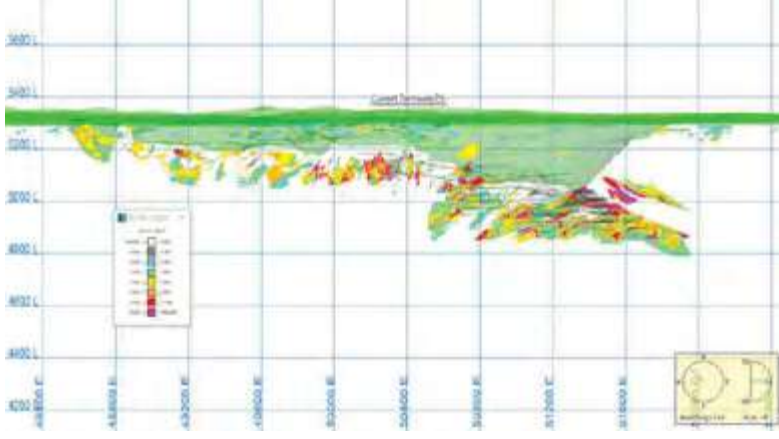
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Prospect	Estimation overview
	<p>The geological interpretation strongly correlates with the mineralised domains – specifically, where the mineralised domain corresponds with quartz veining and data density (Bulk Domain). For HGV wireframe boundaries, including those where lithology and mineralisation correspond, hard boundaries are enforced. Note the accuracies for majority of the HGV at mine scale can vary significantly due to the short strike length of the mineralisation, including up dip and down dip. The purpose of these hard HGV domains is to identify the mineralised corridor. Further infill drilling and mine development is required to accurately position these areas for high-grade narrow stoping/mining techniques. For bulk mining (both open pit and underground), the Mineral Resource estimate requires re-blocking to suitable dimension to simulate the planned dilution. When the lithology veining was less than 1 m, the updated domains were modelled to a 1 m minimum mining width, and these hard lithology boundaries were not honoured in this instance. Bulk wireframe boundaries capture all drill intercepts within the deposit, with sub-domains generated in areas of increased data density improving geological confidence on the nature on mineralisation and stockwork, and no hard boundaries enforced. Top-cuts were employed to reduce the risk of overestimating in the local areas where a few high-grade samples existed.</p> <p>Several key model validation steps have been taken to validate the Mineral Resource estimate:</p> <ul style="list-style-type: none"> ■ The Mineral Resource model has been stepped through visually in sectional and plan view to appreciate the composite grades used in the estimate and the resultant block grades. This has also been carried out in 3D with the composite grades and a point cloud of the model grades. ■ Northing, Easting and Elevation swath plots have been constructed to evaluate the composited assay means against the mean block estimates. <p>The reported Mineral Resource is reported at varying cut-off grades, reflecting mining both open pit and underground methods. King of the Hills open pit resource figures are based on a Measured, Indicated and Inferred pit optimisation shell. This shell was generated with a gold price of A\$2,700/oz using updated unit cost data and pit wall guidelines as at 30 June 2023. Optimisations were conducted on a re-blocking of the Mineral Resource to a 10 mN × 10 mE × 5 mZ model which represent a suitable size to reflect current open pit mining practices.</p> <p>The cut-off selected for reporting material within the pit shell is 0.4 g/t Au cut-off and for material outside the pit shell is 1.0 g/t Au cut-off. Material within the pit shell is primarily aimed to be mined by open pit methods and material outside will be mined using underground methods. However, a proportion of the underground Ore Reserve is within the open pit component, i.e. located above the pit shell.</p> <p>The bulk densities, which were assigned to each domain in the resource model, are derived from over a thousand determinations using the water displacement technique. In fresh rock, density values range between 2.71g/cm³ and 2.80g/cm³.</p> <p>The Mineral Resource model is classified as a combination of Indicated and Inferred. The classification of the Mineral Resource was determined based on geological confidence and continuity, drill density/spacing, search volume and the average sample distance. For the HGV domains, the classification of Indicated Mineral Resources used an average sampling distance within 35 m, and the classification of Inferred Mineral Resources used an average sampling distance within 70 m.</p> <ul style="list-style-type: none"> ■ For the Intermediate Dolerite Dyke (IDD) domains, except for domain code 153, the classification of Indicated Mineral Resources required an average sampling distance within 35 m, and the classification of Inferred Mineral Resources required an average sampling distance within 70 m. For domain code 153, the classification of Inferred Mineral Resources required an average sampling distance within 45 m and holes within the first two search passes. (Note the dolerite dykes are not material in terms of the resource but where they cross the HGV domains they result in a depletion of tonnage and grade in the HGVs.)

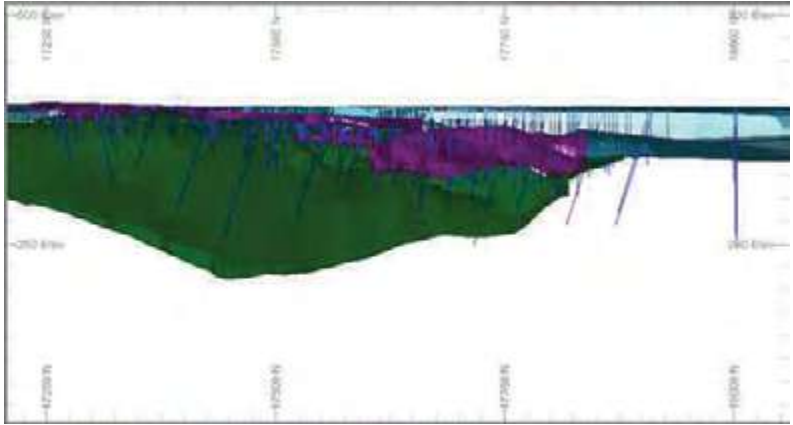
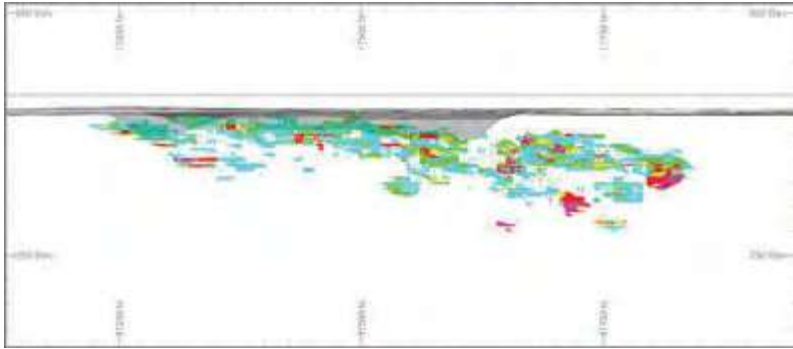
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	<ul style="list-style-type: none"> ■ For Bulk Domain 998, the classification of Indicated Mineral Resources is defined by search pass 1 (7.5 m × 7.5 m × 2.5 m) which requires 1 hole (minimum of 2 samples) and search pass 2 (40 m × 40 m × 10 m) which requires a minimum of 2 holes to be found. If 1 hole is found in search pass 2, material is assigned to the Inferred category. Inferred material has also been assigned based on search pass 3 (60 m × 60 m × 15 m) where the average sample distance is less than 60 m and the number of holes used to estimate a block is greater than 1. ■ For all other bulk domains (993, 996, 994 and 997), the classification of Indicated Mineral Resource is defined by search pass 1 (10 m × 10 m × 10 m) which requires 4 holes (minimum of 8 samples). Search pass 2 (20 m × 20 m × 20 m) requires 4 holes (minimum of 8 samples) and an average sampling distance between 0 m and 30 m. For the Inferred Mineral Resource, the classification must be within search pass 2 and have an average sampling distance between 30 m and 60 m. Inferred material has also been assigned based on search pass 3 (50 m × 50 m × 50 m). <p>The long section below shows Measured, Indicated and Inferred Mineral Resource model at a cut-off grade of 0.4 g/t Au. The model is displayed as centroids (points) for Bulk Domains with Mineral Resource classification legend displayed.</p> 
<p>King of the Hills UG</p>	<p>As for open above, with the key differences being:</p> <p>210 domains (including HGV, Bulk Domains, Intermediate Dolerite Dykes (IDD)) were estimated using OK and 33 domains estimated using Inverse Distance to the power of 2 on 10 mE × 10 mN × 10 mRL parent blocks size. Search parameters are consistent with geological observation of the mineralisation geometry, with three search passes completed.</p> <p>The Mineral Resource used the parent block size of 10 m(X) by 10 m(Y) by 10 m(Z). These were deemed appropriate for the majority of the resource, where the nominal drill spacing is in the order of 20 m × 20 m. Parent blocks for all domains were sub-celled to 0.625 m(X) by 0.625 m(Y) by 0.625 m(Z) using a half-by-half method to ensure that the wireframe boundaries were honoured and preserved the location and shape of the mineralisation. Search ranges have been informed by variogram modelling and knowledge of the drill spacing and the known mineralisation geometry, including direction of maximum continuity.</p> <p>The long section below shows Measured, Indicated and Inferred Mineral Resource model at a cut-off grade of 0.4 g/t Au. The model is displayed as centroids (points) for HGV and IDD Domains with gold legend displayed.</p>

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Prospect	Estimation overview
	
Rainbow	<p>Nine domains were estimated using OK on 5 mE × 10 mN × 5 mRL parent blocks size. Search parameters are consistent with geological observation of the mineralisation geometry, with three search passes completed with typical parameters as below:</p> <p>Domain 101 – Rotation (ZYX) Z = -15 degrees, Y = -15 degrees, X = 0 degrees. Max search distances (first search pass) = Major = 10 m, Semi-Major = 5 m and Minor = 2 m Min samples = 2, max samples = 15 (second search pass) = Major = 30 m, Semi-Major = 15 m and Minor = 6 m Min samples = 4, max samples = 15</p> <p>OK, Inverse Distance Squared (ID2) and Nearest Neighbour (NN) were completed on all domains as validation of the OK grades.</p> <p>The resource used the parent block size of 5 m(X) by 10 m(Y) by 5 m(Z). These were deemed appropriate for the majority of the resource, where drill spacing is in the order of 20 m × 20 m.</p> <p>Parent blocks were sub-celled to 0.625 m(X) by 1.25 m(Y) by 0.625 m(Z) using a half by half method to ensure that the wireframe boundaries were honoured and preserved the location and shape of the mineralisation. Search ranges have been informed by variogram modelling and knowledge of the drill spacing and the known mineralisation geometry including direction of maximum continuity. Three search estimation runs are used with the aim to satisfy the minimum sample criteria in the first search range where possible.</p> <p>Resource analysis indicated that statistically very few grades in the domain populations required top-cutting. Top-cuts were employed to eliminate the risk of overestimating in the local areas where a few high-grade samples existed.</p> <p>Several key model validation steps have been taken to validate the Mineral Resource estimate.</p> <ul style="list-style-type: none"> ■ The Mineral Resource model has been stepped through visually in sectional and plan view to appreciate the composite grades used in the estimate and the resultant block grades. This has also been carried out in 3D with the composite grades and a point cloud of the model grades. ■ Northing, Easting and Elevation swath plots have been constructed to evaluate the composited assay means against the mean block estimates. <p>The model is reported at a 0.60 g/t Au cut-off grade. This is the expected grade cut-off estimated using the assumed mining costs for the King of the Hills resource and a potential standalone processing plant as part of the King of the Hills bulk mining study with the assumption that the Rainbow resource will be a satellite feed source. In fresh rock, density value assigned is 2.7g/cm³.</p>

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Prospect	Estimation overview
	<p>The Mineral Resource model is classified as a combination of Indicated and Inferred. The classification of the Mineral Resource was determined based on geological confidence and continuity, drill density/spacing, and search volume using a perimeter string. The Indicated Mineral Resource used a nominal drill spacing of 20 m × 20 m and Inferred Mineral Resources used a nominal drill spacing of 40 m × 40 m.</p> <p>The long section view (looking west) of the current Rainbow mineralised wireframes, Domains 101, 102, 103 (green), Domains 201, 202, 203 (purple), Domain 301 (blue), with diamond drilling, reverse circulation and air core (blue strings).</p>  <p>The long section below (looking west) shows the current topography (grey) and Resource Model Domains 101, 102, 103, 201 and 202, Indicated and Inferred, with Au >0.3 g/t displayed as centroids:</p> 

Source: Adapted from Red 5 ASX announcements dated 7 September 2023 associated documentation (JORC 2012) Table 1

SRK has reviewed the input data, construction, estimation and reporting of the Mineral Resources as described in Table 5-5 and finds while some local refinement is possible, the global quantum of the Mineral Resources is appropriate for valuation purposes. While SRK has reviewed the key deposits in detail, the workflows for grade estimation and reporting for the other deposits are similar and SRK therefore considers that all reported Mineral Resources for the King of the Hills project are appropriate in global quantum for valuation purposes.

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5.7 Metallurgy and processing

The metallurgical review of the King of the Hills processing plant is based on the monthly report data supplied by Red 5, the 2020 GRES King of the Hills Project Final Feasibility Study and the 2021 Mintrex Process Plant Expansion Study Report (Project number: 21021-RED).

The 2020 feasibility study stated the plant design for 4 Mtpa treating 500 tph of feed at 91.3% plant utilisation with actual plant throughput a year after start-up at 4.6 Mtpa.

In the 2020 feasibility study, GRES noted the following risks for plant operations:

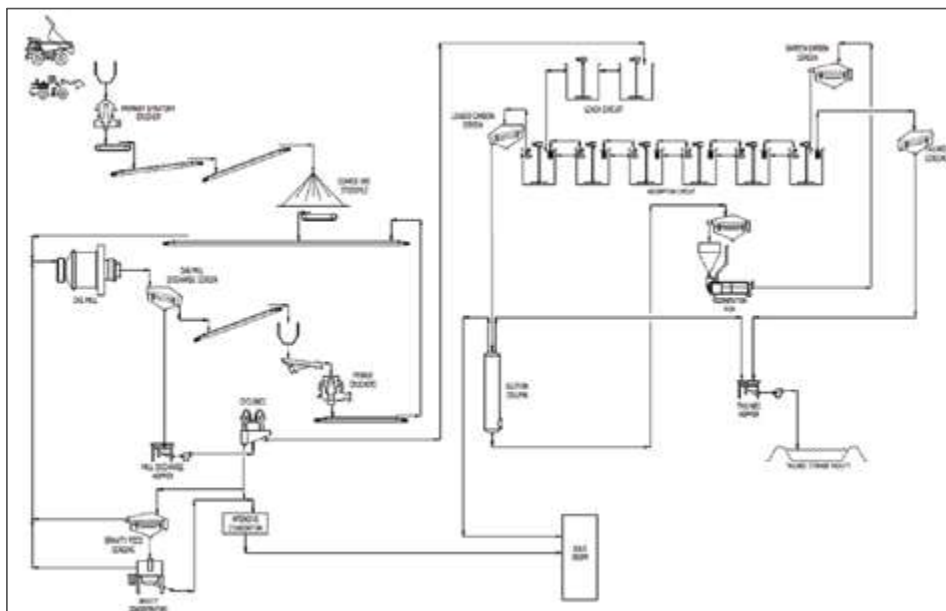
- Process run time is influenced by the possibility of major equipment failure.
- Ore variability is having a negative impact on mill throughput.
- There are high residual cyanide levels.

After a year of operation, the Mintrex 2021 expansion study looked to increase throughput to 8 Mtpa by upgrading the SAG mill to a SAG–ball mill comminution circuit, installing additional leach tanks and an additional AARL elution circuit. However, this has not been implemented.

5.7.1 Process flowsheet

The 2020 GRES process flowsheet is shown in Figure 5-3.

Figure 5-3: 2020 King of the Hills process flowsheet



Source: 2020 GRES King of the Hills Project Final Feasibility Study

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The King of the Hills processing plant design as at 2020 consisted of:

- primary crushing by a gyratory crusher to product size P₈₀ of 115 mm
- grinding in a semi-autogenous grinding mill–pebble crushing circuit to a product size of 80% passing 150 µm.
- treatment of a portion of the grinding circuit cyclone underflow by centrifugal gravity concentration, followed by batch intensive leaching of the gravity concentrate and electrowinning of the resulting pregnant solution
- leaching and adsorption in a hybrid CIL circuit comprising two leach tanks followed by six smaller adsorption tanks
- acid washing and elution of the loaded carbon in a single column split AARL elution circuit, and thermal regeneration of the barren carbon prior to its return to the CIL circuit
- smelting of the electrowinning cathode sludge to produce a gold doré
- transfer of the final tailings to the TSF with water recovery for recycling to the process plant.

The design changes considered in 2021 but not implemented included:

- addition of a second primary crusher
- addition of a ball mill into the comminution circuit
- upgrade of the Knelson gravity concentration capacity
- installation of four additional leaching tanks
- additional tails thickening capacity.

SRK notes that the ore is a 'granitoid', unique rock type for the area, and as result SAG mill throughput a potential issue, the addition of a ball mill in the expansion helps to mitigate this risk. Additionally, recovery is high (~94 %) for a low-grade ore, although Darlot ore is a possible sweetener.

5.7.2 Process throughput and metallurgical recovery

While the testwork that drove the 2020 plant design included comminution and leaching programs, GRES acknowledged the need to expand this work to target specific mineralisation types and domains. Discrete interval samples, mineralogy and additional leach testwork is required to better understand the production schedule impact on the operation.

With no future ore testwork reconciliations available the conclusions on metallurgical performance are based on comparison of budgeted performance with supplied monthly site report data from January 2023 to January 2024. The budgeted performance data are collected from *07.02.01.05 202312_4_RED5_KOTH_PROCESS_LOMP & COST MODEL_FY24_Lender CASE.xlsm* and indicate the following process plant model inputs:

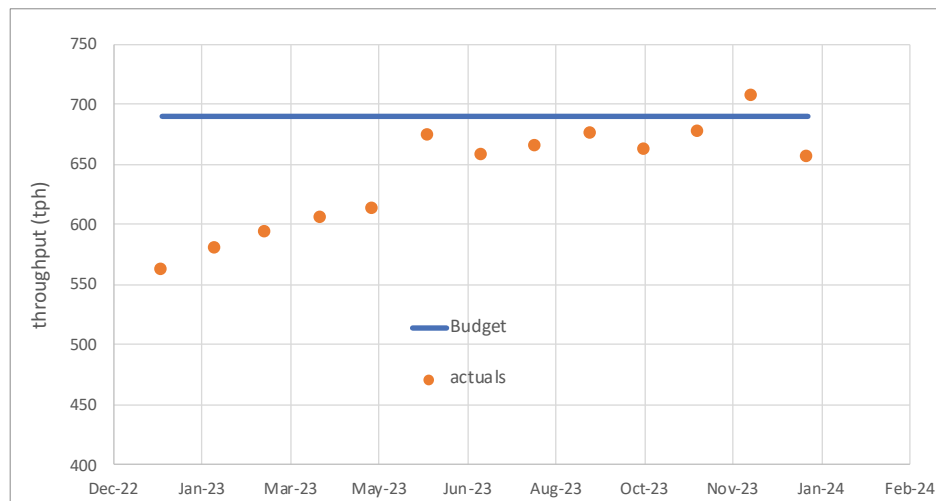
- Throughput – 690 tph increasing to 754 tph in January 2025
- Plant availability and utilisation of 95% and 96%, respectively, giving an overall operating time of 91.2%

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- Gold recovery – based on a tails grade of 0.09 g/t Au, which equates to gold recoveries of 90–94%

Based on the actual mill throughput average of 673 tph and peak of 706 tph for six months to January 2024 and assuming no changes in rock type or feed mineralogy, SRK adjusted the throughput down to 673 tph to reflect throughput achieved to date. While Red 5 do report improvements to throughput based on recent changes to crusher maintenance regimes and associated stockpile management these improvements are yet to be realised on a consistent basis in the plant throughput. Reported average plant operating time of 84.3% over the same period is significantly lower than the budget of 91.2%. While SRK concur that the budgeted operating time of 91.2% aligns with industry expectations for this type of operation despite recent improvements in crusher – stockpile operation, mill liner configuration and thickener operation King of the Hills are yet to achieve this operating time. The corporate model accuracy could be enhanced increasing utilisation to match historical figures and adopting an hourly throughput and availability/utilisation metrics to reflect planned plant maintenance events. SRK recommend that the model be run to also test the impact of maintaining the current mill operating time against the benefit of the budgeted improvements.

Figure 5-4: King of the Hills processing throughput



Sources: 07.02.01.05 202312_4_RED5_KOTH_PROCESS_LOMP & COST MODEL_FY24_Lender CASE.xlsm and monthly reports

The Red 5 corporate processing model assumes a constant tails grade on 0.09 g/t Au leading to a budget recovery averaging 93.1% until 2030 compared with the average actual gold tails grade of 0.11 and gold recovery of 92.6% for the January 2023 to January 2024 period. However, changes in carbon management in late February in have resulted in daily and month to date gold tails grades at or below 0.09g/t Au. Assuming these carbon management practices can be maintained as planned through contract carbon regeneration and kiln replacement /addition the modelled tails grade of 0.09g/t Au should be achievable and SRK would recommend no changes to the modelled tails grade.

5.8 Ore Reserves and mine planning

5.8.1 Current operations

The King of the Hills mine comprises both open pit and underground operations, providing ore feed to a processing facility located at the mine site. Additional ore feed is provided from the Darlot mine site.

The King of the Hills open pit is approximately 2 km long and currently comprises two segments linked by a saddle: the Main pit and the North pit, with near-term operations focused on the Main pit. The Main pit is aligned on a northeast–southwest axis, with the adjoining North pit aligned on a north–south axis. The current pit width is approximately 500 m. The current pit physical dimensions are predominantly the result of previous operations by other parties from 1989 to 2004, with Red 5 commencing open pit mining in January 2022.

Conventional open pit mining methods are utilised. Ore and waste are drilled and blasted in 10 m high benches, with excavation undertaken over four 2.5m flitches. Production drilling is undertaken by a fleet of 6 Epiroc D65 down-the-hole hammer rigs. 1 EX360T and 2 EX250T hydraulic excavators together with 18 Caterpillar 789 190t capacity haul trucks are currently on the equipment register. Ancillary equipment includes, amongst other units, 5 dozers and 2 water carts.

Material mined is directed to one of five streams: priority plant feed (>1.9 g/t Au), high grade (above 0.5 g/t Au), low grade (0.3 to 0.5 g/t Au), mineralised waste (0.2 to 0.3 g/t Au) and waste.

Open pit operations are conducted by mining contractor, Macmahon Contractors Pty Ltd, with technical oversight provided by Red 5.

Similarly, underground operations were first substantially conducted by other parties, with Red 5 commencing underground mining in April 2022. Underground access is via a decline (5.5 m wide by 5.8 m high arched section) set in the south wall of the North pit. Access from the decline is of the same cross-sectional dimensions, but can be reduced to 5.0 m wide by 5.0 m high arched section (the dimensions of ore drives) in certain instances. Mining operations are focused on five zones: Central, Interior, East, West and Regal. Each area is accessed by a separate decline leg. Central, the uppermost zone, is located adjacent to the historical pit floor at approximately 5150 mRL. Regal and West are the deepest of the current zones, with workings extending down to approximately 4900 mRL (surface being at approximately 5330 mRL). Development drilling is undertaken utilising 2 Sandvik DD422i twin-boom jumbos, with development ends bogged with a Sandvik LH621i underground loader.

The orebody is mined using conventional longhole open stoping methods, with pillars being retained in situ. Stope widths vary from about 3 m to 40 m, the wider stopes generally design to extract several, or numerous, relatively high-grade zones in sub-parallel proximity. Planned extraction involves single-lift, double-lift and triple-lift stope face sequencing. Blastholes of 89 mm diameter are drilled with two Sandvik DD422i drill rigs. Broken ore is bogged with a fleet of two Sandvik LH517i loaders. Ore and waste are trucked by a fleet of three Epiroc MT65 65t-capacity dump trucks supplemented by a hired Epiroc MT6020 60t-capacity truck. Ancillary fleet units include, among other units, two Normet MC605 explosives charging units, two Caterpillar graders (150M and 140M models) and four tool carriers.

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Air is exhausted from the underground workings through two principal return ways, the Central RAD and West RAD. These link to serve a single return air rise with a surface-mounted primary fan powered by a 650 kW motor and currently drawing about 225 m³/s. The decline is the principal intake airway, with two escapeways providing minor additional quantities of fresh air.

Return water is pumped by staged Flygt pumps up East Decline, Regal Decline and West Decline. The East Decline staged pumps, together with a Mono 103 pump at 4881 mRL in the Regal Decline and 2 Mono 103 pumps at 4870mRL in the West Decline discharge to the 2 Mono 103 pumps at (East Decline) 4960 mRL, which pump to a similar station at 5060 mRL before being relayed to an in-pit station of 2 Mono 104s pumps. The system has a maximum capacity of 40 l/s.

Underground operations are conducted by mining contractor, Macmahon Contractors Pty Ltd, with technical oversight provided by Red 5.

Future open pit operations are proposed at the currently dormant Rainbow, Centauri and Cerebus-Eclipse sites. Small-scale open pit mining was previously undertaken at Rainbow, leaving (in plan) an inverted L-shaped excavation. The northern limb extends approximately 350 m east–west and is linked at its eastern end to the southern limb, which extends approximately 300 m north–south. The pit is approximately 30 m deep, but the southern limb has been extensively backfilled, and groundwater is present in the northern limb. No previous mining has been undertaken at Centauri or Cerebus-Eclipse.

5.8.2 Geotechnical

The King of the Hills mines and the satellites Rainbow, Centauri and Cerebus-Eclipse were the subject of a series of geotechnical studies undertaken by Peter O'Bryan & Associates in 2020, as part of the 2021 King of the Hills Feasibility Study. Formal Ground Control Management Plans for the King of the Hills open pit, updated in November 2022, and the King of the Hills underground mine, updated in June 2020, are in place.

Open pit design at King of the Hills was informed by the logging in late 2019 and early 2020 of eight dedicated geotechnical investigation drillholes and two holes drilled for the installation of vibrating wire piezometers, and by data available from geotechnical assessment pertinent to previous mining operations. Oxide material is classified as 'poor' to 'very poor' on average, with transitional rock being 'fair' and fresh rock being 'good' on average, with intervals of 'fair' or even 'poor' rock, typically associated with discrete structures.

The open pit walls and floors expose two principal rock types: a granodiorite, which is the primary host for mineralised veins, and an ultramafic sequence. The granodiorite forms the floor of the current pit, and its contact with the ultramafic sequence dips steeply into the floor on the eastern side of the Main pit and in the eastern wall of the North pit. A contact with the overlying ultramafics is also exposed along the length of the west wall of the Main pit.

Three significant failures are evident in the current open pit profile. The first is a major failure that occurred in the east wall of the North pit when being operated by a previous mine owner during the period 2001–2004. This failure has been stabilised and no current operations are being conducted in its vicinity. More conservative pit design parameters have been recommended in this sector, including berm widths of up to 12 m (8 m elsewhere) and inter-ramp angles of 36° to 49° (45° to 60° elsewhere). The second is a slip failure near the ultramafic contact in the southern portion of the

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west wall of the Main pit. This failure extended over the vertical extent of two benches and its remediation required the re-routing of the access ramp. This area has also been stabilised. The third failure occurred at the eastern bullnose of the saddle linking the Main and North pits. This area has since been excavated and levelled and now forms a ROM ore pad for underground ore.

In 2022, SRK prepared a numeric model designed to forecast geotechnical risk underground. Review and 3D numerical modelling were intended to identify any required changes to applied ground support parameters. The modelling was also expected to identify the risk profile caused by change in stope dimensions and the mining sequence. From this work, Red 5 expected to reduce any potential for stress-induced damage to underground workings.

The modelling indicated that proposed primary development, comprising the decline, footwall drives and ventilation rises, appears to be positioned to avoid damage from mining-induced effects. For stopes in the granodiorite unit, SRK determined a maximum hydraulic radius of 9 and recommended maximum stope strike lengths of 50 m and maximum stope widths of 30 m. Pillars between parallel stopes are to be no less than the thickness of the larger stope. The recommended rib pillar thickness varied from 5 m to 10 m for stope heights varying from 15 m to 30 m in narrow vein zones, and from 7 to 10 m over heights varying from 15 m to 25 m in bulk stopes.

The underground workings are principally in the competent granodiorite, but extend into the ultramafic sequence. The inspected segment of contact appeared sealed and without water ingress. The workings are relatively shallow, and the competent rock structures provide good ground conditions. Seismic activity is not envisaged to materially impact underground operations as currently envisaged.

Open pit design parameters for the satellite deposits were informed by logging of 10 geotechnical boreholes: two at Rainbow, two at Centauri and six proximal to future major wall positions for the proposed Cerebus-Eclipse pits. Except for the overlying 'very poor' transported material, the remainder of the Rainbow oxide, transitional and fresh rock profiles are classified as 'good'. The Centauri oxide material, which will form the major part of the pit walls, is classified as 'very poor' rock mass quality. The weathering profile is deep at Cerebus-Eclipse, with mining not expected to encounter fresh rock. Conditions there are expected to vary from 'very poor' in the upper saprolites near surface to 'fair' in transitional material. Of the three Cerebus-Eclipse pits, the entire Cerebus South pit is expected to be mined in 'very poor' material, as will be the eastern wall of Eclipse pit.

5.8.3 Ore Reserves

The current Ore Reserve estimates for Red 5's King of the Hills mine was reported to the ASX in an ASX announcement titled 'Red 5 Ore Reserve and Mineral Resource Statement' dated 7 September 2023. The Ore Reserve estimate was reported as at 30 June 2023.

SRK again notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code (2012) with respect to the Ore Reserve estimate. The named Competent Person taking responsibility for the King of the Hills Ore Reserve estimates is Mr Kevin Osborne, Group Technical Services Manager of Red 5.

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SRK has received representations from Red 5 confirming that:

- it is not aware of any new information or data that materially affects the information included in the relevant market announcement;
- in the case of estimates of the stated Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed; and
- the form and context in which the Competent Person's findings are presented have not been materially modified.

In SRK's opinion, the Ore Reserve estimate reported for the King of the Hills Operations has been prepared to a sufficient quality standard under the guidelines set out in the JORC Code (2012). The Ore Reserve estimate is summarised in Table 5-6.

Table 5-6: Red 5's King of the Hills Ore Reserve estimate as at 30 June 2023

Deposit	Mine Type	Proved Reserves			Probable Reserves			Total Ore Reserves		
		kt	g/t	koz	kt	g/t	koz	kt	g/t	koz
King of the Hills	OP	4,644	0.8	122	54,188	1.2	110	58,831	1.1	2,132
King of the Hills	UG	-	-	-	2,524	1.8	148	2,524	1.8	148
Rainbow	OP	-	-	-	2,054	0.8	56	2,054	0.8	56
Centauri	OP	-	-	-	326	1.2	13	326	1.2	13
Cerebus-Eclipse	OP	-	-	-	1,490	1.0	47	1,490	1.0	47
King of the Hills OP	S/pile	-	-	-	1,682	0.4	24	1,682	0.4	24
Broken Stocks	UG	18	1.7	1	-	-	-	18	1.7	1
ROM	S/pile	2,543	0.5	43				2,543	0.5	43
Total								69,468	1.1	2,464

Source: Red 5 ASX announcement dated 7 September 2023

Note: Data are rounded to thousands of tonnes and thousands of ounces, and grade to 1 decimal place.

The Ore Reserves estimation is predicated on multiple ore sources, including Darlot, providing mill feed simultaneously to Red 5's King of the Hills processing plant. The processing plant has a considerably higher throughput rate (approximately 5 Mtpa) than can be achieved by any of the feeder mines (possibly excepting the King of the Hills open pit) in isolation. When this plant is provided with ore feed from several sites simultaneously, a lower cut-off grade can be effectively applied to the estimated Ore Reserves, albeit that the scale advantage is offset by the road train haulage cost for bring ore from the satellite mines. The cut-off grades for the King of the Hills and regional open pits are 0.4 g/t Au, and for the King of the Hills underground operation it is 1.3 g/t Au.

The estimates have been prepared applying a gold price of A\$2,400/oz. For Ore reserve estimation, a metallurgical recovery of 92% was adopted, together with a state royalty rate of 2.5% and a private royalty rate of 1.5%.

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For King of the Hills open pit design, Red 5 regularised the Mineral Resource model to a selective mining unit size 10 m long by 10 m wide by 5 m high. Based on reconciled performance, additional ore losses were added according to lithology: 0.5% in granodiorite and 2.5% in mafics, ultramafics and sediments. Similarly, additional dilution also matched lithological hosts: 2% at 0.3 g/t Au in granodiorite and 10% at zero grade in other units.

Red 5 employed a multi-stage process to determine an appropriate cut-off grade for the open pit Ore Reserve estimate, involving the determination of a mine-limited cut-off grade (that is, considering the mine as being the principal restriction to production capacity), mill-limited cut-off grade (that is, considering the mill as the principal restriction to production capacity) and a balancing cut-off grade (where the two constraints are in balance), then opting to adopt the median value, being the balancing cut-off grade of 0.34 g/t Au. The selected cut-off grade was then rounded up to 0.4 g/t Au.

The reconciliations of tonnages and grades as delivered to the processing plant against bench Ore Reserves indicate that the Ore Reserve estimate has historically understated tonnage by approximately 10% and overestimated grade by approximately the same level, resulting in an approximately neutral impact on delivered gold ounces. For reasons discussed in the next section, this does not directly impact on the projections applied in the LOM model.

The King of the Hills underground Ore Reserve applies a fully costed cut-off grade of 1.5 g/t Au, a stope evaluation cut-off grade of 1.4 g/t Au, an incremental stope cut-off grade of 1.2 g/t Au and an incremental development cut-off grade of 0.5 g/t Au. Stope dilution of 10% (5% in future airleg stopes) and mining recovery of 95% (65% in future airleg stopes) have been applied. Stope grades are further modified by the application of a geological risk factor. The factor ranges from 0.8 for perceived high risk to 1.0 for perceived low risk.

The King of the Hills open pit and underground mines, together with the proposed satellite open pits at Rainbow, Centauri and Cerebus-Eclipse, were the subject of a Feasibility Study undertaken in 2021.

5.8.4 Life of Mine Plan

Red 5 has established an operating protocol for prioritising ore feed to the King of the Hills processing plant. Subject to source availability, the prioritisation is summarised as follows:

1. Oxide feed from open pits or dumps to a maximum of approximately 10% of total feed. This material is required to control viscosity in the plant leaching circuit.
2. Darlot ore, as this material usually provides the higher-grade feed component.
3. King of the Hills underground ore, as this material usually provides the next-highest-grade feed component.
4. King of the Hills open pit ore.
5. Lower-grade stockpiles.

This order provides important direction to both long-term and short-term planning of Red 5's contributing mines in the Leonora region.

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The mining projects are currently sequenced by Red 5 as shown in Table 5-7. The King of the Hills open pit and underground mines are subject to ongoing exploration and resource delineation programs. Consequently, the sequencing and duration of production may change in the medium term as further optimisation studies are completed, so the elements of Table 5-7 should be considered as a best indication of current planning only.

Table 5-7: King of the Hills Life of Mine Plan – production sequencing

Project	Start	Finish
King of the Hills Open Pit	Ongoing	Q2 FY36
King of the Hills Underground	Ongoing	Q4 FY30
Rainbow	Q2 FY28	Q4 FY29
Centauri	Q4 FY27	Q4 FY29
Cerebus-Eclipse	Q2 FY27	Q4 FY29

Source: 202312_3_RED5_KOTH_OP_COST MODEL_FY24_Lender Case.xlsx; 202312_2_KOTH_UG_COST MODEL_FY24_Lender Case.xlsx

King of the Hills open pit

The King of the Hills open pit is expected to be the primary source of process plant feed throughout Red 5's LOM Plan. The pit is planned to be mined in five stages, with Stage 2 divided into three separate cuts. The pit is expected to reach an eventual depth of approximately 400 m. Operating parameters for the contract mining operation are not anticipated to change significantly from those currently in place throughout the mine life.

The King of the Hills LOM Plan schedule divides production into four streams used for current operational control and budgeting: high grade (above 0.5 g/t Au), low grade (0.3–0.5 g/t Au), mineralised waste (0.2–0.3 g/t Au) and waste (the priority plant feed stream not being segregated from the high-grade stream for planning purposes). The schedule cannot be directly compared to the Ore Reserve estimate as no schedule grade boundary coincides with the Ore Reserve cut-off grade.

SRK considers that the grade issues indicated in Red 5's bench reconciliation analyses at 0.5 g/t Au cut-off grade are caused by 'grade smearing' resulting from linked estimation and operational issues that are muted or extinguished when considering production estimates using the lower operational cut-off grade of 0.3 g/t Au. This opinion is reinforced by the most recently available monthly reports, which indicate that FY24 year-to-date grade slightly exceeds budget.

King of the Hills underground

In Red 5's LOM Plan, underground production from King of the Hills is planned to extend over the next 6 years. Of the scheduled production, approximately 42% was sourced from Ore Reserves, 15% was sourced from Mineral Resources (primarily Inferred) outside the Ore Reserves and the remainder was sourced from 'growth', that is, from the likely anticipated results of resource delineation in designated areas of known potential. All of this last category is scheduled in the second half of the LOM Plan schedule. Since the LOM Plan schedule was prepared, Red 5 has added further inventory to the Mineral Resources, with a subsequent increase in overall grade (when excluding growth) from 1.78 g/t Au to 1.90 g/t Au.

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Rainbow, Centauri and Cerebus-Eclipse Satellite open pits

The LOM Plan pit designs for Rainbow, Centauri and Cerebus-Eclipse were directly adopted from the Ore Reserve estimate design work undertaken in 2021. Each pit has a final design based on an optimisation assessment. The optimisation exercise undertaken incorporates Measured, Indicated and Inferred Mineral Resources, and applies the parameters indicated in Table 5-8.

Final pit designs incorporate wall angles as recommended in geotechnical assessments undertaken between 2020 and 2022 by independent consultants, Peter O’Bryan & Associates. Pit scheduling was undertaken using Deswik software. Each pit will have a dedicated WRD.

The planned extents of the three pits are listed in Table 5-8.

Table 5-8: King of the Hills satellite pits – proposed pit dimensions

Project	Length (m)	Width (m)	Depth (m)
Rainbow	635	338	90
Centauri	500	290	80
Cerebus-Eclipse	440–750	110 -215	50

Source: Red 5 information

Notes: 1) Cerebus-Eclipse comprise three separate designed pits.

2) Pit depths are approximate, and are provided to indicate scale of operations only.

The Rainbow pit is aligned approximately north–south. It will be accessed by a double-lane ramp, commencing in the southeastern corner of the pit and extending northwards along the west wall of the pit, being replaced by two short single-lane ramps over the lowest segment: one directed to develop an ore accumulation in the north end of the pit and the other to an ore accumulation in the centre of the pit. The designed waste-to-ore ratio is 3.6:1.

The Centauri pit has a more regular design, with the final pit being near-ovoid in plan view. It also will be accessed by a double-lane ramp, commencing in the eastern wall and spiralling downwards clockwise. The lowest segment of the pit will be accessed by a single-lane ramp. The waste-to-ore ratio for Centauri pit as currently designed is 14.7: 1.

Cerebus-Eclipse comprises three designed pits aligned on a long axis directed approximately north-northwest to south-southeast. The pits are in very close proximity to each other. The expected stripping ratios are 4.2:1 for Eclipse, 4.1:1 for Cerebus South and 7.0:1 for Cerebus North (4.8:1 overall).

A grade control program has been costed and incorporated into the LOM Plan.

Ore and waste benches will be 10 m high and will be excavated in two flitches. Sub-drilling is expected to extend from 1.0 m in oxide material to 1.4 m in fresh material. Explosives costs are expected to be approximately A\$0.45 per BCM in oxide material, A\$0.65 per BCM in transitional material and A\$0.91 per BCM in fresh material, expressed in FY24 terms.

All designed double-lane ramp sections are approximately 26 m wide and single-lane ramps are 19 m wide.

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5.9 Mine closure planning and provisioning

The most recent MCP and closure cost estimate reviewed by SRK for King of the Hills operations include:

- 2020 King of the Hills MCP, Version 7, Mineral Field 37 (Mt Malcolm), Site Code: S0231688, Site Name: Tarmoola Environmental Group, Red 5 Limited, 27/11/2020 (Approved by DEMIRS on 25/02/2021, Approval Reg ID 92309²⁰)
- 2022 King of the Hills closure cost estimate memorandum, MBS Environmental, 30/06/2022
- 2023 King of the Hills closure cost estimate model (ref. Red5-Closure Cost Model_KOTH_2023_(Cont 20%) – v15.08.2023.xls).

The 2023 LOM closure cost estimate for King of the Hills (including the Rainbow, Puzzle, Centauri and Cerebus-Eclipse satellite pits) totalled A\$33,365,638 (including 20% contingency) for carrying out the activities listed in Table 5-9. Cost model provides reasonable assumptions at this stage of closure cost estimations. Further detailed cost estimations are required once assumptions of the model have been addressed, such as the completion of detailed final rehabilitation designs of WRDs. Closure-related studies are estimated to cost A\$1,294,000.

The financial model provisioned an LOM closure cost of A\$21,140,000 for King of the Hills. However, this cost is provided for TSF closure only.

Based on the MCP and closure cost model information and taking account of current practice in similar mining and processing operations in Western Australia, SRK considers the current closure cost provision of A\$35 million (including other closure costs during operations) provided in the closure cost model (LOM closure cost estimate and closure related studies) to be reasonable at this stage.

The closure provisions are based on an LOM considering King of the Hills relinquishment in 2048, based on a period of 5 years of closure works followed by 6 years of post-closure monitoring as detailed in the LOM closure cashflow in Figure 5-5. However, according to adjustments made to the financial model following SRK's recommendations, closure activities are expected to start – at the latest – upon last material sent through the mill. SRK estimates relinquishment dates in 2051.

²⁰ MINEDEX, Environmental Registration 92309, Mining Proposal King Of The Hills Project Revision 3, Version 2, <https://minedex.dmirns.wa.gov.au/Web/environment-registrations/details/92309>, last accessed 18/03/2024

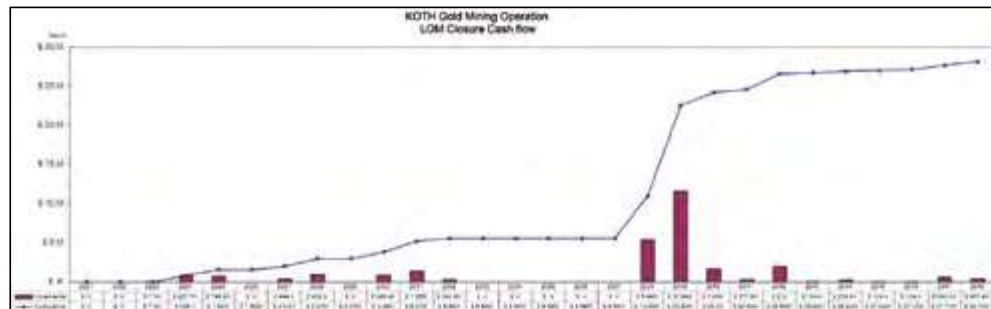
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Table 5-9: 2023 King of the Hills LOM closure cost estimate summary

Domains	King of the Hills (A\$)
Mine waste and landforms	9,706,276
Industrial infrastructure	7,966,970
Mining infrastructure	1,405,622
Surface water infrastructure and flood structures	407,741
Groundwater infrastructure	345,090
Accommodation facility	1,077,209
Roads	439,476
Exploration	20,000
Water treatment – Post closure	-
Post-closure monitoring	793,100
Indirect closure management costs	5,643,214
Contingency (20%)	5,560,939
Other closure costs during operations	1,294,000
Total	34,659,638

Source: Red5-Closure Cost Model_KOTH_2023_(Cont 20%) – v15.08.2023.xls

Figure 5-5: 2023 King of the Hills LOM closure cashflow



Source: Red5-Closure Cost Model_KOTH_2023_(Cont 20%) – v15.08.2023.xls

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6 Red 5's Darlot Project

6.1 Project description and background

Darlot is located approximately 55 km east of Leinster, 350 km north of Kalgoorlie and 900 km northeast of Perth in the Eastern Goldfields of Western Australia's Yilgarn Craton. The mine is located at latitude 27° 53'32"S and longitude 121° 16'16"E. The site is situated approximately 465 m above sea level and experiences a semi-arid climate with an average annual rainfall of approximately 260 mm. The surrounding countryside is semi-arid, generally flat to undulating with low sparse vegetation and no perennial rivers or watercourses.

The site is serviced by a FIFO workforce.

The Darlot deposits are orogenic gold deposits primarily occurring at the intersections between structures and stratigraphy; however, there are subtle differences in alteration and mineralisation that control the local deposition of metal occurrence in thickness, continuity and mineralisation texture.

Darlot ore is produced from the underground operation which are accessed through two in-pit portals connected to haulage declines from the base of the Darlot open pit. Mine extraction methods include a combination of mechanised longhole stoping and airleg mining. The current primary mining method is longhole open stoping with in-situ pillars. Paste fill has been used to backfill open stopes, allowing maximum extraction of the lode system. The operation uses a diesel fleet of loaders and trucks.

Stopes are mined from various areas down to a current depth of approximately 950 m below surface. Current mining operations are focused on multiple underground bodies, including:

- Thomson lodes at the Centenary orebody at a depth of approximately 920 mRL
- Remnant mineralisation at the Centenary orebody at a depth of approximately 900 mRL
- Pedersen lodes at the Darlot orebody at a depth of approximately 1060 mRL
- Burswood lodes at the Centenary orebody at a depth of approximately 1200 mRL
- Middle Walters South lodes at the Centenary orebody at a depth of approximately 1120 mRL.

Ore is trucked to King of the Hills where it is processed on site at the 5.5 Mtpa processing plant. Ore from Darlot is blended with King of the Hills ore.

6.1.1 Tenure

The Darlot tenure comprises several projects that include Darlot, Darlot East, North Darlot, Darlot South A JV, Darlot South B JV Darlot South CIO JV, Emperor, Great Western, Half Penny Well East, Mount Blackburn East, Mount Zephyr, No 11 Well East, Woodarra and Yandal South

The entire project area comprises 58 Exploration Licences, 31 Mining Leases, 13 Prospecting Licences, 9 Miscellaneous Licences and 1 General Purpose Licence covering a combined area of approximately 2,391 km².

SRK has received representation from Red 5 that the schedule detailed Table 6-1 is to be relied upon for the purpose of this Report. SRK has made all reasonable enquiries into the status of this

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tenure as at 28 February 2024 and cross-checked with the WA online database, TENGRAPH (https://www.dmp.wa.gov.au/TENGRAPH_online.aspx).

Table 6-1: Red 5’s Darlot Project – summary tenement schedule

Type	Number	Area (km ²)
Exploration Licence (EL)	57	1,896
Prospecting Licence (PL)	13	11
Mining Lease (ML)	29	122
Miscellaneous Licence (L)	9	362
General Purpose Licence (G)	1	1
Total	109	2,391

Source: TENGRAPH

Darlot South CIO JV is between Darlot Mining Company Pty Ltd (30%) and South Darlot Mines Pty Ltd (70%) and comprises the tenements M37/552, M37/631, M37/709 and M37/1045. Darlot Mining Company Pty Ltd is a wholly owned subsidiary of Red 5 and Red 5’s effective interest is therefore 30%.

Darlot South A JV and Darlot South B JV is between PanAust Limited (16%), Baker, Robert Albert Lawrence (0.5%) and Darlot Mining Company Pty Ltd (83.5%) and comprises the tenements M37/320, M37/246, M37/265, M37/343, M37/345, M37/393 and M37/776. Red 5’s effective interest is 83.5%.

In the Montague JV, Red 5’s wholly owned subsidiary, Estuary Resources Pty Ltd, holds a 25% interest in the JV tenements M57/429, M57/485 and E57793. Red 5 is the manager and operator of the JV.

Native title

Darlot operates within the Darlot Native Title Claim area and has a number of sites of aboriginal heritage in close proximity.

Pastoral tenure

Darlot mine and a majority of the Darlot tenures are located on the underlying Melrose Pastoral Lease (PL No. 49788) in the Mount Malcolm District of the Mount Margaret Mineral Field. Red 5 is the leaseholder and owner/operator of the Melrose Pastoral Station which covers 243,000 ha and includes the current mining operation.

Royalties

State royalties are distributed to the Western Australian Government at the rate of 2.5% of the royalty value of any gold produced from Red 5’s Operations. This rate is the ad valorem rate that applies to gold metal as defined under the Mining Regulations 1981.

6.2 Infrastructure

Darlot is a well-established gold mine and has all the required infrastructure in place including a 400-person accommodation village, processing plant (in care and maintenance and envisaged to be sold near term), offices and workshops, airstrip, water supply and road access. The infrastructure includes but is not limited to:

- dedicated gas and diesel power station
- water supply from three sources to provide redundancy
- mine development
- underground power and dewatering infrastructure
- workshop facilities on surface and underground
- ventilation fans
- camp facilities
- public road access.

All other equipment needed for the mining and processing of ores is in place and operational.

6.3 Permitting and compliance

6.3.1 Environmental permitting

Environmental aspects of mining and related activities at the Darlot operations are primarily regulated under the *Mining Act 1978* and the *Rights in Water and Irrigations Act 1914*. Red 5 has taken advantage of a special statutory exemption available to gold producers, the Environmental Protection (Gold Extraction Operations) Exemption Order 1993, which confers an exemption from normal licensing requirements for mine dewatering, ore processing and tailings storage to operators who meet certain conditions specified in the order. Darlot is not required to hold – and does not hold – an environmental operating licence (prescribed premises licence) under Part V of the *Environmental Protection Act 1986* (EP Act). However, a number of native vegetation clearing permits have been granted over the Darlot tenements under Part V of the EP Act.

A summary of the most recent approvals issue under these Acts is provided in Table 6-2.

None of the mining activities that form part of Red 5’s Darlot operations appear to have been referred to the federal government or to the Western Australian Environmental Protection Authority (EPA) for environmental impact assessment under (respectively) the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) or the *Environmental Protection Act 1986* (WA). It is not compulsory to refer projects for assessment under either piece of legislation, although there is an expectation that ‘environmentally significant’ projects will be referred and assessed.

Mining and related activities

Some two dozen mining proposals and mine closure plans have been approved in connection with tenements now forming part of the operations over the period from 1988 to 2023. The most recent mine closure plan was approved in February 2023. Commitments made in approved mining

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proposals and mine closure plans are legally binding and remain as legal obligations unless explicitly altered or superseded by succeeding Mining Act approvals. Environmental obligations travel with mining tenure and are binding on successive tenement holders. For example, the most recent significant mining proposal for the Darlot operation was approved in 2016 and related to a 14-page mining proposal (Reg ID 59596) submitted by Gold Fields Australasia Pty Ltd in 2016. Any commitment made by previous tenement holders remain applicable to the current operation unless they are varied by a subsequent (approved) mining proposal.

Groundwater extraction and use

Water allocations approved for the Darlot project under the *Rights in Water and Irrigation Act 1914* (RIWI Act) are summarised in Table 6-2. Darlot holds two groundwater licences (GWL65798(5) and GWL17919(1), both of which are due to expire on 13 May 2024. Licences can normally be extended, provided an application is submitted to the Department of Water and Environmental Regulation in advance of the expiry date. The combined groundwater extraction approved under the two licences amounts to 1.305 GLpa.

Clearing of native vegetation

SRK is aware of four native vegetation clearing permits have been issued in connection with mining and exploration activities on tenements that are now part of the Darlot tenement package. Of these, it appears that only one (CPS9235/1) is still valid. In the aggregate, the clearing permits issued for the project tenements authorised clearing of up to approximately 252 ha of native vegetation. The remaining valid permit (which expires on 28 May 2026) authorises 73 ha of clearing. Two previous permits (CPS3754 and CPS8323) also authorised clearing on Darlot tenements; however, it is difficult to resolve the extent of disturbance reported in the most recent annual environmental report submitted to DEMIRS (Reference ID: AER-359-53617, submitted 31 August 2023) with the approved clearing permits. The most recent AER reports a total of 492.6759 ha of ground disturbance, some 143.7556 ha of which is reported by Red 5 to be partly or wholly rehabilitated. It is possible that some of the disturbance reported in the AER occurred on ground that was already cleared of native vegetation prior to the implementation of the Western Australian vegetation clearing permit system. Similarly, some of the clearing reported in the recent AER may have occurred under exemptions available to projects holding approvals under the Mining Act, which can allow clearing of up to 10 ha per tenement per financial year under some circumstances.

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Table 6-2: Environmental authorisations – Darlot Project (as at March 2024)

Statutory instrument	Date approved (or most recently amended)	Regulated activities
Mining Act 1978		
Mine closure plan REG ID 114639 (Mine Closure Plan – Darlot Project – J00082))	6 February 2023	Mining and related activities
Mining proposal REG ID 97996 (Great Western Project Version 2)	29 July 2021	
Mining proposal REG ID 59596 (Addendum to Mining Proposal Darlot Oxides and Alluvials)	31 May 2016	
Part V of Environmental Protection Act 1986		
Clearing permit 9235/1 – valid to 28 May 2026 ¹	Various dates	Permit authorises clearing of up to 73 ha of native vegetation on M37/155
Rights in Water and Irrigation Act 1914		
GWL65798(5) (L37/206 - Darlot) – Expires 13 May 2024	14 May 2014	Authorises extraction of 0.805 GLpa of groundwater
GWL179191(1)(M37/155 - Darlot) – Expires 13 May 2024	14 May 2014	Authorises extraction of 0.5 GLpa of groundwater

Sources: DEMIRS MINEDEX (<https://mindex.dmr.wa.gov.au/Web/home>), DWER – WA water register (<https://www.wa.gov.au/service/natural-resources/water-resources/water-register>), DWER – Part V licence search (<https://www.dmr.wa.gov.au/our-work/licences-and-works-approvals/current-licences>) and DWER clearing permit system (<https://cps.dwer.wa.gov.au/main.htm>)

Aboriginal and non-Aboriginal heritage

The Darlot tenement package intersects several Aboriginal heritage places, some of which are formally registered with the Department of Planning, Lands and Heritage. Red 5 advises that it has sought – and been granted – approvals to disturb a number of heritage sites under Section 18 of the *Aboriginal Heritage Act 1972*. SRK has satisfied itself that Red 5 is familiar with statutory requirements relating to Aboriginal heritage sites and generally has systems in place to engage with relevant Traditional Owners and to conduct surveys required to assess the significance of cultural impacts arising from project activities. Red 5 has advised that it does not currently have an approved Aboriginal Cultural Heritage Management Plan (CHMP) in place, but is aware that such a plan is likely to be required in the event that future ground disturbance within the Darlot tenement package would have the potential to directly or indirectly affect cultural heritage values.

It is SRK's understanding that no additional mining disturbance is proposed within the Darlot tenement package in the short term. However, should future exploration or development activities require ground disturbance, it is likely that additional heritage surveys will be required. Given the evolving nature of statutory frameworks for the protection of Aboriginal heritage values in Western Australia, it cannot be ruled out that future activities within the Darlot tenement package will require additional authorisations under the *Aboriginal Heritage Act*.

6.3.2 Environmental management and compliance

Red 5 has defined an environmental management framework to support the delivery of objectives listed in its (undated and unsigned) environmental policy. The structure proposed by Red 5 for its environmental management system is generally sound, but few of the proposed standards, plans, procedures and other management tools have been developed, much less implemented (Figure 6-1). The state of development of the management system is incompatible with the company's position as a mid-tier company, especially taking into account the comparatively long operating history of the project.

Red 5 is required to provide annual compliance/performance reports in relation to permits held under the Mining Act, the RIWI Act and for clearing permits issued under the EP Act. It is also required to lodge annual reports of mining disturbance and rehabilitation in accordance with the requirements of the *Mining Rehabilitation Fund Act 2012*. Red 5 maintains a simple, but adequate, 'obligations register' to track statutory reporting and other compliance matters. SRK notes that the version of the obligations register provided by Red 5 was last updated in October 2021. To be effective, the obligations register should be reviewed at least annually.

One event involving seepage from the TSF 4 toe drain was reported to have occurred during the most recent reporting period (August 2022 to July 2023) for which an AER is available. An annual groundwater report for the Darlot operation completed in August 2023 generally concludes that Red 5 is meeting its statutory obligations under the RIWI Act, except for missing a scheduled monitoring event in March 2023 (the monitoring was subsequently carried out in April 2023).

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Figure 6-1: Red 5’s proposed environmental management system



Source: Red 5 Limited

6.4 History

There is a long history of mining in and around the Darlot areas. Gold was first discovered in the Lake Darlot region in an alluvial field in late 1894, which led to a gold rush lasting from 1898 to 1913. Initial exploration and production focused on readily extractable gold from the alluvial deposits, but production from these areas is poorly documented.

The discovery of high-grade quartz vein hosted gold deposits and the depletion of the alluvial fields changed the exploration focus in the area. Mines at the time included King of the Hills, Saint George, Monte Christo and Zangbar. These were all located within the current Darlot tenement M37/155.

In 1935, a syndicate undertook limited drilling of the Zangbar and Monte Christo quartz lodes. The high-grade lateritic gold section of Monte Christo was mined by open pit in the 1950s.

Modern exploration commenced in the project area in the late 1970s and focused on a re-evaluation of historical mining camps, as well as extensions and repetitions of known mineralised veins. Interest in the area was renewed in the mid-1980s. From 1986 to 1988, Sundowner Minerals NL undertook an aggressive exploration program around the Monte Christo area and successfully delineated sufficient resources to commence open pit mining at Monte Christo and Darlot in 1988.

In December 1992, Plutonic Resources Group acquired Sundowner Minerals NL. Open cut mining continued until December 1995 and yielded approximately 400,000 oz of gold. Continued

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exploration confirmed down-dip extensions to the Darlot lodes. This work culminated with underground development and mining of the Darlot lodes, which began in October 1995.

During August 1996, a drillhole intersected a 33 m section grading 8.0 g/t of gold. This discovery drillhole for the Centenary orebody was approximately 1.2 km east of the Darlot open pit. Underground development to the Centenary orebody from the Darlot workings was initiated during December 1996.

In May 1998, Homestake Mining Company acquired Plutonic Resources Group and in June 2001 Barrick merged with Homestake. In October 2013, Gold Fields acquired the Darlot mine and tenement package from Barrick. In October 2017, Red 5 acquired the Darlot mine from Gold Fields.

Following the suspension of processing operations at Darlot in July 2022 and subsequent transition to a satellite mining operation, and right-sizing improvements completed during 2023, Darlot continues to supply ore to the King of the Hills operation.

In the six months ended 31 December 2023, underground stoping continued from the Middle Walters South, Federation, Pedersen, Border and Thomson areas. Airleg mining occurred in the Centenary, Hurst, Border, Pedersen and Thomson sectors. For the 6-month period, 358,000 tonnes of ore were mined (2022: 354,000 t). A total of 956 m of development were also completed during the period.

6.5 Local geology and mineralisation styles

The regional geological context is provided in Section 2.4 of this Report.

Darlot lies at the southern end of the south-southeast trending Yandal Greenstone Belt, a deformed and metamorphosed late Archaean volcano-sedimentary succession of which the eastern and western contacts are fault bound, characterised by strong deformation, metamorphism to lower amphibolite facies and characterised by interweaving of granite and greenstone rock units.

The mine sequence dips 30° to 50° northeast along the southwestern limb or a 3 km wavelength, open, north-northwest plunging syncline. This bimodal volcano-sedimentary succession is intruded by pre-deformational differentiated Mount Pickering dolerite sills and by several late-tectonic intrusions.

Gold mineralisation is associated with quartz veins and alteration haloes controlled by major structures or secondary splays and cross-linking structures. The Darlot deposit has been differentiated into two separate entities: the Darlot lodes and Centenary orebody. The Centenary orebody is located some 1.2 km east of the Darlot open pit and down dip from the Darlot lode extensions.

In the Darlot lodes, gold mineralisation occurs within and around quartz laminar and sheeted quartz veins in local dilation zones along the Darlot Thrust, in addition to subhorizontal extensional quartz veins in felsic volcanic and intrusive rocks above the thrust.

The Centenary orebody has been defined from approximately 150 m to 700 m below surface. Gold mineralisation occurs within subhorizontal to 20° west dipping stacked quartz veins bound to the west by the Oval Fault and to the east by the Lords Fault.

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Several mineralisation styles are evident at Darlot and include:

- Centenary (bulk): sheeted flat extension quartz veining (dipping 10° west) with sericite - ankerite-pyrite-gold-chlorite alteration which represents approximately 70% of the Centenary orebody
- Walters (Quartz reef): forms within reverse faults as laminated quartz veins (dips 45° west) locally brecciated with crack-seal texture and ranging from 0.5 to 5 m in width
- Lords South Flats (flat): flat lying quartz breccia veining; sericite/silica alteration proximal to veining within magnetic dolerites and high pyrite percentage (mainly disseminated)
- Lords South Main (hanging wall/footwall halo): mineralisation hosted in felsic rock types; Lords fault structure (laminated quartz veins) runs through the area, locally brecciated crack-seal textures, with the alteration halo mainly restricted to the footwall; haematite alteration with stockwork and high coarse pyrite percentages
- Oval Flats (flat): flat lying extensional veining, albite+ haematite alteration proximately to veining within magnetic dolerite and felsic; high pyrite percentage (mainly disseminated).
- Oval Main (hanging wall/footwall halo): mineralisation hosted in magnetic dolerite + intruded felsic rock types in Oval Fault footwall and hanging wall; Oval Fault sheared quartz and carbonate veins locally brecciated crack-seal textures, with the alteration halo mainly restricted to the hanging wall; albite + haematite alteration with extensional veining and disseminated pyrite.

The Darlot-Centenary system is dominated by brittle-ductile to purely brittle faults that cut across the El Dorado Shear and form three broad classes:

- Shallow to steeply northeast to southwest dipping reverse faults known as the Darlot Thrust and Lodes faults
- Large steeply dipping, east-northeast and north striking structures such as the MCG, DCG and Gindah faults that cut across the reverse faults
- Steeply dipping faults with a wide range of strikes from north-northeast to east-southeast and apparently bound by pairs of the reverse faults (e.g. the SCG, Adelaide Oval, Gabba, WACA and Bellerive faults).

6.5.1 Main deposits

Table 6-3 summarises the key characteristics associated with the main gold deposits at Red 5’s Darlot project.

Table 6-3: Summary of main deposits at Red 5’s Darlot project

Prospect	Geological overview
Oval	The Darlot lodes are considered to be part of an Archaean hydrothermal fault-vein deposit with many similar characteristics with other deposits within the Yilgarn Craton, namely host rock type and nature of hydrothermal alteration; however, it is atypical in being relatively flat lying rather than steeply dipping. Felsic porphyries and lamprophyre intrusions are encountered throughout the deposit. The major host for gold mineralisation is the Mount Pickering Dolerite.

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Prospect	Geological overview
	<p>The Oval deposit is located approximately 0.5 km east of the Darlot open pit and has been defined between 470 m and 1,200 m below the surface.</p> <p>Gold mineralisation is associated with quartz veins and alteration haloes controlled by major D₂ and D₃ structures or secondary splays and cross-linking structures. The quartz veins are hosted mainly by magnetic dolerite and magnetic quartz dolerite rock types and, to a lesser extent, by non-magnetic dolerite and felsic volcano-sedimentary rock types. Lamprophyre intrusions are present in the area with a variety of orientations. In most cases, the lamprophyres are thought to be pre-mineralisation but are an unfavourable host rock for mineralisation and in most cases are barren.</p> <p>The hanging wall and footwall veins associated with the Oval mineralisation typically dip to the northwest between ~5° and 25°, with the Main Oval structure dipping at around 45° to the northwest. The Oval deposit also encompasses the Twelfth Man and Burswood Fault structures which are similar to the Oval and also dip at ~70° to the northwest. The recent mining history of the Oval area and associated reconciliations has proven the veracity of this model.</p> <p>Mineralisation is hosted by a fractionated dolerite sill within the greater Mount Pickering dolerite syncline, with silica+/-albite+/-carbonate+/-pyrite+/-gold being the key alteration components.</p> <p>The deposit has an overall strike length of approximately 600 m and a width of approximately 600 m and extends from approximately 470 m to 1,200 m below the natural surface.</p>
Great Western	<p>The Great Western project comprises structurally controlled and laminated quartz veining, hosted within a shear zone at the contact of mafic rock units and granitoid. The Great Western mineralisation is considered to be very similar in nature and style of mineralisation to the Wonder North deposit, some 2–3 km to the south, which was mined and processed by Sons of Gwalia Ltd at the Tarmoola plant, formerly located at Red 5’s King of the Hills gold mine, between 2000 and 2002.</p> <p>At deposit scale, geology is characterised by east–west trending greenstone-granitoid stratigraphy with subvertical, south dipping contacts. The intrusive margin is a complex, sub-planar contact, which provides the dominant structural control on the mineralisation.</p> <p>Where favourable, brecciated-laminated quartz veins have developed proximal to the contact during the mineralisation event, hosting the bulk of the gold. Laminations are defined by sulfides, which includes chalcopyrite, pyrite +/- galena.</p> <p>Alteration haloes within the granitoid are well-developed broad zones of pervasive haematite and patchy sericite. In contrast, alteration of the mafics is variably developed but typically includes pervasive chlorite and patchy haematite.</p> <p>The Great Western deposit has an overall strike length of approximately 790 m and a width of approximately 60 m and extends from the natural surface to a depth of approximately 200 m.</p>
Centenary/Middle Walters South	<p>The Centenary lodes are considered to be part of an Archaean hydrothermal fault-vein deposit with many similar characteristics with other deposits within the Yilgarn Craton, namely host rock type and nature of hydrothermal alteration; however, it is atypical in being relatively flat lying rather than steeply dipping. Felsic porphyries and lamprophyre intrusions are encountered throughout the deposit. The major host for gold mineralisation is the Mount Pickering Dolerite.</p> <p>The Centenary deposit is located approximately 1.2 km east of the Darlot open pit and has been defined between 150 m and 700 m below the surface.</p> <p>The Centenary gold mineralisation occurs within subhorizontal to 20° northwest dipping stacked quartz veins bound to the west by the Oval Fault and to the east by the Lords Fault. These reverse faults are marked by banded quartz veins dipping 50° to the northwest.</p> <p>Gold mineralisation is associated with quartz veins and alteration haloes controlled by major D₂ and D₃ structures or secondary splays and cross-linking structures. The quartz veins are hosted mainly by magnetic dolerite and magnetic quartz dolerite rock types and, to a lesser extent, by non-magnetic dolerite and felsic volcano-sedimentary rock types. Lamprophyre intrusions are present in the area, with a variety of orientations. In most cases, the lamprophyres are thought to be pre-</p>

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Prospect	Geological overview
	<p>mineralisation but are an unfavourable host rock for mineralisation and in most cases are barren.</p> <p>Mineralisation is hosted by a fractionated dolerite sill within the greater Mount Pickering dolerite syncline, with silica+/-albite+/-carbonate+/-pyrite+/-gold being the key alteration components.</p> <p>The deposit has an overall strike length of approximately 1.3 km and a width of approximately 0.5 km and extends from approximately 150 m to 700 m below the natural surface.</p>
Pederson/Pederson South/Burswood	<p>In the Pedersen area, the mineralisation crosses lithological boundaries and is present in the magnetic dolerite (MMD), within the adjacent areas of mixed dolerite and felsic porphyry (MD and FAP) and within the porphyritic dolerite. Non-mineralised and variably mineralised lamprophyres include the main regional lamprophyre and smaller lamprophyres subparallel to the Pedersen mineralisation or the regional trend.</p> <p>The Darlot gold mineralisation is located around the Darlot Thrust and is associated with quartz veins and alteration haloes controlled by major D₂ and D₃ structures, secondary splays and cross-linking structures. The deposit has an overall strike length of approximately 1,500 m and a width of approximately 850 m and extends from just below the natural surface to a depth of approximately 450 m</p>
Lords South Lower	<p>The Lords South Lower deposit is located approximately 1.2 km east of the Darlot open pit and has been defined between 700 m and 960 m below the surface. Gold mineralisation is associated with quartz veins and alteration haloes controlled by major D₂ and D₃ structures or secondary splays and cross-linking structures. The quartz veins are hosted mainly by magnetic dolerite and magnetic quartz dolerite rock types and, to a lesser extent, by non-magnetic dolerite and felsic volcano-sedimentary rock types. Lamprophyre intrusions are present in the area, with a variety of orientations. In most cases, the lamprophyres are thought to be pre-mineralisation but are an unfavourable host rock for mineralisation and in most cases are barren.</p> <p>The wing veins associated with the mineralisation typically dip to the northwest and southeast at approximately 15° with the associated Lords (Walters and SRCG) faults being mainly quartz-filled structures dipping at approximately 40°. The mining history of Lords South Lower and associated reconciliations has proven the veracity of this model.</p> <p>Mineralisation is hosted by a fractionated dolerite sill within the greater Mount Pickering dolerite syncline, with silica+/-albite+/-carbonate+/-pyrite+/-gold being the key alteration components.</p> <p>The Lords South Lower deposit has an overall strike length of approximately 900 m and a width of approximately 600 m and extends from approximately 700 m to 960 m below the natural surface.</p>
Lords Felsics	<p>The Lords Felsics deposit is located approximately 0.5 km southeast of the Darlot open pit and has been defined between 550 m and 1,200 m below the surface. Gold mineralisation is associated with quartz veins and alteration haloes controlled by major D₂ and D₃ structures or secondary splays and cross-linking structures. The quartz veins are hosted mainly by magnetic dolerite and magnetic quartz dolerite rock types and, to a lesser extent, by non-magnetic dolerite and felsic volcano-sedimentary rock types. Lamprophyre intrusions are present in the area, with a variety of orientations. In most cases, the lamprophyres are thought to be pre-mineralisation but are an unfavourable host rock for mineralisation and in most cases are barren.</p> <p>The hanging wall and footwall veins associated with the Lords Felsics mineralisation typically dip to the north between ~3° and 10°, with the Main Lords structure dipping at approximately 40° to the northwest. The Newlands Fault is also included in the resource and dips to the southeast at around 6°. All azimuths stated above are referenced to the Darlot Mine Grid.</p> <p>The Lords Felsics area is yet to be mined; hence the veracity of this estimate is yet to be proven by reconciliation data.</p>

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	<p>Mineralisation is hosted by a fractionated dolerite sill within the greater Mount Pickering dolerite syncline, with silica+/-albite+/-carbonate+/-pyrite+/-gold being the key alteration components.</p> <p>The deposit has an overall strike length of approximately 1.75bkm and a width of approximately 900 m and extends from approximately 660 m to 1,460 m below the natural surface.</p>

Source: Silver Lake ASX announcements dated 29 March 2022 and 3 February 2022

SRK notes that Ore Reserves are declared for the Thomson, Oval, Chapel, Middle Walters South deposits.

6.6 Mineral Resource estimates

The current Mineral Resource estimate for Red 5 Darlot Project and associated local regional resources within trucking distance of the King of the Hills processing facilities was reported to the ASX on 7 September 2023 (‘Mineral Resource and Ore Reserve Statement’). The Mineral Resource estimates were reported at the mining surfaces/depletion as at 30 June 2023 as shown in Table 6-4 and Table 6-5.

SRK notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code (2012) with respect to the Mineral Resource estimate. The named Competent Person taking responsibility for the Mineral Resource estimate is Mr Byron Dumpleton, a full-time employee of Red 5.

SRK considers that Mr Dumpleton has the requisite experience to act as Competent Person.

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Table 6-4: Red 5's Darlot Mineral Resources as at 30 June 2023

Project	Cut-off (g/t Au)	Mining Method	Classification	Tonnes (kt)	Grade (g/t Au)	Contained metal (koz)
Darlot	2.0	UG	Measured	2	7.4	1
			Indicated	7,170	4.2	971
			Inferred	4,541	3.9	568
			Subtotal	11,713	4.1	1,540
Great Western	1.5	UG	Measured	0	0.0	0
			Indicated	57	4.0	7
			Inferred	142	3.1	14
			Subtotal	199	3.4	22
Underground – Subtotal				11,912	4.1	1,561
Darlot Region	0.5	OP	Measured	100	1.0	3
			Indicated	810	1.2	31
			Inferred	3,508	1.5	166
			Subtotal	4,418	1.4	200
Great Western	0.5	OP	Measured	6	2.8	1
			Indicated	83	2.7	7
			Inferred	97	1.9	6
			Subtotal	186	2.3	14
Open Pit – Subtotal				4,604	1.4	214
Darlot Gold Project – Subtotal				16,516	3.3	1,775
Broken Stocks	Variable	UG	Measured	12	2.9	1
ROM	Variable	UG & OP	Measured	39	2.3	3
Stockpiles – Subtotal				51	2.4	4
Darlot Gold Project (at 30 June 2023)	Variable	All	Measured	159	1.6	8
			Indicated	8,120	3.9	1,017
			Inferred	8,288	2.8	754
Total				16,567	3.3	1,779

Note: For the Darlot open pit regional resources, Darlot Mining Company Pty Ltd (DMC) has a JV with PanAust Limited, where DMC owns 84% and PanAust owns 16%. The resources under the JV are Waikato South, totalling 1,902 kt at 0.8 g/t for 50 koz of contained gold, and Cornucopia North, totalling 62 kt at 1.3 g/t for 3 koz of contained gold.

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Table 6-5: Red 5's Darlot Mineral Resources as at 30 June 2023 broken down by area

Area	Cut-off (g/t Au)	Mining Method	Classification	Tonnes (kt)	Grade (g/t Au)	Contained metal (koz)
Centenary/Middle Walters South	2.0	UG	Measured	2.1	7.4	1
			Indicated	2,498	4.7	378
			Inferred	1,193	4.9	189
			Subtotal	3,694	4.8	567
Pedersen/Pedersen South/Burswood	2.0	UG	Indicated	2,167	3.8	267
			Inferred	1,874	3.6	218
			Subtotal	4,041	3.7	485
Lords South Lower	2.0	UG	Indicated	578	4.6	85
			Inferred	27	4.1	4
			Subtotal	605	4.6	89
Lords Felsics	2.0	UG	Indicated	1,709	3.4	187
			Inferred	1,270	3.3	134
			Subtotal	2,979	3.3	320
Oval	2.0	UG	Indicated	219	7.8	55
			Inferred	176	4.2	24
			Subtotal	395	6.2	79
Subtotal Darlot (Underground) Resource	2.0	UG	Measured	2.1	7.4	1
			Indicated	7,170	4.2	971
			Inferred	4,541	3.9	568
			Subtotal	11,713	4.1	1,540
Great Western Underground	1.5	UG	Measured	0	0.0	0
			Indicated	57	4.0	7
			Inferred	142	3.1	14
			Subtotal	199	3.4	22
Total Darlot and Great Western (Underground) Resource	1.5–2.0	UG	Measured	2	7	1
			Indicated	7,227	4	979
			Inferred	4,683	4	582
			Total	11,912	4.1	1,561

Data collection has been conducted by industry standard methods and SRK considers that the data are broadly appropriate for use in estimation studies.

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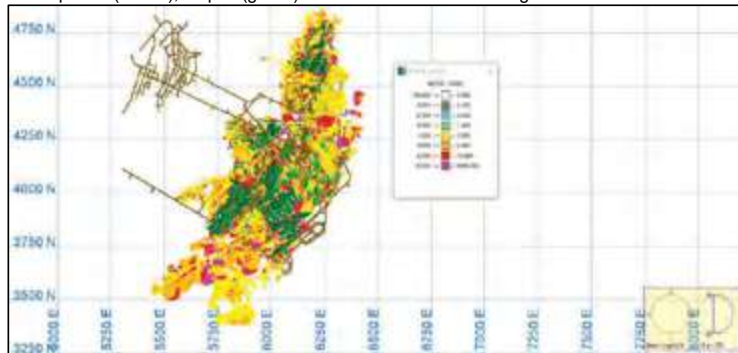
Table 6-6: Summary of the Mineral Resource estimation at Red 5 Darlot Project

Prospect	Estimation overview
Centenary	<p>Data are entered directly into the data capture system in the field, and reviewed by a geologist before being imported to the main database. Geological logging at Darlot is done by geologists and entered directly into an acquire database on a laptop computer. Logging is regularly checked by a senior company geologist to ensure the veracity and consistency of the data. Once in the main database, only the database administrators can edit or change data, and all changes are logged by the system. The Mineral Resources were divided into 25 domains for the purpose of resource estimation. The model was constructed with manual wireframing in Vulcan, Leapfrog and Datamine software. The 469 wireframes were imported directly into Vulcan and Datamine for grade estimation and resource reporting. Vulcan and Datamine were used for block modelling, grade interpolation, and Mineral Resource classification and reporting.</p> <p>Snowden Supervisor was used for geostatistical analyses. The Au domain interpretations were based on both geology and grade. Some estimates were also completed in Leapfrog Edge such as for the Thomson and C1125 areas. Given the crenulated nature of some of the Centenary lodes, several of the domains were flattened, meaning all composites and blocks are transformed to a single elevation and estimated in 2D space, and then re-transformed back into 3D space. Only the elevation is adjusted while the X and Y coordinates remain the same. This was done only for the Datamine estimates including the Lords Main and Walters lodes. The interpreted mineralisation wireframes encompass broad areas, with gold grades that vary from poorly mineralised through to significantly mineralised within each domain. To improve definition of higher grades within the mineralised domains, an indicator estimation method, based on ≥ 1 g/t Au and ≥ 3 g/t Au composited drillhole grade thresholds, was applied. The two thresholds are selected to identify areas of lower-grade gold mineralisation from the high-grade gold mineralisation and the threshold of 3 g/t Au is intentionally around the Mineral Resource reporting cut-off of and the Ore Reserves reporting cut-off. Significant amounts of lamprophyre which are generally barren cross-cut some of the lodes, some of the larger ones were wire-framed by the site geologists, while a categorical estimation technique was applied to model out the less continuous dykes, based on an indicator kriging technique. These areas are then flagged as waste in the final model. The Centenary lodes have been mined since 1996 and historical mine to mill reconciliations have proven the veracity of the model. All of the Centenary lodes are entirely in fresh rock.</p> <p>All lodes were sub-celled to 1 m × 1 m × 1 m block sizes with a nominal parent cell size of 10 m × 10 m × 5 m. In grade control areas this was reduced to 5 m(X) × 5 m(Y) × 5 m(Z) to more accurately represent the closer-spaced drilling. Typical drill spacing in Centenary ranges up to 30 m × 30 m, which is reduced to around 15 m × 15 m in the grade control.</p> <p>All gold grades were estimated using OK and Inverse Distance (ID). The OK estimated grades were applied to the Indicated Mineral Resource blocks only while the Inferred Mineral Resource blocks and unclassified blocks were assigned the ID estimated grade. Simple Kriging (SK) was used for some of the older domains. Samples were composited to 1 m intervals. A variety of top-cuts of up to 60 g/t were applied to the composites, dependent on the statistics for each domain. This was based on assessment of outliers and histogram skewness. The estimates were validated in three ways: on-screen visual assessments, declustered sample mean grades versus block mean grades for each domain, and swath plots.</p> <p>An ISBD (dry) value of 2.90 t/m³ has been used for all lithologies.</p> <p>The geological evidence for mineralisation occurrence and continuity was observed in drill samples and significant underground workings on the Centenary lodes. For Classification of Measured Mineral Resources, a drill spacing of ~10 m × 10 m was required. For classification of Indicated Mineral Resources in the main steep lodes, a drill spacing of <30 m × 30 m was required, with <20 m × 20 m for the flatter lodes. For classification of Inferred Mineral Resources, <60 m × 60 m for steep lodes and <40 m × 40 m for the flatter lodes was used. Any blocks outside these parameters were unclassified. Drill sampling and analytical techniques for diamond and RC drilling as well as face sampling are well documented by Red 5 Limited, as well as rigorous</p>

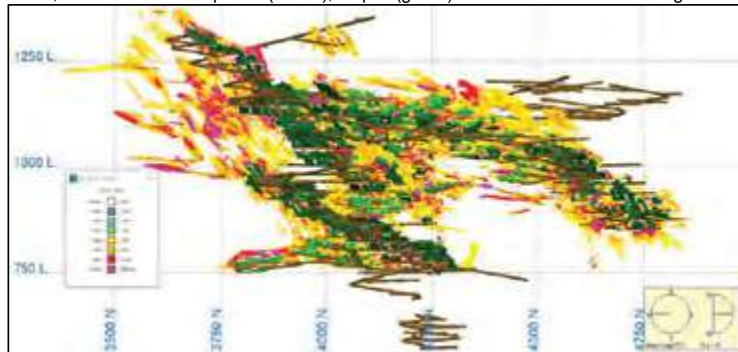
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quality assurance–quality control (QA/QC) protocols and documentation to support an Indicated Mineral Resource classification where geological confidence allows. A plan view representing the Centenary deposit (Darlot gold mine) is shown below, with current development (brown), stopes (green) and the block model at a 2 g/t cut-off.



An oblique view looking west representing the Centenary deposit (Darlot gold mine) is shown below, with current development (brown), stopes (green) and the block model at a 2 g/t cut-off.



Pedersen/Pederson South/Burswood	<p>The Mineral Resource estimate has been divided into 15 domains for the purpose of resource estimation. The model was constructed with wireframing in Leapfrog software using the vein and intrusion modelling functionality. The 211 wireframes were imported directly into Vulcan for grade estimation and resource reporting.</p>
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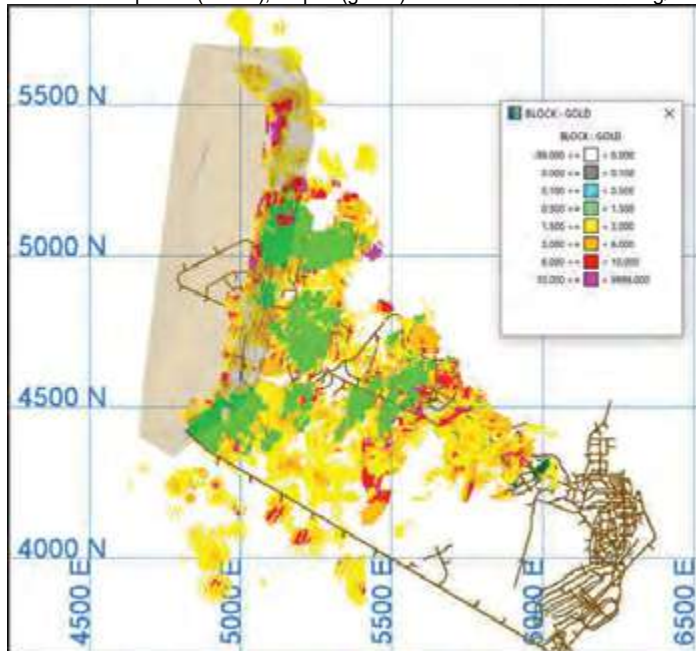
Vulcan was used for block modelling, grade interpolation, and Mineral Resource classification and reporting. Snowden Supervisor was used for geostatistical analyses. The Au domain interpretations were based on both geology and grade. The Hurst and Upper Burswood estimates were completed in Leapfrog Edge with similar estimation parameters to those used in Vulcan. All the Pedersen lodes were estimated in 3D space. Significant amounts of lamprophyre, which are generally barren, cross-cut some of the lodes, some of the larger ones were wireframed by the site geologists, while a categorical estimation technique was applied to model out the less continuous dykes, based on an indicator kriging technique. These areas are then flagged as waste in the final model. The Pedersen lodes have been mined since 1988 and historical mine to mill reconciliations have proven the veracity of the model. All the Pedersen lodes are entirely in fresh rock.

All lodes were sub-celled to 1 m × 1 m × 1 m block sizes with a nominal parent cell size of 10 m × 10 m × 5 m. In grade control areas, this was reduced to 5 m(X) × 5 m(Y) × 5 m(Z), to more accurately represent the closer-spaced drilling. Typical drill spacing in Pedersen ranges up to +40 m × 40 m, and is reduced to around 15 m × 15 m in the grade control areas.

All gold grades were estimated using OK and Inverse Distance (ID) The OK estimated grades were applied to the Indicated and some Inferred Mineral Resource blocks given sufficient sample densities, while the Inferred Mineral Resource blocks and unclassified

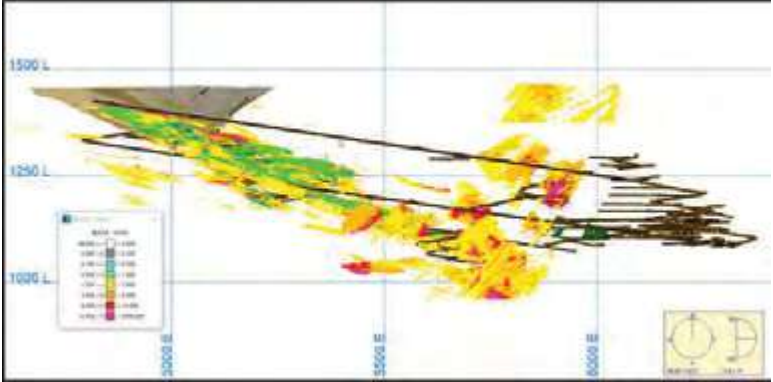
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	<p>blocks were assigned the ID estimated grade. Samples were composited to 1 m intervals. A variety of top-cuts were applied to the composites of up to 40 g/t, dependent on the statistics for each domain. This was based on assessment of outliers and histogram skewness.</p> <p>An ISBD (dry) value of 2.90 t/m³ has been used for all fresh lithologies. Oxide material in the north was assigned a value of 1.8 t/m³ and transitional material was assigned a value of 2.4 t/m³.</p> <p>The geological evidence for mineralisation occurrence and continuity was observed in drill samples and significant underground workings on the Pedersen lodes. For classification of Indicated Mineral Resources, a drill spacing of <30 m × 30 m was required, for classification of Inferred Mineral Resources, <60 m × 60 m was required. Any blocks outside these parameters were unclassified. Drill sampling and analytical techniques for diamond and RC drilling as well as face sampling are well documented by Red 5, as well as rigorous QA/QC protocols and documentation to support an Indicated Mineral Resource classification where geological confidence allows.</p> <p>A plan view representing the Pedersen deposit (Darlot gold mine) is shown below, with current development (brown), stopes (green) and the block model at a 2 g/t cut-off.</p>



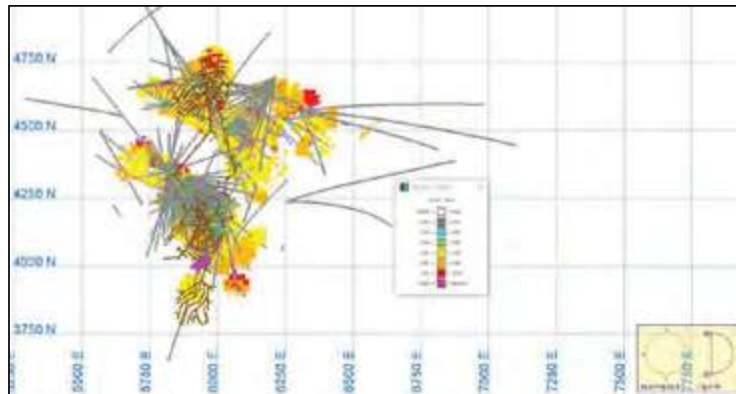
An oblique view looking north representing the Pedersen deposit (Darlot gold mine) is shown below, with current development (brown), stopes (green) and the block model at a 2 g/t cut-off.

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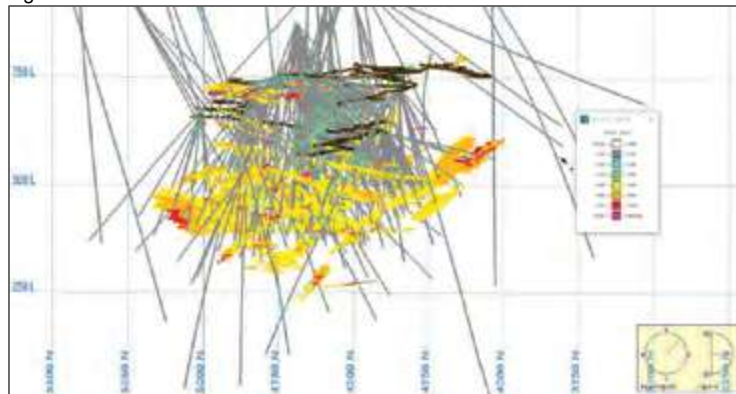
Prospect	Estimation overview
Lords Felsics	 <p>Data are entered directly into the data capture system in the field and reviewed by a geologist before being imported to the main database. Geological logging at Darlot is collected by geologists and entered directly into an acquire database on a laptop computer. Logging is regularly checked by a senior company geologist to ensure the veracity and consistency of the data. Once in the main database, only the database administrators can edit or change data, and all changes are logged by the system. The Mineral Resource estimate has been divided into 11 domains for resource estimation. The model was constructed with wireframing in Leapfrog (v2021.2) software. The 84 wireframes were imported directly into Vulcan (v2022) for grade estimation and resource reporting. Vulcan was used for block modelling, grade interpolation, and Mineral Resource classification and reporting. Snowden Supervisor was used for geostatistical analyses. The Au domain interpretations were based on both geology and grade.</p> <p>Significant amounts of lamprophyre, which are generally barren, cross-cut some of the lodes. Some of the larger ones were wireframed by the site geologists, while a categorical estimation technique was applied to model out the less continuous dykes, based on an indicator kriging technique. These areas are then flagged as waste in the final model.</p> <p>The Lords Felsics area is yet to be mined; hence the veracity of this estimate is yet to be proven by reconciliation data. All of the Lords Felsics lodes are entirely in fresh rock. All lodes were sub-celled to 1 m × 1 m × 0.5 m block sizes with a nominal parent cell size of 20 m × 20 m × 5 m. In resource definition areas, this was reduced to 5 m(X) × 5 m(Y) × 5 m(Z), to more accurately represent the closer-spaced drilling. Typical drill spacing in Lords Felsics ranges up to 60 m × 60 m, which is reduced to around 20 m × 20 m in the resource definition areas.</p> <p>All gold grades were estimated using OK and Inverse Distance methods. Samples were composited to 1 m intervals. A variety of top-cuts were applied to the composites of up to 30 g/t, dependent on the statistics for each domain. This was based on assessment of outliers and histogram skewness. The estimates were validated in three ways: on-screen visual assessments, declustered sample mean grades versus block mean grades for each domain, and swath plots.</p> <p>An ISBD (dry) value of 2.90 t/m³ has been used for all lithologies.</p> <p>For classification of Indicated Mineral Resources: in the main steep lodes a drill spacing of <30 m × 30 m was required, with <20 m × 20 m for the flatter lodes. For classification of Inferred Mineral Resources: <60 m × 60 m for steep lodes and <40 m × 40 m for the flatter lodes. Any blocks outside these parameters were unclassified. Drill sampling and analytical techniques for diamond as well as face sampling are well documented by Red 5, as well as rigorous QA/QC protocols and documentation to support an Indicated Mineral Resource classification where geological confidence allows.</p> <p>A plan view representing the Lords Felsics (Darlot gold mine) is shown below, with current development (brown), drill traces and the block model at a 2 g/t cut-off.</p>

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Prospect	Estimation overview
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An oblique view (looking northeast) representing the Lords Felsics (Darlot gold mine) is shown below, with current development (brown), drill traces and the block model at a 2 g/t cut-off.



Source: Adapted from Red 5 ASX announcements dated 7 September 2023 and associated documentation (JORC 2012) Table 1

SRK reviewed the input data, construction, estimation and reporting of the Mineral Resources as described in Table 6-6 and finds while some local refinement is possible, the global quantum of the Mineral Resources is appropriate for valuation purposes. SRK notes that while SRK has reviewed the key deposits in detail, the workflows for grade estimation and reporting for the other deposits at Darlot are very similar and SRK therefore considers that all reported Mineral Resources for the Darlot project are appropriate in global quantum for valuation purposes.

6.6.1 Reconciliation and applicability of Mineral Resources to Ore Reserve and LOM Plan

The overall reconciliation for Darlot is provided in Table 6-7. PA is plant accounted, GC is grade control and Resource is the Mineral Resource.

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SRK notes that the underground Mineral Resource material is broadly reconciling appropriately to the Mineral Resource over the life of the project and ownership by Red 5, with a positive reconciliation to plant grade from the Mineral Resource. SRK considers that Mineral Resources as they stand are appropriate for valuation when reconciliation is considered.

Table 6-7: Darlot underground reconciliation

Darlot	PA Darlot			GC			Resource		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Jan-22	40,355	2.52	3,274	50,095	2.08	3,355	50,095	1.84	2,956
Feb-22	40,297	2.02	2,617	35,580	1.81	2,073	35,580	1.35	1,542
Mar-22	47,407	2.07	3,158	39,346	1.63	2,057	39,346	1.51	1,912
Apr-22	51,166	1.77	2,904	49,477	1.77	2,810	49,477	1.45	2,309
May-22	57,072	1.87	3,436	41,923	2.14	2,889	41,923	1.95	2,622
Jun-22	55,583	2.36	4,217	58,454	2.58	4,845	58,454	2.22	4,168
Jul-22	60,248	2.14	4,138	60,324	1.79	3,474	60,324	2.00	3,886
Aug-22	65,646	2.78	5,862	52,589	2.63	4,446	52,589	2.59	4,380
Sep-22	47,943	2.76	4,262	43,847	1.65	2,319	43,847	1.71	2,413
Oct-22	57,941	2.35	4,383	42,559	1.95	2,663	42,559	1.71	2,342
Nov-22	57,451	2.02	3,734	52,337	1.60	2,698	52,337	1.24	2,091
Dec-22	63,729	2.19	4,497	58,355	2.24	4,202	58,355	1.85	3,466
Jan-23	59,524	2.37	4,543	51,886	2.27	3,782	51,886	2.02	3,369
Feb-23	55,221	2.27	4,022	45,857	2.13	3,146	45,857	2.01	2,969
Mar-23	50,737	2.50	4,071	58,032	2.53	4,722	58,032	2.20	4,113
Apr-23	64,336	2.82	5,829	61,580	3.17	6,276	61,580	2.49	4,921
May-23	61,109	3.04	5,982	74,887	2.44	5,880	74,887	2.27	5,475
Jun-23	57,611	2.74	5,068	48,196	2.73	4,225	48,196	2.68	4,150
Jul-23	68,128	2.71	5,939	66,355	2.70	5,756	66,355	2.33	4,972
Aug-23	57,960	2.71	5,054	72,936	2.99	7,018	72,936	2.79	6,534
Sep-23	63,980	2.52	5,192	33,354	2.36	2,528	33,354	2.05	2,198
Oct-23	59,417	2.98	5,686	60,562	2.90	5,653	60,562	2.77	5,390
Nov-23	54,560	3.62	6,350	54,160	3.79	6,596	54,160	3.04	5,294
Dec-23	53,883	2.94	5,101	47,879	2.52	3,879	47,879	2.74	4,216
Jan-24	49,456	2.80	4,458	46,340	2.69	4,012	46,340	2.27	3,383
Feb-24	37,462	2.67	3,218	34,141	2.64	2,979	35,117	2.25	2,538
Total	2,525,706	2.66	216,127	2,388,592	2.59	198,593	2,389,568	2.01	154,679

6.7 Metallurgy and processing

Ore from the Darlot satellite mine is sent for processing at King of the Hills (Section 5.7).

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6.8 Ore Reserves and mine planning

6.8.1 Current operations

The Darlot mine is an underground mine that has continuously operated since 1995. Current operations provide ore feed to a processing facility located at the King of the Hills mine site.

The Darlot underground workings are accessed through two declines (5.0 m wide by 5.5 m high) from portals located in the dormant open pit. The open pit extends from natural surface at approximately 1450 mRL to a floor at approximately 1320 mRL. As at June 2023, the decline had been developed to approximately 580 mRL. Cross-cuts and other access development (5.0 m wide by 5.5 m high) connect the decline to the ore zone, with drives (5.0 m wide by 5.0 m high) established along strike of the ore zones. In narrow zones, airleg drives (2.0 m wide by 2.4 m high) are developed. Development drilling is undertaken with a Sandvik DD321 two-boom jumbo.

The principal mining method at Darlot is longhole open stoping, with workings extending to a current depth of approximately 950 m below surface. Stope drilling is undertaken utilising a hired Sandvik DL430 drill rig. Broken ore is bogged from the stopes by a fleet of 4 Caterpillar R1700 loaders, supplemented for truck loading by a Caterpillar R2900 loader, all being hired. The underground truck fleet of 5 Volvo A45G articulated 41t-capacity dump trucks is owned by the company.

Air is exhausted from the mine via a return air rise fitted with a fan powered by a 500kW motor. Assisting primary air flow are 2 x 110kW Richardson axial flow fans established at a single underground location within the principal return airway, with assistance from booster fans at other underground locations. Intake air is supplied via three decline portals and a fresh air rise.

Darlot currently has pump stations established at approximate 100 m vertical intervals from 606 mRL up to 985 mRL, each equipped with 2 or 3 Mono E064 pumps (excepting the 870 mRL station which is fitted with a single Mono CLM411 pump). Principal stations are established at 840mRL and 1070 mRL and are equipped with 3 and 4 Mono E088 pumps respectively.

Surface fleet supporting the underground mining operation includes a Caterpillar 12H grader, a Caterpillar D8R dozer, wheel loaders and other items.

Since June 2022, ore from Darlot is hauled by road train to the King of the Hills ROM pad, a distance of approximately 102 km.

6.8.2 Geotechnical

In 2022, AMC Consultants (AMC) was commissioned to prepare a numeric model designed to forecast geotechnical risk underground. Review and 3D numerical modelling were intended to identify any required changes to applied ground support parameters. The modelling was also expected to identify the risk profile caused by change in stope dimensions and the mining sequence. From this work, Red 5 expected to reduce any potential for stress-induced damage to underground workings.

The modelling indicated that the proposed primary development, comprising the decline, footwall drives and ventilation rises, appears to be positioned to avoid damage from mining-induced effects. AMC recommended maximum stope strike lengths of 20 m, and specified design parameters

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including hydraulic radii of 5 in poor ground (indicating maximum stope dimensions of 20 m down dip and 20 m along strike) to 6 in non-seismic or good ground (indicating maximum stope dimensions of 25 m down dip and 20 m along strike). Recommended rib pillar thickness varied from 5 m to 7.5 m for stope heights varying from 15 m to 25 m in narrow vein zones, and from 7 m to 8.5 m over the same range of stope heights in bulk stopes.

6.8.3 Ore Reserves

The current Ore Reserve estimate for Red 5’s Darlot operations was reported to the ASX in an announcement titled ‘Red 5 Ore Reserve and Mineral Resource statement’ dated 7 September 2023. The Ore Reserve estimate was reported as at 30 June 2023.

SRK again notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code (2012) with respect to the Ore Reserve estimate. The named Competent Person taking responsibility for the Darlot Ore Reserve estimate is Mr Kevin Osborne, Group Technical Services Manager of Red 5.

SRK has received representations from Red 5 confirming that:

- it is not aware of any new information or data that materially affects the information included in the relevant market announcement;
- in the case of estimates of the stated Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed; and
- the form and context in which the Competent Person’s findings are presented have not been materially modified.

In SRK’s opinion, the Ore Reserve estimate reported for the Darlot operations has been prepared to a sufficient quality standard under the guidelines set out in the JORC Code (2012).

The Ore Reserve estimate is summarised in Table 6-8.

Table 6-8: Red 5’s Darlot Ore Reserve estimates as at 30 June 2023

Zone	Mine Type	Proved Reserves			Probable Reserves			Total Ore Reserves		
		kt	g/t	koz	kt	g/t	koz	kt	g/t	koz
Thomson								188	2.5	15
Walters								219	2.6	19
Oval								165	2.8	15
Chappell								184	2.8	17
Other Zones								574	2.4	44
Darlot Sub-Total	UG	-	-	-	1,341	2.6	110	1,341	2.6	110
Broken Stocks	UG	12	2.9	1	-	-	-	12	2.9	1
ROM	S/pile	39	2.3	3	-	-	-	39	2.3	3
Total		51	2.4	4	1,341	2.6	110	1,393	2.5	114

Source: Red 5 ASX announcement dated 7 September 2023

Note: Data are rounded to thousands of tonnes and thousands of ounces, and total grade to 2 significant figures.

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The Ore Reserves are distributed throughout the mine in discrete areas, varying in elevation from immediately under the open pit floor to a depth of approximately 500 mRL.

The Ore Reserves estimation is predicated on Darlot ore being trucked to Red 5’s King of the Hills processing plant, which has a considerably higher throughput rate than can be achieved by the Darlot underground mine in isolation. When this plant is provided with ore feed from several sites simultaneously, a lower cut-off grade can be effectively applied to the estimated Ore Reserves (noting that the scale advantage is offset by the road train haulage cost). The stope evaluation cut-off grade at Darlot was determined to be 2.4 g/t Au, the incremental stope cut-off grade was determined to be 1.7 g/t Au, with a development cut-off grade of 1.0 g/t Au.

For the longhole open stopes, mining dilution of 10% to 20% has been applied to the Mineral Resource model, with mining recovery determined as 90% to 95%. For the airleg stopes, 5% dilution and 65% recovery apply. Stope grade is further modified by the application of a risk factor based on geological risk, varying from 0.8 where geological risk is considered as high and 1.0 where geological risk is considered as low. In remnant areas, stope tonnage recovery is further modified according to perceived risk, with a factor varying from 0.7 where risk is high to 1.0 where risk is low.

The estimates have been prepared applying a gold price of A\$2,400/oz. Metallurgical recovery was assigned as 92% and state royalty was assigned as 2.5%.

6.8.4 Life of Mine Plan

Red 5 has provided a subordinated LOM model based on mining production from Darlot. As with the King of the Hills underground and open pit models, the outputs are entered into a downstream model reflecting processing at the King of the Hills plant, with the outputs from that model then transferred to the corporate LOM model. The Darlot model is therefore restricted to mining only.

The sequencing of production from the various ore zones is relatively flexible given the lack of any interdependence between the zones. However, future exploration and any material changes could readily disrupt the sequencing and mining quantities. As with other operations, the LOM production schedule should not be interpreted as a commitment by Red 5 with respect to operational timing.

Table 6-9: Darlot Life-of Mine Plan – production duration

Project	Start	Finish
Darlot Underground	Ongoing	Q4 FY27

Source: 07.02.01.02 202312_1_DARLOT_FM_FY24_Lender Case (Red 5)

The Darlot mining inventory comprises Ore Reserves, Inferred Mineral Resources and anticipated ‘growth’. A supporting spreadsheet readily differentiates between the three sources in terms of ‘ore’ production, but does not readily differentiate between the supporting works, including development, required to exploit each.

SRK’s review indicates that the Inferred Mineral Resource contribution to the LOM model is approximately 24% in tonnage terms, with the unclassified material contributing a further 22%.

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6.9 Mine closure planning and provisioning

The most recent MCP and closure cost estimate reviewed by SRK for Darlot and Great Western operations include:

- 2022 Darlot Gold Mine MCP, Mineral Field 37 (Mt Margaret), Revision 7 Version 2, Red 5 Limited, January 2023 (Approved by DEMIRS on 06/02/2023, Approval Reg ID 114639²¹)
- 2022 Great Western Gold Mine MCP, Mineral Field 37 (Mt Malcolm), Revision 0 Version 3, Red 5 Limited, 31/10/2023 (last DEMIRS approved MCP dated 16/07/2020²²)
- 2023 Darlot LOM closure cost estimate model (ref. Red5-Closure Cost Model_Darlot_2023_(Cont 20%) – v16.08.2023.xls).

The 2023 LOM closure cost estimate for Darlot (including Great Western satellite pit) totalled A\$27,533,850 (including 20% contingency) for carrying out the activities listed in Table 6-10. The cost model provides reasonable assumptions at this stage of closure cost estimations. Further detailed cost estimations are required once assumptions of the model have been addressed, such as the completion of detailed final rehabilitation designs of WRDs. Closure related studies are estimated to A\$1,407,500.

Based on the MCP and closure cost model information and taking account of current practice in similar mining and processing operations in Western Australia, SRK considers the current closure cost provision of A\$29 million (including other closure costs during operations) provided in the closure cost model (LOM closure cost estimate and closure related studies) to be reasonable at this stage.

The closure provisions are based on an LOM considering Darlot relinquishment in 2038, based on a period of 3 years of closure works followed by 10 years of post-closure monitoring as detailed in the LOM closure cashflow in Figure 6-2.

²¹ MINEDEX, Environmental Registration 114639, MINE CLOSURE PLAN - DARLOT PROJECT - J00082, <https://minedex.dmir.wa.gov.au/Web/environment-registrations/details/114639>, last accessed 18/03/2024

²² MINEDEX, Environmental Registration 87667, Mining Proposal for Small Mining Operations - Great Western Legacy Landform, <https://minedex.dmir.wa.gov.au/Web/environment-registrations/details/87667>, last accessed 18/03/2024

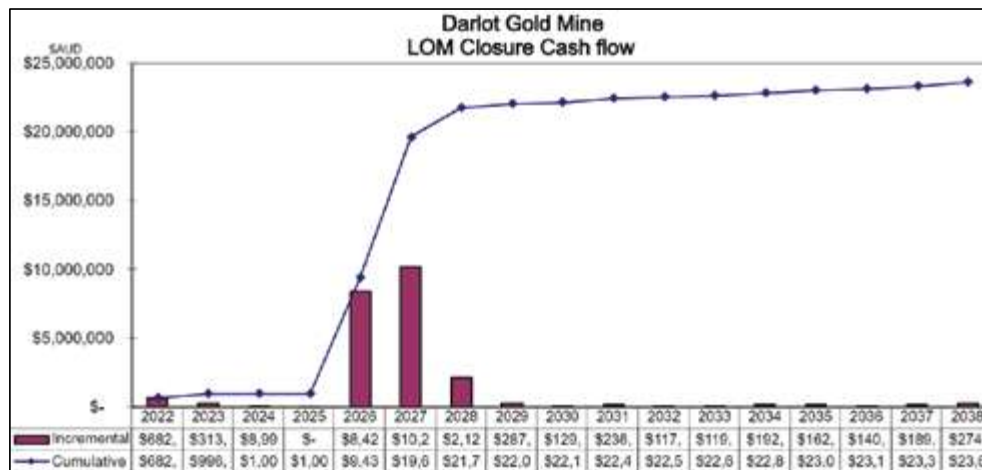
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Table 6-10: 2023 Darlot LOM closure cost estimate summary

Domains	Darlot (A\$)
Mine waste and landforms	9,861,665
Industrial infrastructure	4,630,201
Mining infrastructure	1,418,506
Surface water infrastructure and flood structures	161,301
Groundwater infrastructure	91,846
Accommodation facility	558,147
Aerodrome	355,046
Roads	199,125
Exploration	20,000
Water treatment – Post closure	-
Post-closure monitoring	836,500
Great Western satellite mine	322,541
Indirect closure management costs	4,489,997
Contingency (20%)	4,588,975
Other closure costs during operations	1,407,500
Total	28,941,350

Source: Red5-Closure Cost Model_Darlot_2023_(Cont 20%) – v16.08.2023.xls

Figure 6-2: 2023 Darlot LOM closure cashflow



Source: Red5-Closure Cost Model_Darlot_2023_(Cont 20%) – v16.08.2023.xls

7 Exploration Portfolio

7.1.1 Introduction

The parties also maintain a portfolio of exploration assets associated with, and surrounding, their existing operations and development, in addition to more distal exploration projects. These exploration assets are discussed in the following section.

7.1.2 Silver Lake

In addition to its Leonora Gold Project, Silver Lake held interests in a number of prospective gold projects in the Eastern Goldfields of Western Australia. These are discussed briefly below.

Mount Monger exploration

A pipeline of exploration projects has been defined at Mount Monger. Exploration efforts are ongoing, with the current priority exploration targets being:

- Mount Belches – Rumbles, on tenement M25/125: a structurally complex, chevron folded and overturned BIF unit of the Santa Member of the Mount Belches Formation. Increased grades are observed in other fold hinges where the BIF sequences have thickened. Silver Lake plans to initially drill the area with RC and diamond drilling following up encouraging results from the previous year's drilling. Areas of Inferred Mineral Resources and unclassified mineralisation will be drilled while also testing the complex fold-hinge mineralisation continuity and the southern mineralisation extents of the western limb.
- Mount Belches – Flora Dora, within tenement M25/71. Flora Dora is along strike from the Santa open pit and represents the easternmost fold hinge of the prospective Maxwells Formation member. Mineralisation is constrained to certain units which intersect shallow southwest plunging vein sets. The intersections control the locations and plunges of high-grade mineralised zones. Silver Lake plans to initially drill RC holes to follow up encouraging results from the previous year's drilling, with an aim to increase the confidence in the Mineral Resource from Inferred to Indicated. The drilling will also provide increased data density within and around the structurally complex fold hinge.
- Mount Belches – Maxwells, within tenement M25/133. Similar to Flora Dora, the higher-grade gold mineralisation occurs at intersection of certain stratigraphic units and shallow southwest dipping quartz vein sets. The intersections of the veins with the units controls the location and plunge of the mineralised zones. Silver Lake plans to drill diamond drillholes to test the down dip and down plunge continuity of the higher-grade mineralisation, to be followed by further drilling to define a Mineral Resource should the first phase be successful.
- Aldiss – Meghan, within tenement M28/208. The Meghan target is an undrilled area straddling two magnetic highs near the Tank and Atrides deposits. The basement lithologies at Aldiss include various amphibolite facies metamafics, including geochemically distinct fractionated basalts and dolerites, intermediate porphyries and mantle enriched 'Sanukitoid' porphyries. Gold mineralisation is located on litho-geochemical boundaries with associated porphyries. Exploration is challenged by the presence of sequence of Eocene transported marine and lacustrine sediments ranging in thickness from 0 m to more than 100 m. Silver Lake plans to

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drill RC holes to test the geophysical anomaly (a magnetic low) in amphibolite hosted, metamafics which are interpreted to be Tank South and Harrys Hill analogues.

Additional details on Daisy and Aldiss Group exploration:

Within the Daisy Group geochemical multi-elemental analysis of in situ material has become one of the key methods for exploration, though a significant portion of the Mount Monger region is obscured by transported cover. Therefore, care is taken to ensure that surface geochemistry samples are representative of the subsurface geology. Historical discoveries based on soil geochemical surveys were made at the Lorna Doone, Spinifex, Mirror Magic and Costello deposits, with all presenting soil gold anomalies over 100 ppb. Other effective pathfinder elements include As, Sb, W, Ag, Bi and Pb, varying in effectiveness depending on the soil horizon type being sampled (soil, calcrete, ferricrete and saprolite). Multi-element assays of end-of-hole samples from aircore drilling through saprolite are being used to develop an interpreted geological base map.

Silver Lake has also developed a model for classifying the porphyritic intrusions. Some porphyries appear to be favourable for gold mineralisation and now provide a tool to explore for mineralisation. Geochemical assays from vein samples can differentiate between ore hosting and barren veins through the use of key indicator metals including As, Ag, Pb, Zn and Cu.

Aeromagnetic geophysical data are being used to locate intersections of major and secondary structures, which at Mount Monger clearly relate to the major gold deposits, both as a focus for mineralisation and for constraining boundaries. Magnetic data also define the boundary between the intermediate volcanic and the ultramafic sequence, positioning the most favourable host horizon (beneath the ultramafic unconformity) for the Daisy-style mineralisation. Gravity surveys have been successfully used to identify targets. Lows in the processed gravity data appear to correlate with mineralisation at Daisy-Milano, Lorna Doone, Spinifex and Christmas Flats mines.

Additional details on Mount Belches Group exploration:

Most of the exploration developments in the Mount Belches area have been the result of re-interpretation of historical drilling and mapping using modern software to recreate the deposit's pre-offset three-dimensional orientation from the northeast faulting, which truncated the lodes and BIFs. The more recent structural interpretation and palinspastic reconstruction has aided the understanding of the location of high-grade plunge zones, with the Maxwells extension at depth being an example of a success. Aeromagnetic surveys have been useful in delineating the BIFs and demagnetised zones, which are the favourable host sites. These surveys also highlight potential offsets that have impacted historical operations.

Deflector exploration

A pipeline of exploration projects has been defined at Deflector and exploration efforts are ongoing. The current priority exploration targets are listed in Table 7-1 and their locations are shown in Figure 7-1.

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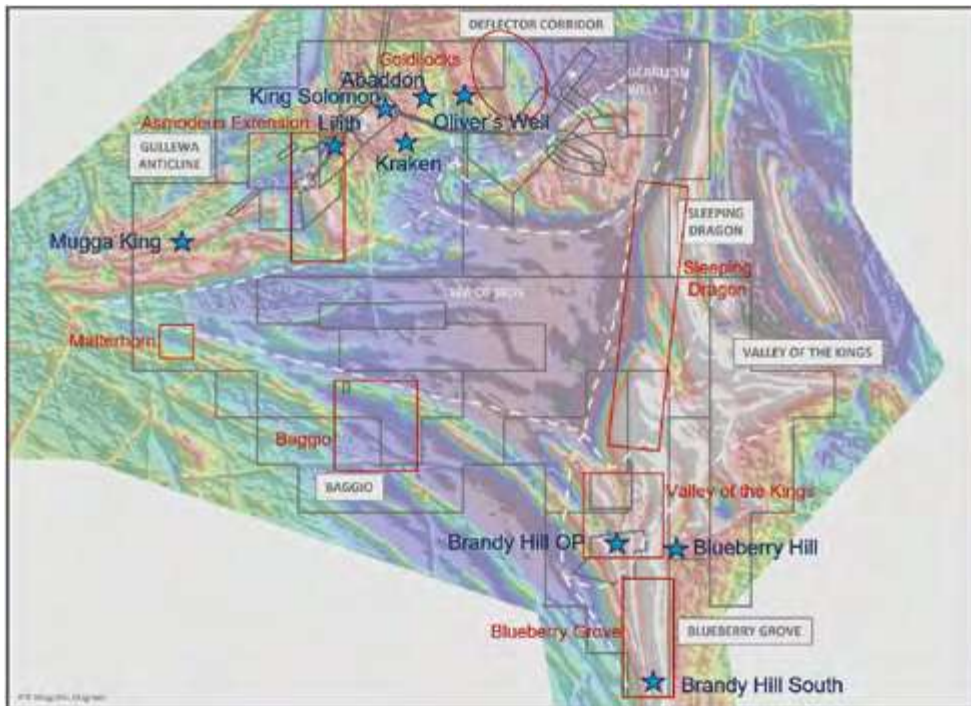
Table 7-1: Deflector – exploration pipeline

Project stage	Target	Tenement
Mineral Resource definition	Michelangelo	M59/335-I
	Monarch	M59/507-I
	Rocksteady	M59/391-I
	Golden Stream	M59/68
	Spanish Galleon	M59/442 (proximal to Deflector UG mine)
Advanced Exploration	King Solomon	M59/49-I
	Brandy Hill Open Pit	M59/133-I
Drill testing	Lilith	M59/522-
	Kraken	E59/1242-I
	Abaddon	E59/1242-I
	Olivers Well	E59/1241-I
	Mugga King	E59/1242-I
	Blueberry Hill	E59/1274-I
	Brandy Hill South	E59/1241-I
Target delineation	Goldilocks	E59/1242-I and E59/1241-I
	Asmodeus Extension	M59/294-I, M59/522-I, M59/392-I and E59/1242-I
	Sleeping Dragon	E59/1241-I, E59/1240-I, E59/1274-I and E59/1241-I
	Valley of the Kings	E59/1274-I, M59/224-I, E59/1241-I and M59/133-I
	Blueberry Grove	E59/1241-I
	Baggio	E59/1242-I and E59/1240-I
	Matterhorn	E59/1242-I

Sources: Silver Lake Resources data room, DEF_FY24 Exploration_MINEX_Final.pptx

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Figure 7-1: Deflector – exploration targets and target areas



Sources: Silver Lake Resources data room, DEF_FY24 Exploration_MINEX_Final.pptx

The within-mine exploration efforts are focusing on the Spanish Galleon high-grade core, which is located proximal to the active Deflector mine underground workings. There are 30 planned underground diamond drillholes targeting six areas close to the mine. At the higher-grade Spanish Galleon area, six holes are testing an area of mineralisation potentially associated with faulting. The flatter underground diamond drillholes are optimally oriented to intersect the mineralisation and test for secondary parallel targets striking alongside the main target.

Exploration in the surrounding tenement package is targeting other multi-phase mineralisation. The area is prospective for orogenic gold mineralisation related to a deep-seated structure that may be tapping the deep mantle, the Salt River Fault. Second-order splays from the Salt River Fault may also be generating mineralised corridors. Of interest is the Cagacaroon intrusion, which may have provided a source of heat, copper and gold and hence areas around the intrusion are targeted. Silver Lake also notes that a local stratigraphic unit, the Norrie Group, may also be prospective for volcanogenic massive sulfide mineralisation.

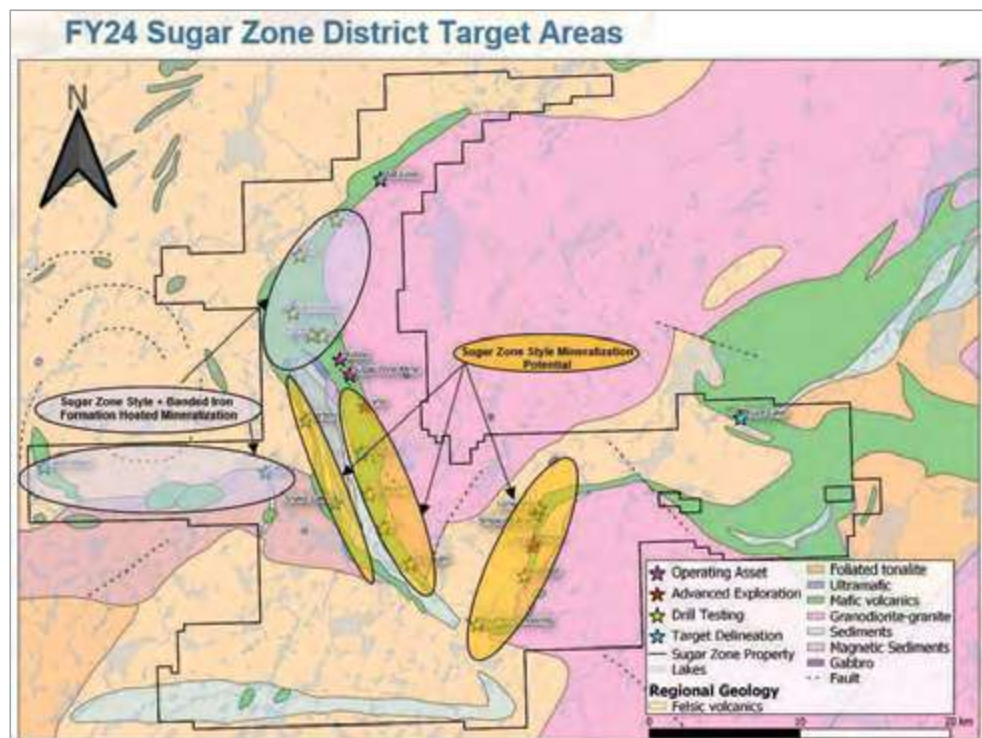
In SRK's opinion, the exploration potential of the Deflector tenement area is high for gold and copper-gold mineralisation and warrants ongoing exploration.

Sugar Zone (Canada) exploration

Exploration at Sugar Zone outside of the Mineral Resource and Mineral Reserves is focused on a corridor to the northwest of the Sugar Zone Deformation corridor (Figure 7-2). Fold hinges within

the corridor are interpreted to potentially contain higher-grade ore shoots and have been preferentially targeted due to the potential higher-grade mineralisation.

Figure 7-2: Sugar Zone exploration targets



Sources: Silver Lake data room, *Surface Exploration Overview_February 2020.pdf*

Silver Lake has identified the following exploration targets at Sugar Zone:

- Lynx: surface grab samples have returned elevated gold grades
- K7: located along strike and to the south of the Sugar Zone mine; previous drilling has intersected mineralisation
- Marten: interpreted to be the opposing fold limb of the sugar zone mine
- Fisher-Fox-Hambleton: located near the fold hinge for the Dayohessarah greenbelt where historical prospecting and drilling has occurred and which warrants follow-up exploration using more modern geochemical and geophysical techniques (this area is thought to have potential to host additional mineralisation styles outside of the classic narrow vein Sugar Zone mineralisation)
- The Horn: a recently discovered greenstone belt with significant gold geochemical results at surface (while the area is known to host narrow vein gold mineralisation, Silver Lake considers there is potential for significantly larger pockets of wider, high-grade mineralisation that warrants drill testing)
- Eagle Zone: a conceptual additional greenstone area untested by drilling.

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In addition to the target areas Silver Lake is also undertaking a program of resampling and re-assaying of historical drill core. Multiple zones have been identified that have a high probability to host mineralisation. The results from this re-sampling program may have a significant impact on the prospectivity of existing showings, allowing for further interpretation and ongoing exploration works.

7.1.3 Red 5

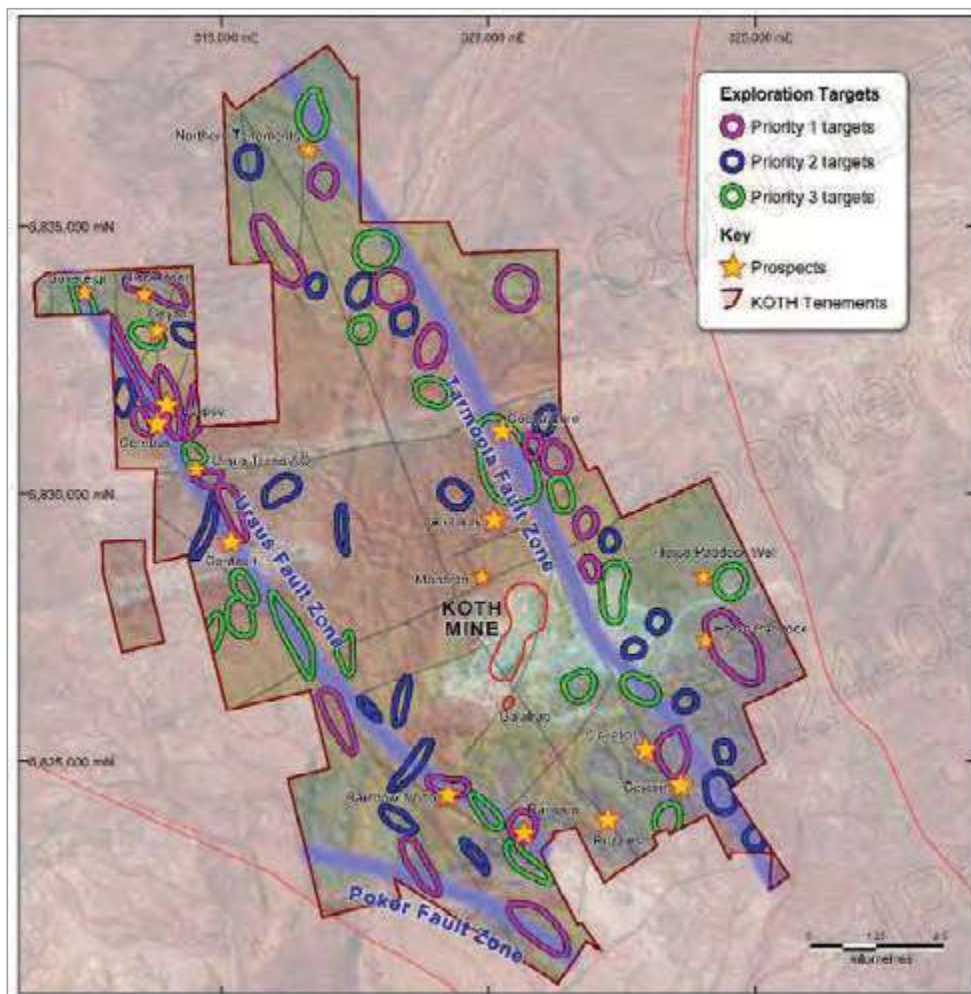
In addition to its King of the Hills and Darlot Operations, Red 5 holds interests in several exploration projects in the Eastern Goldfields of Western Australia. These are discussed briefly below.

King of the Hills exploration

The tenements surrounding the King of the Hills mine cover two prospective mineralisation structural corridors: the Ursus Fault Zone and the Tarmoola Fault Zone (Figure 7-3). Historical exploration includes shallow RAB and RC drilling, which has largely been considered ineffective as it has not reached the fresh basement rocks from which multi-element geochemical samples can be obtained in order to interpret the bedrock geology.

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Figure 7-3: King of the Hills exploration targets



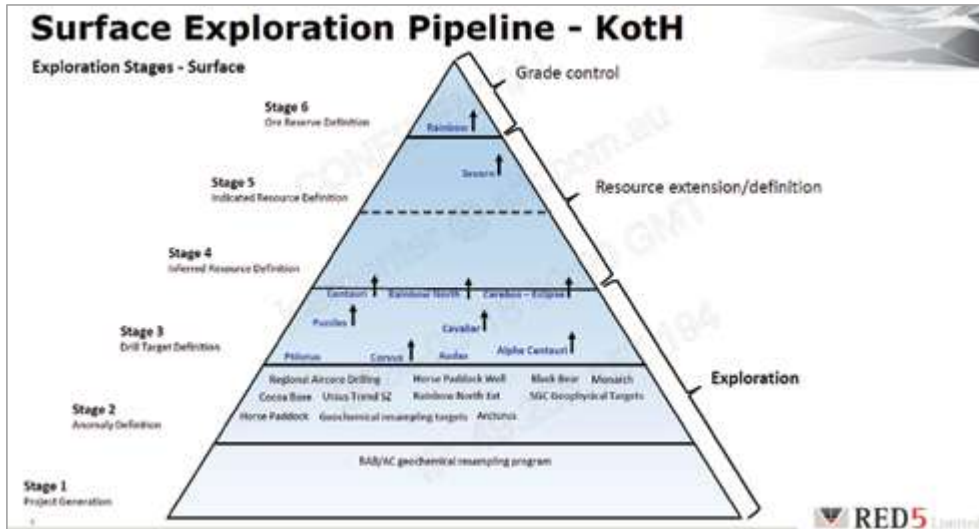
Sources: Red 5 data room, *Surface Exploration Overview_February 2020.pdf*

Red 5 noted the strong association of geophysical data (aerial magnetics) and structural corridors. The initial exploration efforts therefore focused on the reinterpretation of the geophysics with modern techniques. Existing core and RC chip samples have also been re-sampled and re-assayed for multi-element geochemistry. Red 5 is also trialling additional geophysical methods (sub-audio magnetics) and re-interpreting existing seismic surveys to identify deep mantle structures.

Red 5 has developed a pipeline of exploration targets extending from conceptual (i.e. Project Generation stage) to Mineral Resource definition (Figure 7-4).

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Figure 7-4: King of the Kills exploration pipeline

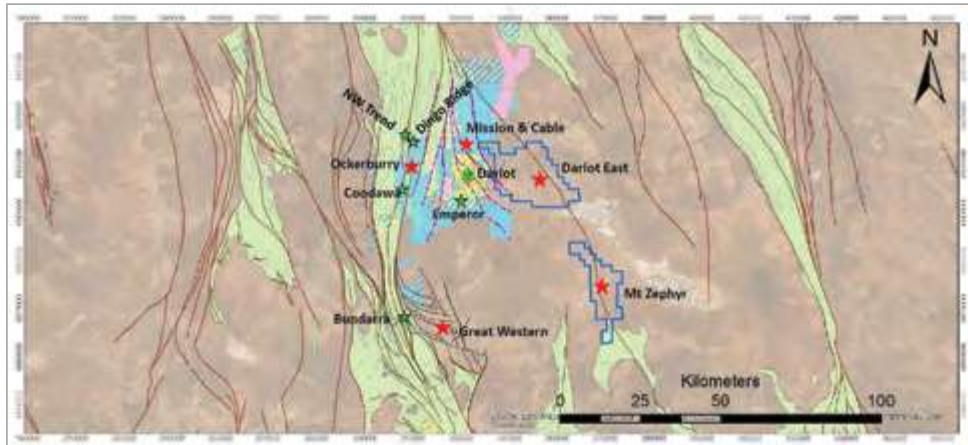


Sources: Red 5 data room, *Surface Exploration Overview_February 2020.pdf*

Darlot and regional exploration

Exploration at and around the Darlot mine has identified an extensive pipeline of targets extending from conceptual (i.e. Project Generation) to Mineral Resource definition. Three main areas have been targeted: Darlot, Darlot East and Mount Zephyr (Ardea) areas (Figure 7-5).

Figure 7-5: Exploration areas in Red 5's Darlot area



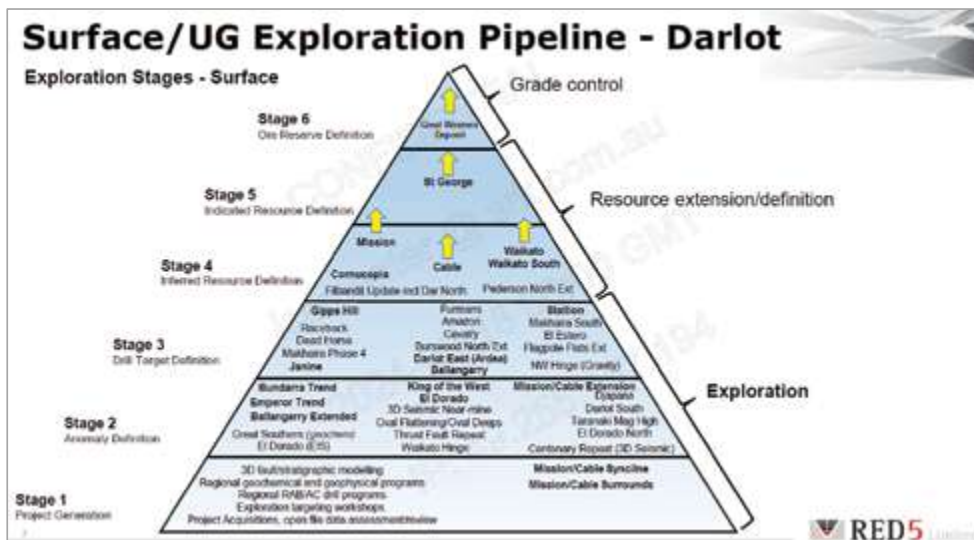
Sources: Red 5 data room, *Surface Exploration Update April 2021_PJM.pdf*

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Exploration targets at Darlot (Figure 7-6) focus on the central eastern side of the tenement package along the prospective Taranaki Fault, where targets at Gipps Hill and Janine were recently identified. At Gipps Hill, the target consists of a non-magnetic dolerite and basalt with an interpreted felsic volcanic/volcaniclastic unit that has not previously been tested with drilling. At Janine, there are basaltic and mafic volcanics with subordinate felsic to intermediate volcanics located within the western bifurcation of the Taranaki Fault, which appears to link with 3D seismic interpretations of a deep structure.

Targets are also interpreted to continue under cover. These will require drilling to confirm the presence of prospective structures and favourable alteration and geochemistry. Red 5 has noted instances of historically reported exploration results in lodged statutory reports which warrant further investigation.

Figure 7-6: Darlot exploration pipeline

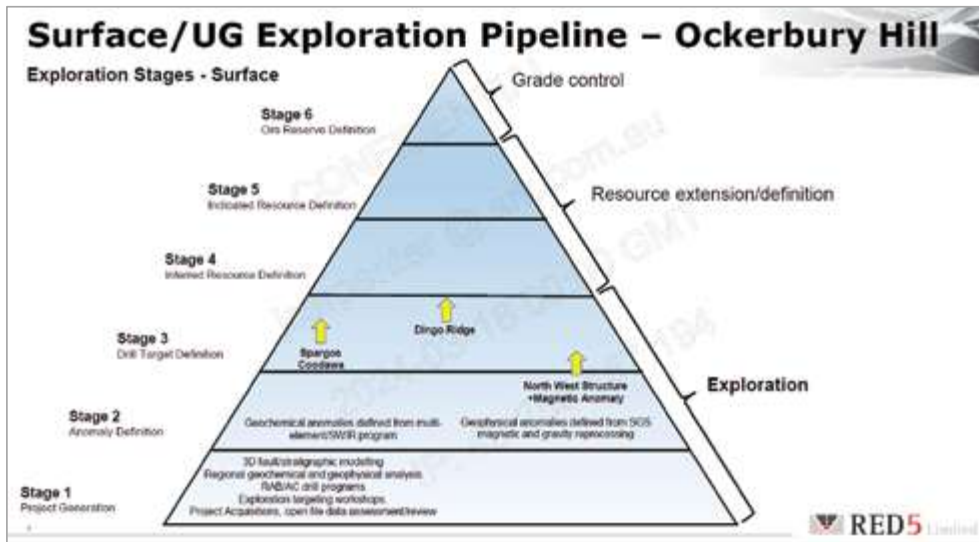


Sources: Red 5 data room, *Surface Exploration Update April 2021_PJM.pdf*

The exploration target pipeline at Ockerbury (Figure 7-7) covers the Ockerbury Shear Zone north along strike from the Thunderbox mine.

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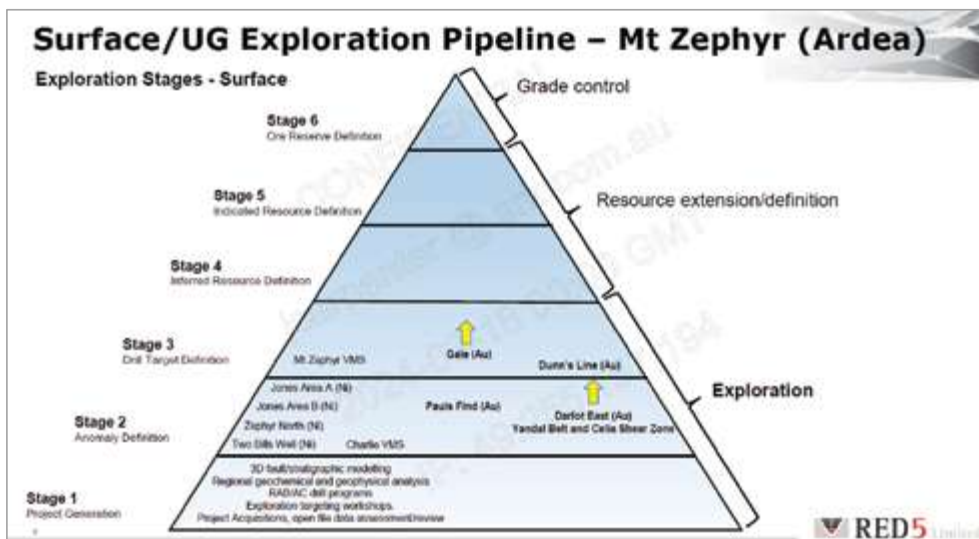
Figure 7-7: Ockerbury Hill exploration pipeline



Sources: Red 5 data room, *Surface Exploration Update April 2021_PJM.pdf*

The exploration target pipeline at Mount Zephyr (Figure 7-8) covers the Celia Lineament of the southern Yandal Greenstone Belt of the Eastern Goldfields. The pipeline remains less developed than the Darlot and Ockerbury Hill exploration areas.

Figure 7-8: Mount Zephyr exploration pipeline



Sources: Red 5 data room, *Surface Exploration Update April 2021_PJM.pdf*

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Part B: International Mineral Assets

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8 Silver Lake's Sugar Zone Project

8.1 Project description and background

Silver Lake's Sugar Zone project is located in the Algoma district in the western region of northern Ontario, Canada. This region is located roughly halfway between the major cities of Sault Ste. Marie and Thunder Bay.

A major gold-producing area, this greenstone belt hosts numerous historical and currently active exploration projects and producing mines. Most notably, it is home to the world-class, historical, and prolific Hemlo gold camp.

Operating mines in the region include:

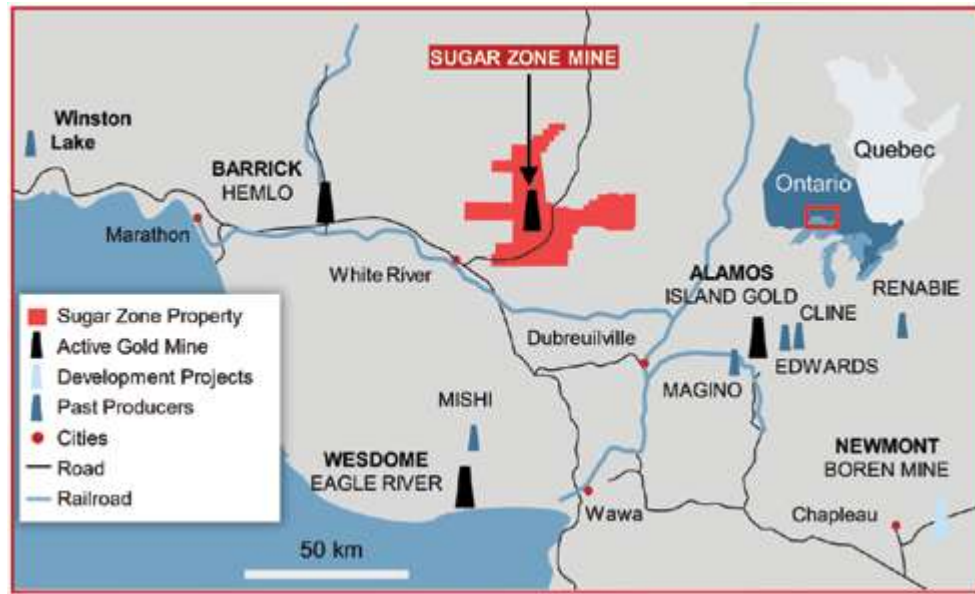
- Hemlo gold mine near Marathon, Ontario (operated by Barrick)
- Magino gold mine near Dubreuilville, Ontario (operated by Argonaut Gold)
- Island gold mine near Dubreuilville, Ontario (operated by Alamos Gold)
- Borden gold mine near Chaplau, Ontario (operated by Newmont)
- Eagle River gold mine near Wawa, Ontario (operated by Wesdome).

The Sugar Zone project is located approximately 1 hour's drive from the town of White River (population 650). White River provides some basic amenities and services to the project.

The Sugar Zone project is accessed from a combination of all-weather paved roads (national and provincial highway systems for approximately 30 km) and an all-weather gravel access road system (approximately 20 km).

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Figure 8-1: Location of the Sugar Zone project



Source: Red 5 – Silver Lake joint ASX announcement dated 5 February 2024

The project consists of a very large land package, and contains the development project known as the Sugar Zone mine. The Sugar Zone mine was initially explored and developed by Harte Gold Inc. (Harte Gold), with commercial production beginning in the first quarter (Q1) 2019 (calendar).

Harte Gold developed and then operated the Sugar Zone project for approximately 3 years under various owner/operator relationships. Most recently, Harte Gold initially ran the operations under contract with The Redpath Group, a tier 1 mine contracting and engineering firm located in North Bay, Ontario, prior to transitioning to operating on an owner-operator basis in 2020. Various mining methods have been applied, but the dominant method was and continues to be longhole open stoping (LHOS) with or without uncemented rockfill (UCRF). Given that the deposit is hosted along a generally narrow, high grade, steeply dipping, planar, and fairly continuous vein structure, SRK considers this to be an appropriate mining method.

Production rates under Redpath operations averaged 550–650 tpd at an average head grade of between 5.0 and 6.5 g/t Au. All-in mining costs (operating expenditure plus sustaining capital expenditure) averaged approximately C\$445/t. Unfortunately, at these production rates and head grades, Harte Gold could not generate sufficient free cashflow to sustain the operations and complete several critical and enabling capital infrastructure projects. The project was ultimately placed for sale and was eventually acquired by Silver Lake under the Canadian *Companies’ Creditors Arrangement Act* (CCAA) process. Silver Lake has owned and operated the Sugar Zone project since February 2022.

Silver Lake identified several critical weaknesses in the operation and made significant changes to the mine design and operating strategy immediately on taking control of the project. This involved significant investment in both capital and operating expenditures.

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The changes are outlined as follows:

- Rationalisation of the underground ramp system from two access ramps (north and south) to a single centralised ramp
- Rationalisation of the underground ventilation and escapeway system to reflect the change in access ramp design
- Mitigation of water inflows into the mine through a significant grouting program of historical diamond drillholes
- Improvements to the mine dewatering system primarily to address clarification and settling of suspended solids
- Improvements to the process water supply system primarily to provide clean and clear water for drilling machinery
- Installation of two primary pump stations
- Significant upgrade with fibre optic system in the mine
- Rationalisation of the ore and waste stockpiling processes
- Upgrade of the crushing circuit
- Improvements to water collection and treatment
- Construction of a suitable mobile maintenance shop on surface
- Addition of a centralised surface warehouse/stores building
- Purchase of a modern and remote capable mine fleet
- Completion of the escapeway and ventilation circuit to the Middle Zone.

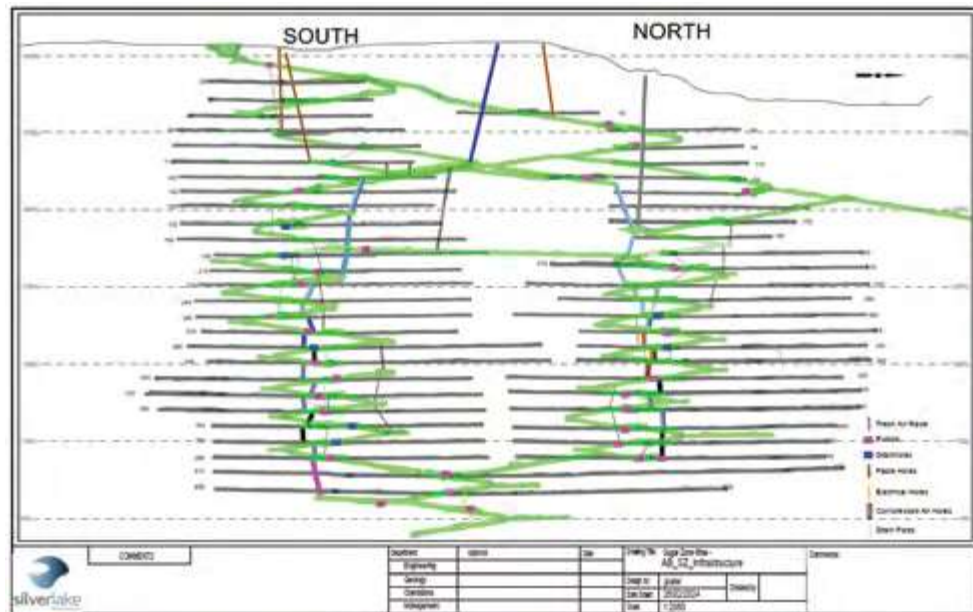
Silver Lake continued to operate the mine 'as usual' even as it undertook the significant upgrades to the critical infrastructure and addressed impediments to operational efficiency. During the 16-month period from February 2022 to May 2023, the mine averaged 680 tpd at an average head grade of 5.12 g/t Au. During this period the average all-in mining and processing cost (operating and sustaining capital costs) was approximately C\$530/t.

Historically, the deposit has been split vertically into a North and South lens with a central, low-grade or waste pillar being left between them. While there are still several small remnant portions of the deposit to be mined, these are relatively insignificant and the bulk of the mineral deposit has been extracted from surface down to 395 level. Below this point, the North and South ramps are unified into one central ramp. Development of the next two production levels and extraction sills on 410 and 430 levels is complete and ramp and level development has approached 460 level²³.

²³ Note that level numbering is relative to a mean surface elevation reference and can be used as a proxy for metres below surface.

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Figure 8-2: General long section – Sugar Zone project



Further north of the Sugar Zone is the more recently developed Middle Zone. The top of the Middle Zone is serviced by a connecting ramp collared from the North Ramp at approximately 140 level. A ventilation raise with an escapeway has been established from the top of the Middle Zone to surface. Development of the first three production levels is in place. This will support a rapid start-up of mining operations for the Middle Zone.

In addition, the following significant capital investments are planned to improve the operational efficiencies expected in the future mine plans:

- Plans to relocate the accommodations complex to site to improve effective work hours at the mine
- Plans to upgrade the ventilation system to increase the total mine airflow to support an increase in the size of the diesel fleet and meet recently updated air quality regulations
- Plans to install a paste fill plant and reticulation system to improve stope cycle times and manage ground control related design guidelines
- Plans to lift the tailings management facility (TMF).

8.1.1 Access, topography and climate

The Sugar Zone development project is located approximately 50 km northeast of the town of White River in west central Ontario, Canada. White River is a small town (population of 650) that is able to provide basic support and services to the mine site as well as hosting the accommodations complex for the mine. The town is located on the Trans-Canada Highway, which is part of the Canadian national highway system.

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The town of Hornepayne (population 1,000) is located approximately 90 km (by road) northeast of the mine site and hosts the nearest airport. The airport's paved runway is with a 3,500 ft long and 75 ft wide (1,065 m × 23 m).

The town of Wawa (population 3,000) is located approximately 140 km (by road) south of the mine. Wawa is a regional centre that supports several mining operations in the district. There is a regional airport located in town with a 4429' long by 100' wide (1,350 m × 30 m) paved runway.

The cities of Sault Ste. Marie (population 73,000, 365 km drive), Thunder Bay (population 110,000, 440 km drive) and Sudbury (population 165,000, 665 km drive) are the nearest full-service cities with international airports.

Access to the Sugar Zone project access road from Wawa is via Highway 631, a provincially managed two-lane all-season paved highway. The mine road is located approximately 30 km from White River. From Highway 631, an all-weather gravel bush road system maintained by the mine leads to the mine site (approximately 20 km).

The region is typical of the Canadian Shield in northern Ontario. The region was heavily glaciated during the last ice age (2.5 Ma to 12,000 years before present). As a result, the region is characterised by rolling hills (± 100 m), with exposed bedrock appearing in elevated locations. There is little to no surface oxidation of the basement rock. There is also little soil or overburden in most areas. Gravel and till areas exist sporadically in river valleys and low-lying areas. Topography is hilly to mountainous. Drainage through the basement rocks is poor, so low-lying areas are filled with peat bogs, marshlands, rivers and lakes.

The Sugar Zone mine site sits atop an elevated ridge between two relatively large lake basins. The ridge is located between the culturally and ecologically significant Lake Dayohessarah to the west of the mine and the relatively less culturally and ecologically significant Gagegenha Lake to the east.

The vegetation is typical of the southern limits of the Boreal forest with a predominance of species being tolerant of colder winter climates. Tree species are predominantly conifers, birch and poplar varieties. Commercial forestry centres predominantly on pulp- and paper-making species.

The climate is typical mid-Ontario: short, hot, and sunny summers (June through September) with cold snowy winters. Summer extremes include 1–2-week heat waves with daytime high temperatures of +25° C, while winter 'cold snaps' include 3–10-day extreme night time lows run below -35° C. Summers and winters are generally drier than spring and autumn which tend to be temperate and rainy.

Extreme weather conditions and the effects of climate change (forest fires, heavy rainfall and blizzards) can cause several disruptions to operations for a few days per year.

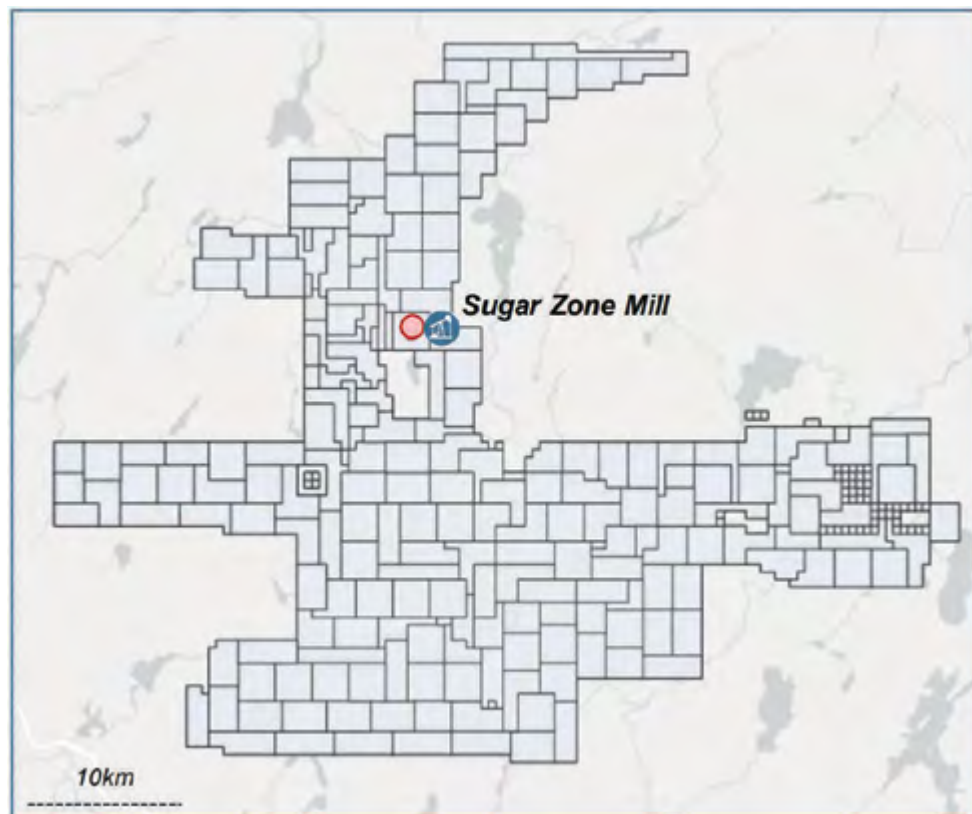
There is a net positive water balance throughout the area.

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8.1.2 Tenure

The Sugar Zone project covers an area of 81,287 ha (813 km²) and consists of the gold leases (surface and mining rights), gold claims and the Halverson Option (Figure 8-3). The gold leases cover 1,467 ha (14.7 km²). The gold claims comprise 197 multi-cell claims, 43 single-cell claims, and 69 boundary-cell claims. Silver Lake Resources owns 100% of the gold leases and the claims. The Halverson Option is subject to an option agreement whereby Silver Lake may acquire a 100% interest in the Halverson Option, which comprises four single-cell claims and 12 boundary-cell claims.

Figure 8-3: Sugar Zone project – tenure



Source: Joint ASX announcement titled 'Red 5 and Silver Lake Resources to Merge' dated 5 February 2024

8.1.3 First Nations

The Canadian government is in the early stages of a reconciliation process with the indigenous peoples (First Nations peoples) who have been living in North America for over 14,000 years. This process aims to recognise, internalise and address systemic injustices stemming from the historical legacy of colonialism. Like many countries with ties to European governments, Canada was settled by European powers (predominantly the English and French) under the authority granted through documents such as the 'Doctrine of Discovery' issued as a Papal Bull by Pope

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Alexander VI on 4 May 1493. This document, and others issued subsequently by various governments, gave certain individuals, groups and corporate entities rights to settle, harvest natural resources and 'civilise' non-European and non-Christian populations they encountered in newly discovered territories around the globe. This often resulted in subjugation and exploitation of the local indigenous populations in those lands. Many areas were initially seized for settlement without fair and reasonable consultation or negotiation. Natural resources were often exploited without due consideration of the needs of the peoples living on those lands.

Later, when the need for formal treaties was recognised, the rights and responsibilities of the government and the various indigenous groups were codified under treaty agreements. It is generally thought that the power imbalance in effect at the time these treaties were signed often resulted in terms and conditions that could be considered one-sided and/or exploitive. The area surrounding the Sugar Zone project is covered under the Robinson-Superior Treaty of 7 September 1850.

In Canada, indigenous affairs rest with the federal government, and laws and practices applied to natural resource extraction fall under provincial jurisdiction. Under Canadian and provincial regulations, there is a duty to consult indigenous groups that may be affected by resource and development projects planned within their traditional territories. The intent of consultation is to identify any impacts the project might have on the local indigenous peoples and their historical and ongoing use of any traditional lands, and to mitigate those risks under a mutually agreed solution. In practice, the burden of effort for consultation lies with the project proponent.

For the Sugar Zone, the Netmizaaggamig Nishnaabeg and Biigtigong Nishnaabeg (Ojibways of the Pic River Heron Bay First Nation) are the indigenous groups whose traditional lands are most directly affected by ongoing activities at the mine site and elsewhere on the related land package. Agreements – Impact Benefit Agreement (IBA) and memorandum of understanding (MOU) – exist for managing the relationship between these groups and Silver Lake as it pertains to ongoing development, operations and exploration activities. Silver Lake currently has an IBA with the Netmizaaggamig Nishnaabeg and an MOU with Biigtigong First Nation.

In terms of financial commitments, the IBA with the Netmizaaggamig Nishnaabeg includes a 4% net profit interest based on the 'all-in sustaining cost' metrics as defined by the World Gold Council. In real terms this is considered a 'tax' for economic evaluation purposes.

In addition to the Netmizaaggamig Nishnaabeg and Biigtigong First Nations, the government of Ontario has required Silver Lake to engage with three other First Nations and two Metis groups (Metis are constitutionally protected as a distinct society with similar rights to that of First Nations).

Silver Lake has a good understanding of the internal politics associated with the relationships between all five of these First Nations and the two Metis groups. With this in mind, Silver Lake is proceeding respectfully and cautiously with its engagement activities with the Michipicoten First Nation, Batchewan First Nation, Garden River First Nation and the two Metis groups, who are not necessarily recognised as Rights Holders for the region by the Netmizaaggamig Nishnaabeg First Nation.

All applications to the regulators for amendments to approvals and permits trigger the requirement for consultations with the project's First Nation partners. Silver Lake therefore has a regulatory approved First Nations and Metis consultation plan in place.

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Current relationships with these groups are cordial and management engages with indigenous leadership on a regular basis in an effort to maintain and improve on the relationships with First Nations partners, with the ultimate goal of maintaining a social licence to operate.

8.2 Government and community relations

Federal, provincial and local (municipal) relationships are generally managed very well. Information sessions with stakeholders are held as needed. All regulatory and reporting requirements related to permits and ongoing operations are met.

8.2.1 Contracts

As an active mining operation in Ontario, Silver Lake and its subsidiary companies have entered into several key agreements for the ongoing supply of goods and services required to extract and process the precious metal ores at the Sugar Zone project.

SRK has reviewed the key terms of these contracts and considers them to be appropriate for the scale of the operation and sufficient to meet the near- to medium-term requirements of the project.

Ample competition exists among the regional vendors to provide competitive bids for any and all services and supplies needed by Silver Lake in carrying out its normal operations as well as any one-off construction projects. All contracts concluded prior to entering the development stage were closed out with full participation of the key vendors. The Sugar Zone project maintains good ongoing relationships with all suppliers and re-establishing contracts for renewed supplies and services should production resume in the near term is not considered a major risk.

8.2.2 Royalties and levies

The Sugar Zone project is subject to a 2% NSR royalty on the free-on-board value of the product. This is legacy royalty dating from July 1998 and is related to a Corona/Harte Gold JV agreement.

In terms of other financial commitments, the IBA with the Netmizaaggamig Nishnaabeg includes a 4% net profit interest based on the 'all-in sustaining cost' metrics as defined by the World Gold Council. In real terms, this is considered a 'tax' for economic evaluation purposes.

8.2.3 Litigation

SRK has been advised by Silver Lake that there are no legal matters outstanding.

8.3 Infrastructure

The Sugar Zone site contains the following key facilities:

- underground ramp access mine
- processing plant – gravity and flotation (no cyanide in process)
- metallurgical laboratory
- tailings management facility (TMF)

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- various water treatment facilities for wastewater and process water supply
- maintenance facilities
- warehouse
- geology core storage and handling facilities
- change house
- office complex.

The mine is supported by:

- an all-weather paved access road network through the national and provincial highway systems (~30 km from White River)
- an all-weather gravel access road system maintained by the mine to the site (~20 km); the system is partially owned by the provincial forestry service and partially owned by the mine
- electric power lines from the provincial power grid in White River
- an accommodations complex located in White River.

Employees use a combination of company-owned light vehicles (crew cab pick-up trucks) and a local bus service company to travel between the accommodations complex in White River to the mine site at the beginning and end of their shifts.

Miners and tradespeople generally work 10-hour shifts and staff positions are generally 12-hour shifts. The rotation is 2 weeks in and 2 weeks out. Employees arrange their own transport to and from White River at the beginning and end of their rotation.

8.4 Permitting and compliance

8.4.1 Environment approval

Environmental regulation of mining in Canada and Ontario is a two-tiered system. Initially the project proponent must complete an environmental assessment prior to advancing the proposed project to the licensing/permitting phase (phase 2). The assessment phase (phase 1) could require both a provincial assessment as well as a federal assessment depending on the definition of the proposed project. Sugar Zone was exempt from the requirements of a federal environmental assessment but was required to complete two separate class environmental assessments (EAs) under Ontario's *Environmental Assessment Act*.

The environmental assessment process in Canada is consistent with industry good practices and equivalent to internationally accepted guidance such as the Equator Principles (EP4 is the current iteration).

Prior to the initiation of commercial production (Q1 2019) by the previous owner (Harte Gold), all necessary environmental assessments to support the construction, operation and closure of the Sugar Zone mine were successfully completed. Following the completion of the class EAs, the project was advanced to the licensing/permitting and approvals phase. All necessary federal, provincial and municipal permits, authorisations and approvals necessary to operate the mine and

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explore within Silver Lake's tenure have been transferred to Silver Lake and are currently in good standing.

8.4.2 Environmental permits

Relevant approvals for the exploration, mining and mineral processing activities of Silver Lake's Sugar Zone operations are listed in Table 8-1.

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Table 8-1: Sugar Zone activities permit register

Permit	Regulatory Authority	Relevant Legislation	Approved Activities
Permit to Take Water 8337-B3QJAH	Ministry of Environment Conservation and Parks	Ontario Water Resources Act	Withdrawal of water from underground workings
Permit to Take Water P-300-3195567866			Withdrawal of surface water from Gagegenha Lake, Dayohessarah Lake, and unnamed pond
Permit to Take Water 6337-CDVJAJ			Withdrawal of groundwater from water supply wells at Sugar Zone mine
Sewage Environmental Compliance Approval 8479-B3QHJZ		Environmental Protection Act	Industrial and domestic sewage works
Air Environmental Compliance Approval 7924-BBLL6K			Approve air emissions from site
Land Use Permit 1524-1001682	Ministry of Natural Resources and Forestry	Public Lands Act	Approve use of Crown-owned surface rights for power line
Land Use Permit 1526-1001416			Approve use of Crown-owned surface rights along Gagegenha Lake shoreline
LRIA Approval No. WAWA-LOC-01-2017		Lakes and Rivers Improvement Act	Location approval of North TMF (plans and specifications approval for this offline structure issued by MENDM as part of 2018 Closure Plan Amendment)
LRIA Approval No. WAWA-LOC-01-2020			Location approval of South TMF
Sugar Zone Project Closure Plan	Ministry of Energy, Northern Development and Mines (MENDM)	Mining Act	Approve development and closure of the Sugar Zone mine
Encroachment Permit EC-2018-50S-00000030 V1	Ministry of Transport	Public Transportation and Highway Improvement Act	Construction and operation of power line within Highway 631 corridor

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8.5 History

A summarised history of the significant events in the development of the Sugar Zone operations is outlined in Table 8-2.

Table 8-2: Significant events in Sugar Zone's exploration history

Period	Company	Event
1969	Canex Aerial Exploration Ltd	Drilled three diamond drillholes in the vicinity of the mafic/ultramafic rocks near the north end of Dayohessarah Lake. Results included an intersection of 0.326% Ni and 0.08% Cu over 1.5 m (5 feet) in metagabbroic rocks.
1983–1986	Pezamerica Resources Limited	Airborne magnetics and electromagnetics survey outlined numerous geophysical anomalies in the area. Teck Exploration drilled nine airborne geophysical targets based on coincidental gold-in-soil anomalies. The airborne anomalies were explained by pyrite/pyrrhotite-rich horizons in felsic metavolcanic rocks. Hole PZ 6 returned 0.47% Zn over 0.9 m (2.8 feet); however, no significant gold values were obtained.
1990	Prospecting Syndicate	Staked most of the Dayohessarah greenstone belt.
1991	Hemlo Gold Mines Inc.	Options property from prospecting syndicate. Sugar Zone discovered by surface prospecting. Based on bedrock exposure and trenching, the Sugar Zone was traced for 750 m, and a ground-based IP survey outlined the Sugar Zone structure over 1,500 m.
1993	Hemlo Gold Mines Inc.	Sugar Zone tested by diamond drilling, with six holes totalling 800 m. All drillholes intersected significant gold mineralisation. A small trenching program was also initiated on the Sugar Zone. A grid was cut with a 6 km baseline and tie-lines ranging in spacing between 100 m and 1,000 m.
1994	Hemlo Gold Mines Inc.	Fifteen diamond drillholes were completed, totalling 2,416 m. Eight drillholes intersected the Sugar Zone. An IP survey, magnetic survey, prospecting, and geological mapping were completed on the grid. The property was returned to the prospecting syndicate.
1998	Corona Gold Corporation and Harte Gold Corp.	Corona Gold Corporation (51%) and Harte Gold Corp. (49%) Joint Venture. Corona–Harte Gold JV options property.
1998–1999	Corona–Harte Gold JV	53 NQ diamond drillholes totalling 9,922 m cover 3 km strike length on Sugar Zone at 50 m spacing and test IP anomalies west of Sugar Zone and east of Dayohessarah Lake. Power trenching on Sugar Zone, with six trenches excavated, mapped, and sampled. In all, 96 km of grid with lines at 100 m cut on Sugar Zone, with mapping and sampling (rock and soil) carried out. Detailed magnetic survey, very low frequency (VLF) and reconnaissance gradient IP surveys were completed.
2003–2004	Corona–Harte Gold JV	Step-out and infill diamond drilling on the Sugar Zone, with 26 holes for a total of 7,100 m.
2004	Corona–Harte Gold JV	Further step-out and infill diamond drilling on the Sugar Zone, with 12 holes for a total of 3,563 m.
2008	Corona–Harte Gold JV	A 1,917-line km DIGHEM/magnetic airborne survey flown by Fugro Airborne Surveys Corp.

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Period	Company	Event
2009	Corona–Harte Gold JV	Diamond drilling program totalling 2,007 m in 10 holes. Program tests airborne electromagnetic and magnetic anomalies, plus IP chargeability anomalies and geologically defined targets to the north and the south of the known Sugar Zone mineralisation. Prospecting, reconnaissance geological mapping, and channel sampling program completed to evaluate Fugro airborne survey anomalies. Highlights included sampling of a float rock returning a value of 87.80 g Au/t, as well as grab samples from quartz veining east of the Sugar Zone returning values of 30.40 and 9.04 g/t Au.
2010	Harte Gold Corp.	First Harte drilling program: 12 holes totalling 2,097 m. Sugar Zone - drilling to extend both the Upper and Lower Zone structures to surface and test continuity down to 600 m true depth. Wolf Zone - drilling below recently identified Peacock Boulder leads to discovery of Wolf Zone.
2011	Harte Gold Corp.	Sugar Zone - resource expansion and testing continuity down to 500 m true depth and infill drilling at Wolf with step-outs towards Sugar Zone. Wolf Zone - infill drilling at with step-outs towards Sugar Zone.
2012	Harte Gold Corp.	Sugar Zone - testing continuity to 1,000 m true depth and step-outs designed to extend strike length.
2013	Harte Gold Corp.	Sugar Zone - infill program targeting potential bulk sample areas.
2014	Harte Gold Corp.	Sugar Zone - infill program of bulk sample area to establish 25 m drillhole centres. Wolf Zone - drilling confirmed Wolf Zone as the source of the Peacock Boulder.
2015	Harte Gold Corp.	Sugar Zone - step-outs to the south intersect the Footwall Zones 50 m east of the Upper and Lower Zones.
2016	Harte Gold Corp.	Sugar Zone - resource expansion to 900 m true depth. Middle Zone - testing of a geophysical anomaly between Wolf and Sugar zones led to discovery of the Middle Zone. Delineation drilling continued throughout the year.
2017	Harte Gold Corp.	Sugar Zone - infill and step-out drilling to convert Inferred to Indicated categories to 500 m true depth. Increase Inferred category between 500 m and 1,000 m true depth. Step-out to the north extends mineralisation to within 300 m of Middle Zone. Middle Zone - infill drilling to extend Middle Zone to 700 m true depth with step-outs north towards Wolf Zone and south towards Sugar Zone.
2018	Harte Gold Corp.	Sugar Zone - infill to increase Inferred category and convert to Indicated category below 500 m true depth. Underground infill drilling from the Lower Zone to increase confidence in Upper and Footwall Zones. Middle Zone - infill drilling to 500 m true depth to convert resources from Inferred to Indicated category. Step-out drilling towards Sugar Zone continued. Wolf Zone - infill and step-out drilling to increase resource in Inferred and Indicated categories.
2019	Harte Gold Corp.	Sugar Zone - focus on expanding Sugar South Extension adding Inferred resources down to 600 m true depth. Middle Zone - test extents of zone down to 1,000 m true depth. Wolf Zone - step-out program from 2018 complete.
2020	Harte Gold Corp.	Sugar Zone - underground and surface definition program. Sugar and Middle zones - small surface program.
2021	Harte Gold Corp.	Sugar and Middle zones - ongoing underground exploration and definition drilling programs.
2022	Silver Lake Resources	Sugar and Middle zones - ongoing underground exploration and definition drilling programs.
2023	Silver Lake Resources	Sugar and Middle zones - significant grouting program undertaken to limit water inflows from historical surface drilling. Decision to idle operations and undertake a major surface and underground drilling campaign to be completed during FY24.

Source: Harte Gold NI 43-101 reported dated 1 January 2021

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Table 8-3: Significant events in Sugar Zone's operational history

Period	Event	Description
2010	Metallurgy	Early metallurgical work conducted focusing on mineralogy, work index, gravity, flotation and cyanidation recovery. Encouraging results.
2013	Metallurgy	Ongoing testing of trenching samples. Work index, gravity and cyanidation recovery tests. Encouraging results – 93% to 98% possible.
2015	Metallurgy	Gravity with flotation returned very good results – identifies the opportunity to eliminate cyanidation as a means to a faster environmental approval process.
2016	Bulk sample	Site works constructed to support ramp access for bulk sample and test mining
2017	Bulk sample	Ramp, level, and silling development on 375, 360, 345, 330, and 315 levels, including 960 m of ramp development and 634 m of in-ore silling. Grade control work on development and stoping operations and recovery of a bulk sample of 70,000 tonnes. Work done by Technica Mining.
2017	Metallurgy	Bulk sample processed at nearby Hemlo gold mine using cyanidation. Significant testing program focusing on grinding, gravity, flotation and cyanidation with cyanide destruct. Tailings properties testing. Thickened tailing options with filtration explored. Circuit design completed.
Sept 2018	Permits	Operational permits issued.
Oct 2018	Concentrator	Commercial production begins. Circuit runs as with gravity and flotation circuits only.
2018	Mine contractor	Transition to Redpath as the principal contractor.
2019	Metallurgy	Ongoing optimisation of process plant performance.
2020	Transition to owner-operator	Silver Lake employees take over the main mining technical and operational activities.
Jan 2021	NI 43-101 Technical Report	Release of an NI 43-101 technical report describing the operations objective to improve production rates to 1,200 tpd, with upside case being 1,400 tpd.
2021	Financial hardship	Cashflow problems become extremely difficult. Critical capital investments needed to realise higher production potential cannot be funded. Operating cashflow insufficient to sustain operations. The Sugar Zone project is put up for sale. Several potential investors review the project as an M&A (merger & acquisition) target.
Dec 2021	Change of ownership	Silver Lake announces its agreement to purchase Harte Gold. ASX filing dated 8 December 2021.
Dec 2021	Change of ownership	Silver Lake gains court approval for takeover of Harte Gold. ASX filing dated 21 December 2021.
Feb 2022	Change of ownership	Silver Lake takes over operations of the Sugar Zone project in February 2022.
2022	Operations and capital investment	Silver Lake continues to operate the mine while investing significant new capital in upgrading and modernising the mobile equipment fleet, improving water management and treatment systems, and improving maintenance facilities and practices.
Sept 2023	Operations idled	After assessing risks associated with the geological and block models and running several versions of long and short term plans, the degree of risk is deemed too high to continue operations as normal. Production operations are idled and a major diamond drilling program is initiated.

Source: Harte Gold NI 43-101 reported dated 1 January 2021.

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Mining operations at Sugar Zone have been underway and have run almost continuously since commercial production began in Q1 2019 under the ownership of Harte Gold. Operations were significantly disrupted for several months (Q2) in 2020 due to travel and work restrictions under COVID isolation protocols. Operations were not interrupted during the ownership transition from Harte Gold to Silver Lake in February 2022. In 2023, there was a 2-week interruption of normal operations in May/June 2023 due to a major regional forest fire cutting off access to the mine and burning down a portion of the main electrical power lines feeding the site. The destroyed power lines have subsequently been replaced.

Table 8-4 present the key operational and cost performance data of the mine operations over time.

Table 8-4: History of gold production at Sugar Zone

Period ending	Ore mined (t)	Mill head grade (g/t Au)	Recovered ounces (oz per month)	Recovery	Unit operating cost (US\$/oz)	AISC** (US\$/oz)
2019 - Q1	38,250	4.90	1,825	92.0%	1,174.62	2,401.00
2019 - Q2	53,190	4.90	2,585	93.0%	880.77	1,756.00
2019 - Q3	56,520	3.60	2,023	92.0%	1,161.54	2,259.00
2019 - Q4	53,190	5.03	2,672	93.3%	942.31	2,036.00
2020 - Q1	51,750	5.50	2,866	94.0%	906.15	2,231.00
2020 - Q2 - COVID						
2020 - Q3	35,475	5.70	2,073	93.4%	905.38	2,532.00
2020 - Q4	46,260	7.70	3,612	94.9%	863.08	2,365.00
2021 - Q1	64,440	6.10	3,925	94.0%	910.00	1,916.00
2021 - Q2	60,660	6.08	3,761	94.1%	891.54	2,033.00
2021 - Q3	69,390	7.06	5,087	94.9%	780.00	1,798.00
2021 - Q4	61,200	6.86	4,200	95.1%	785.38	1,859.68
Feb-22	19,930	5.81	3,506	94.5%	1,506.05	1,915.73
Mar-22	17,821	4.12	2,082	94.5%	2,472.36	3,373.40
Apr-22	22,221	4.52	2,864	94.2%	1,800.13	2,592.92
May-22	23,476	6.57	4,880	95.1%	966.35	1,384.46
Jun-22	20,990	6.05	3,890	94.8%	1,998.80	2,319.57
Jul-22	20,152	5.75	4,253	95.3%	1,580.82	2,124.86
Aug-22	20,908	5.12	3,594	94.7%	1,758.52	3,299.87
Sep-22	21,776	4.73	2,860	94.5%	2,131.09	3,050.72
Oct-22	28,513	5.46	2,799	94.8%	1,405.76	1,784.99
Nov-22	19,094	5.31	4,112	94.9%	1,974.44	2,924.64
Dec-22	18,610	3.87	2,910	94.2%	2,874.30	3,797.72
Jan-23	22,679	4.57	3,262	94.7%	2,110.61	2,829.52
Feb-23	19,034	4.65	3,267	95.3%	2,261.66	2,857.44
Mar-23	18,540	4.37	3,761	94.5%	2,308.28	3,431.18
Apr-23	17,992	4.96	3,606	94.5%	2,438.18	2,942.88

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Period ending	Ore mined (t)	Mill head grade (g/t Au)	Recovered ounces (oz per month)	Recovery	Unit operating cost (US\$/oz)	AISC** (US\$/oz)
May-23	18,253	6.09	2,837	95.5%	1,711.56	2,476.41
Jun-23	9,120	4.87	1,712	94.8%	3,536.82	4,643.46

Source: Harte Gold Quarterly Reports, Silver Lake Monthly Reports

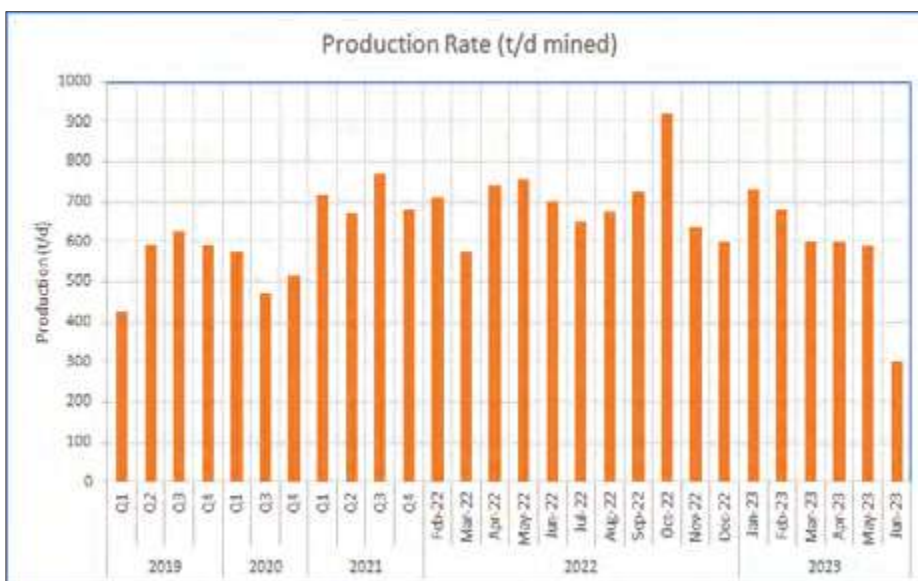
Note:

** AISC is approximate (operating costs plus sustaining costs) and does not necessarily align with WGC definitions.

Note that data were gleaned from several public sources and client-provided data. Some figures had to be estimated or back-calculated due to incomplete datasets. For these reasons, some data may not be precisely auditable. However, SRK considers these data accurately reflect the operational conditions being experienced by the mine over time.

The key operating parameters shown in Figure 8-4 to Figure 8-8 are presented to provide insight into the operational performance of the Sugar Zone project since its start-up under Harte Gold management.

Figure 8-4: Historical production rate – Sugar Zone project

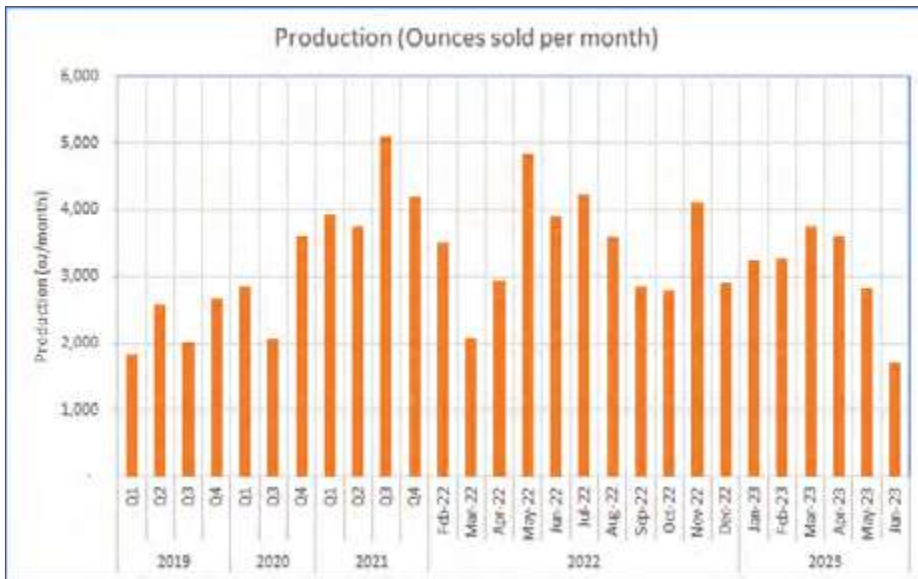


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Figure 8-5: Historical mill head grade – Sugar Zone project



Figure 8-6: Historical ounces sold per month – Sugar Zone project



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Figure 8-7: Historical unit operating and AISC costs – Sugar Zone project

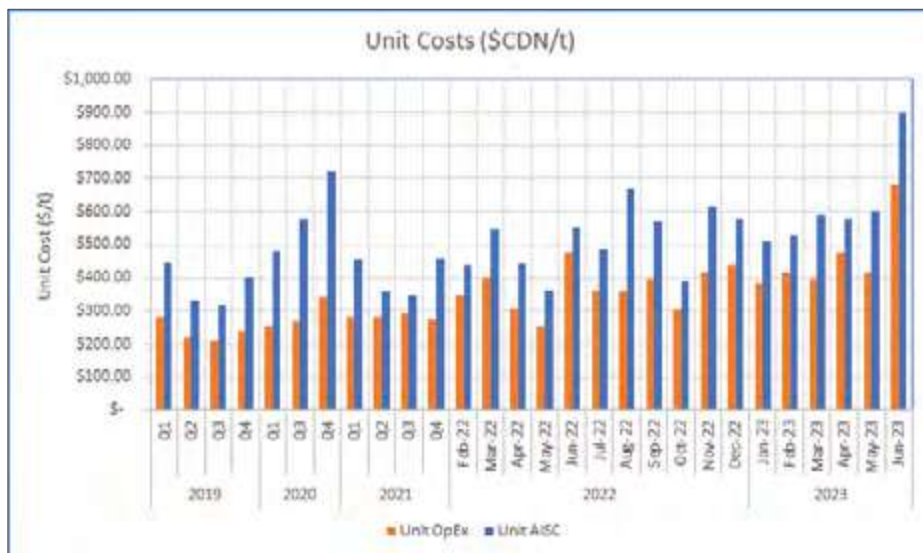
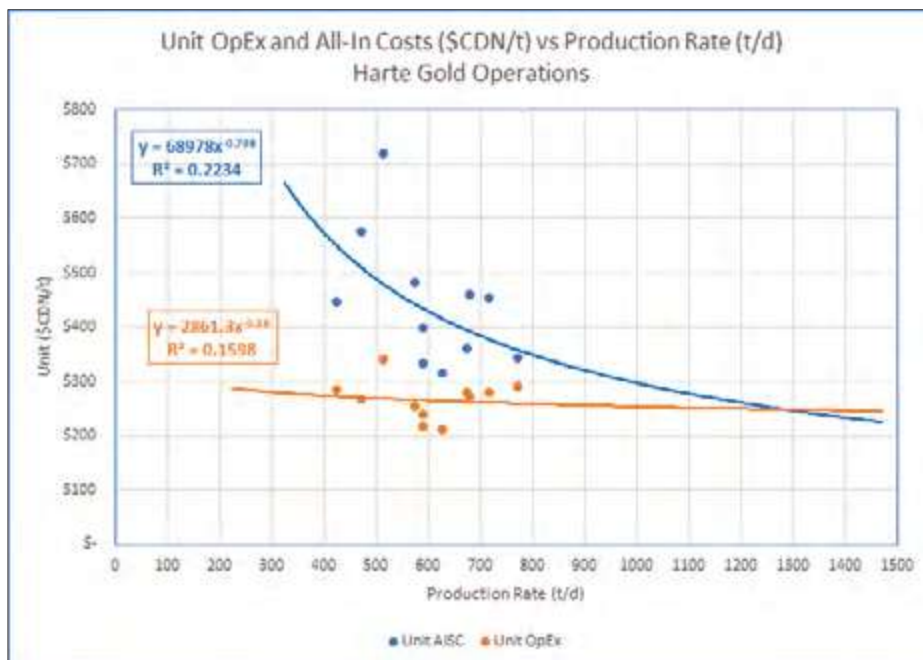


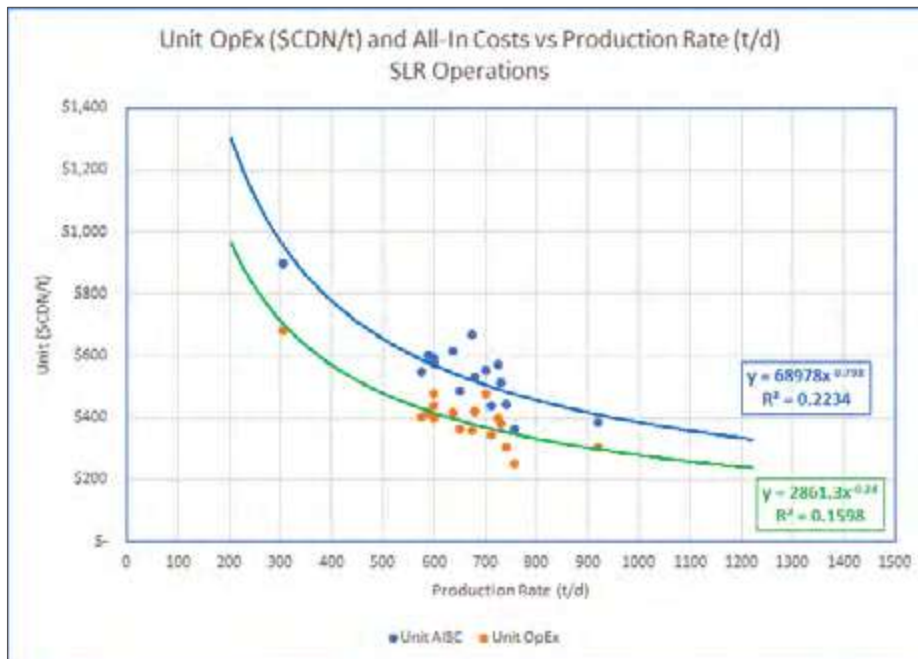
Figure 8-8: Production to unit cost relationship – Sugar Zone project under Harte Gold



The production to unit cost relationship for the project under Silver Lake’s ownership is shown in Figure 8-9.

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Figure 8-9: Production to unit cost relationship – under Silver Lake



The following general conclusions can be drawn from the historical data presented above.

1. There is reasonable consistency over the almost 5 years of operating history.
2. Mine production has rarely exceeded 700 tpd and has averaged closer to 650 tpd or 237,000 tpa during 'steady state' operation.
3. Head grades have rarely exceeded 6.5 g/t Au and have tended towards an average of 5.5 g/t Au.
4. Resulting ounce production is generally linked more strongly to head grade rather than production tonnes, seldom exceeding 4,000 oz per month and tending more towards 3,500 oz per month over the long term.
5. Unit operating costs increased significantly during the Silver Lake operations period to approximately C\$400/t (from C\$300/t during the Harte Gold operations period). However, SRK considers that the operations have been managed to a much higher standard of care under Silver Lake's management and are therefore likely more sustainable.

Cost curves show typical fixed: variable behaviour. Significant unit cost reductions should be achievable if production rates can be sustainably increased.

Sustaining capital has historically run at ~+40% of the base operating costs. This benchmarks well against low-tonnage, high-grade, and selective mines.

Any mine plan showing significant deviation to historical production potential and cost trends would need significant back-up and justification.

8.6 Geology and mineralisation styles

8.6.1 Regional geology

The Late Archaean (ca. 2.7 Ga) Dayohessarah Greenstone Belt (the Belt) is located in the Abitibi Wawa Subprovince of the Superior Province. The Belt is positioned between two larger greenstone belts: the Hemlo Belt to the west and the Kabinakagami Belt to the east. The Belt trends broadly north and forms a narrow, eastward-concave crescent (Figure 2). The Belt is approximately 36 km long and varies from 1.5 km to 5.5 km wide. Principal lithologies in the Belt are moderately to highly deformed metamorphosed volcanics, volcanoclastics, and sediments that have been enclosed and intruded by tonalitic to granodioritic quartz-porphyry plutons.

The Belt is bordered to the east by the Strickland Pluton and to the west by the Black Pic Batholith. The Danny Lake Stock borders the southwestern edge of the Belt. The Strickland Pluton is characterised by a granodioritic composition, quartz phenocrysts, fine-grained titanite, and haematitic fractures. The Black Pic Batholith is like the Strickland Pluton, but locally more potassic, with monzogranite phases. The Danny Lake Stock is characterised by hornblende porphyritic quartz monzonite to quartz monzodiorite (Stott, 1999).

The Belt has been metamorphosed to upper greenschist to amphibolite facies. The Strickland Pluton is thought to have been emplaced into the Belt and imposed a thermal metamorphic event. Most of the mafic volcanics are composed primarily of plagioclase and hornblende. Almandine garnets are widely observed in the clastic metasediments, and, locally, pyrope garnets are present in the mafic metavolcanics (Stott, 1999).

Alteration throughout the Belt consists of diopsidation, albitisation, weak magnesium biotisation, weak carbonatisation, and moderate to strong silicification that accompanied the emplacement of the porphyry dykes/sills and quartz veining. The Belt has been strongly foliated, flattened, and strained. Deformation seen in the supracrustal rocks has been interpreted to be related to the emplacement of the Strickland Pluton. Strongly developed metamorphic mineral lineations in the supracrustal rocks closely compare with the orientations of the quartz phenocryst lineations seen in the Strickland Pluton. This likely reflects a constant strain aureole imposed by the pluton upon the Belt (Stott, 1999). The strain fabric is best observed a few hundred metres from the Strickland Pluton in the Sugar Zone, which has been characterised as the most intensely strained part of the Belt. The Sugar Zone is defined by sets of parallel, mineralised quartz veining; quartz flooding of strongly altered wall rock; thin intermediate porphyry lenses and dykes/sills parallel to stratigraphy and foliation; and gold mineralisation.

Stratigraphic layering and top indicators define a synclinal fold in the central portion of the Belt. The synclinal fold has been strongly flattened and stands upright with the fold hinge open to the south and centred along Dayohessarah Lake.

8.6.2 Local geology and mineralisation summary

Table 8-5 describes the local geology and mineralisation styles that has enabled domains for estimation to be constructed.

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Table 8-5: Summary of main deposits at Silver Lake’s Sugar Zone project

Prospect	Geological overview
Sugar Zone (includes Middle Zone Sugar Zone and Sugar Zone South)	<p>The Sugar Zone mineralisation is located within the Dayohessarah Greenstone Belt, an Archaean sequence of mafic, ultramafic, metavolcanic and sedimentary rocks folded in a synclinal formation which has been strongly flattened, stands upright with the hinge open to the south. The mineralisation is hosted in a major shear zone. The Sugar Deformation Zone trends northwest–southeast and dips between -65° and -80°. The Sugar Deformation Zone is hosted within a thick package of mafic volcanics and syn-kinematic tonalite-trondhjemite-granodiorite dykes. The host package has preserved evidence of several deformation events and has experienced at least two prograde metamorphic events (lower amphibolite facies), possibly due to the intrusion of the late Strickland Pluton into the volcanic pile during terrane accretion and subsequent formation of the Sugar Deformation Zone. The Sugar Deformation Zone has been cross-cut obliquely by a dolerite dyke that intruded along a late-stage dextral fault that offset the Zone by 20 m to the north/north-northeast. Sugar Zone mineralisation is characterised by discrete boudinage/laminated quartz veins presenting a characteristic saccharoidal texture. This texture supports a second prograde metamorphic event in which gold mineralisation was focused along these discrete veins; mineralisation rarely occurs outside of these veins. Gold mineralisation is typically associated with galena, sphalerite, molybdenum, and rarely Fe-sulfides. Mineralisation interpretation for the Sugar (i.e. Lower, Upper, Sugar Footwall 1 and 2) and Middle (i.e. Middle, Middle Hanging Wall 1 and 2) are well defined. Tertiary lodes within the Sugar Zone (i.e. Sugar Footwall 3 and 4, Wolf lodes (i.e. Wolf and Upper Wolf) and Middle Footwall 1, 2, and 3 hold a lower level of certainty in their interpretation.</p> <p>The Sugar Zone resource extents are 3,200 m strike, 70 m across strike and 1,200 m below surface and open at depth. These extents host approximately 15 interpreted ore lodes. The lodes are 0.2–2 m wide.</p>

Source: Silver Lake ASX announcement titled ‘Mineral Resource and Ore Reserve Statement’ dated 27 September 2023 and associated documentation (JORC Code 2012) Table 1

8.7 Mineral Resource estimates

The current Mineral Resource estimate for the Sugar Zone project was reported to the ASX on 27 September 2023 (‘Mineral Resource and Ore Reserve Statement’). The Mineral Resource estimates were reported at the mining surfaces to 30 June 2023.

SRK notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code (2012) with respect to the Mineral Resource estimate.

The named Competent Person taking responsibility for the Mineral Resource estimate is Mr Kane Hutchinson, a full-time employee of Silver Lake.

SRK considers that Mr Kane has the requisite experience to act as Competent Person.

Silver Lake’s current Mineral Resource estimate is shown in Table 8-6.

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Table 8-6: Sugar Zone Mineral Resources as at 31 December 2023

June 2023	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Total Mineral Resources		
	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)
Sugar Zone												
Sugar Zone	-	-	-	4,391	7.8	1,105	1,856	7.1	423	6,247	7.6	1,528
Stockpile	2	-	-	-	-	-	-	-	-	2	-	-
Total	-	-	-	4,391	7.8	1,105	1,856	7.1	423	6,249	7.6	1,528

Source: Silver Lake ASX announcement titled 'Mineral Resource and Ore Reserve Statement' dated 27 September 2023

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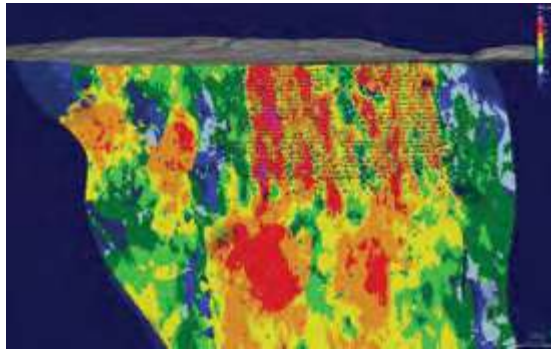
Data collection has been conducted by industry standard methods and SRK considers that the data are broadly appropriate for use in estimation studies.

Table 8-7: Summary of ineral Resource estimation at Silver Lake Sugar Zone Project

Prospect	Estimation overview
Sugar Zone (includes Middle Zone Sugar Zone and Sugar Zone South)	<p>The Silver Lake geological data are stored in a DataShed SQL server database. The database is hosted on an internal company server managed by Silver Lake personnel. User access to the database is regulated by specific user permissions and validation checks to ensure data are valid.</p> <p>The Mineral Resource was estimated via OK, using 3D dynamic anisotropy. Geological domains were based on the geological interpretation and mineralised trends. 3D wireframes were generated in Leapfrog Geo with minimum vein width parameters of 0.1 m to control interpolated volumes away from drillhole data. Domain boundaries were treated as hard boundaries. Single interval composites were generated in Leapfrog.</p> <p>Variogram models were generated using composited drill data in Leapfrog using the Edge module. Individual lodes were grouped into spatially and statistically coherent domains for exploratory data analysis. Semi-variogram models were built from the data of these groups. Search ellipse dimensions and orientation reflect the parameters derived from KNA. A two-pass search strategy was used for most estimation domains. Any remaining unestimated blocks within the domain are excluded from the Mineral Resource.</p> <p>Block sizes were selected based on drill spacing and the geometry and thickness of the mineralised veins. A rotated 3D block model consisting of 4 mE × 8 mN × 5 mRL parent cells was created, with sub-celling to 0.5 mE × 0.5 mN × 0.3125 mRL. All passes were estimated into parent cell dimensions. Block discretisation points were set to 3(Y) × 3(X) × 1(Z).</p> <p>Average drill spacing was 50 m × 50 m in most of the unmined deposit, and closer to 18 m × 18 m at 80 m below current mining fronts. Blocks were coded within the mineralised volumes defining each lode. Blocks within these lodes were estimated using only data contained in the same lode. Hard boundaries were used. No selective mining units were assumed in the Mineral Resource estimate. Mineralisation is hosted in quartz veins and/or shear structures on the contact of the feldspar porphyry and basalt units.</p> <p>Statistical analysis of each domain was used to assess suitability for top-cutting and applied where high-grade outliers are present. Model validation has been completed using visual and numerical methods and formal peer review sessions by key geology staff. The model was validated by comparing statistics of the estimated blocks against the composited sample data, visual examination of the block grades versus assay data in section, swath plots and reconciliation against historical production. The models and associated calculations used all available data and depleted for known workings.</p> <p>Silver Lake classification system uses individual block classification being assigned by statistical methods and visually considering drill spacing and orientation, confidence in the geological model and validation of the estimated gold against drillhole data. Nominal drill spacing up to 100 m is used to classify Inferred Mineral Resources, and nominal drill spacing up to 50 m is used to classify Indicated Mineral Resources.</p> <p>The figure below shows estimated grade in long section.</p>

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Prospect	Estimation overview
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Source: Adapted from Silver Lake ASX announcements dated 27 September 2023 associated documentation (JORC Code 2012) Table 1

SRK reviewed the construction (as described in Table 8-7) and reporting of the Mineral Resources and finds while significant local refinement of estimated grade and tonnage is possible the global quantum of the Mineral Resources is appropriate for valuation purposes. SRK is cognisant of recent issues that lead to the idling of mining and processing operations for FY24. SRK notes a significant drill program is in place and progressing to gain further confidence in the Indicated classified material in terms of the mineralisation’s spatial continuity and associated grade.

8.7.1 Reconciliation and Applicability of Mineral Resources to the Ore Reserve and LOM Plan

Reconciliation data supplied by Silver Lake for all material show outcomes between Mineral Resource and mill, shown in Table 8-8 (DOM is mill reconciled, RM is the Resource Model with some mine modifying factors applied, GC is grade control). At Sugar Zone, there has been some difference in grade and tonnage in spatial reconciliation and declared Mineral Resources should therefore be considered at a lower end of confidence for valuation purposes. SRK notes a significant drill program is in place to gain further confidence particularly within in the current Indicated classified material. SRK notes that the material reconciled is a smaller proportion (approximately 7%) of the overall reported Mineral Resource.

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Table 8-8: Sugar Zone reconciliation data

Date	RM			GC			DOM		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Feb-21	17,755	5.44	3,108	19,098	5.96	3,660	18,917	6.44	3,914
Mar-21	15,459	4.23	2,103	16,795	5.67	3,062	17,862	6.05	3,476
Apr-21	15,445	5.44	2,701	16,757	6.53	3,520	17,896	6.66	3,834
May-21	19,291	6.17	3,830	20,623	6.20	4,111	20,409	5.26	3,454
Jun-21	18,084	6.34	3,687	19,478	7.23	4,529	20,626	6.54	4,339
Jul-21	22,099	5.42	3,848	23,429	7.06	5,317	23,869	7.12	5,463
Aug-21	18,472	6.79	4,031	20,364	6.50	4,255	19,660	6.57	4,151
Sep-21	15,038	6.09	2,944	16,117	7.22	3,714	17,705	7.38	4,200
Oct-21	17,663	4.94	2,807	18,821	5.99	3,624	20,413	6.02	3,950
Nov-21	16,523	7.90	4,198	17,603	6.26	3,543	18,466	6.30	3,742
Dec-21	18,476	7.80	4,633	19,921	6.63	4,247	19,325	7.67	4,763
Jan-22	18,856	6.75	4,093	21,103	6.15	4,174	21,475	6.09	4,201
Feb-22	13,781	5.45	2,414	15,654	5.44	2,737	16,210	5.48	2,857
Mar-22	15,516	6.97	3,477	15,462	4.85	2,410	16,996	4.13	2,254
Apr-22	23,865	7.57	5,809	24,233	5.24	4,086	22,221	4.43	3,166
May-22	18,122	7.38	4,300	21,324	6.21	4,258	23,476	7.04	5,315
Jun-22	23,200	5.32	3,971	21,454	5.11	3,522	20,990	5.50	3,709
Jul-22	22,545	4.66	3,379	22,449	4.23	3,056	20,152	5.63	3,645
Aug-22	20,922	4.69	3,155	21,925	4.65	3,279	20,908	5.18	3,482
Sep-22	20,878	5.00	3,355	22,879	5.71	4,202	21,776	5.31	3,719
Oct-22	25,408	5.83	4,760	25,203	5.67	4,592	28,513	5.60	5,134
Nov-22	18,107	7.75	4,513	21,804	5.48	3,839	19,094	5.20	3,198
Dec-22	18,104	5.21	3,034	16,979	4.88	2,662	18,610	4.87	2,913
Jan-23	18,842	6.13	3,711	18,864	6.07	3,681	22,679	4.52	3,297
Feb-23	14,790	4.01	1,906	16,366	5.44	2,863	19,034	4.53	2,773
Mar-23	13,770	3.44	1,524	14,576	3.39	1,590	18,540	4.39	2,617
Apr-23	20,342	6.07	3,967	20,349	6.27	4,102	17,992	5.11	2,958
May-23	12,636	5.74	2,331	14,238	6.05	2,768	18,253	4.89	2,870
Jun-23	10,238	7.08	2,330	10,414	5.59	1,870	9,120	5.13	1,197
Jul-23	15,015	5.63	2,720	13,870	5.60	2,499	18,197	5.51	3,225
Aug-23	10,874	5.53	1,932	10,008	6.46	2,079	11,071	6.13	1,856
Total	550,116	5.91	104,572	578,159	5.80	107,851	600,455	5.68	109,671

Source: SLR Reconciliation_Charts_SLR_SITE.xlsx

8.8 Metallurgy and processing

The metallurgical review of the Sugar Zone processing facility is based on the data contained in the Harte Gold NI 43-101 Technical Report.

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As reported in the NI 43-101 report, the Sugar Zone processing plant has treated ore since late 2018 with gold recoveries of approximately 94%²⁴, with two-thirds of the gold recovered through the gravity circuit and the remainder through the flotation plant. The 1,200 tpd expansion will increase throughput in the Sugar Zone mill from the 2019 design of 800 tpd to 1,200 tpd, with an expected total gold recovery of 94.4%. The expansion design is reported to be based on historical operational performance and the 2020 phase of testwork.

8.8.1 Processing flowsheet

The 2021 1,200 tpd Sugar Zone process flowsheet is shown in Figure 8-10.

²⁴ NI 43-101 Technical Report – Feasibility Study for Expansion to 1,200 t/d for the Sugar Zone Mine, Sault Ste. Marie Mining Division, Ontario, Canada

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The Sugar Zone expanded processing plant consists of:

- 2-stage crushing circuit with intermediate screening
- grinding circuit using two ball mills in series, with the second mill in closed circuit with cyclones to provide classification producing a 75 µm feed to flotation.
- gravity gold recovery circuit feeding two Falcon concentrators from the ball mill discharge stream
- gold room including shaking table.
- flotation circuit with roughing and cleaning stages
- concentrate thickening and filtration with concentrate loadout facilities.
- tails dewatering thickening and discharge to the TMF.

SRK notes that as there is no plan in the corporate model to treat future ore sources and no conclusions on the circuit suitability to future ore sources has been formed. There may be some geometallurgical risk in the inability of different ore sources to make a saleable concentrate at a high gold recovery. SRK has not reviewed the concentrate sales contracts to ascertain the impact of concentrate quality on concentrate value/saleability.

SRK has visited the operation and can confirm that the plant is visually in reasonable mechanical condition.

8.8.2 Process throughput and metallurgical recovery

It is noted that a large program of testwork was completed in four test programs between 2010 and 2017 which were reported to provide good coverage of the Sugar Zone deposit and provided design parameters for comminution, gravity gold recovery leaching and flotation design. Additional testwork completed in 2020 focused specifically on further defining the comminution, leaching and flotation parameters while also characterising the response to downstream processes including thickening concluding that the expansion to 1,200 tpd should adopt the existing processing flowsheet, with additional processing equipment, producing a gravity gold stream and a high gold content concentrate stream for sale.

Further, operational data from the monthly and daily reports support overall gold recoveries in excess of 94%, even with varying contribution from the gravity and flotation circuit.

SRK notes that no concentrate sales contracts have been reviewed to ascertain the impact that changes in feed mineralogy may have on the quality of any possible future operation.

8.9 Ore Reserves and mine planning

8.9.1 Ore Reserves

The current Ore Reserve estimate for Sugar Zone was published on 26 August 2023. It was completed under ASX Listing Rules 5.6, 5.22, 5.24, and Clause 9 of the JORC Code. The report is authored and signed off by Silver Lake employee, Mr Jigar Patel. The summarised results were published on the ASX website on 27 September 2023 as part of the Mineral Resource and Ore

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Reserve Statement. The Ore Reserves are based on a Mineral Resource estimate and resource models created by Silver Lake employee, Kane Hutchinson, dated August 2023. The engineering work was conducted in part by Silver Lake employees who also oversaw a group of very capable engineers working under contract for Mining Plus out of their Vancouver and Toronto offices.

The Ore Reserves as publicly reported are as follows.

Table 8-9: Sugar Zone Project – Ore Reserves as at 27 September 2023

Ore Reserve category	Tonnes (kt)	Grade (g/t Au)	Gold ounces (koz)
Proved	2	5.8	0
Probable	2,872	5.5	506
Total	2,874	5.5	506

Source: Silver Lake Mineral Resource and Ore Reserve Statement dated 27 September 2023

In reviewing the Sugar Zone estimates, SRK considers there is insufficient information (in terms of production profiles and expected operating and capital cost forecasts) to reasonably support its inclusion in an income-based valuation model for public reporting purposes.

In support of this view, SRK notes the following:

1. Notwithstanding any potential risk associated with the historical resource model used, the mine design and planning work – mine access, development, stoping and sequencing – was carried out in a fair and reasonable fashion.
2. Historically, a mine recovery factor of approximately 75%–80% was experienced due to low-grade zones running down plunge being left as rib pillars. While SRK acknowledges that sill pillars will no longer be necessary with the use of a paste backfill system, modifying factors should still be applied to account for low-grade inclusions that are likely to continue to be encountered. Modifying factors should be reconsidered once the diamond drilling program is complete and a new geological model is available.
3. The cut-off grade strategy used for planning purposes, while calculated in a reasonable fashion, was based on stope operating costs (3.5 g/t Au), mine development (incremental) costs (1.0 g/t Au), and not the all-in break even costs (7.0 g/t Au). This resulted in an average reserve grade of 5.5 g/t Au being returned. This is in line with the historical grade trend of the mine. In light of the extensive diamond drilling program currently underway, an updated cut-off grade process should be run against the expected updated geological models once they are ready. A complete supporting operating and capital cost estimate should then be prepared to allow an update to the Ore Reserves to be made.
4. The Ore Reserves report includes statements that the production rate is expected to increase from the 650 tpd historical rate to ~1,000 tpd (+55%). SRK considers that achieving a production rate of 1,000 tpd will be challenging given the change in mine access to a single central ramp; however, Silver Lake has several significant projects planned to support a production increase. These include a staged approach to the restart of mining operations focusing on development advance, a change to the work shift schedule, addition of a paste backfill system, conversion to in-cycle bolting, and an upgrade to the main ventilation system. It is possible that these changes could bring about efficiency gains; however, as at the valuation date, there are insufficient reasonable grounds to model these gains.
5. The planned changes to improve efficiency and overall throughput are expected to have a positive effect on the operating costs at the mine. Again, a full and complete supporting operating and capital cost estimate should be prepared once the updated geological models

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are ready. Given that this modelling has yet to be undertaken, as at the valuation date there are insufficient reasonable grounds on which to undertake an income-based valuation.

In the announcement made in the June 2023 Quarterly Activities Report, a decision was made that '...activities at Sugar Zone will pivot to an investment in drill data acquisition in parallel with an idling of mining and processing activities...'. Mining and processing activities were fully idled in September 2023.

In SRK's opinion, an updated PFS should be completed on receipt of the updated geological models. This will allow for an update to the Ore Reserves and development of an LOM Plan that incorporates the most up-to-date information. Much of the design and capital cost information already exists. The updated PFS should include specific information regarding the following technical topics:

1. Haulage studies, equipment requirements, and air flow volumes
2. Mine design criteria, including expected production and costs efficiency gains
3. Production profiles of physical quantities (ore streams, waste development)
4. A full and comprehensive review of facilities and infrastructure systems to accommodate a production rate increase to ~1,000 tpd
5. Operating costs driven by quantities including a breakdown of fixed and variable components
6. Sustaining capital costs driven by development quantities, construction activities, and fleet replacement schedules
7. Major capital project expenditures for planned facility upgrades (backfill, accommodation camp construction, ventilation upgrades, TMF expansion, etc.)
8. A full and complete description of the plan, schedule, and costs associated with a potential restart of mining operations.

SRK notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code (2012) with respect to the Ore Reserve estimate for the Sugar Zone Project. The named Competent Person taking responsibility for the Sugar Zone Ore Reserve estimate is Mr Jigar Patel, a full-time employee of Silver Lake Resources.

8.10 Environment and mine closure

8.10.1 Environmental considerations

As part of the environmental assessment process, Silver Lake was required to complete an extensive environmental and social baseline characterisation program. These studies include all biological (aquatic, terrestrial, flora and fauna) and physical (hydrogeology, geochemical, hydrology, geotechnical) components. The project's activities were then assessed in terms of risks they may pose to the environmental and social baseline. Subsequently, the proponent is responsible to identify mitigation measures to eliminate or reduce these risks to acceptable levels prior to receiving environmental assessment approvals and the subsequent permits/licences and authorisations to advance the project to production.

Notwithstanding the above, a number of environmental risks pertaining to the Sugar Zone have been identified as a result of its short operating history. All of these risks are currently being

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addressed through new studies and/or alterations to the facilities and/or amendments to existing environmental permits/licenses and authorisations and are therefore considered a low risk in the context of the valuation exercise. SRK has assumed that compliance will be met over time and therefore has not factored this as a risk in the valuation exercise.

The primary risks are discussed in more detail below.

Water balance

The Sugar Zone's largest environmental risk is Silver Lake's ability to manage the positive water balance associated with the site. This has been complicated as a result of a number of factors such as higher than expected inflows to the underground workings, largely attributed to historical surface drillholes which were not previously grouted prior to their abandonment. These open holes often intersect underground drillholes which makes it more difficult to find the actual source of the inflow. Silver Lake initiated an extensive grouting program focused at reducing inflows to the mine and made significant improvements the underground water collection and management system.

The majority of these inflows occur in association with spring freshet. This further complicates Silver Lake's ability to manage these inflows due to a permitting restriction that currently limits its ability to discharge treated water to the environment unless the receiving waterbody, Gagegenha Lake, is essentially ice free. This significantly restricts the ability to release treated water to the environment during approximately 4–6 months of the year. When Gagegenha Lake is ice covered, all mine water is held in surface settling ponds, the North Tailings Management Facility (NTMF) or within the underground workings themselves until Gagegenha Lake is ice free. In addition, Silver Lake is currently discharging under ice as part of the approval process.

SRK understands the seasonal discharge is associated with a somewhat antiquated provincial regulation that predates the requirement for gold mining mills using sodium cyanide in their process, to also install a cyanide destruct circuit in the mill to reduce or eliminate the discharge of sodium cyanide to the environment, under the cover of ice the natural degradation of sodium cyanide through the exposure to sunlight is limited. However, the Sugar Zone milling process does not incorporate the use of sodium cyanide. Following discussions with regulators, Silver Lake is completing studies that will technically support an amendment to its Industrial Sewage Environmental Compliance Approval (IS ECA) to allow Silver Lake to discharge treated effluent year round. This requested amendment is scheduled to be submitted for regulatory review in Q2 2024. Silver Lake is anticipating approval of this amendment within a few months following its submission. As was the case in 2022/23 winter season, approval was received for 2024 with Silver Lake currently discharging under ice if necessary due to higher-than-expected inflows to the mine and/or lack of water storage capacity on surface and in the underground workings.

During the early stages of operation, the main constituents of concern were suspended solids and ammonia, nitrates and nitrites (resulting from the use of ANFO as a blasting agent). Upgrades to the water treatment plant as well as improved underground sumps and surface settling ponds have addressed these concerns.

Tailings management

The current restrictions associated with the discharge of treated effluent also impact management of the TMF. The facility currently consists of a dry stack facility as well as a slurried tailings pond contained with engineered dams. Silver Lake has made a number of approved, minor design

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changes to the TMF. In addition, Silver Lake is planning to add a paste backfill plant with the intention of using tailings as paste backfill in the underground workings, which will reduce surface storage volumes required. In addition, a planned dam raise is scheduled to occur in 2024. The application for the construction of the South Tailings Management Facility, which is required for the final 5 years of the current LOM, is ongoing, with design work completed by an external firm.

On-site personnel camp

The previous and current workforce is housed in the nearby community of White River. Silver Lake has submitted an application to construct a permanent camp at the mine site, which will reduce approximately 2 hours of travel daily for all staff and contractors. The environmental risks associated with this change are minimal, but will need to be addressed in the application. The camp will result with a required amendment to the project's closure plan. The change is expected to result with an increase in the closure bond by approximately \$1 million.

All amendments to permits, approvals and plans trigger a requirement to engage and consult with the project's First Nation partners. Silver Lake has an approved First Nations Consultation Plan which has been initiated in support of all current amendments associated with the water balance, TMF and the on-site accommodation camp.

8.10.2 Mine closure plan

The current closure plan (2022) has regulatory approval. The current cost associated with the plan and associated financial assurance is currently \$6.2 million, and as stated above the addition of an on-site accommodation camp is expected to increase the financial assurance by approximately \$1 million. In Ontario, closure plans and their cost estimates are required by regulation to be reviewed and updated every 5 years or following a substantive amendment to existing environmental approvals. The plan will require additional amendments following the planned/submitted permit amendments currently under review following submission. These amendments are necessary to address the environmental risks discussed in Section 8.10.1.

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9 Other considerations

9.1 Gold price

SRK has carried out a limited analysis of the gold market. This analysis reflects the prevailing conditions as at 28 February 2024 and is considered reasonable to support the opinions and conclusions presented in this Report.

Unlike other commodities whose fundamentals are driven by demand, gold is not used up or consumed like other industrial metals and thus the majority of gold produced historically remains available for use. It can be argued that gold is produced regardless of demand, as it is regarded by many as a store of wealth. Because of this, the supply and demand argument that can be made for other metal commodities in general, does not hold well for gold.

The gold available 'above ground' remains fairly liquid. While total annual demand for gold is around 4,000–4,500 t, approximately two-thirds of annual gold demand is destined for the jewellery market. Jewellery in many countries represents liquid wealth. Gold used for personal adornment often makes its way back into circulation after a few years or a few generations. A small amount of gold (approximately 330 t) each year is destined for medical and industrial applications and the remainder goes into investments and exchange-traded gold funds.

A recent study by the World Gold Council of the short-term drivers of the gold price discusses that these can be broadly grouped into the following four categories:

1. Economic expansion
2. Risk and uncertainty
3. Opportunity cost
4. Momentum of return of gold, exchange traded fund (ETF) flows and COMEX futures positioning.

In 2022, the gold price increased following the Russian invasion of Ukraine. In December 2023, gold rose further to above US\$2,000/oz following the onset of conflict in the Middle East with risk and uncertainty remaining as the driver of the gold price (Figure 9-1). The Australian Government Department of Industry, Science, Energy and Resources (DISER) most recent Quarterly report (December 2023) noted that price support has come from ongoing strength in central bank purchasing, economic uncertainty and geopolitical risk.

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Figure 9-1: Gold price



Source: World Bank, Gold (UK), 99.5% fine, London afternoon fixing, average of daily rates

The DISER notes that the gold prices have continued to hold up well despite downward pressure from various sources such as high real yields, a strong US dollar and continued ETF outflows. Official sector buying is expected to continue at strong levels and some degree of geopolitical risk premium is expected to persist. The gold price is then expected to fall, due to pressure from high real interest rates (as global inflation eases) and a gradual easing of safe-haven demand.

For the purpose of this valuation, SRK elected to use the average Australian dollar gold price of A\$3,104/oz for February 2024 to inform its market analysis as presented in the valuation section (Section 10) of the Report.

9.2 Previous valuations

The VALMIN Code (2015) requires that an Independent Valuation Report should refer to other recent valuations or Expert Reports undertaken on the mineral properties being assessed.

Having asked the question of Silver Lake and Red 5, SRK is not aware of any previous publicly disclosed valuations prepared in accordance with the VALMIN Code (2015) relating to their Mineral Assets that would be material to this Report.

10 Valuation

The objective of this section is to provide BDO and the shareholders of Silver Lake with SRK’s opinion regarding the valuation of the Mineral Assets of Silver Lake, as well as the value of the mineral assets of Red 5. SRK has not valued Silver Lake or Red 5, these being the corporate entities that are the beneficial owners of the respective Mineral Assets.

SRK has relied on information provided by Silver Lake, as well as information provided by Red 5, sourced from the public domain, SRK’s internal databases and SRK’s subscription databases.

The VALMIN Code (2015) outlines three generally accepted valuation approaches:

1. Market Approach
2. Income Approach
3. Cost Approach.

The **Market Approach** is based primarily on the principle of substitution and is also called the Sales Comparison Approach. The mineral asset being valued is compared with the transaction value of similar mineral assets under similar time and circumstance on an open market (VALMIN Code [2015]). Methods include comparable transactions, metal transaction ratio (MTR) and option or farm-in agreement terms analysis.

The **Income Approach** is based on the principle of anticipation of economic benefits and includes all methods that are based on the anticipated benefits of the potential income or cashflow generation of the mineral asset (VALMIN Code (2015)). Valuation methods that follow this approach include discounted cashflow (DCF) modelling, capitalised margin, option pricing and probabilistic methods.

The **Cost Approach** is based on the principle of cost contribution to value, with the costs incurred providing the basis of analysis (VALMIN Code (2015)). Methods include the appraised value method and multiples of exploration expenditure (MEE), where expenditures are analysed for their contribution to the exploration potential of the Mineral Asset.

The applicability of the various valuation approaches and methods varies depending on the stage of exploration or development of the mineral asset and hence the amount and quality of the information available on the mineral potential of the assets.

Table 10-1 presents the valuation approaches for the valuation of mineral properties at the various stages of exploration and development.

Table 10-1: Suggested valuation approaches according to Development status

Valuation Approach	Exploration Projects	Pre-Development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Source: VALMIN Code (2015)

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The market approach to valuation is able to be used for the valuation of Mineral Assets regardless of development status but is typically applied as a primary approach for Exploration to Development projects.

An income-based method, such as a DCF model is commonly adopted for assessing the value of a tenure containing a deposit where an Ore Reserve has been produced following appropriate level of technical studies and to accepted technical guidelines such as the JORC Code (2012). However, an income-based method is generally not considered appropriate for deposits that are less advanced or where technical risk is not quantified (i.e. no declared Ore Reserve and/or supporting mining and related technical studies).

The use of cost-based methods, such as considering suitable MEE is best suited to exploration projects, where Mineral Resources remain to be reliably estimated.

In general, these methods are accepted analytical valuation approaches that are in common use for determining the value of mineral assets. Given its direct reference to values paid in the market and ability to be actively observed, the market approach provides a direct link to Market Value. In contrast both income-based and cost-based methods derive a Technical Value (as defined below) which typically require the application of various adjustments to account for market considerations in order to convert these values to a Market Value.

The **Market Value** is defined in the VALMIN Code (2015) as, in respect of a mineral asset, the amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should change hands on the Valuation date between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. The term Market Value has the same intended meaning and context as the International Valuation Standards Committee (IVSC) term of the same name. This has the same meaning as Fair Value in RG111. In the 2005 edition of the VALMIN Code, this was known as Fair Market Value.

The **Technical Value** is defined in the VALMIN Code (2015) as an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations. The term Technical Value has an intended meaning that is similar to the IVSC term Investment Value.

Under prevailing industry norms, regulatory guidance and as required by the VALMIN Code (2015), Practitioners are required to estimate Market Value. There is no requirement to report Technical Value, which is only generally estimated as a step to report Market Value.

Valuation methods are, in general, subsets of valuation approaches and for example the Income Approach comprises several methods. Furthermore, some methods can be considered to be primary methods for valuation while others are secondary methods or rules of thumb considered suitable only to benchmark valuations completed using primary methods.

Methods traditionally used to value exploration and development projects include:

- MEE (expenditure-based)
- JV Terms Method (expenditure-based)
- Geoscientific Rating Methods (e.g. Kilburn – area-based)

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- Comparable Transactions Method (market based)
- MTR analysis (ratio of the transaction value to the gross dollar metal content, expressed as a percentage – market based)
- Yardstick/Rule of Thumb Method (e.g. cost/resource or production unit, percentage of an in situ value)
- Geological risk method.

In summary, however, the various recognised valuation methods are designed to provide an estimate of the mineral asset or project value in each of the various categories of development. In some instances, a particular mineral asset or project may comprise assets which logically fall under more than one of the previously discussed development categories.

10.1 Valuation basis

SRK has considered the defined Ore Reserves, Mineral Resources, Exploration Targets as well as the areal extent and exploration potential of the granted tenure held by Silver Lake and Red 5 (Table 10-2).

Table 10-2: SRK’s adopted valuation basis

Project	Development Stage	Description	Valuation basis
Silver Lake’s Mount Monger Operations	Production	Ore Reserves considered within the Model	Income: Cashflow Model
		Mineral Resources not considered within the Model (Residual Resources)	Market: Comparable Transactions Market: Yardstick Factors
Silver Lake’s Deflector Operations	Production	Ore Reserves considered within the Model	Income: Cashflow Model
		Mineral Resources not considered within the Model (Residual Resources)	Market: Comparable Transactions Market: Yardstick Factors
Red 5’s King of the Hills Operations	Production	Ore Reserves considered within the Model	Income: Cashflow Model
		Mineral Resources not considered within the Model (Residual Resources)	Market: Comparable Transactions Market: Yardstick Factors
Red 5’s Darlot Satellite Operations	Production	Ore Reserves considered within the Model	Income: Cashflow Model
		Mineral Resources not considered within the Model (Residual Resources)	Market: Comparable Transactions Market: Yardstick Factors
Silver Lake’s Sugar Zone Project	Development	Ore Reserves considered within the Model	Income: Not applicable
		Mineral Resources not considered within the Model (Residual Resources)	Market: Comparable Transactions Market: Yardstick Factors
Exploration Portfolio	Advanced Exploration	Regional project portfolio	Market: Comparable Transactions Cost: Geoscientific Rating

Source: SRK analysis

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SRK notes that the VALMIN Code (2015) cautions in ascribing value to tenures under application. In considering these, SRK in its professional judgement has elected to apply a 20% discount to reflect uncertainty in the timing and likely conditions associated with grant.

10.2 SRK's Valuation technique

In estimating the value of the projects as at the Valuation Date, SRK has considered various valuation methods within the context of the VALMIN Code (2015).

SRK has supplied its recommendations to BDO to assist in the preparation of its market value estimate for the LOM scenario. For the valuation of the defined Mineral Resources outside of the LOM design (hereafter known as Residual Resources), SRK elected to adopt comparable transaction analysis, as its primary valuation approach. The derived values determined using this approach were then cross-checked against values determined using the Yardstick Valuation method.

For the valuation of the exploration potential outside of the defined Residual Resource areas, SRK elected to adopt values implied by comparable transactions analysis which have been cross-checked using a geoscientific rating approach.

10.3 Reasonableness of technical inputs to the model

10.3.1 Introduction

As previously discussed, both Silver Lake and Red 5 had previously prepared LOM Plans including cashflow models for the period commencing 1 July 2023 and terminating at the end of projected mine production. For both companies, a series of more detailed models relating to individual or sub-grouped operations informed the corporate models. These models were provided to BDO and SRK. SRK has reviewed the models and assessed technical production and technical cost projections in order to advise BDO of its findings.

Silver Lake's model provided to SRK envisages the following development scenario:

- Silver Lake continues underground mining at Daisy-Milano until mid-2026, providing mill feed to Randalls containing approximately 110 koz of gold.
- Underground mining continues at Tank until mid-2024, providing mill feed to Randalls containing approximately 41 koz of gold.
- Santa open pit, incorporating the adjoining Flora Dora open pit, was scheduled to provide small quantities of mill feed to Randalls at the date of this Report, with continuous growth resulting in mill feed containing approximately 268 koz of gold before terminating in 2028.
- Production from Cock-eyed Bob underground mine is scheduled from mid-2024 until mid-2026, providing mill feed to Randalls containing approximately 46 koz of gold.
- Underground mining continues at Deflector until mid-2027, providing mill feed containing approximately 226 koz pf gold and 2,500 tonnes of copper to the Deflector processing plant.
- Underground mining continues at Rothsay until the end of 2026, providing mill feed to Deflector containing approximately 121 koz pf gold.

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Red 5's model provided to SRK envisages the following development scenario:

- Red 5 continues open pit mining at King of the Hills until late 2035, providing mill feed of approximately 2.6 million ounces of gold.
- Red 5 also continues underground mining at King of the Hills until mid-2030, providing mill feed containing approximately 343 koz of gold.
- Production from the Rainbow open pit is scheduled from late 2027 until mid-2029, providing mill feed containing approximately 67 koz of gold.
- Production from Centauri open pit is scheduled from mid-2027 until mid-2029, providing mill feed containing approximately 14 koz of gold.
- Production from Cerebus-Eclipse open pit is scheduled from late 2026 until mid-2029, providing mill feed containing approximately 51 koz of gold.
- Underground mining continues at Darlot continues until mid-2027, providing mill feed containing approximately 215 koz of gold.

10.3.2 Adjustments to the LOM Plan to align with VALMIN Code requirements

The supplied LOM Plans model production from all Mineral Resource classes, including Inferred Mineral Resources and, in some cases, for anticipated growth profiles. SRK recognises that these models were created for purposes pertinent to company requirements, and not for valuation purposes.

SRK considers that the inclusion of anticipated resource growth, and of large quantities of Inferred Mineral Resources, does not comply with the 'reasonable grounds requirements' underlying forward-looking statements, and that therefore the LOM Plan models are in part not suited to valuing the assets using a DCF method. In SRK's view, the quantities of Inferred Mineral Resources that can be accepted into a 'reasonable' production schedule vary according to circumstance. In this case, the schedules impacted are those of underground mines owned by Silver Lake and Red 5, having substantial and current operating histories. SRK has therefore determined, in this instance, to adopt a limit of 25% of the total mining inventory being comprised of Inferred Mineral Resources.

SRK accordingly recommends amendments to the LOM models in order to provide a DCF-amended model. These modifications cannot be implemented with the rigour exercised by the companies when they prepared the original LOM Plan models, and the resulting model is therefore for valuation purposes only. SRK emphasises that the DCF-amended model does not reflect the views of either Silver Lake, or Red 5 or SRK with respect to future production as:

- It is highly likely that a significant portion of Inferred Mineral Resources will be upgraded in classification as the result of ongoing and future drilling campaigns.
- It is likely that a significant portion of anticipated growth will provide future Mineral Resources that will contribute to future Ore Reserves.
- The long-term timetables are now necessarily shortened to maintain adequate processing plant throughput following the removal of anticipated growth and a portion of the Inferred Mineral Resources.

The changes recommended in the DCF-amended model with respect to production inventory are specified in Table 10-3.

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Table 10-3: Life-of-Mine Plan – production sequencing

Project	Amendment to mining inventory
Silver Lake projects	
Mount Monger	Reduce Daisy-Milano available inventory by about 21,000 t containing about 2,800 oz Au, representing the excess above LOM Plan expectations actually mined from July 2023 to December 2023. Reduce Tank available inventory by about 15,000 t containing about 3,700 oz Au, representing the excess above LOM Plan expectations actually mined from July 2023 to December 2023. Reduce Cock-eyed Bob inventory to match the Ore Reserves, as remainder of schedule is high level. SRK considers that no amendment is recommended for the combined Santa and Flora Dora mining inventory.
Deflector	Reduce Deflector available inventory by about 29,000 t containing about 700 oz Au and 140 t Cu, representing the excess above LOM Plan expectations actually mined as at 31 December 2023. Limit Rothsay inventory to about 470,000 t, thereby reduced Inferred Mineral Resource component to SRK’s recommended percentage limit. Reduce grade by 10% to reflect year to date (YTD) performance against budget.
Red 5 projects	
King of the Hills Open Pit	No change
King of the Hills Underground	Remove anticipated growth of about 2,328,000 t containing about 133,000 oz Au from the production profile, bringing forward the hypothetical end of underground production to late 2027.
Darlot	Remove the anticipated growth component of the production profile, bringing forward the hypothetical end of underground production to late 2026. Remove about 151,000 t of Inferred Mineral Resource in FY25, to achieve SRK’s percentage limit for that classification.

Note: Tonnages and ounces of contained gold figures in this table are rounded versions of the figures provided to BDO.

Material removed by this process remains amenable to valuation using methods other than DCF.

SRK recommends additional changes to the DCF-amenable model in the following section of this Report.

10.3.3 SRK’s LOM Plan recommendations

The following section sets out SRK’s recommendations regarding the Silver Lake and Red 5 LOM Plans.

Silver Lake LOM Plan

Silver Lake developed a cashflow model for its Mineral Assets and has provided this to BDO and SRK. SRK has reviewed the Model and assessed technical production and technical cost projections in order to advise BDO of its findings.

Table 10-4 presents a summary of SRK’s findings and recommendations as made to BDO in relation to Silver Lake’s supplied model.

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Table 10-4: SRK’s recommendations regarding the Silver Lake model

Item	Site	Model	SRK recommendations	Comments
Ore Reserve		Applied in LOM Model together with additional Mineral Resources	No change with respect to LOM Model	Ore Reserves are based on the conditions extant at the various dates of estimation specified in this Report.
LOM Plan		Silver Lake’s LOM Model project life extends to 2030	<ul style="list-style-type: none"> ■ Defer Santa schedule by 3 months. ■ Reduce Rothsay grade by 10%. 	Santa open pit preparation is underway at the date of this Report, but significant pit volume movements are not likely to commence until Q3 FY24. Current performance against budget indicates that underground mining grade is slightly overestimated. While this may be partly influenced by short-term scheduling changes, in SRK’s view this issue cannot be discounted. SRK considers all other physical inputs to the LOM Model to be reasonable, having checked the available Ore Reserves and Mineral Resources against the tonnage and grade schedules applied in the LOM Model. As a further check, SRK reviewed actual production tonnages and grades as at end-of-year 2023 against YTD expectations.
Mining capital		Each mine is scheduled with sustaining capital and ongoing plant and equipment (P&E) allowances	<ul style="list-style-type: none"> ■ Terminate Cock-eyed Bob sustaining capital in January 2025 and P&E allowance in August 2025. ■ No change to Santa capital costs other than deferral. ■ Terminate Deflector P&E expenditure in October 2026. ■ Reduce Rothsay sustaining capital by A\$1 million in the remainder of FY24, and (on an annualised basis) A\$2 million per year thereafter. ■ No change to other projects. 	Capital allowances should be amended to match changed duration of operations. SRK considers the Rothsay capital budget to be conservative. YTD performance indicates that budgeted expenditure may not be required in full, particularly considering the recommended shortening of the production schedule for valuation purposes. SRK considers all other physical inputs to the LOM Model to be reasonable, having checked the available Ore Reserves and Mineral Resources against the tonnage and grade schedules applied in the LOM Model. As a further check, SRK reviewed actual production tonnages and grades as at end-of-year 2023 against YTD expectations.

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Item	Site	Model	SRK recommendations	Comments
Mining operating cost		All project cost schedules are modelled from derived unit and fixed costs. LOM Plan costs are based on budgeted costs derived from recent operational experience.	<ul style="list-style-type: none"> ■ Reduce Daisy-Milano operating cost by A\$5 million for the remainder of FY24, and (on an annualised basis) A\$10 million per year thereafter. Remove June 2026 and part of May 2026 operating cost. ■ Remove Tank June 2024 and part of May 2024 operating cost. ■ Remove Cock-eyed Bob operating costs after revised final month of production. Retain unit rates in the final month of production, and amend total operating costs for that month accordingly. ■ No change to Santa operating costs other than deferral. ■ Reduce Deflector operating cost by A\$4 million for the remainder of FY24, and (on an annualised basis) A\$8 million per year thereafter. ■ Reduce Rothsay operating cost by A\$2 million for the remainder of FY24, and (on an annualised basis) A\$4 million per year thereafter. Terminate operating costs to conform with end of production schedule. 	<p>Daisy-Milano YTD operating costs are below budget. There appears to be systemic conservatism in Silver Lake’s budget operating cost projections for all active mines.</p> <p>Daisy-Milano and Tank operating costs should be amended to conform with recommendations on production schedule revision. SRK has recommended the production schedule to be shortened for Cock-eyed Bob, with mining forecast to cease in September 2025.</p> <p>Deflector YTD operating costs are below budget.</p> <p>Rothsay YTD operating costs are below budget.</p> <p>SRK considers all other operating cost inputs to the LOM Model to be reasonable, having checked the operating expenditure schedules applied in the LOM Model. As a further check, SRK reviewed actual operating expenditure as at end-of-year 2023 against YTD expectations.</p>

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Item	Site	Model	SRK recommendations	Comments
Mill throughput	Randalls	102,000 t per month	No change	Reflects average of the current throughput based on historical operating data provided for the FY23 and FY24 years. SRK considers this is a reasonable model basis assuming no changes in feed rock type or ore mineralogy.
Gold recovery	Randalls	Fixed recovery of 95% for fresh ore, 94% for oxide and transitional and 85% for low-grade	Based on the ore feed, FY25 recovery should be reduced across the model by 1% and FY26 and beyond reduced by 2.1% absolute.	FY25 and FY26 recoveries dropped to reflect the split between high-grade and low grade ore split from Santa. Based on the March 2024 Santa low grade plant trials, gold recovery of 91.5% for low-grade Santa ore is achievable assuming the March ore block accurately represents the Santa Low grade ore.
Process operating cost	Randalls	\$33/t	\$34.6/t	Average of processing and maintenance costs from the historical FY23–FY24 monthly reports without the processing roading and cartage costs which are included elsewhere in the corporate model.
Mill throughput	Deflector	62,000 t per month	No change	Reflect current throughput based on historical monthly operating data. SRK considers this is reasonable assuming no changes in feed rock type or ore mineralogy.
Gold recovery	Deflector	95.7% overall gold recovery and 80.1% copper recovery	No change	Figures reflect the actual historical FY23/FY24 recovery figures. SRK considers this is a reasonable assumption if there are no changes, assuming no change in feed mineralogy and with limiting tails grade as feed grade drops.
Process operating cost	Deflector	\$50/t	No change	Equals existing operating costs based on historical FY23/FY24 operating costs.
Administration costs		Admin cost range from A\$35M in FY24 to A\$6M in FY28 and FY29	No change	SRK has assessed the administration costs in the LOM model against monthly reports and considers them to be reasonable.
Haulage costs		Santa haulage: A\$5.38/t Cock-eyed Bob haulage: A\$3.50/t Daisy-Miliano haulage: A\$4.00/t Rothsay haulage: A\$34.00/t	No change	SRK has assessed the surface haulage costs in the LOM model against monthly reports and considers them to be reasonable.
OHS management operating costs per year	Mount Monger Deflector & Rothsay	A\$2,232,000 A\$2,826,000	No change No change	Cost per year until closure. Considered appropriate operating cost compared to similar operations. Cost per year until closure. Considered appropriate operating cost compared to similar operations.

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Item	Site	Model	SRK recommendations	Comments																				
Environmental management operating costs per year	Mount Monger Deflector & Rothsay	A\$66,000 A\$908,000	A\$700,000 A\$908,000	Cost per year until closure. Estimation of appropriate operating cost compared to similar operations. Cost per year until closure. Considered appropriate operating cost compared to similar operations.																				
Closure costs	Mount Monger	A\$19,869,000	A\$21,080,000	SRK recommends a minimum 20% contingency be added to the closure cost models rather than the initial 5%. The model assumes closure cost to be incurred in May 2030. Based on a minimum period for closure works and post-closure monitoring until relinquishment, SRK considers this to not be reasonable. SRK’s minimum simplified recommended consideration for the LOM closure cashflow is as below: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Closure year</th> <th>Closure year 2031</th> <th>Closure year 2032</th> <th>Post-closure cost/year for 7 years</th> </tr> </thead> <tbody> <tr> <td></td> <td>A\$6,700,000</td> <td>A\$6,700,000</td> <td>A\$140,000</td> </tr> </tbody> </table> *Closure expected to start upon last material sent through the mill, at the latest.	Closure year	Closure year 2031	Closure year 2032	Post-closure cost/year for 7 years		A\$6,700,000	A\$6,700,000	A\$140,000												
Closure year	Closure year 2031	Closure year 2032	Post-closure cost/year for 7 years																					
	A\$6,700,000	A\$6,700,000	A\$140,000																					
	Deflector & Rothsay	A\$25,412,000	A\$27,230,000	SRK recommends a minimum 20% contingency be added to the closure cost models rather than the initial 5%. The model assumes closure cost to be incurred in June 2027. Based on a minimum period for closure works and post-closure monitoring until relinquishment, SRK considers this to not be reasonable. SRK’s minimum simplified recommended consideration for the LOM closure cashflow is as below: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Site</th> <th>Closure year 2027*</th> <th>Closure year 2028</th> <th>Closure year 2029</th> <th>Post-closure cost/year for 7 years</th> </tr> </thead> <tbody> <tr> <td>Deflector</td> <td>A\$7,500,000</td> <td>A\$7,500,000</td> <td>A\$7,500,000</td> <td>A\$190,000</td> </tr> <tr> <td>Site</td> <td>Closure year 2025*</td> <td>Closure year 2026</td> <td>Closure year 2027</td> <td>Post-closure cost/year for 7 years</td> </tr> <tr> <td>Rothsay</td> <td>A\$900,000</td> <td>A\$900,000</td> <td>A\$900,000</td> <td>A\$100,000</td> </tr> </tbody> </table> *Closure expected to start upon last material sent through the mill, at the latest.	Site	Closure year 2027*	Closure year 2028	Closure year 2029	Post-closure cost/year for 7 years	Deflector	A\$7,500,000	A\$7,500,000	A\$7,500,000	A\$190,000	Site	Closure year 2025*	Closure year 2026	Closure year 2027	Post-closure cost/year for 7 years	Rothsay	A\$900,000	A\$900,000	A\$900,000	A\$100,000
Site	Closure year 2027*	Closure year 2028	Closure year 2029	Post-closure cost/year for 7 years																				
Deflector	A\$7,500,000	A\$7,500,000	A\$7,500,000	A\$190,000																				
Site	Closure year 2025*	Closure year 2026	Closure year 2027	Post-closure cost/year for 7 years																				
Rothsay	A\$900,000	A\$900,000	A\$900,000	A\$100,000																				
Salvage value estimate	Various	A\$10,000,000	A\$0	Remove Residual Value Mill + PPE from the Model. In SRK’s experience, the cost of removal and rehabilitation is likely to result in a nil value estimate on fully depreciated assets. This view is further supported by the currently forecast mine life, age of the plants and the cost of relocation, and SRK therefore considers it would be unusual for there to be material salvage value in excess of costs of decommissioning.																				

Source: SRK analysis

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Red 5 LOM Plan

Red 5 developed a cashflow model for its Mineral Assets and has provided this to BDO and SRK. SRK reviewed the Model and assessed technical production and technical cost projections in order to advise BDO of its findings.

Table 10-5 presents a summary of SRK's findings and recommendations as made to BDO in relation to Model supplied by Red 5.

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Table 10-5: SRK's recommendations regarding the Red 5 model

Item	Site	Model	SRK recommendations	Comments
Ore Reserve		Applied in LOM Model together with additional Mineral Resources	No change with respect to LOM Model	Ore Reserves are based on the conditions extant at the various dates of estimation specified in this Report. The King of the Hills open pit LOM model includes production at a cut-off grade of 0.3 g/t Au, thereby incorporating mineralisation not included in the Ore Reserve Statement. This lower-grade material is directed to stockpiles for processing later in the mine life.
LOM Plan		Red 5's LOM Model project life extends to 2035	<ul style="list-style-type: none"> ■ Increase King of the Hills underground grade by 6.5% to reflect post-LOM Plan additions to mining inventory. ■ Increase Darlot grade by 5%. 	Subsequent to LOM Plan preparation, Red 5 has added Mineral Resource blocks to the mining inventory. The additional tonnage was included in SRK's recommendations for tonnage changes to the mining inventory under the requirements of the VALMIN Code, but the grade increase is addressed here. This grade increase is also supported by YTD operating performance. Mined grade at Darlot is consistently higher than planned. SRK considers all other physical inputs to the LOM Model to be reasonable, having checked the available Ore Reserves and Mineral Resources against the tonnage and grade schedules applied in the LOM Model. As a further check, SRK reviewed actual production tonnages and grades as at end-of-year 2023 against YTD expectations.
Mining capital			<ul style="list-style-type: none"> ■ Terminate King of the Hills underground capital expenditure at the end of January 2027 to conform with mining inventory recommendations. ■ Remove from Darlot capital expenditure FY26 development costs and A\$0.3 million of TSF cost and all FY27 capital costs. ■ No change to other projects. 	<p>The Darlot FY27 capital costs are associated with production from the 'growth' profile recommended for deletion from the production schedule.</p> <p>SRK considers all other capital cost inputs to the LOM Model to be reasonable, having checked the capital expenditure schedules applied in the LOM Model. As a further check, SRK reviewed actual capital expenditure as at end-of-year 2023 against YTD expectations.</p>

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Item	Site	Model	SRK recommendations	Comments
Mining operating cost		<ul style="list-style-type: none"> All project cost schedules are modelled from derived unit and fixed costs LOM Plan costs are based on budgeted costs derived from recent operational experience 	<ul style="list-style-type: none"> Increase King of the Hills underground operating costs by 15%, and terminate in September 2027 to conform with mining inventory recommendations. Remove all Darlot FY27 operating costs and pro rate FY25 operating cost to accommodate recommended changes to mining inventory. No change to other projects. 	<p>The increase conforms with YTD performance.</p> <p>Some Inferred Mineral Resource is recommended for removal from the FY25 mining inventory. As it is not certain that development can be accelerated to allow the resulting production shortfall to be filled, operating costs should be adjusted to reflect reduced mining activity in that year.</p> <p>SRK considers all other operating cost inputs to the LOM Model to be reasonable, having checked the operating expenditure schedules applied in the LOM Model. As a further check, SRK reviewed actual operating expenditure as at end-of-year 2023 against YTD expectations.</p>
Metallurgical recovery (LOM)		0.09 g/t Au tails grade	No change	Although the maximum recovery in the 2023–2024 reconciled data was limited to tails grade of 0.11 g/t Au, recent changes to carbon management and the plans for new/modified carbon regeneration kiln have shown that in March 2024 0.09 g/t Au is achievable. SRK considers the budget tails grade is achievable, assuming no change in rock type or mineralogy.
Mill throughput		690 increasing to 754 tph	673 tph	SRK has reviewed LOM model against the PFS 2023 relating to an increased throughput to 754 tph. Given that the associated capex (A\$18.2 million) required for this increase is not provisioned in the LOM Model, SRK has not recommended the increase. The upper throughput limit which reflects the average of the last 6 months of historical operation has been recommended. SRK considers the recommended throughput of 673 tph, based on actual performance, is reasonable, assuming no change in rock type or mineralogy.
Operating time		91.2%	Ramp up from 84.3% to 91.2% over 6-month period	Actual operating time over FY23–FY24 averages 84.3%; however, discussion with personnel on site indicates that improvements in maintenance practices will result in improved operating time to achieve the modelled 91.2%. SRK considers the planned operating time should be achievable based on industry benchmarks and that assuming efforts made are successful, ramp-up could be expected over a 6-month period.
Processing capital		Development capital A\$10M	Remove	If Red 5 wants to increase to 6 Mtpa (754 tph) then capex required is A\$18.2 million. However, SRK has not recommended this as this required capital investment (PFS 2023) has not been added in the LOM Model. SRK’s recommendation is therefore to remove the unreconciled development capital of A\$10 million in the LOM Model.
		A\$1 million pa sustaining capital	No change	A\$1 million pa reflects a sustaining capital cost equivalent to 1% of the plant equipment costs, aligning with industry benchmarks.

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Item	Site	Model	SRK recommendations	Comments
Process operating cost		A\$13.2/t	A\$16.1/t	To reflect actual operating cost allowing that the new kiln installation is completed as planned.
Administration costs		Range from A\$21 million in FY24 to A\$3 million in FY37 remains as such to end of LOM	No change	SRK has assessed the administration costs in the LOM model against monthly reports and considers them to be reasonable.
Haulage costs		Dartot haulage: A\$17.57/t + A\$265k/month	No change	SRK has assessed the surface haulage costs in the LOM model against monthly reports and considers them to be reasonable.

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Item	Site	Model	SRK recommendations	Comments			
OHS management operating costs per year	King of the Hills	A\$2,000,000	No change	Red 5 reported that in the model 'King of the Hills budget has safety salaries of \$1.4m, circa \$1.7m once bonuses, leave and super are added. Flights and accommodation bring this figure to \$2m in the budget and as applied to our modelled costs.' (Silver Lake/Red 5, 2024) Cost per year until closure. Considered appropriate operating cost compared to similar operations.			
	Darlot & Great Western Project	A\$1,100,000	No change	Red 5 reported that in the model 'Darlot budget of \$5.9m includes safety salaries of \$900k. With bonuses, annual leave and super, this is \$1.1m budgeted and modelled. Allowance is also made for messing, flights etc. on top of this figure.' (Silver Lake/Red 5, 2024) ²³ Cost per year until closure. Considered appropriate operating cost compared to similar operations.			
Environmental management operating costs per year	King of the Hills	A\$850,000	No change	Red 5 reported that in the model 'King of the Hills environmental team has salaries budgeted of \$660k, \$780k with bonus, leave and super added. King of the Hills also has an additional \$100k budget for safety consultants and contractors during the year. The addition of flights, accommodation and messing brings us in line with the \$850k for both sites.' (Silver Lake/Red 5, 2024) ²³ Cost per year until closure. Considered appropriate operating cost compared to similar operations.			
	Darlot & Great Western Project	Included in King of the Hills budget	No change	Red 5 reported that in the model 'Darlot does not have a separate environmental management budget, as this was considered as a shared service with King of the Hills in the budget process' (Silver Lake/Red 5, 2024)			
Closure costs	King of the Hills	A\$21,140,000	A\$35,000,000	Model considering TSF closure cost only. As such, the 2023 LOM whole of site closure cost is recommended to be considered as a minimum, including 20% contingency as per detailed closure cost assumptions memorandum appended to the closure cost model. This is considered reasonable by SRK at this stage based on the review of the closure cost model against industry standards. SRK recommends closure works in 2041–2045 and relinquishment in 2051 upon completion of post-closure monitoring period. Recommended consideration for the LOM closure cashflow:			
		Closure year 2041*	Closure year 2042	Closure year 2043	Closure year 2044	Closure year 2045	Post-closure cost/ year for 6 years
		A\$6,800,000	A\$6,800,000	A\$6,800,000	A\$6,800,000	A\$6,800,000	A\$170,000

*Closure expected to start upon last material sent through the mill, at the latest.

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Item	Site	Model	SRK recommendations	Comments								
	Darlot & Great Western Project		A\$29,000,000	Model has not provisioned cost for closure. As such, the 2023 LOM whole of site closure cost recommended to be considered as a minimum, including 20% contingency as per closure cost assumptions detailed in the closure cost model. This is considered reasonable by SRK at this stage based on the review of the closure cost model against industry standards.								
				SRK recommends closure works in 2026–2028 and relinquishment in 2038 upon completion of post-closure monitoring period.								
				Recommended consideration for the LOM closure cashflow:								
				<table border="1"> <thead> <tr> <th>Closure year 2026</th> <th>Closure year 2027</th> <th>Closure year 2028</th> <th>Post-closure cost/ year for 10 years</th> </tr> </thead> <tbody> <tr> <td>A\$9,300,000</td> <td>A\$9,300,000</td> <td>A\$9,300,000</td> <td>A\$110,000</td> </tr> </tbody> </table>	Closure year 2026	Closure year 2027	Closure year 2028	Post-closure cost/ year for 10 years	A\$9,300,000	A\$9,300,000	A\$9,300,000	A\$110,000
Closure year 2026	Closure year 2027	Closure year 2028	Post-closure cost/ year for 10 years									
A\$9,300,000	A\$9,300,000	A\$9,300,000	A\$110,000									
				*Closure expected to start upon last material sent through the mill, at the latest.								
Salvage value estimate	Various	A\$0	A\$0	Concur - In SRK's experience, the cost of removal and rehabilitation is likely to result in a nil value estimate on fully depreciated assets. This view is further supported by the currently forecast mine life, age of the plants and the cost of relocation, and SRK therefore considers it would be unusual for there to be material salvage value in excess of costs of decommissioning.								

Source: SRK analysis

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10.4 Valuation of Residual Resources

10.4.1 Residual Resources

For the purposes of valuation, SRK has calculated the Residual Resources and Mineral Resources (Table 10-6) for the Silver Lake and Red 5 assets (Residual Resources are those Mineral Resources not considered in the Financial Model) subsequent to BDO's implementation of SRK's recommendations summarised in Section 10.3.3. These Residual Resources and Mineral Resources comprise a 100% interest in Silver Lake's Mount Monger, Deflector and Sugar Zone projects, and a 100% interest in Red 5's King of the Hills and Darlot projects.

Table 10-6: Summary of Residual Resources and Mineral Resources

Mineral Resources	Ounces as at June 2023 (oz) ¹	Ounces in revised Model (oz) ²	Residual Resources (oz)
Mount Monger	3,436,000	451,160	2,984,840
Deflector	1,102,000	297,682	804,318
Sugar Zone	1,528,000		1,528,000
Silver Lake Total	6,066,000	748,842	5,317,158
Red 5's King of the Hills	4,395,000	2,771,687	1,623,313
Red 5's Darlot	1,776,000	153,275	1,622,725
Red 5 Total	6,171,000	2,924,962	3,246,038

Source: SRK analysis

Notes:

Rounding errors may occur.

¹ represents an estimate of the Mineral Resource as at 30 June 2023.

²SRK used the LOM Model ounces as a basis for assessment of depletion for the period 1 July 2023 to 31 December 2023, then deducted total ounces in the LOM Model from 1 January 2024 onwards to obtain a Residual Resource number.

SRK has balanced the anticipated LOM production from 1 July 2023 onwards with the Mineral Resource estimate at 30 June 2023 to provide expected Residual Resources as at the end of the respective mine lives. Where appropriate to account for depletion, SRK has recommended adjustments to the LOM production schedules to account for production overruns (actual vs budget) for the period 1 July 2023 to 31 December 2023.

SRK has reviewed the reasonableness of the Mineral Resource and Ore Reserve estimates and based on the information provided it has calculated the Residual Resource for valuation outside of LOM model. Based on its review of the underlying information, nothing has come to SRK's attention to suggest the quantities included in the LOM Model and outside of the LOM Model are not reasonable.

In allocation, SRK has exercised its professional judgement in assigning the stated tonnages to the relative resource categories in line with Silver Lake's and Red 5's ASX disclosures.

10.4.2 Actual transactions

SRK notes the following transactions involving assets held by either Silver Lake or Red 5:

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Silver Lake completes Sugar Zone acquisition – 21/02/2022

In February 2022, Silver Lake announced it had completed the acquisition of a 100% interest in the Sugar Zone mine and the associated 81,287 ha land package in Northern Ontario for US\$102 million. The implied resource multiple is A\$85.73/oz on a raw basis and A\$106.50/oz on a normalised basis.

Silver Lake acquires Egan – 30/07/2019

On 30 July 2019, Silver Lake exchanged 0.431 share of its common stock to acquire each issued and outstanding share of Egan Street Resources Ltd.

The total implied acquisition price was A\$52 million, which implies a resource multiple of A\$117.20/oz on a raw basis and A\$179.63/oz on a normalised basis.

Silver Lake merges with Doray – 14/11/2018

Silver Lake exchanged 0.6772 share of its common stock to acquire each outstanding share of Doray Minerals Ltd. Silver Lake also paid A\$0.0781 in cash to each option holder for each scheme option having an expiry date of 30 January 2020 and exercisable at A\$0.40 each. The assets of Doray comprised the Deflector asset.

The total implied acquisition price was A\$190.2 million, which implies a resource multiple of A\$241.60/oz on a raw basis and A\$444.84/oz on a normalised basis.

Harte Mining Acquires Sugar Zone – 14/08/2017

Harte Gold Corp. paid C\$32,000 and issued 300,000 shares of its common stock to acquire a 100% interest in a claim within the Sugar Zone property from an undisclosed seller. In addition to this, the property is subject to a 3.0% NSR, which can be reduced to 1.5% by payment of C\$1,500,000. The total implied value for the acquisition was C\$0.23 million. As the area was not disclosed, an area based multiple cannot be estimated.

Red 5 Acquires King of the Hills – 03/08/2017

Red 5 paid A\$7.0 million in cash and issued 90.0 million shares of its common stock to acquire a 100% interest in the King of the Hills gold mine from Saracen Mineral Holdings Ltd. In addition to this, 12 months after completion, Red 5 was to pay A\$4.5 million in cash or shares of its common stock, at Saracen Mineral Holdings Ltd.'s election. Also, Red 5 agreed to assume rehabilitation and environmental liabilities on the King of the Hills project estimated at A\$14.0 million.

The total acquisition cost was A\$16 million, which implies a resource multiple of A\$39.68/oz on a raw basis and A\$75.93/oz on a normalised basis.

If the A\$14.0 million in rehabilitation obligations is considered, the total acquisition cost was A\$30 million, which implies a resource multiple of A\$74.41/oz on a raw basis and A\$142.37/oz on a normalised basis.

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Red 5 Acquires Darlot – 03/08/2017

Red 5 paid A\$7.0 million in cash and issued 130.0 million shares of its common stock to acquire a 100% interest in the Darlot mine from Gold Fields Ltd. In addition, Red 5 paid A\$5.0 million as deferred payments, after 24 months of completion, in cash or shares. Additionally, Red 5 assumed existing rehabilitation and environmental liabilities on the Darlot mine estimated at A\$14.5 million.

The total acquisition cost was A\$18.5 million, which implies a resource multiple of A\$79.92/oz on a raw basis and A\$152.91/oz on a normalised basis.

If the A\$14.5 million in rehabilitation obligations is considered, the total acquisition cost was A\$33 million, which implies a resource multiple of A\$142.56/oz on a raw basis and A\$272.77/oz on a normalised basis.

Red 5 Acquires Great Western (M37/54) – 25/07/2020

Red 5 paid A\$300,000 in cash and issued 11,542,498 shares of its common stock to acquire the mining lease M37/54 from Terrain Minerals Ltd which contains the Great Western Resource.

The total acquisition price was A\$2.5 million, which implies a resource multiple of A\$39.99/oz on a raw basis and A\$46.50/oz on a normalised basis.

Red 5 Acquires sub lease for E37/1220 (Cables and Mission Deposit) – 02/12/2020

Red 5 paid A\$150,000 and issued 7,773,109 shares of its common stock to acquire the Cables and Mission deposits, which contain historical resources reported in compliance with the JORC Code (2004) from Mr Andrew George Paterson. In addition to this, Red 5 agreed to pay A\$500,000 in cash or shares on delineation and reporting of a 500 koz JORC Code 2012 resource. The deposits are also subject to a Western Australian state government NSR royalty of 2.50%.

The total acquisition price was A\$2.0 million, which implies a resource multiple of A\$10.91/oz on a raw basis and A\$15.76/oz on a normalised basis.

10.4.3 Comparable market transactions

For its evaluation of the Residual Resources as outlined in Table 10-6, SRK compiled gold resource transactions using its internal databases as well as the S&P Capital IQ Pro subscription database. The raw data relied on for the Residual Resource valuation are presented in Appendix C (Comparable Market Transactions).

After compiling the relevant data, SRK reviewed transactions involving gold projects in Western Australia (at various development stages) that occurred between 2018 and 2024. SRK identified 58 transactions that it considered sufficiently relevant and for which sufficient information was available to calculate a resource multiple.

After compiling the relevant data, SRK reviewed transactions involving gold projects (at various development stages) in Canada that occurred between 2018 and 2024. SRK identified 22 transactions that it considered sufficiently relevant and for which sufficient information was available to calculate a resource multiple.

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The implied transaction multiple for resources was then expressed in A\$/oz terms. This implied multiple was calculated using the transaction value (at the implied 100% acquisition cost) and the total contained Mineral Resources supporting the transaction. Given the gold price volatility and future price uncertainty, SRK elected to use the February 2024 average Australian dollar gold price of A\$3,101/oz to normalise the implied multiples and inform its market analysis. SRK has used the A\$ gold price because the proposed transaction involves Australian companies and projects. Therefore, it is considered most relevant in determining the price that acquirers are willing to pay for the assets.

Importantly, while transaction multiples are widely used in valuation, they rely on the assumption that the reported Mineral Resources have been appropriately reported and can be taken at face value. The method assumes that differences in reporting regimes, between different Competent Persons, Mineral Resource classification, metal recovery and adopted cut-off grades (which may change between assets and/or companies) do not materially influence the implied multiple. The method implicitly assumes total recoverability of all metal tonnes/ounces, as reliable and accurate data are generally not disclosed or available around the time of most transactions or for all companies. Importantly, SRK's implied value calculations are for the purposes of its valuation and do not attempt to estimate or reflect the metal likely to be recovered as required under the JORC Code (2012).

SRK notes that there is a clear relationship between the development stage of the assets that host defined Mineral Resources and their implied multiples with the average, median and weighted average values generally decreasing in line with earlier development stages. When considering the weighted average normalised multiples for Western Australia only, SRK notes its analysis implies the following normalised transaction multiples (based on weighted averages as set out in Table 10-7):

- projects in operation or construction – A\$256.71/oz
- projects in care and maintenance – A\$27.70/oz
- projects at pre-development stage – A\$85.92/oz
- projects at feasibility stage – A\$138.47/oz
- projects at scoping and pre-feasibility stage – A\$59.38/oz
- projects at advanced exploration stage – A\$33.19/oz.

The value price curve identified by this metric is in alignment with prevailing theory on value through a mining project's life cycle (Figure 10-1).

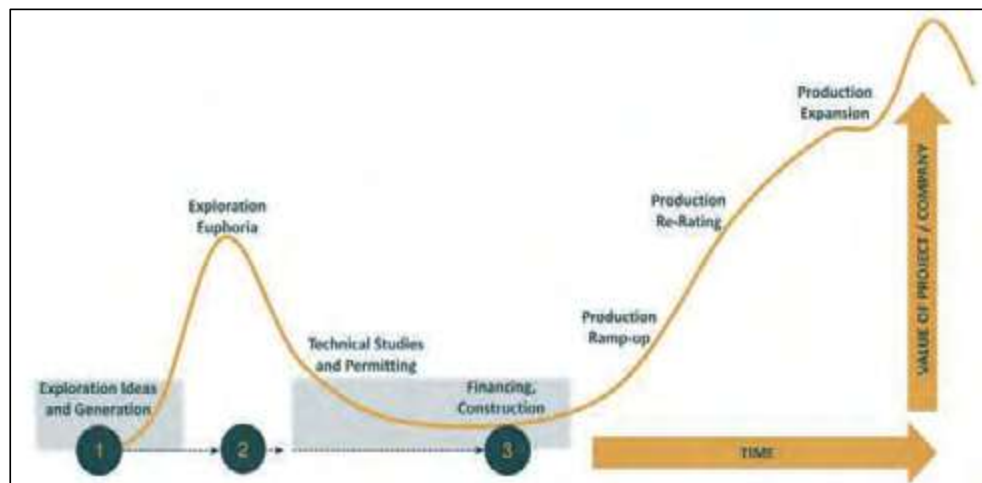
When considering the weighted average normalised multiples for Canada only, SRK notes its analysis implies the following normalised transaction multiples (based on weighted averages as set out in Table 10-8):

- projects in operation or construction – A\$221.97/oz
- projects in care and maintenance – A\$23.85
- projects at pre-development stage – N/A – no data
- projects at feasibility stage – A\$39/oz
- projects at scoping and pre-feasibility stage – A\$21.06/oz

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- projects at advanced exploration stage – A\$26.98/oz (after excluding two high outliers).
- Based on the analysis it appears that the operating and care and maintenance projects in Canada and Australia transact at similar values. The Feasibility to Advanced stage projects appear to transact at a discount in Canada compared to Australia.

Figure 10-1: Project value curve



Source: SRK Consulting

Table 10-7: Resource-based transaction multiple analysis – Western Australia

	Resource Multiple – Raw (A\$/oz)	Resource Multiple – Normalised (A\$/oz)
All		
Count	58	58
Minimum	1.08	1.96
Median	37.87	50.17
Average	71.45	95.92
Maximum	393.82	534.20
Weighted average	147.34	204.62
Projects in Operation or under Construction		
Count	11	11
Minimum	10.68	18.02
Median	105.88	128.04
Average	149.83	208.61
Maximum	393.82	534.20
Weighted average	184.09	256.71

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	Resource Multiple – Raw (A\$/oz)	Resource Multiple – Normalised (A\$/oz)
Projects in Care and Maintenance		
Count	3	3
Minimum	15.01	18.60
Median	35.74	44.29
Average	39.76	46.88
Maximum	68.52	77.74
Weighted average	23.13	27.70
Projects at Pre-Development stage		
Count	4	4
Minimum	1.08	1.96
Median	40.50	62.74
Average	37.39	60.79
Maximum	67.46	115.74
Weighted average	50.39	85.92
Projects at Feasibility Stage		
Count	4	4
Minimum	46.75	71.65
Median	76.98	92.96
Average	79.48	109.30
Maximum	117.20	179.63
Weighted average	93.30	138.47
Project at the Scoping/Pre-feasibility stage		
Count	9	9
Minimum	4.34	5.06
Median	39.99	46.50
Average	42.22	54.78
Maximum	89.48	154.19
Weighted average	52.14	59.38
Project at the Advanced Exploration stage		
Count	27	27
Minimum	1.84	2.09
Median	23.14	29.11
Average	56.64	72.40
Maximum	312.76	404.76
Weighted average	26.93	33.19

Source: SRK analysis

Note: The weighted average is determined based on the contained gold ounces in the defined Mineral Resource, which SRK considers to be an appropriate metric in the evaluation of large dataset.

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Table 10-8: Resource-based transaction multiple analysis – Canada

	Resource Multiple – Raw (A\$/oz)	Resource Multiple – Normalised (A\$/oz)
All		
Count	20	20
Minimum	0.85	0.87
Median	21.51	25.45
Average	57.34	69.74
Maximum	366.55	455.33
Weighted average	134.37	165.20
Projects in Operation or under Construction		
Count	6	6
Minimum	58.35	66.10
Median	93.00	125.43
Average	146.06	177.37
Maximum	366.55	455.33
Weighted average	180.30	221.97
Projects in Care and Maintenance		
Count	2	2
Minimum	14.43	23.48
Median	16.29	25.32
Average	16.29	25.32
Maximum	18.14	27.17
Weighted average	17.76	23.85
Projects at Feasibility stage		
Count	2	2
Minimum	17.67	20.57
Median	24.86	30.06
Average	24.86	30.06
Maximum	32.04	39.55
Weighted average	31.63	39.00
Project at the Scoping/Pre-feasibility stage		
Count	4	4
Minimum	7.38	8.50
Median	21.51	22.70
Average	25.40	30.04
Maximum	51.21	66.28
Weighted average	19.49	21.06
Project at the Advanced Exploration stage		
Count	6	6
Minimum	0.85	0.87
Median	11.54	12.72
Average	14.42	16.61
Maximum	38.03	45.06
Weighted average	23.36	26.98

Source: SRK analysis

Note: The weighted average is determined based on the contained gold ounces in the defined Mineral Resource, which SRK considers to be an appropriate metric in the evaluation of large dataset.

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Mineral Resources and Residual Resources – Comparable market transactions only

Table 10-9 summarises the multiples implied by recent transactions involving similar assets to those held by Silver Lake and Red 5. SRK has used these implied multiples to establish the value of the Residual Resources and Resources held by Silver Lake on a 100% attributable basis.

SRK notes that the selection of implied multiples is a subjective assessment. Based on its assessment of the available technical data, SRK has adopted a resource multiple range of between A\$15/oz and A\$110/oz for its valuation of the Mineral Resources and Residual Resources at Silver Lake's assets in Western Australia. This range is wide due to the range of development stages of the assets from Advanced Exploration to Operating.

SRK's multiples for the Australian assets are based on the stage of development, mine type and grade considered against the statistical analysis of the Australian comparable market transactions. When selecting an appropriate transaction multiple for the Residual Resources associated with an operating mine, SRK has adopted a multiple lower than that implied by the transaction to account for the value associated with the plant and equipment required to operate the site (on the basis that this value would have been captured in the associated DCF analysis of the LOM). The same applies to a mine on care and maintenance, the selected multiple excludes the likely value of the plant and equipment.

SRK's considers the recent Bruno Lewis Raseside transaction to be instructive in establishing the implied value for a large >500 koz project that is intended to feed existing processing infrastructure of Genesis. SRK has positioned its selected multiples around this level, adjusting for grade, Mineral Resource size and development stage accordingly.

SRK notes that the Genesis acquisition of St Barbara's Leonora assets also serves as a useful cross-check on the selected implied values, albeit that the extremely large Mineral Resource base has resulted in a lower overall multiple than might normally be expected.

For the Sugar Zone project in Canada, SRK has adopted a resource multiple of between A\$40/oz and A\$60/oz. Due to the paucity of transaction data for projects relating to projects in pre-development or on care and maintenance in Canada, SRK also considered the Australian transaction dataset as a reference for the implied multiple to be adopted. SRK's adopted low end multiple is positioned around the median of the Australian data and the high end multiple towards the low of the operating Canadian projects (and in so doing incorporating the value associated with the installed infrastructure at Sugar Zone – given this has not been considered as part of an income based valuation methodology).

Based on this comparable transactions analysis, SRK considers the implied value of the Residual Resources held by Silver Lake lies in the range A\$280.1 million to A\$462.9 million, with a preferred valuation of A\$371.5 million on an attributable basis (Table 10-9).

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Table 10-9: Comparable transactions valuation of Silver Lake's Residual Resources

Deposit/Project	Total (oz)	Value multiple Low (A\$/oz)	Value multiple High (A\$/oz)	Value multiple Preferred (A\$/oz)	Value Low (A\$ M)	Value High (A\$ M)	Value Preferred (A\$ M)
Daisy Mining Centre	1,137,222	70	110	90	79.6	125.1	102.4
Mount Belches Mining Centre	1,350,162	50	90	70	67.5	121.5	94.5
Aldiss Mining Centre	483,478	50	90	70	24.2	43.5	33.8
Randalls Mining Centre	14,000	15	30	22.5	0.2	0.4	0.3
Mount Monger Stockpile	-	-	-	-	-	-	-
Deflector	587,882	60	100	80	35.3	58.8	47.0
Rothsay	243,436	50	90	70	12.2	21.9	17.0
Sugar Zone	1,528,000	40	60	50	61.1	91.7	76.4
Total, 100% basis	5,344,180.28	52	87	70	280.1	462.9	371.5

Source: SRK analysis

Based on this comparable transactions analysis, SRK considers the implied value of the Residual Resources held by Red 5 lies in the range A\$171.1 million to A\$297.5 million, with a preferred valuation of A\$234.3 million on an attributable basis (Table 10-10).

Table 10-10: Comparable transactions valuation of Red 5's Residual Resources

Deposit/Project	Total (oz)	Value multiple Low (A\$/oz)	Value multiple High (A\$/oz)	Value multiple Preferred (A\$/oz)	Value Low (A\$ M)	Value High (A\$ M)	Value Preferred (A\$ M)
King of the Hills	1,421,309	60	100	80	85.3	142.1	113.7
Regional Resources	188,495	25	50	37.5	4.7	9.4	7.1
Stockpiles	-	-	-	-	-	-	-
Darlot Gold Project	1621725	50	90	70	81.1	146.0	113.5
Stockpiles	-	-	-	-	-	-	-
Total, 100% attributable basis	3,231,529	53	92	73	171.1	297.5	234.3

Source: SRK analysis

10.4.4 Yardstick cross-check

As a cross-check to the values implied by market multiples, SRK has also considered standard industry yardsticks. Under the Yardstick method of valuation, specified percentages of the spot price are used to assess the likely value. Commonly used Yardstick factors range between 0.5% and 5.0% of the prevailing spot price as set out below.

- Measured Mineral Resources: 2.0% to 5.0% of the spot price
- Indicated Mineral Resources: 1.0% to 2.0% of the spot price
- Inferred Mineral Resources: 0.5% to 1.0% of the spot price
- Exploration Target: 0.1% to 0.5% of the spot price.

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To determine the relevant Yardstick factors for use, SRK adopted the February 2024 average Australian dollar gold price of A\$3,101.36/oz. On this basis, the implied value range multiples using the yardstick factors are summarised in Table 10-11.

Table 10-11: Yardstick factors value range

Resource	Percentage of the spot price	Value Range	
		Low (A\$/oz)	High (A\$/oz)
Measured	2.0% to 5.0%	62.03	155.07
Indicated	1.0% to 2.0%	31.01	62.03
Inferred	0.5% to 1.0%	15.51	31.01
Target	0.1% to 0.5%	3.10	15.51

Source: SRK analysis

Mineral Resources and Residual Resources - Comparable market transactions only

Table 10-12 summarises the Yardstick values of the Mineral Resources and Residual Resources of Silver Lake on a 100% attributable basis. Based on its derived Yardstick factors, SRK considers the implied value of Residual Resources and Mineral Resources of Silver Lake lies in the range A\$159.1 million to A\$375.1 million, with a preferred valuation of A\$267.1 million.

Table 10-12: Yardstick Valuation of Silver Lake Residual Resources and Mineral Resources

Deposit/Project	Total (oz)	Value Low (A\$ M)	Value High (A\$ M)	Value Preferred (A\$ M)
Daisy Mining Centre	1,137,222	29.8	71.3	50.5
Mount Belches Mini	1,350,162	40.7	95.5	68.1
Aldiss Mining Centre	483,478	14.4	33.5	24.0
Randalls Mining Centre	14,000	0.4	1.0	0.7
Mount Monger stockpile	-	-	-	-
Deflector	587,882	22.0	53.8	37.9
Rothsay	243,436	6.2	14.7	10.5
Sugar Zone	1,528,000	45.6	105.4	75.5
Total Silver Lake 100% basis	5,344,180	159.1	375.1	267.1

Source: SRK analysis

Table 10-13 summarises the Yardstick values of the Residual Resources and Mineral Resources on an attributable basis. Based on its derived Yardstick factors, SRK considers the implied value of Residual Resources and Mineral Resources of Red 5 lies in the range A\$94.8 million to A\$220.6 million, with a preferred valuation of A\$157.7 million.

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Table 10-13: Yardstick Valuation of Red 5 Residual Resources

Deposit/Project	Total (koz)	Low (A\$ M)	High (A\$ M)	Preferred (A\$ M)
King of the Hills	1,421,309	44.5	102.9	73.7
Regional Resources	188,495	5.5	12.7	9.1
King of the Hills Stockpiles	-	-	-	-
Darlot Gold Project	1,621,725	44.4	104.1	74.2
Darlot Stockpiles	-	-	-	-
Total Red 5 100% basis	3,231,529	94.4	219.6	157.0

Source: SRK analysis

10.4.5 Valuation Summary of Residual Resources

Silver Lake

SRK has elected to adopt the third quartile of the range (preferencing the comparable transactions) for the values implied by the comparable transactions analysis and industry yardsticks to inform its valuation range for the Silver Lake Residual Resources and Mineral Resources (Table 10-14). This effectively gives more weight to the comparable transactions.

Table 10-14: Summary of SRK's Valuation of Silver Lake Residual Resources and Mineral Resources

Method	Low (A\$ M)	High (A\$ M)	Preferred (A\$ M)
Comparable transactions	171.5	290.5	231.0
Yardstick	85.3	201.2	143.3
Selected - Mount Monger	149.9	268.2	209.1
Comparable transactions	47.4	80.7	64.1
Yardstick	28.2	68.5	48.4
Selected - Deflector	42.6	77.7	60.1
Comparable transactions	61.1	91.7	76.4
Yardstick	45.6	105.4	75.5
Selected Sugar Zone	57.2	101.9	76.2
Silver Lake assets on a 100% basis	249.8	447.8	345.4

Source: SRK analysis

Based on this analysis, the implied value of the Silver Lake Residual Resources and Mineral Resources is estimated to reside between A\$249.8 million to A\$447.8 million, with a preferred valuation of A\$345.4 million on an attributable basis.

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Red 5

SRK has elected to adopt the third quartile of the range for the values implied by the comparable transactions analysis and industry yardsticks to inform its valuation range for Red 5's Residual Resources and Mineral Resources (Table 10-15).

Table 10-15: Summary of SRK's Valuation of Red 5's Residual Resources and Mineral Resources

Method	Low (A\$ M)	High (A\$ M)	Preferred (A\$ M)
Comparable transactions	81.1	146.0	113.5
Yardstick	44.4	104.1	74.2
Selected - Darlot	71.9	135.5	103.7
Comparable transactions	90.0	151.6	120.8
Yardstick	50.0	115.5	82.8
Selected - King of the Hills	80.0	142.6	111.3
Red 5 assets on a 100% basis	151.9	278.0	215.0

Source: SRK analysis

Based on this analysis, the implied value of the Silver Lake Residual Resources and Mineral Resources is estimated to reside between A\$151.9 million to A\$278.0 million, with a preferred valuation of A\$215.0 million on an attributable basis.

10.5 Valuation of exploration potential

10.5.1 Comparable market transactions

In addition to its assessment of the Residual Resources, SRK has also considered the value associated with the mineral tenure surrounding the currently defined Mineral Resource and Ore Reserve areas held by the parties.

To this end, SRK has also reviewed transactions involving early to advanced stage gold exploration projects in Western Australia and Canada (i.e. those without defined gold Mineral Resources). For Australia, SRK has identified and compiled data and statistics for 112 transactions occurring between 2021 and 2024 (Table 10-16) for which sufficient information was available to calculate an area-based multiple (i.e. A\$/km² or A\$/ha). SRK's analysis of the implied multiples was based on the reported areal extent of mineral tenure.

For Canada, SRK has identified and compiled data for 22 transactions occurring between 2018 and 2024 (Table 10-17) for which sufficient information was available to calculate an area-based multiple (i.e. A\$/km² or A\$/ha). SRK's analysis of the implied multiples was based on the reported areal extent of mineral tenure.

For the purpose of this section, SRK has expressed the area-based transaction multiple in A\$/km² terms for consistency with the rest of the Report. The transaction dataset was compiled in Canadian dollars with conversion to Australian dollars based on the average monthly exchange rate of the transactions announcement date. The value has been calculated using the transaction

value (at the implied 100% acquisition cost) and the total area of the project tenure acquired at the time of the transaction. Given the gold price volatility and future price uncertainty, SRK elected to use the average Australian dollar gold price of A\$3,101/oz, being the average spot gold price for the month of February 2024, to normalise the implied multiples and inform its market analysis. SRK has used the Australian dollar gold price because the proposed transaction involves mostly Australian companies and projects. Sugar Zone is the only international asset and for consistency, SRK used the Australian dollar for this valuation exercise.

For Australia, SRK has also considered the transaction dataset in terms of the type of tenure acquired (Figure 10-2 and Figure 10-3). There is a clear distinction between the implied price paid for Mining Leases (ML), Prospecting Licences (PL), Exploration Licences (EL) and mixed tenure projects. For example, on a normalised basis and considering the normalised average only, ELs transacted for A\$12,927/km², PLs transacted for A\$277,419/km², while MLs transacted for A\$586,676/km². Mixed tenure projects typically transacted between the values implied by ELs and PLs on a standalone basis, with an implied average transaction multiple of A\$172,802/km².

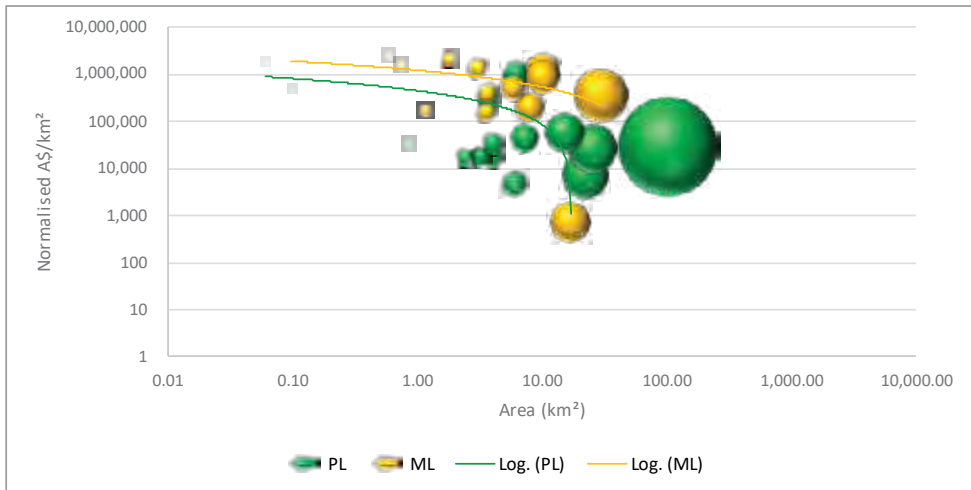
SRK notes there is also a clear relationship between the size of tenure acquired and the implied value (in A\$/km² terms). MLs (and PLs) are generally smaller than ELs, and are also generally more advanced in terms of the exploration completed. Consequently, MLs generally attract higher transaction prices and thus implied multiples. The relationship also holds true when these datasets are reviewed exclusively from each other (Figure 10-2 and Figure 10-3). SRK considers this to be reasonable and in line with industry practice for, as exploration progresses on a tenure, explorers will, in accordance with regulatory requirements, intermittently relinquish those areas of lower perceived potential and retain only those areas considered to be the most prospective.

For Canada, SRK has considered the tenure in terms of area (Figure 10-4) as there was only a single transaction comprising only mining leases. SRK has also considered the data in terms of areas greater than and less than 10 km² which is around the size of the largest Mining Leases. The statistics implied by this analysis are presented in Table 10-17. SRK notes the broad trend holds true with transactions with areas >10 km² transacted for an average of for A\$33,430/km² and transactions with areas <10 km² transacted for an average of A\$36,906/km², but noting that the median values showed an inverse relationship with the larger areas having higher values. This may simply be a function of the dataset and sample size; however, SRK's analysis of the transaction terms did show a much higher proportion of deals including an NSR as part of the deal terms. An NSR was particularly evident where mineralisation had been identified. As the value of an NSR is not reflected in the transaction multiples, this may go some way to explain the disparity.

It is clear that exploration tenure in Canada trades at a significant discount compared to Australian tenure on a \$/km² basis, again this may be a result of the higher number of transactions with NSR attached resulting in a lower initial cash cost and implied multiple.

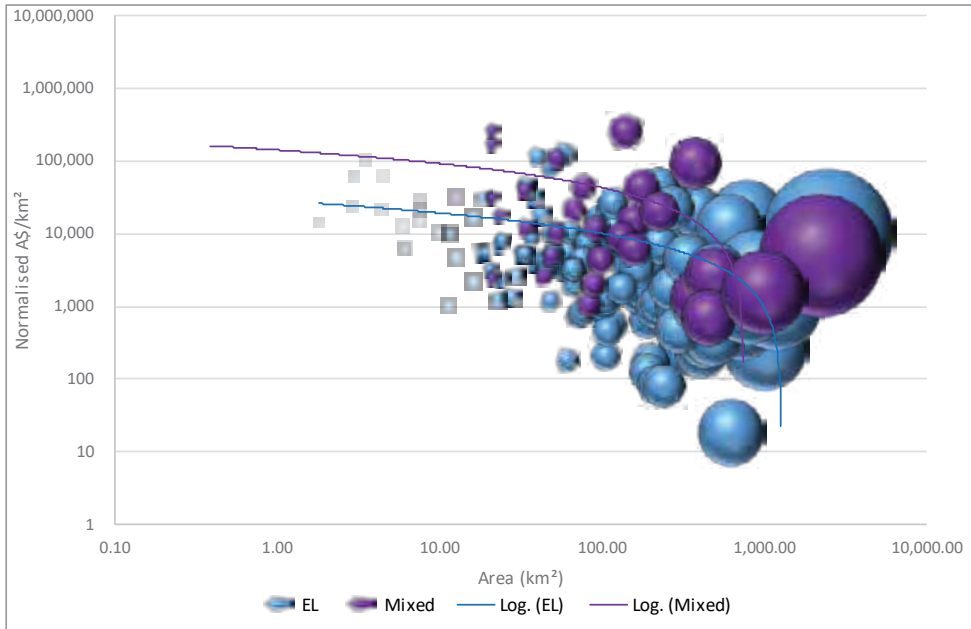
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Figure 10-2: Area-based resource multiples for ML and PL tenure types – Australia



Source: SRK analysis

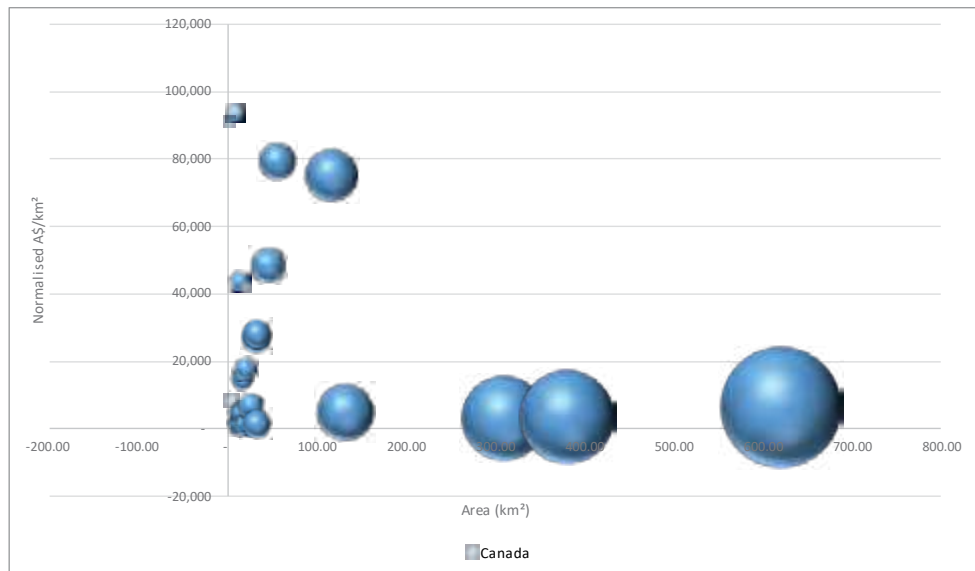
Figure 10-3: Area-based resource multiples for EL and mixed tenure types – Australia



Source: SRK analysis

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Figure 10-4: Area-based resource multiples – Canada



Source: SRK analysis

Table 10-16: Area-based transaction multiple analysis – Australia

	Area Multiple (A\$/km ²)	Normalised Area Multiple (A\$/km ²)
All		
Count	112	112
Minimum	16.1	18.7
Median	6,944.4	8,228.2
Average	63,836.9	76,408.5
Maximum	1,078,234.7	1,277,552.2
Weighted average	12,056.4	13,805.4
Projects with only Exploration Licences		
Count	70	70
Minimum	16.1	18.7
Median	4,092.1	5,074.7
Average	11,073.0	12,926.8
Maximum	84,813.6	96,359.3
Weighted average	9,184.0	10,321.3
Projects with only Prospecting Licences		
Count	10	10
Minimum	6,818.2	7,143.2
Median	29,409.7	33,809.5
Average	224,671.4	277,419.5
Maximum	831,982.7	1,082,063.9
Weighted average	65,058.9	78,869.5

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	Area Multiple (A\$/km ²)	Normalised Area Multiple (A\$/km ²)
Projects with only Mining Leases		
Count	7	7
Minimum	605.3	751.9
Median	336,587.0	364,281.6
Average	493,331.5	586,676.4
Maximum	1,078,234.7	1,277,552.2
Weighted average	423,018.2	486,448.1
Projects with a mix of Prospecting Licences, Exploration Licences and Mining Leases		
Count	18	18
Minimum	1,351.1	1,396.8
Median	20,568.5	22,550.9
Average	30,640.6	34,676.1
Maximum	168,283.5	172,801.6
Weighted average	11,583.8	14,049.8

Source: SRK analysis

Table 10-17: Area-based transaction multiple analysis – Canada

	Area Multiple (A\$/km ²)	Normalised Area Multiple (A\$/km ²)
All		
Count	23	23
Minimum	726.6	864.5
Median	6,768.5	9,963.4
Average	24,773.8	28,943.1
Maximum	93,778.7	107,885.7
Weighted average	14,663.8	18,523.7
Projects with only Exploration Licences		
Count	22	22
Minimum	726.6	865
Median	6,703.3	8,827
Average	21,753.5	25,355
Maximum	93,778.7	96,199
Weighted average	13,933.7	17,578
Projects with only Mining Leases		
Count	1	1
Minimum	91,219.1	107,886
Median	91,219.1	107,886
Average	91,219.1	107,886
Maximum	91,219.1	107,886
Weighted average	91,219.1	107,886

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	Area Multiple (A\$/km ²)	Normalised Area Multiple (A\$/km ²)
Projects with only areas >10 km²		
Count	17	17
Minimum	1,117	1,329
Median	6,768	11,848
Average	21,737	33,430
Maximum	79,459	93,614
Weighted average	13,733	17,611
Gold – Projects with only areas <10 km²		
Count	6	6
Minimum	727	865
Median	6,443	7,384
Average	33,379	36,906
Maximum	93,779	107,886
Weighted average	27,822	29,391

Source: SRK analysis

Based on its review of the available technical information, SRK has assessed the value of the regional exploration holdings for the relevant parties. All values were estimated on an attributable basis. SRK's adopted ranges for the tenure are based on the mixed tenure projects, as the tenures outside of the defined Mineral Resource areas largely comprise a mixture of tenure types.

In SRK's opinion, applying values based on the ranges indicated by either ELs or MLs only does not reflect the large and coherent nature of the respective party's project tenure and its position relative to the surrounding Mineral Resources (which have been valued separately). SRK has further selected ranges for exploration-stage tenures based on the size of the tenure and selected its preferred value based on the perceived prospectivity of each tenement.

Where relevant, SRK has estimated the area covered by the currently stated Mineral Resource and removed this from the remaining area for valuation purposes and to avoid double counting. For very small MLs containing defined Mineral Resources, this has resulted in little or no remaining area and consequently, these have been assigned no value on an area basis.

Summary of comparable market transactions

The implied values of a 100% interest in the exploration potential of Silver Lake's and Red 5's mineral tenures using the comparable transactions method are provided in Table 10-18 and Table 10-19. The detailed workings are presented in Appendix C.

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Table 10-18: Silver Lake – summary of exploration potential value using transactions analysis – attributable basis

Project	Area (km ²)	Average ¹ multiples by area (A\$/km ²)			Market value (A\$ M)		
		Low	High	Preferred	Low	High	Preferred
Mount Monger	128.17	241,881	483,756	362,818	31.0	62.0	46.5
Deflector	454.50	60,201	120,399	90,300	27.4	54.7	41.0
Sugar Zone	812.87	3,899	7,075	5,487	3.2	5.8	4.5
Silver Lake assets on an attributable basis					61.5	122.5	92.0

Source: SRK analysis

Note: ¹ Indicates the average value of the tenure by total project area. A detailed breakdown of the multiples used for each licence is provided in Appendix C.

Using the comparative transactions – area-based method, SRK considers the Market Value of the exploration potential (excluding the areas containing the defined Mineral Resources) associated with Silver Lake's mineral tenures resides between A\$61.5 million and A\$122.5 million, with a preferred value of A\$92 million.

Table 10-19: Red 5 – summary of exploration potential value using transactions analysis – attributable basis

Project	Area (km ²)	Average ¹ multiples by area (A\$/km ²)			Market value (A\$ M)		
		Low	High	Preferred	Low	High	Preferred
Darlot	1,539.56	22,920	48,530	35,725	36.7	77.5	57.1
King of the Hills	262.83	77,238	154,474	115,854	20.3	40.6	30.4
Montague	64.20	4,572	9,146	6,860	0.3	0.6	0.4
Red 5 assets on an attributable basis					57.3	118.7	88.0

Source: SRK analysis

Note: ¹ Indicates the average value of the tenure by total project area. A detailed breakdown of the multiples used for each licence is provided in Appendix C.

Using the comparative transactions – area-based method, SRK considers the Market Value of the exploration potential (excluding the areas containing the defined Mineral Resources) associated with Red 5's mineral tenures resides between A\$57.3 million and A\$118.7 million, with a preferred value of A\$88.0 million.

10.5.2 Geoscientific rating method

As a cross-check to the values implied by market multiples, SRK has also considered the Geoscientific Rating method, a cost-based method. The Geoscientific Rating or modified Kilburn method of valuation attempts to quantify the relevant technical aspects of a property through appropriate multipliers (factors) applied to an appropriate base (or intrinsic) value and is considered to be a cost-based method of valuation. The intrinsic value is referred to as the base acquisition cost (BAC), which represents the 'average cost to identify, apply for and retain a base unit of area of title' for one year.

Multipliers are considered for 1) off-property aspects, 2) on-property aspects, 3) anomaly aspects, and 4) geology aspects. These multipliers are applied sequentially to the BAC to estimate the Technical Value for each tenement. A further market factor is then considered to derive a Market Value.

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A BAC has been assumed in this valuation, which incorporates annual rental, administration and application fees in addition to nominal indicative minimum expenditure on acquisition and costs of identification (Table 10-20) to be the following:

- A\$492/km² (A\$5/ha) for an EL in Western Australia
- A\$12,569/km² (A\$126/ha) for a PL in Western Australia
- A\$12,384/km² (A\$124/ha) for an ML in Western Australia.

Table 10-20: Underlying assumption for base acquisition cost – Western Australia

Exploration Licence BAC in Western Australia		
Metric	Unit	Value
Average licence size	km ²	67.7
Average licence age	years	4
Application fee	A\$ per licence	1,580
Annual rent Years 1–3	A\$ per km ²	45.82
Annual rent Year 4	A\$ per km ²	38.67
Minimal annual expenditure Years 1–3	A\$ per km ²	324.96
Minimal annual expenditure Year 4	A\$ per km ²	243.72
Costs of identification, legal costs and negotiations and compensation agreements	A\$ per licence	35,132
Annual rates	A\$ per licence	2,000
BAC of average exploration licence	A\$ per km²	492
BAC of average exploration licence	A\$ per ha	4.92
Prospecting Licence BAC in Western Australia		
Average licence size	ha	126
Average licence age	years	3.3
Application fee	A\$ per licence	374
Annual rent per year	A\$ per ha	3.00
Minimal annual expenditure	A\$ per ha	40.00
Costs of identification, legal costs and negotiations and compensation agreements	A\$ per licence	35,132
Annual rates	A\$ per licence	500
BAC of average prospecting licence	A\$ per km²	12,569
BAC of average prospecting licence	A\$ per ha	125.69
Mining Lease BAC in Western Australia		
Average lease size	ha	467
Average lease age	years	21
Application fee	A\$ per lease	551
Annual rent per year	A\$ per ha	20.00
Minimal annual expenditure	A\$ per ha	100.00
Costs of identification, legal costs and negotiations and compensation agreements	A\$ per lease	35,132
Annual rates	A\$ per lease	2,000

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Exploration Licence BAC in Western Australia		
Metric	Unit	Value
BAC of average mining lease	A\$ per km ²	12,384
BAC of average mining lease	A\$ per ha	123.84

The BAC for the Canadian assets are presented in Table 10-21 and Table 10-22.

Table 10-21: Underlying assumptions for base acquisition cost – Mining Lease in Canada

Mining Lease BAC in Ontario, Canada		
Attribute	1 Claim (16 ha)	1 km ²
Average age (years)	3	
Cost to identify (C\$)	625	3,910
Application fee (C\$)	41	256
Minimum expenditure per claim (before Y2) (C\$)	400	2,500
Minimum expenditure per claim (Y3) (C\$)	400	2,500
Landowner notices, negotiations, legal costs and compensation (C\$)	1,250	7,813
Administration costs over the 3-year period (C\$)	3,750	23,440
Total cost – BAC (C\$)	6,466	40,419
BAC/year (C\$)	2,155	13,473
BAC (A\$)*	2,429.89	15,191.6

Table 10-22: Underlying assumptions for base acquisition cost – Mining Claim in Canada

Mining Claim BAC in Ontario, Canada		
Attribute	1 cell (20 ha)	10 km ² *
Application fee (C\$)	50	2,500
Cost to identify (C\$)		10,000
Minimum expenditure per claim (before Y2) (C\$)		
Total cost – BAC (C\$)		12,500
BAC (C\$/km ²)*		1,250.00
BAC (A\$/km ²)*		1,409.45

*Maximum size of an application is 50 claims so assumed maximum size applied, for example, 50 cells for 1,000 ha or 10 km².

Exchange rate A\$: C\$ – Source <https://www.oanda.com/> - 28/03/2024

In converting its implied technical values to a market value, SRK considers that market participants would apply a premium to the technical value in the current market sentiment and recent gold price performance. SRK has therefore applied a 10% premium.

In addition, SRK considers that any tenures in application would attract a 20% discount to reflect the uncertainty in likely timing of the grant, as well as approval conditions associated with the grant.

The geoscientific rating criteria are presented in Table 10-23.

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Table 10-23: Modified property rating criteria

Rating	Off-property factor	On-property factor	Geological factor	Anomaly factor
0.1			Unfavourable geological setting	No mineralisation identified – area sterilised
0.5	Unfavourable district/basin	Unfavourable area	Poor geological setting	Extensive previous exploration provided poor results
0.9			Generally favourable geological setting, under cover or complexly deformed or metamorphosed	Poor results to date
1.0	No known mineralisation in district	No known mineralisation on lease	Generally favourable geological setting	No targets outlined
1.5	Minor workings	Minor workings or mineralised zones exposed		Target identified; initial indications positive
2.0	Several old workings in district	Several old workings or exploration targets identified	Multiple exploration models being applied simultaneously	
2.5			Well-defined exploration model applied to new areas	Significant grade intercepts evident but not linked on cross or long sections
3.0	Mine or abundant workings with significant previous production	Mine or abundant workings with significant previous production	Significant mineralised zones exposed in prospective host rock	Several economic grade intercepts on adjacent sections
3.5			Well-understood exploration model, with valid targets in structurally complex area, or under cover	
4.0	Along strike from a major deposit	Major mine with significant historical production	Well-understood exploration model, with valid targets in well understood stratigraphy	
5.0	Along strike for a world class deposit		Advanced exploration model constrained by known and well-understood mineralisation	
6.0				
10.0		World-class mine		

Source: Modified after Xtract, 2009 and Agricoola Mining Consultants, 2011.

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Summary of geoscientific rating method

Using the geoscientific rating method (calculations presented as Appendix D), SRK considers a 100% interest in the exploration potential of the Mineral Assets of Silver Lake resides between A\$38.7 million and A\$147.4 million, with a preferred value of A\$93.1 million.

Table 10-24: Summary of exploration potential value using the geoscientific rating (Kilburn) method – Silver Lake attributable basis

Project	Area (km ²)	Market Value (A\$ M)		
		Low	High	Preferred
Mount Monger	128.17	10.6	47.4	29.0
Deflector	454.50	10.3	35.1	22.7
Sugar Zone	812.87	17.8	64.9	41.3
Silver Lake assets on an attributable basis		38.7	147.4	93.1

Source: SRK analysis (Total is rounded)

Using the geoscientific rating method (calculations presented as Appendix D), SRK considers a 100% interest in the exploration potential of the Mineral Assets of Red 5 resides between A\$31.4 million and A\$85.1 million, with a preferred value of A\$58.2 million.

Table 10-25: Summary of exploration potential value using the geoscientific rating (Kilburn) method – Red 5 attributable basis

Project	Area (km ²)	Market Value (A\$ M)		
		Low	High	Preferred
Darlot	1,539.56	18.5	47.7	33.1
King of the Hills	262.83	12.3	35.1	23.7
Montague	64.20	0.6	2.3	1.5
Red 5 assets on an attributable basis		31.4	85.1	58.2

Source: SRK analysis (Total is rounded)

10.5.3 Summary of exploration potential valuation

In estimating the value of the exploration potential outside the defined Mineral Resource areas, SRK has considered the values implied by comparable transactions analysis and geoscientific rating methods.

In considering the overall value of the mineral assets, SRK has given equal weighting to both valuation methods, as it has no strong inclination to the values implied by one method over another. SRK has adopted the mid-point or average as its preferred value.

Selected Values

SRK considers the Market Value of the exploration potential of the Mineral Assets of Silver Lake resides between A\$50.1 million and A\$134.40 million, with a preferred value of A\$92.5 million (Table 10-26). SRK's preferred value represents the mid-point of the adopted range, as it has no strong inclination towards either end of the range.

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Table 10-26: SRK valuation summary – exploration potential for Silver Lake

Method	Low (A\$ M)	High (A\$ M)	Preferred (A\$ M)
Comparable transactions	31.0	62.0	46.5
Geoscientific rating	10.6	47.4	29.0
Selected Mount Monger	20.8	54.7	37.8
Comparable transactions	27.4	54.7	41.0
Geoscientific rating	10.3	35.1	22.7
Selected Deflector	18.8	44.9	31.9
Comparable transactions	3.2	5.8	4.5
Geoscientific rating	17.8	64.9	41.3
Selected Sugar Zone	10.5	35.3	22.9
Comparable transactions	61.5	122.5	92.0
Geoscientific rating	38.7	147.4	93.1
Total selected Silver Lake	50.1	134.9	92.5

Source: SRK analysis (Total is rounded)

SRK considers the Market Value of the exploration potential of the Mineral Assets of Red 5 resides between A\$44.3 million and A\$101.9 million, with a preferred value of A\$73.1 million (Table 10-27). SRK's preferred value represents the mid-point of the adopted range, as it has no strong inclination towards either end of the range.

Table 10-27: SRK valuation summary – exploration potential for Red 5

Method	Low (A\$ M)	High (A\$ M)	Preferred (A\$ M)
Comparable transactions	36.7	77.5	57.1
Geoscientific rating	18.5	47.7	33.1
Selected Darlot	27.6	62.6	45.1
Comparable transactions	20.3	40.6	30.4
Geoscientific rating	12.3	35.1	23.7
Selected King of the Hills	16.3	37.9	27.1
Comparable transactions	0.3	0.6	0.4
Geoscientific rating	0.6	2.3	1.5
Selected Montague	0.5	1.5	1.0
Comparable transactions	57.3	118.7	88.0
Geoscientific rating	31.4	85.1	58.2
Total Selected Red 5	44.3	101.9	73.1

Source: SRK analysis (Total is rounded)

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11 Valuation Summary

Based on its technical assessment presented in the earlier sections of this Report, SRK has completed a valuation of the Mineral Assets of Silver Lake and Red 5 in accordance with its mandate.

SRK has elected to adopt the third quartile of the range (preferencing the comparable transactions) for the values implied by the comparable transaction analysis and industry yardsticks to inform its valuation range for the Residual Resources and Mineral Resources in Table 11-1.

In estimating the value of the exploration potential of each party's mineral tenures outside the defined Mineral Resource areas, SRK has considered the values implied by comparable transactions analysis and geoscientific rating methods.

In considering the overall value of the mineral assets' exploration potential, SRK has applied equal weighting to all valuation methods as it has no strong inclination to the values implied by one method over another. SRK has adopted the mid-point as its preferred value.

SRK has considered actual transactions relating to the assets which occurred recently. SRK notes in many cases the assets have significantly changed since these transactions took place and would not provide a meaningful guide to the market value now.

For assets which are largely the same as when they last transacted, SRK notes that the transaction multiples implied by these transactions related to the entire asset (including the Mineral Resources within the LOM Plan) and not just the Residual Resources that SRK is valuing. These actual transactions cannot therefore be directly relied upon for valuation of the Residual Resources.

There are numerous stockpiles (Broken Stocks, ROM and Stockpiles) reported by both Silver Lake and Red 5. For the avoidance of doubt, SRK has recommended that all the stockpiles are not valued within the LOM Plan cashflow models due to not meeting cut-off grades at the process plant and therefore have not been included or valued by SRK.

Valuation Summary

Based on its analysis, SRK considers the Market Value of the Mineral Assets of Silver Lake resides between A\$299.9 million and A\$582.7 million, with a preferred valuation of A\$437.9 million (Table 11-1), which represents the mid-point of the adopted range.

Based on its analysis, SRK considers the Market Value of the Mineral Assets of Red 5 resides between A\$196.2 million and A\$379.9 million, with a preferred valuation of A\$288.1 million (Table 11-1), which represents the mid-point of the adopted range.

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Table 11-1: Summary of the Market Value of the Mineral Assets of Silver Lake and Red 5

Project	Method	Low (A\$ M)	High (A\$ M)	Preferred (A\$ M)
Mount Monger	Residual Resources and Resources	149.9	268.2	209.1
Mount Monger	Exploration Potential	20.8	54.7	37.8
Mount Monger	Selected Mount Monger	170.8	322.9	246.8
Deflector	Residual Resources and Resources	42.6	77.7	60.1
Deflector	Exploration Potential	18.8	44.9	31.9
Deflector	Selected Deflector	61.5	122.6	92.0
Sugar Zone	Residual Resources and Resources	57.2	101.9	76.2
Sugar Zone	Exploration Potential	10.5	35.3	22.9
Sugar Zone	Selected Sugar Zone	67.7	137.2	99.1
	Silver Lake – Residual Resources and Resources	249.8	447.8	345.4
	Silver Lake – Exploration Potential	50.1	134.9	92.5
	Silver Lake Total	299.9	582.7	437.9
Darlot	Residual Resources and Resources	71.9	135.5	103.7
Darlot	Exploration Potential	27.6	62.6	45.1
Darlot	Selected Darlot	99.5	198.1	148.8
King of the Hills	Residual Resources and Resources	80.0	142.6	111.3
King of the Hills	Exploration Potential	16.3	37.9	27.1
King of the Hills	Selected King of the Hills	96.3	180.4	138.4
Montague	Residual Resources and Resources	-	-	-
Montague	Exploration Potential	0.5	1.5	1.0
Montague	Selected Montague	0.5	1.5	1.0
	Red 5 – Residual Resources and Resources	151.9	278.0	215.0
	Red 5 – Exploration Potential	44.3	101.9	73.1
	Red 5 Total	196.2	379.9	288.1

Note: Any discrepancies between values in the tables are due to rounding.

In defining its valuation ranges, SRK notes that there are always inherent risks involved when deriving any arm's length valuation. These factors can ultimately result in significant differences in valuations over time. By applying narrower confidence ranges, a greater degree of certainty regarding these assets is being implied than may be the case. Where possible, SRK has endeavoured to narrow its valuation range.

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Closure

This Report, Independent Specialist Report on the mineral assets of Silver Lake Resources Limited and Red 5 Limited, was prepared by

Jeames McKibben
Principal Consultant

and reviewed by

Ian de Klerk
Principal Consultant

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Models

- 202312_1_DARLOT_FM_FY24_Lender Case (Excel workbook).
- 203012_3_RED5_KOTH OP_COST MODEL_FY24_Lender Case (Excel workbook).
- 203012_4_RED5_KOTH PROCESS_LOMP & COST MODEL_FY24_Lender Case (Excel workbook).
- Red 5 Corporate Model – Lender Case (Excel workbook).
- SLR_Consolidated Corporate Model_November 23_V4.0 (Excel workbook).

Appendix A Instruction Letter



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22 February 2024

Jeames McKibben
SRK Consulting (Australasia) Pty Ltd
Level 5, 200 Mary Street
Brisbane, Queensland 4000

Dear Jeames,

Engagement Agreement - Independent Specialist Report on the mineral assets of Silver Lake Resources Limited and Red 5 Limited

This letter is to confirm our instructions to you on the services we are requesting you to provide.

We have been engaged by Silver Lake Resources Limited (“**Silver Lake**” or “**the Company**”) to prepare an Independent Expert’s Report (“**Our Report**”) for inclusion within a Scheme Booklet to be provided to the shareholders of the Company. The Scheme Booklet is to provide shareholders with the information they require to make an informed decision on a proposed transaction. This transaction is the merger between Silver Lake and Red 5 Limited (“**Red 5**”) through a scheme of arrangement, for which Silver Lake shareholders will receive 3.434 Red 5 shares for every Silver Lake share held (“**the Scheme**”).

Our Report is required to provide an opinion on whether the offer associated with the Scheme is in the best interests to non-associated shareholders and, given the nature of the assets of Silver Lake and Red 5 we require a Specialist to assist us with our opinion.

We advise that we will rely on and refer to your statements and conclusions in Our Report, and we will append a copy of Your Report or a summary of Your Report to Our Report. As our reports will be public documents you will be required to provide your consent to the use of Your Report in the form and context in which it will be published.

Engagement Scope

We request that you provide us with an *independent* opinion on the market valuation of the following assets:

- Silver Lake’s interest in the Sugar Zone Project in Canada and include consideration for whether there are reasonable grounds to perform a discounted cash flow valuation of Sugar Zone’s ore reserves and/or mineral resources;

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- Any residual resources and reserves of the Deflector and Mount Monger Projects in Western Australia that are not already incorporated in the Silver Lake consolidated cash flow model (“**the Silver Lake Model**”);
- Any residual resources and reserves of the King of the Hills Project (“**KOTH**”) in Western Australia that are not already incorporated in the cash flow model (“**the Red 5 Model**”);
- Any other mineral assets held by Silver Lake that SRK considers is likely to have a material value; and
- Any other mineral assets held by Red 5 that SRK considers is likely to have a material value, including any residual plant and equipment, for example the Darlot mill which has been placed in care and maintenance.

We also require you to review the technical project assumptions of the Silver Lake and Red 5 Models (and their supporting schedules) and provide us with an assessment on the reasonableness of each of the assumptions used in the Silver Lake and Red 5 Models, including the:

1. resources and reserves incorporated into the Model;
2. mining physicals (including tonnes of ore mined, quality, waste material, and mine life);
3. processing physicals (including ore processed and produced);
4. production and operating costs (including but not limited to drilling, blasting, mining, haulage, processing, transport, general administration, distribution and marketing, contingencies and royalties or levies);
5. capital expenditure (including but not limited to pre-production costs, project capital costs, sustaining capital expenditure, salvage value, rehabilitation, and contingency); and
6. any other relevant technical assumptions not specified above.

If you determine that an assumption included in the Models is unreasonable this must be reflected in Your Report with an explanation. We also ask you to advise us of this opinion before the completion of Your Report to assist us in making any appropriate changes to the Models.

We may also ask you to assist with the assessment of the reasonableness of the assumptions for more than one scenario if it is considered appropriate. We will discuss this with you should it arise.

Terms Of Your Engagement

The VALMIN & JORC Codes

Your Report must be prepared in compliance with the ‘Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition’ (“**VALMIN**”), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (“**JORC**”) and ASIC Regulatory Guide 111 *Content of expert reports* (“**RG 111**”). Your observance of these Codes and RG must extend beyond the disclosure in Your Report and include, the use of disclaimers, your fee agreement with Silver Lake, and the preparatory work you conduct.



We have engaged you because you have assured us that you meet the requirements of a Specialist under Section 2 of VALMIN and have the required competency to report on the assets that are the subject of this engagement.

Please advise us immediately if during the engagement you find you are unable to meet the VALMIN competency requirements or there will be additional signatories or contributors to Your Report because we are required to ensure that the competency requirements for all contributors are met.

Your Report should specifically include and/or address the following VALMIN principles or recommendations:

1. A competent person statement for the author and all contributors that demonstrates your claims against the requirements of a Specialist and the competency to conduct the work you have been engaged to do (sections 2.2 and 3.1);
2. The sources of any material information or data used and whether Consent has been required (sections 5.2(c) and (d));
3. Your fee and whether it is dependent on your conclusions, success or failure of the Proposed Transaction, or time and cost restrictions that negatively affect the depth of analysis or extent of detail required to provide shareholders with the information they require to make an informed decision (section 6.3);
4. The provision of any previous reports (section 6.4);
5. If commercially sensitive information has been excluded (section 6.5);
6. A tenure list appropriately prepared (section 7.2);
7. Quality and reasonableness statements for any mineralisation, Mineral Resources, or Ore Reserves (section 7.3), and
8. An evaluation of risks (section 10).

Where inspection of a mineral asset or tenure is likely to reveal information or data that is material, we ask you to inspect it (VALMIN 11.1). If an inspection is not made, the reasons must be disclosed within Your Report and you must be satisfied that there is sufficient current information available to allow an informed evaluation to be made without an inspection. In any event, please advise us immediately if you are unable to obtain sufficient information to form an independent and thorough opinion (VALMIN 3.2(b)).

Your Report must include at least two valuation approaches, explain why they are appropriate, and comment on how they have been prepared. If only one approach can be used you must explain why (section 8.3 VALMIN, and RG 111.64 -68). A range of values must be given and they must be as narrow as possible. If a narrow range cannot be given because of the level of uncertainty you must explain what factor/s create this uncertainty and how you can justify your findings despite this uncertainty (section 8.6 VALMIN, and RG 111.78-79).

Independence

Your services are required to be carried out in compliance with ASIC Regulatory Guide 112 *Independence of experts* (RG 112), and as this engagement requires you to be independent of Silver Lake, Red 5 and



their subsidiaries and associates, you must advise us immediately if, within at least the last two years you have had a professional relationship or provided services to these parties or any other interested party.

Your Report must include statements on your independence including whether there are any:

1. Financial or other interest that could reasonably be regarded as affecting your ability to give an unbiased opinion on your services to us;
2. Fees or benefits (direct or indirect) you will receive in connection with your report, and
3. Discussions or agreements with the Silver Lake and/or their associates on future work.

By accepting this engagement you also agree not to take instructions from Silver Lake or other interested parties on your analysis or use of methodologies as this may compromise your independence and therefore the Proposed Transaction (RG 112.47).

If at any time you believe your independence has been compromised, including when obtaining the information required to prepare Your Report, please advise us immediately. If a compromise has occurred we will discuss this with you and we reserve the right to terminate this engagement. You also agree to indemnify BDO for any loss arising out of your loss of independence.

Required Information

As a Public Report under RG 111 and VALMIN, Your Report must contain all the information that investors and their professional advisors would reasonably require and expect to find to make an informed decision on the subject of the report. In this regard, ASIC has publically raised its concerns with the adequacy of disclosure by Specialists on assumptions, compliance with relevant industry codes, and the demonstration of a reasonable basis for assumptions and conclusions drawn. It is important that as a Specialist, you obtain sufficient information and provide a level of disclosure that supports your assumptions and conclusions and we may ask you to provide further information on the basis of your statements.

You are to liaise with the Silver Lake to obtain the necessary information and this engagement and all of the information you receive from Silver Lake or us is to be treated as strictly confidential unless it is already in the public domain. We request that you ensure we are copied in on all correspondence and invited to attend all meeting and calls.

In gathering the required information we ask that you not discuss your preliminary views, future business, or cross-selling opportunities with Silver Lake or other interested parties (RG 112.47). To do so may compromise your independence.



Deliverables

We require from you the following:

1. Technical inputs to the models as soon as practicable but no later than 11 March 2024;
2. Draft Report, including valuation analysis and conclusions by 18 March 2024;
3. Your Final signed report by 27 March 2024 (subject to minor movements depending on client's timetable), and
4. Any Supplementary report required to be issued under RG 111.102-103.

We will let you know if these dates vary and ask you to notify us immediately if you are unable to meet them.

Each of your draft reports is to be provided to us for review and distribution to the relevant Silver Lake and Red 5 parties for factual accuracy. We will provide you with any BDO, Silver Lake and Red 5 comments for your consideration and ask that you only alter Your Report if you are persuaded that there has been an error of fact (RG 112.56).

We will rely on Your Report and any information you provide as being complete and accurate and you agree not to make any claim against us for any loss, damages, costs or expenses you may suffer or incur as a result of the information you obtained or relied upon to prepare Your Report. We will not conduct verification procedures or audit Your Report however, we will bring to your attention any information or statements that we have assessed as unreliable.

Termination

Your engagement starts on the date the below Acceptance is signed and returned to us with this engagement agreement.

Our engagement will end on the provision of all Deliverables or the day following the Silver Lake's second Court Hearing or notification to you from us that the Scheme will not proceed.

We may also terminate this engagement agreement if you breach any of the requirements within, or we form the view that you are no longer independent or competent.

If our engagement is terminated you:

1. Agree to provide any transition assistance that may be reasonably requested;
2. Will continue to maintain your obligations of confidentiality and indemnity as set out within this engagement agreement, and
3. Will return all information obtained from Silver Lake, Red 5 or us to the relevant party.

Fees

BDO Corporate Finance (WA) Pty Ltd is responsible for selecting the Specialist and negotiating the scope of the services you are to provide. This scope is contained within this engagement letter. The fees for your work will be agreed with the Silver Lake and payable by the Silver Lake to you. We request that you contact Silver Lake directly to settle the terms under which you have been engaged including, access



to the required information, indemnities, and fees. BDO Corporate Finance (WA) Pty Ltd is not responsible for your fees.

Your Acceptance

By your acceptance, you agree to indemnify us against any loss we may suffer as a result of reliance on your report or as a result of a breach of this agreement, up to the level of SRK’s insurance, this being \$10 million (AUD) in any one claim. This indemnity will not apply to any loss that results from any willful misconduct or fraudulent act or omission by us.

Please agree to the terms of our instructions by signing the below acceptance and returning a copy of this engagement agreement and acceptance to us at your earliest convenience.

Yours sincerely

BDO Corporate Finance (WA) Pty Ltd

Adam Myers
Director

ACCEPTANCE

I have read the above engagement agreement from BDO Corporate Finance (WA) Pty Ltd, and accept the scope and terms of this engagement.

I warrant that I am properly authorised to sign the acknowledgment on behalf SRK Consulting (Australasia) Pty Ltd.

Signed		
Full name:	JAMES MCKIBBEN	Shaun Barry
Position	PRINCIPAL CONSULTANT	Principal Consultant
Dated:	26/02/2024	26/02/2024

Appendix B Tenure data

Silver Lake

Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Expiry Date	Hectares	Blocks	Status
G	28/0001	Aldiss Gold	Freeport of Australia Inc. (100%)	14/6/1988	13/6/2030	8.44		Live
G	28/0002	Aldiss Gold	Freeport of Australia Inc. (100%)	14/6/1988	13/6/2030	9.49		Live
G	28/0003	Aldiss Gold	Freeport of Australia Inc. (100%)	14/6/1988	13/6/2030	9.72		Live
G	28/0004	Aldiss Gold	Freeport of Australia Inc. (100%)	14/6/1988	13/6/2030	8.73		Live
L	28/0053	Aldiss Gold	Silver Lake (Integra) Pty Limited (100%)	18/8/2016	17/8/2037	31.28		Live
L	28/0055	Aldiss Gold	Silver Lake (Integra) Pty Limited (100%)	12/4/2017	11/4/2038	354.00		Live
L	28/0056	Aldiss Gold	Silver Lake (Integra) Pty Limited (100%)	9/8/2018	8/8/2039	3282.79		Live
L	28/0057	Aldiss Gold	Silver Lake (Integra) Pty Limited (100%)	26/6/2017	25/6/2038	83.19		Live
M	28/0043	Aldiss Gold	Silver Lake (Integra) Pty Limited (100%)	31/12/1987	30/12/2029	861.55		Live
M	28/0171	Aldiss Gold	Silver Lake (Integra) Pty Limited (100%)	11/8/2004	10/8/2025	108.95		Live
M	28/0208	Aldiss Gold	Silver Lake (Integra) Pty Limited (100%)	1/9/2009	31/8/2030	982.50		Live
M	28/0289	Aldiss Gold	Silver Lake (Integra) Pty Limited (100%)	15/7/2016	14/7/2037	890.90		Live
E	59/1240-I	Deflector	Brandy Hill Iron Pty Ltd (100%)	10/7/2007	9/7/2025		29.00	Live
E	59/1241-I	Deflector	Gullewa Gold Project Pty Ltd (100%)	5/8/2007	4/8/2025		37.00	Live
E	59/1242-I*	Deflector	Gullewa Gold Project Pty Ltd (100%)	10/7/2007	9/7/2025		39.00	Live
E	59/1274-I	Deflector	Brandy Hill Iron Pty Ltd (100%)	20/11/2007	19/11/2023		9.00	Live (Renewal)
E	59/1275-I	Deflector	Silver Lake (Deflector) Pty Ltd (100%)	7/4/2009	6/4/2025		11.00	Live
E	59/2156	Deflector	Silver Lake (Deflector) Pty Ltd (100%)	23/12/2016	22/12/2026		7.00	Live
E	59/2173	Deflector	Silver Lake (Deflector) Pty Ltd (100%)	27/3/2017	26/3/2027		5.00	Live
L	59/0035	Deflector	Central Infrastructure Pty Ltd (100%)	25/10/1994	24/10/2024	26.80		Live
L	59/0049	Deflector	Deflector Gold Pty Ltd (100%)	2/3/2000	1/3/2042	22.00		Live
L	59/0050	Deflector	Central Infrastructure Pty Ltd (100%)	2/3/2000	1/3/2042	9.00		Live
L	59/0064	Deflector	Deflector Gold Pty Ltd (100%)	18/4/2012	17/4/2033	1.00		Live
L	59/0070	Deflector	Central Infrastructure Pty Ltd (100%)	19/9/2010	18/9/2031	570.00		Live
L	59/0071	Deflector	Deflector Gold Pty Ltd (100%)	19/9/2010	18/9/2031	55.00		Live

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Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Expiry Date	Hectares	Blocks	Status
L	59/0158	Deflector	Deflector Gold Pty Ltd (100%)	22/5/2019	21/5/2040	114.75		Live
L	59/0159	Deflector	Deflector Gold Pty Ltd (100%)	22/5/2019	21/5/2040	117.86		Live
L	59/0160	Deflector	Deflector Gold Pty Ltd (100%)	22/5/2019	21/5/2040	162.38		Live
L	59/0163	Deflector	Silver Lake (Deflector) Pty Ltd (100%)	8/8/2019	7/8/2040	147.59		Live
L	59/0175	Deflector	Silver Lake (Deflector) Pty Ltd (100%)	23/11/2020	22/11/2041	69.11		Live
L	59/0185	Deflector	Gullewa Gold Project Pty Ltd (100%)	19/11/2020	18/11/2041	0.50		Live
M	59/0049-I	Deflector	Central Infrastructure Pty Ltd (100%)	19/3/1987	18/3/2029	194.05		Live
M	59/0068	Deflector	Gullewa Gold Project Pty Ltd (100%)	9/12/1987	8/12/2029	140.30		Live
M	59/0132	Deflector	Gullewa Gold Project Pty Ltd (100%)	26/1/1989	25/1/2031	19.63		Live
M	59/0133-I	Deflector	Brandy Hill Iron Pty Ltd (100%)	21/2/1988	1/12/2030	372.35		Live
M	59/0224-I	Deflector	Brandy Hill Iron Pty Ltd (100%)	2/7/1991	1/7/2033	234.10		Live
M	59/0294-I	Deflector	Central Infrastructure Pty Ltd (100%)	7/12/1993	6/12/2035	584.80		Live
M	59/0335-I	Deflector	Gullewa Gold Project Pty Ltd (100%)	18/10/1994	17/10/2036	31.58		Live
M	59/0336-I	Deflector	Gullewa Gold Project Pty Ltd (100%)	18/10/1994	17/10/2036	4.15		Live
M	59/0356	Deflector	Gullewa Gold Project Pty Ltd (100%)	6/12/1994	5/12/2036	129.95		Live
M	59/0391-I	Deflector	Gullewa Gold Project Pty Ltd (100%)	7/2/1996	6/2/2038	264.70		Live
M	59/0392-I	Deflector	Gullewa Gold Project Pty Ltd (100%)	7/2/1996	6/2/2038	178.95		Live
M	59/0442	Deflector	Deflector Gold Pty Ltd (100%)	5/11/1997	4/11/2039	763.40		Live
M	59/0507-I	Deflector	Central Infrastructure Pty Ltd (100%)	14/12/1998	13/12/2040	8.85		Live
M	59/0522-I	Deflector	Central Infrastructure Pty Ltd (100%)	9/3/2001	8/3/2043	265.70		Live
M	59/0530	Deflector	Gullewa Gold Project Pty Ltd (100%)	28/8/2001	27/8/2043	233.40		Live
M	59/0531	Deflector	Gullewa Gold Project Pty Ltd (100%)	3/5/2001	2/5/2043	495.75		Live
E	25/0557	Mount Monger	Silver Lake Resources Ltd (100%)	12/10/2017	11/10/2027		6.00	Live
G	26/0167	Mount Monger	Silver Lake (Integra) Pty Limited (100%)	7/1/2015	6/1/2036	5.21		Live
G	26/0168	Mount Monger	Silver Lake Resources Ltd (100%)	13/12/2017	12/12/2038	9.54		Live
L	25/0016	Mount Monger	Silver Lake (Integra) Pty Limited (100%)	29/8/1991	28/8/2026	5.49		Live
L	25/0023	Mount Monger	Silver Lake (Integra) Pty Limited (100%)	28/11/1996	27/11/2026	8.20		Live

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Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Expiry Date	Hectares	Blocks	Status
L	25/0037	Mount Monger	Silver Lake (Integra) Pty Limited (100%)	1/7/2014	30/6/2035	47.19		Live
L	25/0049	Mount Monger	Silver Lake (Integra) Pty Limited (100%)	20/8/2015	19/8/2036	20.19		Live
L	26/0246	Mount Monger	Silver Lake Resources Ltd (100%)	12/5/2009	11/5/2030	3.00		Live
L	26/0285	Mount Monger	Silver Lake Resources Ltd (100%)	21/9/2018	20/9/2039	1.79		Live
M	26/0038	Mount Monger	Silver Lake Resources Ltd (100%)	20/10/1983	19/10/2025	12.36		Live
M	26/0094	Mount Monger	Silver Lake Resources Ltd (100%)	8/10/1995	7/10/2027	9.56		Live
M	26/0129	Mount Monger	Silver Lake Resources Ltd (100%)	17/3/1987	16/3/2029	24.10		Live
M	26/0249	Mount Monger	Silver Lake (Integra) Pty Limited (100%)	23/11/1988	22/11/2030	321.80		Live
M	26/0250	Mount Monger	Silver Lake Resources Ltd (100%)	12/1/1989	11/1/2031	314.75		Live
M	26/0251	Mount Monger	Silver Lake Resources Ltd (100%)	12/1/1989	11/1/2031	331.85		Live
M	26/0271	Mount Monger	Silver Lake Resources Ltd (100%)	31/3/1989	30/3/2031	18.20		Live
M	26/0280	Mount Monger	Silver Lake Resources Ltd (100%)	7/9/1989	6/9/2031	13.52		Live
M	26/0282	Mount Monger	Silver Lake Resources Ltd (100%)	22/5/1989	21/5/2031	27.56		Live
M	26/0325	Mount Monger	Silver Lake Resources Ltd (100%)	22/1/1990	21/1/2032	15.83		Live
M	26/0389	Mount Monger	Silver Lake Resources Ltd (100%)	20/3/1992	19/3/2034	81.07		Live
M	26/0391	Mount Monger	Silver Lake (Integra) Pty Limited (100%)	29/5/1992	28/5/2034	12.14		Live
M	26/0393	Mount Monger	Silver Lake Resources Ltd (100%)	24/6/1992	23/6/2034	67.82		Live
M	26/0401	Mount Monger	Silver Lake (Integra) Pty Limited (100%)	10/9/1992	9/9/2034	115.65		Live
M	26/0402	Mount Monger	Silver Lake Resources Ltd (100%)	29/10/1992	28/10/2034	475.80		Live
M	26/0410	Mount Monger	Silver Lake Resources Ltd (100%)	18/11/1992	17/11/2034	11.20		Live
M	26/0411	Mount Monger	Silver Lake Resources Ltd (100%)	25/1/1993	24/1/2035	9.13		Live
M	26/0415	Mount Monger	Silver Lake Resources Ltd (100%)	8/2/1993	7/2/2035	2.05		Live
M	26/0500	Mount Monger	Silver Lake Resources Ltd (100%)	20/1/2010	19/1/2031	4.50		Live
M	26/0636	Mount Monger	Silver Lake Resources Ltd (100%)	11/1/1999	10/1/2041	5.91		Live
M	26/0665	Mount Monger	Silver Lake Resources Ltd (100%)	25/10/2000	24/10/2042	9.44		Live
M	26/0825	Mount Monger	Silver Lake Resources Ltd (100%)	1/7/2014	30/6/2035	26.82		Live
M	26/0836	Mount Monger	Silver Lake Resources Ltd (100%)	10/1/2017	9/1/2038	7.94		Live

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Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Expiry Date	Hectares	Blocks	Status
M	26/0844	Mount Monger	Silver Lake Resources Ltd (100%)			27.00		Pending
M	26/0847	Mount Monger	Silver Lake Resources Ltd (100%)	27/5/2019	26/5/2040	14.41		Live
M	26/0860	Mount Monger	Silver Lake Resources Ltd (100%)			121.30		Pending
P	26/3961	Mount Monger	Silver Lake Resources Ltd (100%)	20/1/2014	19/1/2022	122.00		Live (Renewal)
P	26/4092	Mount Monger	Silver Lake Resources Ltd (100%)	20/9/2016	19/9/2024	183.00		Live
P	26/4093	Mount Monger	Silver Lake Resources Ltd (100%)	6/10/2016	5/10/2024	180.74		Live
P	26/4094	Mount Monger	Silver Lake Resources Ltd (100%)	28/7/2016	27/7/2024	10.00		Live
P	26/4175	Mount Monger	Silver Lake Resources Ltd (100%)	27/1/2017	26/1/2025	3.60		Live
P	26/4185	Mount Monger	Silver Lake Resources Ltd (100%)	15/2/2017	14/2/2025	180.00		Live
P	26/4250	Mount Monger	Silver Lake Resources Ltd (100%)	11/7/2017	10/7/2025	190.00		Live
P	26/4251	Mount Monger	Silver Lake Resources Ltd (100%)	11/7/2017	10/7/2025	183.00		Live
P	26/4252	Mount Monger	Silver Lake Resources Ltd (100%)	11/7/2017	10/7/2025	185.00		Live
P	26/4253	Mount Monger	Silver Lake Resources Ltd (100%)	11/7/2017	10/7/2025	182.37		Live
P	26/4254	Mount Monger	Silver Lake Resources Ltd (100%)	11/7/2017	10/7/2025	164.00		Live
G	25/0002	Randalls	Silver Lake (Integra) Pty Limited (100%)	2/7/2014	1/7/2035	69.83		Live
L	25/0008	Randalls	Silver Lake (Integra) Pty Limited (100%)	10/4/1989	9/4/2024	13.50		Live (Renewal)
L	25/0022	Randalls	Silver Lake (Integra) Pty Limited (100%)	25/11/1996	24/11/2026	17.00		Live
L	25/0027	Randalls	Silver Lake (Integra) Pty Limited (100%)	12/9/2011	11/9/2032	4.04		Live
L	25/0029	Randalls	Silver Lake (Integra) Pty Limited (100%)	9/4/2009	8/4/2030	9.00		Live
L	25/0031	Randalls	Silver Lake (Integra) Pty Limited (100%)	3/1/2009	2/11/2030	218.35		Live
L	25/0033	Randalls	Silver Lake (Integra) Pty Limited (100%)	14/3/2012	13/3/2033	5.61		Live
L	25/0041	Randalls	Silver Lake (Integra) Pty Limited (100%)	30/9/2014	29/9/2035	150.62		Live
L	25/0045	Randalls	Silver Lake (Integra) Pty Limited (100%)	20/8/2015	19/8/2036	13.16		Live
L	25/0046*	Randalls	Silver Lake (Integra) Pty Limited (100%)	22/8/2016	21/8/2037	205.60		Live
L	25/0047	Randalls	Silver Lake Resources Ltd (100%)	31/3/2015	30/3/2036	5.47		Live
L	25/0056	Randalls	Silver Lake (Integra) Pty Limited (100%)	21/3/2017	20/3/2038	114.18		Live
L	25/0057	Randalls	Silver Lake (Integra) Pty Limited (100%)	21/3/2017	20/3/2038	248.34		Live

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Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Expiry Date	Hectares	Blocks	Status
L	25/0058	Randalls	Silver Lake (Integra) Pty Limited (100%)	14/12/2017	13/12/2038	12.00		Live
L	25/0059	Randalls	Silver Lake (Integra) Pty Limited (100%)	14/12/2017	13/12/2038	13.93		Live
M	25/0071	Randalls	Silver Lake (Integra) Pty Limited (100%)	11/12/1989	10/12/2031	983.75		Live
M	25/0125	Randalls	Silver Lake (Integra) Pty Limited (100%)	13/12/1993	12/12/2035	922.75		Live
M	25/0133	Randalls	Silver Lake (Integra) Pty Limited (100%)	1/9/1995	31/8/2037	967.65		Live
M	25/0236	Randalls	Silver Lake (Integra) Pty Limited (100%)	1/9/2009	31/8/2030	997.30		Live
M	25/0307	Randalls	Silver Lake (Integra) Pty Limited (100%)	1/9/2009	31/8/2030	43.54		Live
M	25/0347	Randalls	Silver Lake (Integra) Pty Limited (100%)	1/9/2009	31/8/2030	990.40		Live
M	25/0371	Randalls	Silver Lake (Integra) Pty Limited (100%)	11/3/2022	10/3/2043	55.03		Live
E	59/2183	Rothsay	Silver Lake (Rothsay) Pty Ltd (100%)	24/2/2017	23/2/2027		10.00	Live
E	59/2254	Rothsay	Silver Lake (Rothsay) Pty Ltd (100%)	27/12/2017	26/12/2027		1.00	Live
E	59/2354	Rothsay	Silver Lake (Rothsay) Pty Ltd (100%)	4/7/2019	3/7/2024		1.00	Live
E	59/2355	Rothsay	Silver Lake (Rothsay) Pty Ltd (100%)	4/7/2019	3/7/2024		1.00	Live
L	59/0024	Rothsay	Silver Lake (Rothsay) Pty Ltd (100%)	22/8/1989	21/8/2024	6.90		Live
L	59/0171	Rothsay	Silver Lake (Rothsay) Pty Ltd (100%)	20/4/2020	19/4/2041	10.99		Live
L	59/0172	Rothsay	Silver Lake (Rothsay) Pty Ltd (100%)	20/4/2020	19/4/2041	17.39		Live
L	59/0173	Rothsay	Silver Lake (Rothsay) Pty Ltd (100%)	20/4/2020	19/4/2041	25.72		Live
L	59/0174	Rothsay	Silver Lake (Rothsay) Pty Ltd (100%)	1/7/2020	30/6/2041	140.02		Live
M	59/0039-I	Rothsay	Silver Lake (Rothsay) Pty Ltd (100%)	4/12/1986	3/12/2028	710.30		Live
M	59/0040-I	Rothsay	Silver Lake (Rothsay) Pty Ltd (100%)	4/12/1986	3/12/2028	380.85		Live

Notes:

Data sourced from Silver Lake tenements register dated 27 October 2023. Data have not been independently verified except for tenements listed as 'pending' had not been granted as at 17 March 2024.

Red 5

Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Date Expiry	Hectares	Blocks	Royalty	Status
E	36/1044	Darlot	Darlot Mining Company Pty Ltd (100%)	7/12/2023	6/12/2028	5.00	5.00		Live
EA	36/1051	Darlot	Darlot Mining Company Pty Ltd (100%)			2.00	2.00		Pending
EA	36/1056	Darlot	Darlot Mining Company Pty Ltd (100%)			6.00	6.00		Pending
EA	36/1072	Darlot	Darlot Mining Company Pty Ltd (100%)			8.00	8.00		Pending
EA	36/1073	Darlot	Darlot Mining Company Pty Ltd (100%)			13.00	13.00		Pending
EA	36/1082	Darlot	Darlot Mining Company Pty Ltd (100%)			16.00	16.00		Pending
EA	36/1084	Darlot	Darlot Mining Company Pty Ltd (100%)			18.00	18.00		Pending
EA	36/1086	Darlot	Darlot Mining Company Pty Ltd (100%)			1.00	1.00		Pending
EA	36/1088	Darlot	Darlot Mining Company Pty Ltd (100%)			1.00	1.00		Pending
P	36/1931	Darlot	Darlot Mining Company Pty Ltd (100%)			100.00	100.00		Pending
L	37/0118	Darlot	Darlot Mining Company Pty Ltd (100%)	14/03/2002	13/03/2044	5.64			Live
M	37/0155	Darlot	Darlot Mining Company Pty Ltd (100%)	18/07/1988	17/07/2030	1000.00			Live
L	37/0206	Darlot	Darlot Mining Company Pty Ltd (100%)	5/04/2012	4/04/2033	5.99			Live
L	37/0207	Darlot	Darlot Mining Company Pty Ltd (100%)	16/12/2011	15/12/2032	14.00			Live
L	37/0223	Darlot	Darlot Mining Company Pty Ltd (100%)	23/03/2017	22/03/2038	42.46			Live
L	37/0224	Darlot	Darlot Mining Company Pty Ltd (100%)	3/02/2017	2/02/2038	44.39			Live
M	37/0252	Darlot	Darlot Mining Company Pty Ltd (100%)	14/02/1990	13/02/2032	829.05			Live
M	37/0373	Darlot	Darlot Mining Company Pty Ltd (100%)	10/09/1992	9/09/2034	160.10			Live
M	37/0417	Darlot	Darlot Mining Company Pty Ltd (100%)	24/11/1993	23/11/2035	950.60			Live
M	37/0418	Darlot	Darlot Mining Company Pty Ltd (100%)	24/11/1993	23/11/2035	908.00			Live
M	37/0419	Darlot	Darlot Mining Company Pty Ltd (100%)	24/11/1993	23/11/2035	936.05			Live
M	37/0420	Darlot	Darlot Mining Company Pty Ltd (100%)	24/11/1993	23/11/2035	817.85			Live
M	37/0421	Darlot	Darlot Mining Company Pty Ltd (100%)	24/11/1993	23/11/2035	383.65			Live
M	37/0503	Darlot	Darlot Mining Company Pty Ltd (100%)	9/12/2008	8/12/2029	147.75			Live
M	37/0584	Darlot	Darlot Mining Company Pty Ltd (100%)	23/05/2007	22/05/2028	159.25			Live
M	37/0592	Darlot	Darlot Mining Company Pty Ltd (100%)	6/07/2009	5/07/2030	996.15			Live

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Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Date Expiry	Hectares	Blocks	Royalty	Status
M	37/0608	Darlot	Darlot Mining Company Pty Ltd (100%)	6/07/2009	5/07/2030	998.80			Live
M	37/0632	Darlot	Darlot Mining Company Pty Ltd (100%)	23/05/2007	22/05/2028	594.95			Live
M	37/0667	Darlot	Darlot Mining Company Pty Ltd (100%)	25/01/2008	24/01/2029	138.40			Live
M	37/0774	Darlot	Darlot Mining Company Pty Ltd (100%)	5/02/2008	4/02/2029	75.82			Live
M	37/0775	Darlot	Darlot Mining Company Pty Ltd (100%)	23/05/2007	22/05/2028	609.95			Live
M	37/1217	Darlot	Darlot Mining Company Pty Ltd (100%)	26/03/2008	25/03/2029	15.33			Live
E	37/1220	Darlot	Pateron, Andrew George (100%)	10/09/2019	9/09/2024		34.00		Live
E	37/1247	Darlot	Darlot Mining Company Pty Ltd (100%)	5/07/2016	4/07/2026		5.00		Live
E	37/1253	Darlot	Darlot Mining Company Pty Ltd (100%)	6/09/2016	5/09/2026		7.00		Live
E	37/1268	Darlot	Darlot Mining Company Pty Ltd (100%)	21/12/2016	20/12/2026		2.00		Live
E	37/1269	Darlot	Darlot Mining Company Pty Ltd (100%)	27/11/2017	26/11/2027		19.00		Live
E	37/1296	Darlot	Darlot Mining Company Pty Ltd (100%)	3/07/2017	2/07/2027		2.00		Live
E	37/1297	Darlot	Darlot Mining Company Pty Ltd (100%)	3/07/2017	2/07/2027		1.00		Live
E	37/1298	Darlot	Darlot Mining Company Pty Ltd (100%)	3/07/2017	2/07/2027		8.00		Live
E	37/1319	Darlot	Darlot Mining Company Pty Ltd (100%)	18/04/2018	17/04/2028		9.00		Live
E	37/1321	Darlot	Darlot Mining Company Pty Ltd (100%)	2/08/2018	1/08/2028		12.00		Live
E	37/1322	Darlot	Darlot Mining Company Pty Ltd (100%)	2/08/2018	1/08/2028		14.00		Live
E	37/1350	Darlot	Darlot Mining Company Pty Ltd (100%)	31/10/2019	30/10/2024		28.00		Live
E	37/1352	Darlot	Darlot Mining Company Pty Ltd (100%)	15/01/2019	14/01/2024		1.00		Live (Renewal)
E	37/1369	Darlot	Darlot Mining Company Pty Ltd (100%)	11/03/2020	10/03/2025		8.00		Live
E	37/1378	Darlot	Darlot Mining Company Pty Ltd (100%)	7/02/2020	6/02/2025		23.00		Live
E	37/1391	Darlot	Darlot Mining Company Pty Ltd (100%)	13/08/2020	12/08/2025		1.00		Live
E	37/1393	Darlot	Darlot Mining Company Pty Ltd (100%)	30/07/2021	29/07/2026		40.00		Live
E	37/1395	Darlot	Darlot Mining Company Pty Ltd (100%)	13/08/2020	12/08/2025		37.00		Live
E	37/1398	Darlot	Darlot Mining Company Pty Ltd (100%)	10/09/2020	9/09/2025		1.00		Live
E	37/1400	Darlot	Darlot Mining Company Pty Ltd (100%)	26/02/2021	25/02/2026		28.00		Live
E	37/1413	Darlot	Darlot Mining Company Pty Ltd (100%)	23/03/2021	22/03/2026		8.00		Live

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Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Date Expiry	Hectares	Blocks	Royalty	Status
E	37/1415	Darlot	Darlot Mining Company Pty Ltd (100%)	24/11/2021	23/11/2026		10.00		Live
E	37/1428	Darlot	Darlot Mining Company Pty Ltd (100%)	1/07/2022	30/06/2027		6.00		Live
EA	37/1512	Darlot	Darlot Mining Company Pty Ltd (100%)				1.00		Pending
EA	37/1521	Darlot	Darlot Mining Company Pty Ltd (100%)				17.00		Pending
EA	37/1541	Darlot	Darlot Mining Company Pty Ltd (100%)				7.00		Pending
P	37/8699	Darlot	Darlot Mining Company Pty Ltd (100%)	17/11/2016	16/11/2024	106.41			Live
P	37/8716	Darlot	Darlot Mining Company Pty Ltd (100%)	16/01/2017	15/01/2025	2.00			Live
P	37/8788	Darlot	Darlot Mining Company Pty Ltd (100%)	28/04/2017	27/04/2025	159.89			Live
P	37/8789	Darlot	Darlot Mining Company Pty Ltd (100%)	28/04/2017	27/04/2025	158.42			Live
P	37/9345	Darlot	Darlot Mining Company Pty Ltd (100%)	24/02/2021	23/02/2025	11.18			Live
E	37/1272	Darlot East	Ardea Exploration Pty Ltd (100%)	6/02/2017	5/02/2027		37.00		Live
E	37/1273	Darlot East	Ardea Exploration Pty Ltd (100%)	6/02/2017	5/02/2027		36.00		Live
M	37/0320	Darlot South A Joint Venture	Panaust Limited (16%), Baker, Robert Albert Lawrence (0.5%), Darlot Mining Company Pty Ltd (83.5%)	12/03/1991	11/03/2033	337.25			Live
M	37/0246	Darlot South B Joint Venture	Panaust Limited (16%), Baker, Robert Albert Lawrence (0.5%), Darlot Mining Company Pty Ltd (83.5%)	16/03/1990	15/03/2032	148.25			Live
M	37/0265	Darlot South B Joint Venture	Panaust Limited (16%), Baker, Robert Albert Lawrence (0.5%), Darlot Mining Company Pty Ltd (83.5%)	26/01/1990	25/01/2032	77.70			Live
M	37/0343	Darlot South B Joint Venture	Panaust Limited (16%), Baker, Robert Albert Lawrence (0.5%), Darlot Mining Company Pty Ltd (83.5%)	13/01/1992	12/01/2034	69.32			Live
M	37/0345	Darlot South B Joint Venture	Panaust Limited (16%), Baker, Robert Albert Lawrence (0.5%), Darlot Mining Company Pty Ltd (83.5%)	13/01/1992	12/01/2034	3.63			Live
M	37/0393	Darlot South B Joint Venture	Panaust Limited (16%), Baker, Robert Albert Lawrence (0.5%), Darlot Mining Company Pty Ltd (83.5%)	21/06/1993	20/06/2035	477.50			Live

Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Date Expiry	Hectares	Blocks	Royalty	Status
M	37/0776	Darlot South B Joint Venture	Panaust Limited (16%), Baker, Robert Albert Lawrence (0.5%), Darlot Mining Company Pty Ltd (83.5%)	23/05/2007	22/05/2028	155.95			Live
M	37/0552	Darlot South CIO Joint Venture	Darlot Mining Company Pty Ltd (49%), South Darlot Mines Pty Ltd (51%)	5/12/2008	4/12/2029	184.45			Live
M	37/0631	Darlot South CIO Joint Venture	Darlot Mining Company Pty Ltd (49%), South Darlot Mines Pty Ltd (51%)	23/05/2007	22/05/2028	776.75			Live
M	37/0709	Darlot South CIO Joint Venture	Darlot Mining Company Pty Ltd (49%), South Darlot Mines Pty Ltd (51%)	23/01/2008	22/01/2029	92.44			Live
M	37/1045	Darlot South CIO Joint Venture	Darlot Mining Company Pty Ltd (49%), South Darlot Mines Pty Ltd (51%)	26/02/2009	25/02/2030	91.04			Live
E	37/1194	Emperor	Darlot Mining Company Pty Ltd (100%)	26/11/2014	25/11/2024		1.00		Live
E	37/1195	Emperor	Darlot Mining Company Pty Ltd (100%)	26/11/2014	25/11/2024		1.00		Live
G	37/0037	Great Western	Darlot Mining Company Pty Ltd (100%)	24/11/2020	23/11/2041	101.81			Live
M	37/0054	Great Western	Darlot Mining Company Pty Ltd (100%)	15/08/1985	14/08/2027	59.82			Live
L	37/0237	Halfpenny Well East	Darlot Mining Company Pty Ltd (100%)	13/08/2018	12/08/2039	4365.03			Live
M	37/0021	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	22/06/1984	21/06/2026	23.77		1.50%	Live
M	37/0067	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	5/01/1987	4/01/2029	38.10		1.50%	Live
M	37/0076	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	21/05/1986	20/05/2028	65.55		1.50%	Live
M	37/0090	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	5/01/1987	4/01/2029	166.85		1.50%	Live
M	37/0179	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	17/01/1989	16/01/2031	97.35		1.50%	Live
M	37/0201	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	20/04/1989	19/04/2031	227.50		1.50%	Live
L	37/0211	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	10/06/2014	9/06/2035	30.00		1.50%	Live
M	37/0222	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	13/07/1989	12/07/2031	416.25		1.50%	Live
L	37/0248	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	21/04/2021	20/04/2042	272.96		1.50%	Live
M	37/0248	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	4/10/1989	3/10/2031	2.24		1.50%	Live

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Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Date Expiry	Hectares	Blocks	Royalty	Status
L	37/0250	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	23/03/2021	22/03/1942	174.26			Live
M	37/0330	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	2/07/1991	1/07/2033	299.35		1.50%	Live
M	37/0394	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	31/08/1993	30/08/2035	187.75		1.50%	Live
M	37/0407	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	16/09/1993	15/09/2035	292.05		1.50%	Live
M	37/0410	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	24/11/1993	23/11/1993	360.15		1.50%	Live
M	37/0416	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	21/10/1993	20/10/2035	658.50		1.50%	Live
M	37/0429	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	23/02/1994	22/02/2036	133.40		1.50%	Live
M	37/0449	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	5/08/1994	4/08/2036	419.50		1.50%	Live
M	37/0451	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	16/11/1994	15/11/2036	264.70		1.50%	Live
M	37/0457	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	7/11/1994	6/11/2036	689.95		1.50%	Live
M	37/0496	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	26/07/1999	25/07/2041	281.55		1.50%	Live
M	37/0529	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	14/05/2008	13/05/2029	121.30		1.50%	Live
M	37/0544	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	29/01/2008	28/01/2029	84.02		1.50%	Live
M	37/0547	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	12/11/1999	11/11/2041	901.35		1.50%	Live
M	37/0548	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	12/11/1999	11/11/2041	312.80		1.50%	Live
M	37/0551	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	31/01/2008	30/01/2029	176.90		1.50%	Live
M	37/0570	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	10/01/2008	9/01/2029	514.60		1.50%	Live
M	37/0571	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	21/09/2000	20/09/2042	688.65		1.50%	Live
M	37/0572	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	21/09/2000	20/09/2042	936.95		1.50%	Live
M	37/0573	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	21/09/2000	20/09/2042	853.20		1.50%	Live
M	37/0574	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	21/09/2000	20/09/2042	628.95		1.50%	Live
M	37/0905	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	15/05/2008	14/05/2029	42.05		1.50%	Live
M	37/1050	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	29/01/2008	28/01/2029	189.35		1.50%	Live
M	37/1051	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	29/01/2008	28/01/2029	382.25		1.50%	Live
M	37/1081	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	18/06/2008	17/06/2029	422.15		1.50%	Live
M	37/1105	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	15/05/2001	14/05/2043	9.71		1.50%	Live
M	37/1165	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	18/07/2008	17/07/2029	203.10		1.50%	Live

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Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Date Expiry	Hectares	Blocks	Royalty	Status
E	37/1409	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	12/04/2021	11/04/2026		3.00		Live
E	37/1410	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	23/03/2021	22/03/2026		9.00		Live
P	37/9157	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	14/01/2019	13/01/2027	56.88			Live
P	37/9160	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	14/01/2019	13/01/2027	196.00			Live
P	37/9161	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	14/01/2019	13/01/2027	20.87			Live
P	37/9270	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	11/03/2020	10/03/2024	153.63			Live (Renewal)
P	37/9271	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	11/03/2020	10/03/2024	136.63			Live (Renewal)
P	37/9281	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	12/03/2020	11/03/2024	198.67			Live (Renewal)
P	37/9282	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	12/03/2020	11/03/2024	199.01			Live (Renewal)
P	37/9283	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	12/03/2020	11/03/2024	198.55			Live (Renewal)
P	37/9284	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	12/03/2020	11/03/2024	198.85			Live (Renewal)
P	37/9285	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	24/11/2022	23/11/2026	188.65			Live
P	37/9286	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	12/03/2020	11/03/2024	198.55			Live (Renewal)
P	37/9287	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	12/03/2020	11/03/2024	198.98			Live (Renewal)
P	37/9288	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	18/11/2021	17/11/2025	199.12			Live
P	37/9289	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	1/04/2020	31/03/2024	198.55			Live (Renewal)
P	37/9290	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	18/11/2021	17/11/2025	199.08			Live
P	37/9291	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	1/04/2020	31/03/2024	198.65			Live (Renewal)
P	37/9293	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	1/07/2022	30/06/2026	198.68			Live
P	37/9294	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	1/07/2022	30/06/2026	181.00			Live
P	37/9295	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	1/07/2022	30/06/2026	196.09			Live
P	37/9392	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	2/03/2021	1/03/2025	125.53			Live
P	37/9393	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	2/03/2021	1/03/2025	161.46			Live
P	37/9394	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	2/03/2021	1/03/2025	117.62			Live
P	37/9395	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	2/03/2021	1/03/2025	199.34			Live
P	37/9396	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	2/03/2021	1/03/2025	197.09			Live
P	37/9397	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	2/03/2021	1/03/2025	191.24			Live

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Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Date Expiry	Hectares	Blocks	Royalty	Status
P	37/9398	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	2/03/2021	1/03/2025	199.06			Live
P	37/9399	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	2/03/2021	1/03/2025	196.41			Live
P	37/9400	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	2/03/2021	1/03/2025	197.23			Live
P	37/9401	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	2/03/2021	1/03/2025	191.79			Live
P	37/9402	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	2/03/2021	1/03/2025	198.98			Live
P	37/9403	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	4/03/2021	3/03/2025	199.32			Live
P	37/9404	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	4/03/2021	3/03/2025	190.82			Live
P	37/9405	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	4/03/2021	3/03/2025	195.03			Live
P	37/9406	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	4/03/2021	3/03/2025	195.83			Live
P	37/9407	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	4/03/2021	3/03/2025	197.38			Live
P	37/9408	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	4/03/2021	3/03/2025	194.31			Live
P	37/9409	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	4/03/2021	3/03/2025	197.23			Live
P	37/9410	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	4/03/2021	3/03/2025	193.96			Live
P	37/9491	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	27/08/2021	26/08/2025	113.92			Live
P	37/9492	King of the Hills	Greenstone Resources (WA) Pty Ltd (100%)	27/08/2021	26/08/2025	115.59			Live
E	37/1385	Lake Raeside	Greenstone Resources (WA) Pty Ltd (100%)	24/03/2021	23/03/2026		15.00		Live
M	57/0429	Montague	Gateway Mining Limited (75%) & Estuary Resources Pty Ltd (25%)	6/07/2005	5/07/2026	981.7			Live
M	57/0485	Montague	Gateway Mining Limited (75%) & Estuary Resources Pty Ltd (25%)	3/02/2005	2/02/2026	914.65			Live
E	57/0793	Montague	Gateway Mining Limited (75%) & Estuary Resources Pty Ltd (25%)	4/02/2010	3/02/2024		4.00		Live (Renewal)
L	37/0230	Mt Blackburn East	Darlot Mining Company Pty Ltd (100%)	7/08/2018	6/08/2039	9468.49			Live
P	37/9292	Mt Ross	Greenstone Resources (WA) Pty Ltd (100%)			199.00			Live
E	39/1706	Mt Zephyr	Ardea Exploration Pty Ltd (100%)	24/09/2013	23/09/2025		12.00		Live
E	39/1854	Mt Zephyr	Ardea Exploration Pty Ltd (100%)	11/07/2017	10/07/2027		29.00		Live
E	39/1985	Mt Zephyr	Ardea Exploration Pty Ltd (100%)	13/09/2017	12/09/2027		19.00		Live
E	37/1271	Mt Zephyr	Ardea Exploration Pty Ltd (100%)	13/09/2017	12/09/2027		14.00		Live

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Tenement Type	Tenement Number	Project	Registered Holder and Interests	Date Granted	Date Expiry	Hectares	Blocks	Royalty	Status
E	37/1274	Mt Zephyr	Ardea Exploration Pty Ltd (100%)	13/09/2017	12/09/2027	20600.52	38.00		Live
L	37/0238	No 11 Well East	Darlot Mining Company Pty Ltd (100%)						Live
E	37/1210	North Darlot	Darlot Mining Company Pty Ltd (100%)	8/07/2015	7/07/2025		1.00		Live
L	37/0231	Woodarra	Darlot Mining Company Pty Ltd (100%)	15/02/2019	14/02/2040	1607.00			Live
E	36/0865	Yandal South	Darlot Mining Company Pty Ltd (100%)	18/11/2016	17/11/2026		14.00		Live
E	36/0940	Yandal South	Darlot Mining Company Pty Ltd (100%)	29/11/2018	28/11/2023		1.00		Live
E	36/0941	Yandal South	Darlot Mining Company Pty Ltd (100%)	14/12/2018	13/12/2023		1.00		Live
E	36/0944	Yandal South	Darlot Mining Company Pty Ltd (100%)	31/10/2019	30/10/2024		7.00		Live
E	36/0945	Yandal South	Darlot Mining Company Pty Ltd (100%)	11/03/2020	10/03/2025		3.00		Live
E	36/0964	Yandal South	Darlot Mining Company Pty Ltd (100%)	11/10/2019	10/10/2024		2.00		Live
E	36/0968	Yandal South	Darlot Mining Company Pty Ltd (100%)	28/10/2019	27/10/2024		1.00		Live
E	36/0969	Yandal South	Darlot Mining Company Pty Ltd (100%)	6/11/2019	5/11/2024		2.00		Live
E	36/0980	Yandal South	Darlot Mining Company Pty Ltd (100%)	3/04/2020	2/04/2025		7.00		Live
E	36/0997	Yandal South	Darlot Mining Company Pty Ltd (100%)	9/02/2021	8/02/2026		3.00		Live
E	36/0999	Yandal South	Darlot Mining Company Pty Ltd (100%)	29/04/2021	28/04/2026		5.00		Live
E	36/1002	Yandal South	Darlot Mining Company Pty Ltd (100%)	29/04/2021	28/04/2026		3.00		Live
P	36/1879	Yandal South	Darlot Mining Company Pty Ltd (100%)	29/11/2018	28/11/2026	199.65			Live
P	36/1883	Yandal South	Darlot Mining Company Pty Ltd (100%)	3/07/2019	2/07/2027	19.62			Live
P	36/1884	Yandal South	Darlot Mining Company Pty Ltd (100%)	3/07/2019	2/07/2027	8.42			Live
P	36/1889	Yandal South	Darlot Mining Company Pty Ltd (100%)	6/02/2020	5/02/2024	49.72			Live (Renewal)
P	36/1920	Yandal South	Darlot Mining Company Pty Ltd (100%)	21/10/2021	20/10/2025	189.95			Live
P	36/1921	Yandal South	Darlot Mining Company Pty Ltd (100%)	24/01/2023	23/01/2027	41.76			Live
P	37/9210	Yandal South	Darlot Mining Company Pty Ltd (100%)	16/10/2019	15/10/2027	6.80			Live

Notes:

Data sourced from document number 07.07.03.01 (Red 5 Ltd tenements, 20 November 2023). Data have not been independently verified except to confirm that tenements listed as 'pending' had not been granted as at 19 March 2024.

Appendix C Comparable transactions data and valuation

Resource multiples – comparable transactions – Western Australia

Project	Announcement Date	Purchaser	Vendor	Region	Development Stage	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Resource (Mt)	Resource grade (g/t Au)	Resource only (koz)	Resource transaction multiple (A\$/oz)	Resource transaction multiple (normalised) (A\$/oz)
Mt Olympus project	Jun-20	Kalamazoo Resources Limited	Northern Star Resources Limited	Western Australia	Advanced Exploration	5.00	100%	20.79	2.47	1.65	3.03	3.74
Ashburton project	Feb-24	De Grey Mining Limited	Kalamazoo Resources Limited	Western Australia	Advanced Exploration/ Scoping?	31.00	100%	16.19	2.74	1.43	21.74	21.74
Mt Clement project	Jul-20	Northern Star Resources Limited	Artemis Resources Limited	Western Australia	Advanced Exploration	0.43	80%	2.44	1.01	0.08	5.41	6.39
City of Melbourne mine	Dec-20	Firefly Resources Limited	Undisclosed seller	Western Australia	Advanced Exploration	2.91	100%	2.75	1.57	0.14	20.96	26.37
Albury Heath project	Apr-20	Westgold Resources Limited	Cervantes Corporation Limited	Western Australia	Advanced Exploration	1.30	100%	0.39	2.17	0.03	47.79	55.57
Lindsays project	Dec-20	Nu-Fortune Gold Ltd	KalNorth Gold Mines Limited	Western Australia	Care and Maintenance	5.00	100%	3.97	1.69	0.22	23.14	29.11
OYG Joint venture	Apr-19	Rox Resources Limited	Venus Metals Corporation Limited	Western Australia	Advanced Exploration	4.00	50%	12.49	2.97	1.19	3.35	5.75
Tumblegum South deposit	Mar-21	Star Minerals Limited	Bryah Resources Limited	Western Australia	Advanced Exploration	2.30	100%	0.60	2.20	0.04	54.20	75.41
Grade Gnows Nest project	Sep-20	Emu NL	Undisclosed seller	Western Australia	Advanced Exploration	1.84	100%	0.11	3.78	0.01	133.51	155.68
Millrose project	Jun-23	Northern Star Resources Limited	Strickland Metals Limited	Western Australia	Advanced Exploration	59.45	100%	6.00	1.79	0.34	172.49	185.05

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Project	Announcement Date	Purchaser	Vendor	Region	Development Stage	Consideration (100% basis) (\$ M)	Equity acquired (%)	Resource (Mt)	Resource grade (g/t Au)	Resource only (koz)	Resource transaction multiple (raw) (\$/oz)	Resource transaction multiple (normalised) (\$/oz)
Wilki project	Feb-20	Newcrest Mining Limited	Antipa Minerals Limited	Western Australia	Early to Advanced Exploration	31.37	51%	2.40	1.30	0.10	312.76	404.76
E37/1220	Dec-19	Red 5 Limited	Andrew Paterson	Western Australia	Advanced Exploration	2.50	100%	1.50	3.80	0.18	13.60	19.64
Package of gold tenements	Aug-19	Regis Resources Limited	Duketon Mining Limited	Western Australia	Advanced Exploration, Target Outline	20.00	100%	1.90	1.50	0.09	218.27	305.63
Leonora project tenements	Aug-20	Specrez Pty Ltd	Kingwest Resources Limited	Western Australia	Advanced Exploration	0.19	100%	3.34	0.96	0.10	1.84	2.09
Lehmans project	Nov-18	Saracen Mineral Holdings Limited	Intermin Resources Limited	Western Australia	Advanced Exploration	2.50	100%	1.41	1.91	0.09	28.84	53.11
Paris project	Jul-20	Torque Metals Limited	Austral Pacific Pty Ltd	Western Australia	Advanced Exploration	1.85	100%	0.31	3.23	0.03	56.73	66.93
Malcolm project	Jul-20	GoldLake Two Pty Ltd.	Anova Metals Limited	Western Australia	Early to advanced	0.10	100%	0.14	8.30	0.04	2.64	3.11
Mining tenements, associated information, and infrastructure & improvements	Jul-21	Metrovex Pty Ltd	Extension Hill Pty Ltd.	Western Australia	Advanced Exploration	39.60	100%	79.70	0.80	2.05	19.32	24.60
Horse Well project	May-21	Strickland Metals Limited	Silver Lake Resources Limited	Western Australia	Advanced Exploration	4.73	37%	5.70	1.40	0.26	18.43	23.98
Milrose project	Jun-21	Strickland Metals Limited	Investor group	Western Australia	Advanced Exploration	10.00	100%	6.00	1.79	0.34	29.01	37.47

Project	Announcement Date	Purchaser	Vendor	Region	Development Stage	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Resource (Mt)	Resource grade (g/t Au)	Resource only (koz)	Resource transaction multiple (raw) (A\$/oz)	Resource transaction multiple (normalised) (A\$/oz)
Polar Bear and Norcoot projects, together with the Eundynie joint venture	Feb-18	Westgold Resources Limited	S2 Resources Limited	Western Australia	Advanced Exploration	9.10	100%	6.42	1.71	0.35	25.82	47.36
Bulong South, Glandore and Cowarna projects	May-21	Horizon Minerals Limited	Aureenne Group Holdings Pty Ltd	Western Australia	Feasibility Started, Target Outline	5.00	100%	0.14	5.16	0.02	211.88	275.57
Mayday North and North Kanowna Star project	Sep-19	Bardoc Gold Limited	Strategic Projects Mining Pty Ltd	Western Australia	Advanced Exploration	1.38	100%	2.13	1.64	0.11	12.32	17.22
Monument project	Aug-20	Six Sigma Metals Limited	DiscovEx Resources Limited	Western Australia	Advanced Exploration	0.55	100%	0.86	1.80	0.05	11.12	12.61
Kookynie project	Jun-20	Genesis Minerals Limited	Investor group	Western Australia	Advanced Exploration	13.50	100%	8.53	1.48	0.41	33.29	41.10
Fingals and Rowe's Find projects	May-20	Black Cat Syndicate Limited	Silver Lake Resources Limited	Western Australia	Advanced Exploration	5.44	100%	5.20	2.50	0.42	13.01	15.34
Nine mining tenements (Ben Hur)	Aug-20	Regis Resources Limited	Stone Resources Australia Limited	Western Australia	Advanced Exploration	10.00	100%	5.80	1.54	0.29	34.79	39.47
Blue Spec project	Sep-20	Calidius Resources Limited	Novo Resources Corporation	Western Australia	PFS/Scoping	19.50	100%	0.42	16.33	0.22	89.48	104.33
Cables and Mission deposits	Dec-19	Red 5 Limited	Private investor- Andrew George Paterson	Western Australia	Advanced/ Scoping	2.00	100%	1.50	3.80	0.18	10.91	15.76
Snake Well	Nov-18	Adaman Resources Pty Ltd.	Kalamazoo Resources	Western Australia	PFS/ Scoping	7.00	100%	0.60	4.33	0.08	83.74	154.19

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Project	Announcement Date	Purchaser	Vendor	Region	Development Stage	Consideration (\$ M)	Equity acquired (%)	Resource (Mt)	Resource grade (g/t Au)	Resource only (koz)	Resource transaction multiple (raw) (\$/oz)	Resource transaction multiple (normalised) (\$/oz)
Trojan, Slate Dam and Clinker Hill projects	Oct-20	Black Cat Syndicate Limited	Aruma Resources Limited	Western Australia	Advanced Exploration/ PFS?	0.50	100%	2.12	1.69	0.12	4.34	5.06
Zeilca project	Nov-18	Matsa Resources Limited	Anova Metals Limited	Western Australia	PFS/Scoping	0.15	100%	0.57	1.62	0.03	5.00	9.20
Bruno Lewis and Raeside	Dec-23	Genesis Minerals Limited	Kin Mining NL	Western Australia	Scoping Study?	53.50	100%	15.62	1.24	0.62	86.24	88.47
Mining Tenements at Forresteria Gold project	Oct-23	Classic Minerals Limited	Hannans Limited	Western Australia	Scoping Study/ Construction Started	4.05	20%	8.41	1.45	0.39	10.32	10.60
Great Western (M37/54)	Apr-20	Darlot Mining Company Pty Limited	Terrain Minerals Limited	Western Australia	PFS/Scoping	2.50	100%	0.71	2.74	0.06	39.99	46.50
Spargos Reward project	May-20	Karora Resources Inc.	Corona Resources Limited	Western Australia	PFS/Scoping	6.53	100%	0.94	4.34	0.13	49.97	58.91
Goongarie Lady Mining Lease (M29/420)	Aug-20	Resource Mining Pty Ltd	Kingwest Resources Limited	Western Australia	Feasibility Complete	1.90	100%	0.27	2.87	0.02	76.27	86.54
Mount Ida project	Sep-21	Red Dirt Metals Limited	Ora Banda Mining Limited	Western Australia	Feasibility	11.00	100%	0.32	13.85	0.14	77.68	99.38
Egan Street Resources Limited	Jul-19	Silver Lake Resources Limited	Egan Street Resources Limited	Western Australia	Feasibility	52.00	100%	1.50	9.20	0.44	117.20	179.63
Menzies and Goongarie projects	Jul-19	Kingwest Resources Limited	Horizon Minerals Limited	Western Australia	Feasibility Complete, PFS/Scoping, Target Outline	8.00	100%	2.42	2.20	0.17	46.75	71.65
Trojan project	Mar-18	Aruma Resources Limited	Westgold Resources Limited	Western Australia	Satellite	0.16	100%	2.79	1.61	0.14	1.08	1.96

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Project	Announcement Date	Purchaser	Vendor	Region	Development Stage	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Resource (Mt)	Resource grade (g/t Au)	Resource only (koz)	Resource transaction multiple (raw) (A\$/oz)	Resource transaction multiple (normalised) (A\$/oz)
Box Well and Deep South mining leases and 18 tenements	Apr-19	Saracen Mineral Holdings Limited	Hawthorn Resources Limited	Western Australia	Pre-Development	13.50	100%	-	-	0.20	67.46	115.74
Bundarra	Apr-19	Saracen Mineral Holdings Limited	Hawthorn Resources Limited	Western Australia	Pre-Development	38.20	100%	9.67	2.13	0.66	57.77	99.11
Eureka project	Aug-20	Warriedar Mining Pty Ltd	Tyranna Resources Limited	Western Australia	Pre-Production	1.00	100%	0.76	1.76	0.04	23.23	26.36
Sandstone project	Dec-21	Aurumin Limited	Middle Island Resources Limited	Western Australia	Care and Maintenance	12.00	100%	22.14	1.12	0.80	15.01	18.60
Penny's Find project	Dec-21	Horizon Minerals Limited	Labyrinth Resources Limited	Western Australia	Care and Maintenance?	1.50	50%	0.25	5.22	0.04	35.74	44.29
Linden project	Aug-20	Linden Gold Alliance Pty Ltd	Anova Metals Limited	Western Australia	Care and Maintenance	9.00	100%	0.65	6.32	0.13	68.52	77.74
Penny's Find tenements	Mar-19	Orminex Limited	Empire Resources Limited	Western Australia	Construction?	0.60	100%	0.25	7.05	0.06	10.68	18.02
Penny's Find project	Nov-20	Black Mountain Gold Ltd	Orminex Limited	Western Australia	Construction?	5.00	50%	0.25	7.04	0.06	89.07	107.72
Coogee project	Jul-20	Victory Mines Limited	Investor group	Western Australia	Residual Production	2.75	40%	0.10	3.40	0.01	262.05	309.16
Coogee project	Nov-20	Victory Mines Limited	Ramelius Resources Limited	Western Australia	Residual Production	1.11	90%	0.10	3.40	0.01	105.88	128.04
Leonora assets	Apr-23	Genesis Minerals Limited	St Barbara Limited	Western Australia	Expansion	540.00	100%	124.31	2.64	10.56	51.12	52.98

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Project	Announcement Date	Purchaser	Vendor	Region	Development Stage	Consideration (\$ M)	Equity acquired (%)	Resource (Mt)	Resource grade (g/t Au)	Resource only (koz)	Resource transaction multiple (raw) (\$/oz)	Resource transaction multiple (normalised) (\$/oz)
Higginsville Gold Operations	May-19	RNC Minerals Limited	Westgold Resources Limited	Western Australia	Operating	50.00	100%	29.42	2.01	1.90	26.27	44.08
Doray	Nov-18	Silver Lake Resources Limited	Doray Minerals Limited	Western Australia	Operating	193.20	100%	2.85	8.72	0.80	241.60	444.84
Red October and Devon project	Dec-21	Linden Gold Alliance Pty Ltd	Matsa Resources Limited	Western Australia	Operating, PFS/Scoping	17.50	100%	1.76	3.37	0.19	92.00	114.00
Super Pit mine	Nov-19	Saracen Mineral Holdings Limited	Barrick Gold Corporation	Western Australia	Operating	2,202.30	50%	272.60	1.35	11.85	185.81	267.51
Tropicana mine	Apr-21	Regis Resources Limited	IGO Limited	Western Australia	Operating	3,010.00	30%	145.06	1.64	7.64	393.82	534.20
Kalgoorlie mine tenements + 20 tenements	Dec-19	Northern Star Resources Limited	Newmont Goldcorp Corporation	Western Australia	Operating	2,250.48	50%	272.60	1.35	11.85	189.87	274.20

Resource multiples – comparable transactions – Canada

Project	Announcement Date	Purchaser	Vendor	Region	Development Stage	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Resource (Mt)	Resource grade (g/t Au)	Resource only (koz)	Resource transaction multiple (A\$/oz)	Resource transaction multiple (normalised) (A\$/oz)
Duquesne West project	Oct-22	Emperor Metals Inc.	Globex Mining Enterprises Inc.	Quebec	Advanced Exploration	24.10	100.00%	4.17	5.42	0.73	38.03	45.06
Manson Bay project	Dec-23	X1 Entertainment Group Inc.	SKRR Exploration Inc.	Saskatchewan	Advanced Exploration	0.06	100.00%	0.66	3.40	0.07	0.85	0.87
Regcourt	Mar-20	O3 Mining Inc.	Monarch Gold Corporation	Quebec	Advanced Exploration	0.15	100.00%	0.06	5.49	0.01	15.90	19.27
Bootleg Lake property	Nov-22	Searchlight Resources Inc.	New Moon Minerals Corp.	Saskatchewan	Advanced Exploration	1.44	25.00%	0.39	11.13	0.14	11.67	13.89
Tully project	Aug-23	Fulcrum Metals (Canada) Ltd	1911 Gold Corporation	Ontario	Advanced Exploration	0.80	100.00%	0.54	6.09	0.11	8.63	9.04
Labyrinth & Denain Gold projects	Jan-24	Investor group	Labyrinth Resources Limited	Quebec	Advanced Exploration	4.90	100.00%	3.00	5.00	0.48	11.41	11.55
Croinor Gold property	Jul-23	Probe Gold Inc.	Monarch Mining Corporation	Quebec	PFS/Scoping	4.50	100.00%	1.10	6.42	0.23	22.19	23.74
Dome Mountain mine	Feb-20	Blue Lagoon Resources Inc.	A.G.C. Investments, Inc.	British Columbia	PFS/Scoping	8.14	27.44%	0.58	9.56	0.18	51.21	66.28
Urban-Barry properties	Sep-23	Osisko Mining Inc.	Bonterra Resources Inc.	Quebec	PFS/Scoping	50.00	70.00%	15.07	5.70	2.76	20.82	21.66
Rowan property	Feb-23	West Red Lake Gold Mines Ltd.	Evolution Mining Limited	Ontario	PFS/Scoping	5.64	28.00%	2.79	9.20	0.83	7.38	8.50
Blackwater project	Jun-20	Artemis Gold Inc.	New Gold Inc.	British Columbia	Feasibility Complete	294.00	100.00%	414.50	0.74	9.82	32.04	39.55

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Project	Announcement Date	Purchaser	Vendor	Region	Development Stage	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Resource (Mt)	Resource grade (g/t Au)	Resource only (koz)	Resource transaction multiple (raw) (A\$/oz)	Resource transaction multiple (normalised) (A\$/oz)
Elmtree and Alcida claims	Oct-20	Canadian GoldCamps Corp.	Undisclosed seller	New Brunswick	Feasibility	4.89	100.00%	6.77	1.35	0.29	17.67	20.57
Caribou property	Sep-17	Osprey Gold Development Ltd.	John Logan Enterprises Limited	Nova Scotia	Advanced Exploration /Care and Maintenance?	0.93	100.00%	0.35	5.83	0.07	14.43	27.17
Dufferin properties	Feb-20	Aurelius Minerals Inc.	Sprott Inc.	Nova Scotia	PFS/Scoping, Preproduction, Care and Maintenance	9.32	100.00%	2.58	7.01	0.58	18.14	23.48
Hardrock project	Mar-21	Equinox Gold Corp.	Orion Mine Finance Group	Ontario	Construction Planned	647.72	10.00%	201.97	1.76	11.46	58.35	81.19
Windfall gold project	May-23	Gold Fields Holdings Company (BVI) Limited	Osisko Mining Inc.	Quebec	Construction?	1,350.00	50.00%	23.35	9.82	7.37	203.82	210.72
Red Lake complex	Nov-19	Evolution Mining Limited	Newmont Goldcorp Corporation	Ontario	Operating	631.55	100.00%	19.42	11.16	6.97	100.27	144.36
Pretium Resources Inc.	Nov-21	Newcrest Mining Limited	Pretium Resources Inc.	British Columbia	Operating	3,515.05	95.20%	31.80	10.22	10.45	366.55	455.33
Harte Gold Corp.	Nov-21	Silver Lake Resources Limited	Harte Gold Corp	Ontario	Care and Maintenance	129.27	100.00%	4.67	10.94	1.64	85.73	106.50
Point Rousse project	Jun-23	Maritime Resources Corp.	Signal Gold Inc.	Newfoundland and Labrador	Residual Production	3.96	100.00%	0.70	3.22	0.07	61.61	66.10

Area based – comparable transactions – Western Australia

Project	Announcement date	Purchaser	Vendor	Region/state	Development stage	Tenure type	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Area (km ²)	Area multiple (raw) (A\$/km ²)	Area multiple (normalised) (A\$/km ²)
King prospect	Mar-21	Image Resources NL	Undisclosed sellers	Western Australia	Advanced Exploration	PL	0.83	40%	3.70	222,972.97	310,254.28
Tenements P25/2597, P25/2688 & P26/4470	Nov-22	Orange Minerals NL	Rocky Reef Mining Pty Ltd	Western Australia	Early Exploration	PL	0.05	100%	3.22	15,527.95	18,475.44
P47/1812 tenement	Dec-22	Cyclone Metals Limited	Stonefield Developments Pty Ltd	Western Australia	Early Exploration	PL	0.12	100%	0.19	631,578.95	735,259.06
Nine prospecting licences	Aug-23	Great Boulder Resources Limited	Wanbanna Pty Ltd	Western Australia	Early Exploration	PL	0.15	80%	22.00	6,818.18	7,143.17
P15/6314	Feb-23	Greenstone Resources Limited	British Hill Pty Ltd	Western Australia	Early Exploration	PL	0.04	100%	0.10	448,448.45	516,338.23
Central Menzies project	May-21	Empire Metals Limited	Philips Exploration Pty Ltd.	Western Australia	Early Exploration	PL	5.13	75%	6.17	831,982.71	1,082,063.94
62 tenements	Oct-23	Northern Star Resources Limited	Horizon Minerals Limited	Western Australia	Early Exploration	PL	3.10	100%	101.70	30,481.81	31,300.19
Additional tenure	Sep-22	IRIS Metals Limited	Private Investor-Craig Dixon	Western Australia	Advanced Exploration	PL, PLA	0.06	100%	3.99	15,037.59	18,565.92
Tenements P25/2597, P25/2688 & P26/4470	Nov-22	Orange Minerals NL	Rocky Reef Mining Pty Ltd	Western Australia	Early Exploration	PL	0.05	100%	3.22	15,527.95	18,475.44
Leeds project	Jan-21	Ragnar Metals Limited	Loki Exploration	Western Australia	Advanced Exploration	PL only	0.11	80%	3.97	28,337.53	36,318.88
Harrier tenements	Mar-21	Hammer Metals Limited	Undisclosed seller	Western Australia	Early Exploration	EL	0.02	100%	15.41	1,297.86	1,805.90
Albion project	Nov-21	Mt Monger Resources Ltd	Glen Tyrell Bulldozing Pty Lt	Western Australia	Early Exploration	EL	0.09	100%	11.58	7,772.02	9,654.57
Golden star deposit (surrounding tenure)	Feb-21	Great Southern Mining Limited	GC Explore Pty Ltd	Western Australia	Early Exploration	EL	0.08	100%	412.00	182.04	242.10

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Project	Announcement date	Purchaser	Vendor	Region/state	Development stage	Tenure type	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Area (km ²)	Area multiple (raw) (A\$/km ²)	Area multiple (normalised) (A\$/km ²)
Yandal project	Jun-21	Strickland Metals Limited	Renegade Exploration Limited	Western Australia	Early Exploration	EL?	2.67	75%	320.00	8,333.33	10,760.45
E39/2073 tenement	Oct-21	Western Mines Group Ltd	Private investors - Thomas Williams and Neesh Bhasin	Western Australia	Early Exploration	EL	0.12	100%	38.75	3,187.10	4,118.53
Oldham Range property	Apr-21	Meryllion Resources Corp.	Undisclosed seller	Western Australia	Early Exploration	EL	0.52	100%	147.00	3,556.17	4,823.76
E31/1186	Jul-21	OzAurum Resources Limited	Revolution Mining Pty Ltd	Western Australia	Early Exploration	EL	0.08	100%	17.83	4,206.39	5,357.27
Pinnacle Well project	Nov-21	Ozz Resources Limited	Private Investor - Allan Pellegrini	Western Australia	Early Exploration	EL	1.23	75%	95.00	12,947.37	16,083.49
Rocky Dam project	Jun-21	Lycoon Resources Ltd	Dreadnought Resources Limited	Western Australia	Advanced Exploration	EL and ELA	0.10	100%	190.00	526.32	679.61
Two tenements	Dec-22	Equinox Resources Limited	Acme Resources Pty Ltd	Western Australia	Early Exploration	EL	0.02	100%	220.00	74.20	86.38
Karramindie project	Aug-23	Lithium Resources Investments Pty Ltd	Aurumin Limited	Western Australia	Early Exploration	EL	0.50	100%	16.38	30,525.03	31,980.01
Canegrass tenement	Oct-22	Zuleika Gold Limited	Olympio Metals Limited	Western Australia	Early Exploration	EL	0.50	80%	72.00	6,944.44	8,228.16
Kenya project	Jan-21	Ragnar Metals Limited	Jindalee Resources Limited	Western Australia	Advanced Exploration	EL	0.09	100%	7.50	12,000.00	15,379.83
Tenements of Kirgella and Pijjin South	May-23	Kalgoorlie Gold Mining Limited	Undisclosed sellers	Western Australia	0	EL	4.07	75%	48.90	83,162.92	85,980.68
Jubilee Well project	Apr-21	Lodestar Minerals Limited	Undisclosed seller	Western Australia	Early Exploration?	EL	0.05	100%	20.64	2,422.48	3,285.97
Laverton gold project	Jan-23	Rincon Resources Limited	Investor Group	Western Australia	Early Exploration	EL	0.15	100%	32.00	4,687.50	5,325.61

Project	Announcement date	Purchaser	Vendor	Region/state	Development stage	Tenure type	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Area (km ²)	Area multiple (raw) (A\$/km ²)	Area multiple (normalised) (A\$/km ²)
Fairy Well tenement	Oct-22	Westar Resources Limited	Vendors Mining Equities Pty Ltd	Western Australia	Early Exploration	EL	0.03	100%	6.00	5,208.33	6,171.12
E38/3279 (Ophir Bore)	Apr-21	Brightstar Resources Limited	Private investor - Mr. Peter Gianni	Western Australia	Early Exploration?	EL	0.05	100%	2.90	17,241.38	23,387.06
Exploration Licence E38/3438	Feb-21	Brightstar Resources Limited	Mining Equities Pty Ltd	Western Australia	Early Exploration	EL	0.20	100%	16.00	12,500.00	16,624.51
E39/2040	Dec-21	Legacy Iron Ore Limited	Investor group	Western Australia	Early Exploration	EL	0.10	100%	12.00	8,333.33	10,326.95
Comet Well project	Oct-21	Brightstar Resources Limited	Milford Resources Pty Limited	Western Australia	Early Exploration	EL	0.76	100%	120.00	6,291.67	8,130.42
Ninghan project	Jul-21	Power Metals Pty Ltd	Legend Resources Pty Ltd.	Western Australia	Early Exploration	ELA	0.06	100%	29.83	2,145.49	2,732.50
Elephant project	Aug-23	Tempest Minerals Limited	Mac3 Pty Ltd	Western Australia	Early Exploration	EL	0.75	80%	194.00	3,865.98	4,050.25
Murchison project	Aug-23	Ora Gold Limited	Sipa Resources Limited	Western Australia	Early Exploration	EL, ELA	1.40	100%	460.00	3,043.48	3,188.55
Two exploration tenements	Sep-21	Odyssey Gold Limited	Private investor - Thomas Peter Sanders	Western Australia	Early Exploration	EL	0.06	100%	5.88	10,034.01	12,836.57
Garden Gully project	Feb-21	Sipa Resources Limited	Miramar Resources Limited	Western Australia	Early Exploration	EL only	0.15	100%	207.00	724.64	963.74
E51/1995 Mine	Dec-22	Great Boulder Resources Limited	Empire Resources Limited	Western Australia	Early Exploration	EL	0.01	100%	61.00	163.93	190.85
E59/2584	Feb-23	Cooper Metals Limited	DiscovEx Resources Limited	Western Australia	Early Exploration	EL	0.05	100%	24.05	2,079.00	2,393.74
Ninghan Project	Jan-23	Everest Metals Corporation Ltd	Investor group	Western Australia	Early Exploration	EL	0.23	100%	228.00	986.84	1,121.18

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Project	Announcement date	Purchaser	Vendor	Region/state	Development stage	Tenure type	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Area (km ²)	Area multiple (raw) (A\$/km ²)	Area multiple (normalised) (A\$/km ²)
Gold and Mineral Rights E51/1681	Sep-22	E79 Gold Mines Limited	Gascoyne Resources Limited	Western Australia	Early Exploration	EL	0.17	100%	122.34	1,392.59	1,719.34
Fairy Well tenement	Oct-22	Westar Resources Limited	Vendors Mining Equities Pty Ltd	Western Australia	Early to Advanced Exploration	EL	0.03	100%	6.11	5,319.15	6,302.42
Exploration tenement E57/1108	Feb-21	Alto Metals Limited	Gateway Mining Limited	Western Australia	Early Exploration	EL	0.05	100%	115.00	434.78	578.24
E57/1140	Jun-22	Aurumin Limited	Mining Equities Pty Ltd	Western Australia	Early Exploration	EL	0.08	100%	13.84	5,419.08	6,429.92
Stanley project	Apr-22	Ausgold Limited	Cygnus Gold Ltd.	Western Australia	Advanced Exploration	EL	0.98	51%	161.00	6,089.39	7,174.19
Bullabulling project	Jan-22	Belarox Limited	Investor group	Western Australia	Early Exploration	EL	0.45	100%	48.84	9,213.76	11,290.68
Padbury Gold & Ivan Well projects	Jul-22	Black Dragon Gold Corp.	Undisclosed Seller	Western Australia	Early Exploration	EL	0.15	100%	481.00	311.85	382.88
E28/3135 and E28/3136	May-23	Kalgoorlie Gold Mining Limited	Private Investor-Mr A Lynch	Western Australia	Early Exploration	EL	0.10	100%	9.91	10,090.82	10,432.72
E51/1995 mine	Dec-22	Great Boulder Resources Limited	Empire Resources Limited	Western Australia	0	EL	0.01	100%	621.00	16.10	18.75
Exploration licence E38/3434	Mar-22	Brightstar Resources Limited	Regis Resources Ltd.	Western Australia	Early Exploration	EL	0.01	100%	11.44	874.13	1,027.04
Mining lease M27/158	Feb-22	Empire Metals Limited	Maher Mining Contractors Pty L	Western Australia	Early Exploration	ML	0.50	100%	6.43	77,760.50	93,078.92
Tenement E77/2637	Feb-22	Forrestania Resources Limited	Undisclosed seller	Western Australia	Early Exploration	EL	0.10	100%	11.57	8,643.04	10,345.68
Halls Creek project	Feb-22	Hexagon Energy Materials Limited	Undisclosed Sellers	Western Australia	Early Exploration	ELA	0.05	100%	12.57	3,977.72	4,761.32
Five tenements	Oct-23	Trek Metals Limited	Undisclosed Seller	Western Australia	Early Exploration?	EI, ELA	1.25	100%	1,183.00	1,056.64	1,085.00

Project	Announcement date	Purchaser	Vendor	Region/state	Development stage	Tenure type	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Area (km ²)	Area multiple (raw) (A\$/km ²)	Area multiple (normalised) (A\$/km ²)
E29/1095	Feb-22	Javelin Minerals Limited	Fleet Street Holdings Pty Ltd	Western Australia	Early Exploration	EL	0.05	100%	72.06	624.48	747.50
Ironstone Well, Monarch and Normandy tenements	Jan-22	Kin Mining NL	Golden Mile Resources Ltd.	Western Australia	Advanced Exploration, Target Outline	0	1.25	60%	120.00	10,416.67	12,764.74
Mt Magnet South project	Mar-22	Musgrave Minerals Limited	Eastern Goldfields Exploration	Western Australia	Early Exploration	0	0.50	100%	294.00	1,700.68	1,998.19
Albany Fraser project	Feb-22	Omnia Metals Group Ltd	GTT Metals Group Pty Ltd	Western Australia	Early Exploration	EL	1.37	100%	222.90	6,123.82	7,330.18
E37/1287 & E37/1355 tenements	Jan-22	Ozz Resources Limited	Anglo Australian Resources NL	Western Australia	Early Exploration	EL	0.16	100%	63.00	2,460.32	3,014.91
Wyloo Dome Gold project	Mar-22	Woomera Mining Limited	Nanjigardy Resources Pty Ltd	Western Australia	Early Exploration	0	6.82	60%	378.98	17,986.88	21,133.47
Tenement E45/6471	Oct-23	Infinity Mining Limited	Hawker Geological Services Pty Ltd	Western Australia	Early Exploration	EL	0.03	100%	15.93	1,569.37	1,611.50
Three exploration licences	Sep-21	Bryah Resources Limited	Rilukin Holdings Pty Ltd.	Western Australia	Early Exploration	EL	0.22	100%	50.00	4,480.00	5,731.29
Pascalle and Taunton tenement	Sep-21	Greatland Gold plc	Province Resources Ltd	Western Australia	Early Exploration	EL	0.05	100%	75.14	665.42	851.28
Mumbakine Well project	May-22	Capricorn Metals Ltd	Gascoyne Resources Ltd.	Western Australia	Advanced Exploration	EL	1.25	100%	361.00	3,462.60	4,095.25
7 Exploration tenements	Dec-23	Peregrine Gold Limited	Fortescue Ltd	Western Australia	Early Exploration	EL	0.10	100%	99.79	1,002.10	1,027.97
E45/6484	Jan-21	Trek Metals Limited	Redstone Metals Pty Ltd (50%) & Territory Prospecting Pty Ltd (50%).	Western Australia	Early Exploration	EL	0.10	100%	106.47	962.71	1,233.86
E47/8373	Apr-21	Undisclosed buyer	Artemis Resources Limited	Western Australia	Early Exploration?	EL	0.50	100%	63.26	7,903.89	10,721.23
Mt Cecelia project	Dec-21	Rio Tinto Group	West Wits Mining Limited	Western Australia	Early Exploration	EL	8.14	51%	225.00	36,165.58	44,817.63

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Prospecting licence P30/1126	Jan-21	Viking Mines Limited	Australia Menzies Emerald Pty Ltd	Western Australia	Early Exploration	PL	0.02	100%	1.80	11,111.11	14,240.59
Two licences - P59/2088 & P59/2089	Mar-21	Firefly Resources Limited	Private investor - Mr. Jason Gill	Western Australia	Early Exploration	PL	0.05	100%	2.12	23,584.91	32,817.06
Jullimar North project	Jun-21	Tambourah Metals Limited	Baracus Pty Ltd	Western Australia	Early Exploration	EL&ELA	1.16	80%	508.28	2,280.36	2,944.53
Tenement E77/2691	Aug-23	Golden Horse Minerals Limited	Private Investors- Vernon & McClaren	Western Australia	0	EL	3.00	10%	116.00	25,862.07	27,094.79
Polelle and Wanganui projects	Nov-23	Great Boulder Resources Limited	Castle Minerals Limited	Western Australia	Early Exploration	EL	0.53	75%	162.90	3,273.99	3,325.96
Ennui West Exploration Licence 77/2652	Mar-22	Enterprise Metals Limited	NXT1 Pty Ltd.	Western Australia	Early Exploration	EL	0.13	100%	103.00	1,213.59	1,425.90
Bullfinch project	Jun-23	Altan Rio Minerals Limited	Torque Metals Limited	Western Australia	Early Exploration	EL, ELA	0.75	100%	556.00	1,348.92	1,447.12
Southern Cross North project	Dec-22	Altan Rio Minerals Limited	Surveyor Resources Pty Ltd	Western Australia	Early Exploration	EL	5.44	20%	270.00	20,153.78	23,462.23
3 tenements and 1 gold rights	Aug-22	Australian Silica Quartz Group Ltd.	Netley Minerals Pty Ltd	Western Australia	Early Exploration	EL, ELA	0.35	100%	378.00	925.93	1,132.10
Becher project	Jun-23	De Grey Mining Limited	Novo Resources Corp.	Western Australia	Early Exploration	EL's?	50.00	50%	1,034.00	48,355.90	51,876.21
Little Gap Well and Mt Opal projects	May-23	Desert Metals Limited	Diversified Asset Holdings Pty Ltd	Western Australia	Early Exploration	EL	0.42	60%	180.34	2,310.45	2,388.73
Tenement E51/1766	Jan-23	Everest Metals Corporation Ltd	MSCS Infrastructure Pty Ltd	Western Australia	Early Exploration	EL	3.14	51%	36.99	84,813.60	96,359.33
Tenement E51/1770	Jan-23	Everest Metals Corporation Ltd	MSCS Infrastructure Pty Ltd	Western Australia	Early Exploration	EL	0.61	51%	8.77	69,309.37	78,744.50
Bald Hill/Foghorn	Nov-22	Black Cat Syndicate Limited	Duketon Mining Limited	Western Australia	Early Exploration	EL	0.48	100%	203.00	2,364.53	2,813.36

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Mount Lucky project	Jul-22	Mindax Limited	Undisclosed Seller	Western Australia	Early Exploration	EL	0.08	100%	19.74	4,052.68	4,975.72
Louise Project and Three Exploration Licence Applications	Aug-22	Victory Goldfields Limited	Mining Equities Pty Ltd	Western Australia	Early Exploration	EL	0.31	100%	75.85	4,113.38	5,029.31
Anketell project	Aug-22	Wishbone Gold Plc	Undisclosed Seller	Western Australia	Early Exploration	EL	0.67	100%	10.00	67,449.43	82,468.46
Canegrass tenement	Oct-22	Zuleika Gold Limited	Olympio Metals Limited	Western Australia	Exploration	EL	0.50	80%	72.00	6,944.44	8,228.16
Laverton gold project	Jan-23	Rincon Resources Limited	Investor Group	Western Australia	Exploration	EL	0.15	100%	32.00	4,687.50	5,325.61
Smokebush gold project	Dec-22	Terrain Minerals Limited	0	Western Australia	Early Exploration	EL	0.10	20%	2.99	33,444.82	38,935.12
Tenure south of Battler gold mine and Blackbourne mine	Aug-23	Golden Horse Minerals Limited	Private Investors - Vernon Strange and Kym McClaren	Western Australia	0	EL, PL	0.09	100%	4.40	20,454.55	21,429.52
5 tenements	Feb-23	Tempest Minerals Limited	Private Investor - Mr. Darren McAulay	Western Australia	Early Exploration	EL, PL, ELA	0.05	100%	20.82	2,160.89	2,488.02
Smokebush gold project	Dec-22	Terrain Minerals Limited	Private Investor - Watts-Butler	Western Australia	Early Exploration	EL, PL	0.35	20%	17.32	20,207.85	23,525.18
Kanowna East, Emu Lake and Fraser South projects	May-23	Metal Hawk Limited	IGO Limited	Western Australia	Early to Advanced Exploration	EL, PL	0.51	51%	377.34	1,351.05	1,396.83
Smokebush gold project	Dec-22	Terrain Minerals Limited	Private Investor - Watts-Butler	Western Australia	Early Exploration	EL, PL	0.35	20%	12.53	27,932.96	32,518.44
Xanadu	Jun-21	Platina Resources Limited	Investor group	Western Australia	Early to advanced Exploration	El and PL	1.02	100%	498.00	2,045.92	2,641.80
Four tenements and camp infrastructure	Mar-22	Ozz Resources Limited	United Mines Pty Ltd	Western Australia	Early to Advanced Exploration	EL, PL	0.19	100%	7.62	24,713.91	29,037.32

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Project	Announcement date	Purchaser	Vendor	Region/state	Development stage	Tenure type	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Area (km ²)	Area multiple (raw) (A\$/km ²)	Area multiple (normalised) (A\$/km ²)
E37/1234, E37/1235 & E37/6573	Sep-23	United Mines Pty Ltd	Ozz Resources Limited	Western Australia	Early to Advanced Exploration	EL, PL	0.16	100%	7.62	20,682.41	21,513.81
Niagara project	Feb-22	Regener8 Resources NL	GTI Resources Ltd.	Western Australia	Early to Advanced Exploration	EL, PL	1.15	100%	33.31	34,527.28	41,328.97
Cuddingwarra and Big Bell South projects	Jul-21	Caprice Resources Limited	Golden State Mining Limited	Western Australia	Early Exploration	EL and PL?	0.94	80%	133.00	7,048.87	8,977.46
Austin project	Apr-21	Silver City Minerals Limited	Gardner Mining Pty Ltd	western Australia	Early Exploration	ML, PL, EL	5.63	80%	175.00	32,142.86	43,600.16
Yandicoogina project	May-23	LW Resources Pty Ltd	Raiden Resources Limited	Western Australia	Early Exploration	EL, ML	0.18	90%	88.81	2,001.79	2,069.61
Birthday mine/Ennuin Tenement/Newfield East project	Aug-23	Golden Horse Minerals Limited	Private Investors - Vernon Strange and Kym McClaren	Western Australia	0	ML, PL, EL	0.43	100%	96.40	4,408.71	4,618.86
6 Prospecting Licences and 2 Mining Leases	May-23	Nelson Resources Limited	Rock Mining Australia Pty Ltd	Western Australia	Early Exploration	PL, ML	0.39	100%	8.41	45,778.83	47,329.94
Phoenix and Kangaroo Hill projects	Aug-22	Greenstone Resources Limited	Horizon Minerals Limited	Western Australia	Advanced Exploration	ML, PL	0.30	100%	3.53	84,985.84	103,909.72
Mangarooon (E09/2290, M09/146, M09/147 and M09/175)	Sep-22	Dreadnought Resources Limited	Undisclosed seller	Western Australia	Early Exploration	EL, ML	2.70	100%	76.80	35,157.12	43,406.16
Warriedar gold project	Aug-22	Anova Metals Limited	Red Dirt Metals Limited	Western Australia	Early to Advanced Exploration	EL, PL, ML	1.20	100%	68.00	17,647.06	21,576.55
Mt Dimer mining tenements	Oct-23	Beacon Minerals Limited	Aurumin Limited	Western Australia	Reserves Development	ML, PL	3.50	100%	20.80	168,283.53	172,801.62
Geko tenements	Oct-22	Beacon Minerals Limited	Geko Pit Pty Ltd	Western Australia	Operating? Care and Maintenance?	ML	10.75	100%	9.97	1,078,234.70	1,277,552.24

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Mangaroon (M09/174)	Sep-22	Dreadnought Resources Limited	Undisclosed seller	Western Australia	Early Exploration	ML	0.20	100%	0.20	965,824.67	1,192,439.62
Non-core Lady Ida tenements	Mar-23	Investor group	Ora Banda Mining Limited	Western Australia	Advanced Exploration?	MLs	10.00	100%	29.71	336,587.01	364,281.65
M57/352 tenement	Nov-22	Aurumin Limited	Westar Resources Limited	Western Australia	Target Outline	ML	0.17	100%	1.14	147,368.42	175,341.65
M57/352 tenement	Nov-22	Aurumin Limited	Westar Resources Limited	Western Australia	Early Exploration	ML	0.17	100%	1.14	147,368.42	175,341.65
Geko tenements	Oct-22	Beacon Minerals Limited	Geko Pit Pty Ltd	Western Australia	Care and Maintenance	ML	7.75	100%	9.97	777,332.00	921,026.04
M29/417 and M29/418	Nov-21	Zuleika Gold Limited	Wingstar Investments Pty Ltd	Western Australia	Early Exploration?	ML	0.01	100%	16.52	605.33	751.95

Area based – comparable transactions – Canada

Project	Announcement date	Purchaser	Vendor	Region/state	Development stage	Tenure type	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Area (km ²)	Area multiple (raw) (A\$/km ²)	Area multiple (normalised) (A\$/km ²)
Polecat claims	Nov-22	Adamera Minerals Corp.	Private Investor	British Columbia	0	EL	0.00	100.00%	2.53	726.60	864.53
Alto-Gardnar Property	Oct-22	Ashley Gold Corp.	Private Investor - Mr. William Quran	Ontario	Early Exploration	EL	0.03	100.00%	3.75	8,408.96	9,963.40
Aureus West property	May-20	Aurelius Minerals Inc.	Undisclosed seller	Nova Scotia	Exploration?	EL	0.68	100.00%	8.10	93,778.65	96,199.49
Burnhut Property	Dec-23	Ashley Gold Corp.	Undisclosed Seller	Ontario	Early Exploration	EL	0.04	100.00%	10.00	4,477.98	4,803.98
Howie Lake property	Sep-22	Ashley Gold Corp.	Private Investor - Mr. William Quran	Ontario	Early Exploration	EL	0.02	100.00%	10.00	1,660.58	1,721.06
Santa Maria Property	Aug-22	Ashley Gold Corp.	Ursa Polaris Developments Corporation	Ontario	Early Exploration	EL	0.01	100.00%	10.12	1,116.91	1,328.91
Millen Mountain Property	Apr-18	Probe Metals Inc.	Legion Metals Corp.	Nova Scotia	Early Exploration	EL	0.51	50.00%	12.80	43,790.71	52,417.26
Six mineral claims	Feb-22	Angus Gold Inc.	Undisclosed seller	Ontario	Early Exploration	EL	0.06	100.00%	14.88	4,701.07	5,570.09
Meaghers property	Dec-19	MegumaGold Corp.	Genius Metals Inc.	Nova Scotia	Early Exploration	EL	0.21	70.00%	16.20	14,859.76	18,346.35
Kannika Property	Oct-23	Bathurst Metals Corp.	Undisclosed Sellers	British Columbia	Early Exploration	EL	0.30	100.00%	18.87	18,008.82	22,110.48
Tabor Lake Mine	Oct-22	Ashley Gold Corp.	Private Investor - Mr. D.M. Ross	Ontario	Early Exploration	EL	0.02	100.00%	19.09	1,327.75	2,493.86
Vaigold Conmee Claims	Jun-23	Thunder Gold Corp.	Metallia Royalty & Streaming Ltd.	Ontario	Early Exploration	EL	0.16	100.00%	25.33	6,768.46	7,689.86
Tabor Project	Apr-23	Big Gold Inc.	Undisclosed Seller	Ontario	Early Exploration	EL	0.05	100.00%	31.20	1,603.67	2,873.36
Six exploration licenses	Nov-22	Signal Gold Inc.	MegumaGold Corp.	Nova Scotia	Early Exploration	EL	0.78	100.00%	31.57	27,042.08	31,879.43

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Project	Announcement date	Purchaser	Vendor	Region/state	Development stage	Tenure type	Consideration (100% basis) (A\$ M)	Equity acquired (%)	Area (km ²)	Area multiple (raw) (A\$/km ²)	Area multiple (normalised) (A\$/km ²)
Shot Rock Gold property	Dec-17	Northern Shield Resources Inc.	Undisclosed seller	Nova Scotia	Exploration	EL	0.82	80.00%	32.00	28,287.54	40,850.40
Highland property	Sep-18	Transition Metals Corp.	Private investor - Joseph Richman	Nova Scotia	Early Exploration	EL	1.96	100.00%	45.00	48,549.61	59,360.20
Peerless mineral claims	Nov-22	Bathurst Metals Corp.	Undisclosed seller	British Columbia	Early Exploration	EL	4.06	100.00%	55.00	79,458.72	93,613.94
Donna Property	Jul-22	Annacott Resources Corp	Eagle Plains Resources Ltd	British Columbia	Advanced Exploration	EL	7.53	60.00%	114.94	75,319.15	77,341.32
Seven Gold properties	Apr-22	Brascan Gold Inc.	Quinlan prospector's group	Labrador	0	0	0.66	100.00%	131.25	5,020.95	5,915.41
Homathko Gold Project	Jan-23	Aurum Lake Mining Corporation	Transition Metals Corp.	British Columbia	Early Exploration	EL	0.97	100.00%	309.71	3,337.52	6,219.28
916 claims	Apr-22	Barrick Gold Corporation	Hemlo Explorers Inc.	Ontario	Early Exploration	EL	1.24	80.00%	380.00	3,693.82	4,394.97
3,888 mineral claims	May-18	Coronet Metals Inc.	1156222 B.C. Ltd	Nova Scotia	?	EL	4.03	100.00%	620.00	6,638.08	11,848.18
Britcanna Mining Lease	May-22	Northstar Gold Corp.	Undisclosed sellers	Ontario	Advanced Exploration	ML	0.13	100.00%	1.61	91,219.14	107,885.74

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Area based – comparable market transactions – Silver Lake

Permit	Area* (km ²)	Equity Interest	Application Factor	Selected Multiples (A\$/km ²)		Market Value (A\$)	
				Lower	Upper	Preferred	Upper
Mount Monger							
M28/0043	8.62	100%	1.00	400,000	800,000	600,000	6,892,400
M28/0171	1.09	100%	1.00	500,000	1,000,000	750,000	1,089,500
M28/0208	9.83	100%	1.00	400,000	800,000	600,000	7,860,000
M28/0289	8.91	100%	1.00	400,000	800,000	600,000	7,127,200
E 25/0557	13.47	100%	1.00	5,000	10,000	7,500	134,700
M25/0071	9.84	100%	1.00	250,000	500,000	375,000	4,918,800
M25/0125	9.23	100%	1.00	250,000	500,000	375,000	4,613,800
M25/0133	9.68	100%	1.00	250,000	500,000	375,000	4,838,300
M25/0236	9.97	100%	1.00	125,000	250,000	187,500	2,493,300
M25/0307	0.44	100%	1.00	500,000	1,000,000	750,000	435,400
M25/0347	9.90	100%	1.00	250,000	500,000	375,000	4,952,000
M25/0371	0.55	100%	1.00	500,000	1,000,000	750,000	550,300
M26/0038	0.12	100%	1.00	500,000	1,000,000	750,000	123,600
M26/0094	0.10	100%	1.00	500,000	1,000,000	750,000	95,600
M26/0129	0.24	100%	1.00	750,000	1,500,000	1,125,000	361,500
M26/0249	3.22	100%	1.00	500,000	1,000,000	750,000	3,218,000
M26/0250	3.15	100%	1.00	500,000	1,000,000	750,000	3,147,500
M26/0251	3.32	100%	1.00	250,000	500,000	375,000	1,659,300
M26/0271	0.18	100%	1.00	750,000	1,500,000	1,125,000	273,000
M26/0280	0.14	100%	1.00	500,000	1,000,000	750,000	135,200
M26/0282	0.28	100%	1.00	500,000	1,000,000	750,000	275,600
M26/0325	0.16	100%	1.00	500,000	1,000,000	750,000	158,300
M26/0389	0.81	100%	1.00	500,000	1,000,000	750,000	810,700

Permit	Area* (km ²)	Equity Interest	Application Factor	Selected Multiples (A\$/km ²)		Market Value (A\$)			
				Lower	Upper	Preferred	Lower	Upper	Preferred
M26/0391	0.12	100%	1.00	500,000	1,000,000	750,000	60,700	121,400	91,100
M26/0393	0.68	100%	1.00	500,000	1,000,000	750,000	339,100	678,200	508,700
M26/0401	1.16	100%	1.00	250,000	500,000	375,000	289,100	578,300	433,700
M26/0402	4.76	100%	1.00	250,000	500,000	375,000	1,189,500	2,379,000	1,784,300
M26/0410	0.11	100%	1.00	750,000	1,500,000	1,125,000	84,000	168,000	126,000
M26/0411	0.09	100%	1.00	750,000	1,500,000	1,125,000	68,500	137,000	102,700
M26/0415	0.02	100%	1.00	500,000	1,000,000	750,000	10,300	20,500	15,400
M26/0500	0.05	100%	1.00	500,000	1,000,000	750,000	22,500	45,000	33,800
M26/0636	0.06	100%	1.00	500,000	1,000,000	750,000	29,600	59,100	44,300
M26/0665	0.09	100%	1.00	750,000	1,500,000	1,125,000	70,800	141,600	106,200
M26/0825	0.27	100%	1.00	500,000	1,000,000	750,000	134,100	268,200	201,200
M26/0836	0.08	100%	1.00	500,000	1,000,000	750,000	39,700	79,400	59,600
M26/0844	0.27	100%	0.80	500,000	1,000,000	750,000	108,000	216,000	162,000
M26/0847	0.14	100%	1.00	500,000	1,000,000	750,000	72,100	144,100	108,100
M26/0860	1.21	100%	0.80	250,000	500,000	375,000	242,600	485,200	363,900
P26/3961	1.22	100%	1.00	10,000	20,000	15,000	12,200	24,400	18,300
P26/4092	1.83	100%	1.00	10,000	20,000	15,000	18,300	36,600	27,500
P26/4093	1.81	100%	1.00	10,000	20,000	15,000	18,100	36,100	27,100
P26/4094	0.10	100%	1.00	10,000	20,000	15,000	1,000	2,000	1,500
P26/4175	0.04	100%	1.00	10,000	20,000	15,000	400	700	500
P26/4185	1.80	100%	1.00	10,000	20,000	15,000	18,000	36,000	27,000
P26/4250	1.90	100%	1.00	10,000	20,000	15,000	19,000	38,000	28,500
P26/4251	1.83	100%	1.00	10,000	20,000	15,000	18,300	36,600	27,500
P26/4252	1.85	100%	1.00	10,000	20,000	15,000	18,500	37,000	27,800
P26/4253	1.82	100%	1.00	10,000	20,000	15,000	18,200	36,500	27,400
P26/4254	1.64	100%	1.00	10,000	20,000	15,000	16,400	32,800	24,600

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Permit	Area* (km ²)	Equity Interest	Application Factor	Selected Multiples (A\$/km ²)		Market Value (A\$)					
				Lower	Upper	Preferred	Lower	Upper	Preferred		
Deflector											
E59/1240-I	83.06	100%	1.00	10,000	20,000	15,000	830,600	1,661,200	1,245,900		
E59/1241-I	94.15	100%	1.00	10,000	20,000	15,000	941,500	1,883,000	1,412,300		
E59/1242-I*	105.63	100%	1.00	10,000	20,000	15,000	1,056,300	2,112,600	1,584,500		
E59/1274-I	24.95	100%	1.00	15,000	30,000	22,500	374,300	748,500	561,400		
E59/1275-I	33.05	100%	1.00	5,000	10,000	7,500	165,300	330,500	247,900		
E59/2156	19.91	100%	1.00	5,000	10,000	7,500	99,600	199,100	149,300		
E59/2173	14.30	100%	1.00	5,000	10,000	7,500	71,500	143,000	107,300		
M59/0049-I	1.94	100%	1.00	500,000	1,000,000	750,000	970,300	1,940,500	1,455,400		
M59/0068	1.40	100%	1.00	500,000	1,000,000	750,000	701,500	1,403,000	1,052,300		
M59/0132	0.20	100%	1.00	500,000	1,000,000	750,000	98,200	196,300	147,200		
M59/0133-I	3.72	100%	1.00	250,000	500,000	375,000	930,900	1,861,800	1,396,300		
M59/0224-I	2.34	100%	1.00	250,000	500,000	375,000	585,300	1,170,500	877,900		
M59/0294-I	5.85	100%	1.00	500,000	1,000,000	750,000	2,924,000	5,848,000	4,386,000		
M59/0335-I	0.32	100%	1.00	500,000	1,000,000	750,000	157,900	315,800	236,900		
M59/0336-I	0.04	100%	1.00	500,000	1,000,000	750,000	20,800	41,500	31,100		
M59/0356	1.30	100%	1.00	250,000	500,000	375,000	324,900	649,800	487,300		
M59/0391-I	2.65	100%	1.00	500,000	1,000,000	750,000	1,323,500	2,647,000	1,985,300		
M59/0392-I	1.79	100%	1.00	500,000	1,000,000	750,000	894,800	1,789,500	1,342,100		
M59/0442	7.63	100%	1.00	500,000	1,000,000	750,000	3,817,000	7,634,000	5,725,500		
M59/0507-I	0.09	100%	1.00	500,000	1,000,000	750,000	44,300	88,500	66,400		
M59/0522-I	2.66	100%	1.00	500,000	1,000,000	750,000	1,328,500	2,657,000	1,992,800		
M59/0530	2.33	100%	1.00	250,000	500,000	375,000	583,500	1,167,000	875,300		
M59/0531	4.96	100%	1.00	500,000	1,000,000	750,000	2,478,800	4,957,500	3,718,100		
E59/2183	20.35	100%	1.00	50,000	100,000	75,000	1,017,500	2,035,000	1,526,300		
E59/2254	2.99	100%	1.00	50,000	100,000	75,000	149,500	299,000	224,300		

Permit	Area* (km ²)	Equity Interest	Application Factor	Selected Multiples (A\$/km ²)			Market Value (A\$)		
				Lower	Upper	Preferred	Lower	Upper	Preferred
E59/2354	2.99	100%	1.00	2500	5000	3750	7,500	15,000	11,200
E59/2355	2.99	100%	1.00	2500	5000	3750	7,500	15,000	11,200
M59/0039-I	7.10	100%	1.00	500,000	1,000,000	750000	3,551,500	7,103,000	5,327,300
M59/0040-I	3.81	100%	1.00	500,000	1,000,000	750000	1,904,300	3,808,500	2,856,400
Sugar Zone									
Gold Mining leases	14.67	100%	1.00	80,000	120,000	100,000	1,173,600	1,760,400	1,467,000
Claims	798.20	100%	1.00	2,500	5,000	3,750	1,995,500	3,991,000	2,993,300

Area based – Comparable Market Transactions – Red 5

Permit	Area* (km ²)	Equity Interest	Application Factor	Selected Multiples (A\$/km ²)		Market Value (A\$)			
				Lower	Upper	Preferred	Lower	Upper	Preferred
Darlot									
E36/1044	14.86	100%	1.00	5,000	10,000	7,500	74,300	148,600	111,500
EA36/1051	6.05	100%	0.80	5,000	10,000	7,500	24,200	48,400	36,300
EA36/1056	18.16	100%	0.80	5,000	10,000	7,500	72,600	145,300	109,000
EA36/1072	24.25	100%	0.80	5,000	10,000	7,500	97,000	194,000	145,500
EA36/1073	39.31	100%	0.80	5,000	10,000	7,500	157,200	314,500	235,900
EA36/1082	48.43	100%	0.80	5,000	10,000	7,500	193,700	387,400	290,600
EA36/1084	54.64	100%	0.80	5,000	10,000	7,500	218,600	437,100	327,800
EA36/1086	3.04	100%	0.80	20,000	40,000	30,000	48,600	97,300	73,000
EA36/1088	3.03	100%	0.80	10,000	20,000	15,000	24,200	48,500	36,400
P36/1931	1.00	100%	1.00	25,000	50,000	37,500	25,100	50,200	37,600
M37/0155	10.00	100%	1.00	500,000	1,000,000	750,000	5,000,000	10,000,000	7,500,000
M37/0252	8.29	100%	1.00	500,000	1,000,000	750,000	4,145,300	8,290,500	6,217,900
M37/0373	1.60	100%	1.00	50,000	100,000	75,000	80,100	160,100	120,100
M37/0417	9.51	100%	1.00	50,000	100,000	75,000	475,300	950,600	713,000
M37/0418	9.08	100%	1.00	50,000	100,000	75,000	454,000	908,000	681,000
M37/0419	9.36	100%	1.00	50,000	100,000	75,000	468,000	936,100	702,000
M37/0420	8.18	100%	1.00	50,000	100,000	75,000	408,900	817,900	613,400
M37/0421	3.84	100%	1.00	100,000	200,000	150,000	383,700	767,300	575,500
M37/0503	1.48	100%	1.00	500,000	1,000,000	750,000	738,800	1,477,500	1,108,100
M37/0584	1.59	100%	1.00	500,000	1,000,000	750,000	796,300	1,592,500	1,194,400
M37/0592	9.96	100%	1.00	100,000	200,000	150,000	996,200	1,992,300	1,494,200
M37/0608	9.99	100%	1.00	500,000	1,000,000	750,000	4,994,000	9,988,000	7,491,000
M37/0632	5.95	100%	1.00	500,000	1,000,000	750,000	2,974,800	5,949,500	4,462,100
M37/0667	1.38	100%	1.00	500,000	1,000,000	750,000	692,000	1,384,000	1,038,000

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Permit	Area* (km ²)	Equity Interest	Application Factor	Selected Multiples (A\$/km ²)		Market Value (A\$)		
				Lower	Upper	Preferred	Upper	
M37/0774	0.76	100%	1.00	125,000	250,000	187,500	189,500	142,200
M37/0775	6.10	100%	1.00	50,000	100,000	75,000	610,000	457,500
M37/1217	0.15	100%	1.00	250,000	500,000	375,000	38,300	57,500
E37/1220	105.40	100%	1.00	20,000	40,000	30,000	2,108,000	3,162,000
E37/1247	10.98	100%	1.00	50,000	100,000	75,000	549,000	823,500
E37/1253	17.92	100%	1.00	20,000	40,000	30,000	358,400	537,600
E37/1268	3.86	100%	1.00	5,000	10,000	7,500	19,300	29,000
E37/1269	57.51	100%	1.00	4,000	80,000	42,000	230,000	2,415,400
E37/1296	6.07	100%	1.00	10,000	20,000	15,000	60,700	91,100
E37/1297	3.03	100%	1.00	30,000	60,000	45,000	90,900	136,400
E37/1298	23.73	100%	1.00	10,000	20,000	15,000	237,300	356,000
E37/1319	25.84	100%	1.00	10,000	20,000	15,000	258,400	387,600
E37/1321	36.33	100%	1.00	10,000	20,000	15,000	363,300	545,000
E37/1322	42.39	100%	1.00	10,000	20,000	15,000	423,900	635,900
E37/1350	84.87	100%	1.00	10,000	20,000	15,000	848,700	1,273,100
E37/1352	1.65	100%	1.00	10,000	20,000	15,000	16,500	24,800
E37/1369	24.21	100%	1.00	10,000	20,000	15,000	242,100	363,200
E37/1378	69.79	100%	1.00	10,000	20,000	15,000	697,900	1,046,900
E37/1391	3.02	100%	1.00	5,000	10,000	7,500	15,100	22,700
E37/1393	121.54	100%	1.00	2,500	5,000	3,750	303,900	455,800
E37/1395	112.34	100%	1.00	5,000	10,000	7,500	561,700	842,600
E37/1398	1.41	100%	1.00	20,000	40,000	30,000	28,200	42,300
E37/1400	72.09	100%	1.00	20,000	40,000	30,000	1,441,800	2,162,700
E37/1413	24.33	100%	1.00	2,500	5,000	3,750	60,800	91,200
E37/1415	30.22	100%	1.00	5,000	10,000	7,500	151,100	226,700
E37/1428	17.92	100%	1.00	10,000	20,000	15,000	179,200	268,800

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Permit	Area* (km ²)	Equity Interest	Application Factor	Selected Multiples (A\$/km ²)		Market Value (A\$)			
				Lower	Upper	Preferred	Lower	Upper	Preferred
EA37/1512	3.03	100%	0.80	10,000	20,000	15,000	24,200	48,500	36,400
EA37/1521	51.51	100%	0.80	15,000	30,000	22,500	618,100	1,236,200	927,200
EA37/1541	21.27	100%	0.80	5,000	10,000	7,500	85,100	170,200	127,600
P37/8699	1.07	100%	1.00	10,000	20,000	15,000	10,700	21,400	16,000
P37/8716	0.02	100%	1.00	15,000	30,000	22,500	300	600	500
P37/8788	1.60	100%	1.00	10,000	20,000	15,000	16,000	32,100	24,100
P37/8789	1.59	100%	1.00	50,000	100,000	75,000	79,500	159,000	119,300
P37/9345	0.11	100%	1.00	10,000	20,000	15,000	1,100	2,200	1,700
E37/1272	112.55	100%	1.00	1,000	2,000	1,500	112,500	225,100	168,800
E37/1273	109.55	100%	1.00	1,000	2,000	1,500	109,500	219,100	164,300
M37/0320	3.37	83.5%	1.00	50,000	100,000	75,000	140,800	281,600	211,200
M37/0246	1.48	83.5%	1.00	50,000	100,000	75,000	61,900	123,800	92,800
M37/0265	0.78	83.5%	1.00	100,000	200,000	150,000	64,900	129,800	97,300
M37/0343	0.69	83.5%	1.00	100,000	200,000	150,000	57,900	115,800	86,800
M37/0345	0.04	83.5%	1.00	100,000	200,000	150,000	3,000	6,100	4,500
M37/0393	4.78	83.5%	1.00	50,000	100,000	75,000	199,400	398,700	299,000
M37/0776	1.56	83.5%	1.00	50,000	100,000	75,000	65,100	130,200	97,700
M37/0552	1.84	30.0%	1.00	50,000	100,000	75,000	27,700	55,300	41,500
M37/0631	7.77	30.0%	1.00	50,000	100,000	75,000	116,500	233,000	174,800
M37/0709	0.92	30.0%	1.00	100,000	200,000	150,000	27,700	55,500	41,600
M37/1045	0.91	30.0%	1.00	100,000	200,000	150,000	27,300	54,600	41,000
E37/1194	3.04	100%	1.00	10,000	20,000	15,000	30,400	60,800	45,600
E37/1195	3.04	100%	1.00	10,000	20,000	15,000	30,400	60,800	45,600
M37/0054	0.60	100%	1.00	250,000	500,000	375,000	149,500	299,100	224,300
P37/9292	2.00	100%	1.00	20,000	40,000	30,000	40,000	79,900	59,900
E39/1706	36.40	100%	1.00	1,000	2,000	1,500	36,400	72,800	54,600

Permit	Area* (km ²)	Equity Interest	Application Factor	Selected Multiples (A\$/km ²)			Market Value (A\$)		
				Lower	Upper	Preferred	Lower	Upper	Preferred
E39/1854	87.91	100%	1.00	1,000	2,000	1,500	87,900	175,800	131,900
E39/1985	57.57	100%	1.00	1,000	2,000	1,500	57,600	115,100	86,400
E37/1271	42.43	100%	1.00	1,000	2,000	1,500	42,400	84,900	63,600
E37/1274	115.30	100%	1.00	1,000	2,000	1,500	115,300	230,600	172,900
E37/1210	2.98	100%	1.00	5,000	10,000	7,500	14,900	29,800	22,300
E36/0685	41.85	100%	1.00	10,000	20,000	15,000	418,500	837,000	627,800
E36/0940	3.03	100%	1.00	5,000	10,000	7,500	15,200	30,300	22,700
E36/0941	3.03	100%	1.00	5,000	10,000	7,500	15,200	30,300	22,700
E36/0944	21.23	100%	1.00	10,000	20,000	15,000	212,300	424,600	318,500
E36/0945	9.09	100%	1.00	5,000	10,000	7,500	45,500	90,900	68,200
E36/0964	6.06	100%	1.00	20,000	40,000	30,000	121,200	242,400	181,800
E36/0968	3.03	100%	1.00	5,000	10,000	7,500	15,200	30,300	22,700
E36/0969	5.66	100%	1.00	5,000	10,000	7,500	28,300	56,600	42,500
E36/0980	15.09	100%	1.00	5,000	10,000	7,500	75,500	150,900	113,200
E36/0997	9.08	100%	1.00	5,000	10,000	7,500	45,400	90,800	68,100
E36/0999	15.16	100%	1.00	1,000	2,000	1,500	15,200	30,300	22,700
E36/1002	8.86	100%	1.00	1,000	2,000	1,500	8,900	17,700	13,300
P36/1879	2.00	100%	1.00	10,000	20,000	15,000	20,000	40,000	30,000
P36/1883	0.20	100%	1.00	10,000	20,000	15,000	2,000	3,900	3,000
P36/1884	0.08	100%	1.00	10,000	20,000	15,000	800	1,700	1,300
P36/1889	0.50	100%	1.00	10,000	20,000	15,000	5,000	10,000	7,500
P36/1920	1.91	100%	1.00	10,000	20,000	15,000	19,100	38,100	28,600
P36/1921	0.42	100%	1.00	10,000	20,000	15,000	4,200	8,400	6,300
P37/9210	0.07	100%	1.00	20,000	40,000	30,000	1,400	2,700	2,000

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Permit	Area* (km ²)	Equity Interest	Application Factor	Selected Multiples (A\$/km ²)		Market Value (A\$)			
				Lower	Upper	Preferred	Lower	Upper	Preferred
King of the Hills									
M37/0021	0.24	100%	1.00	500,000	1,000,000	750,000	118,900	237,700	178,300
M37/0067	0.38	100%	1.00	750,000	1,500,000	1,125,000	285,800	571,500	428,600
M37/0076	0.66	100%	1.00	750,000	1,500,000	1,125,000	491,600	983,300	737,400
M37/0090	1.67	100%	1.00	750,000	1,500,000	1,125,000	1,251,400	2,502,800	1,877,100
M37/0179	0.97	100%	1.00	125,000	250,000	187,500	121,700	243,400	182,500
M37/0201	2.28	100%	1.00	750,000	1,500,000	1,125,000	1,706,300	3,412,500	2,559,400
M37/0222	4.16	100%	1.00	125,000	250,000	187,500	520,300	1,040,600	780,500
M37/0248	0.02	100%	1.00	500,000	1,000,000	750,000	11,200	22,400	16,800
M37/0330	2.99	100%	1.00	50,000	100,000	75,000	149,700	299,400	224,500
M37/0394	1.88	100%	1.00	20,000	40,000	30,000	37,600	75,100	56,300
M37/0407	2.92	100%	1.00	125,000	250,000	187,500	365,100	730,100	547,600
M37/0410	3.60	100%	1.00	50,000	100,000	75,000	180,100	360,200	270,100
M37/0416	6.59	100%	1.00	125,000	250,000	187,500	823,100	1,646,300	1,234,700
M37/0429	1.33	100%	1.00	250,000	500,000	375,000	333,500	667,000	500,300
M37/0449	4.20	100%	1.00	50,000	100,000	75,000	209,800	419,500	314,600
M37/0451	2.65	100%	1.00	250,000	500,000	375,000	661,800	1,323,500	992,600
M37/0457	6.90	100%	1.00	250,000	500,000	375,000	1,724,900	3,449,800	2,587,300
M37/0496	2.82	100%	1.00	250,000	500,000	375,000	703,900	1,407,800	1,055,800
M37/0529	1.21	100%	1.00	125,000	250,000	187,500	151,600	303,300	227,400
M37/0544	0.84	100%	1.00	125,000	250,000	187,500	105,000	210,100	157,500
M37/0547	9.01	100%	1.00	50,000	100,000	75,000	450,700	901,400	676,000
M37/0548	3.13	100%	1.00	250,000	500,000	375,000	782,000	1,564,000	1,173,000
M37/0551	1.77	100%	1.00	250,000	500,000	375,000	442,300	884,500	663,400
M37/0570	5.15	100%	1.00	250,000	500,000	375,000	1,286,500	2,573,000	1,929,800
M37/0571	6.89	100%	1.00	250,000	500,000	375,000	1,721,600	3,443,300	2,582,400

Permit	Area* (km ²)	Equity Interest	Application Factor	Selected Multiples (A\$/km ²)		Market Value (A\$)			
				Lower	Upper	Preferred	Lower	Upper	Preferred
M37/0572	9.37	100%	1.00	125,000	250,000	187,500	1,171,200	2,342,400	1,756,800
M37/0573	8.53	100%	1.00	125,000	250,000	187,500	1,066,500	2,133,000	1,599,800
M37/0574	6.29	100%	1.00	125,000	250,000	187,500	786,200	1,572,400	1,179,300
M37/0905	0.42	100%	1.00	250,000	500,000	375,000	105,100	210,200	157,700
M37/1050	1.89	100%	1.00	125,000	250,000	187,500	236,700	473,400	355,000
M37/1051	3.82	100%	1.00	125,000	250,000	187,500	477,800	955,600	716,700
M37/1081	4.22	100%	1.00	125,000	250,000	187,500	527,700	1,055,400	791,500
M37/1105	0.09	100%	1.00	250,000	500,000	375,000	23,000	46,000	34,500
M37/1165	2.03	100%	1.00	20,000	40,000	30,000	40,600	81,200	60,900
E37/1409	8.44	100%	1.00	4,000	8,000	6,000	33,800	67,500	50,600
E37/1410	27.19	100%	1.00	20,000	40,000	30,000	543,800	1,087,500	815,600
P37/9157	0.57	100%	1.00	2,500	5,000	3,750	1,400	2,800	2,100
P37/9160	1.96	100%	1.00	2,500	5,000	3,750	4,900	9,800	7,300
P37/9161	0.21	100%	1.00	50,000	100,000	75,000	10,500	20,900	15,700
P37/9270	1.54	100%	1.00	2,500	5,000	3,750	3,900	7,700	5,800
P37/9271	1.37	100%	1.00	2,500	5,000	3,750	3,400	6,900	5,100
P37/9281	1.99	100%	1.00	2,500	5,000	3,750	5,000	10,000	7,500
P37/9282	2.00	100%	1.00	2,500	5,000	3,750	5,000	10,000	7,500
P37/9283	1.99	100%	1.00	2,500	5,000	3,750	5,000	10,000	7,500
P37/9284	1.99	100%	1.00	2,500	5,000	3,750	5,000	10,000	7,500
P37/9285	1.89	100%	1.00	2,500	5,000	3,750	4,700	9,500	7,100
P37/9286	1.99	100%	1.00	2,500	5,000	3,750	5,000	10,000	7,500
P37/9287	2.00	100%	1.00	2,500	5,000	3,750	5,000	10,000	7,500
P37/9288	2.00	100%	1.00	2,500	5,000	3,750	5,000	10,000	7,500
P37/9289	1.99	100%	1.00	2,500	5,000	3,750	5,000	10,000	7,500
P37/9290	2.00	100%	1.00	2,500	5,000	3,750	5,000	10,000	7,500

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Permit	Area* (km ²)	Equity Interest	Application Factor	Selected Multiples (A\$/km ²)			Market Value (A\$)		
				Lower	Upper	Preferred	Lower	Upper	Preferred
P37/9291	1.99	100%	1.00	2,500	5,000	3,750	5,000	10,000	7,500
P37/9293	1.99	100%	1.00	2,500	5,000	3,750	5,000	10,000	7,500
P37/9294	1.81	100%	1.00	2,500	5,000	3,750	4,500	9,000	6,800
P37/9295	1.97	100%	1.00	2,500	5,000	3,750	4,900	9,800	7,400
P37/9392	1.26	100%	1.00	4,000	8,000	6,000	5,000	10,100	7,600
P37/9393	1.62	100%	1.00	4,000	8,000	6,000	6,500	13,000	9,700
P37/9394	1.18	100%	1.00	4,000	8,000	6,000	4,700	9,400	7,100
P37/9395	2.00	100%	1.00	4,000	8,000	6,000	8,000	16,000	12,000
P37/9396	1.98	100%	1.00	4,000	8,000	6,000	7,900	15,800	11,900
P37/9397	1.92	100%	1.00	4,000	8,000	6,000	7,700	15,300	11,500
P37/9398	2.00	100%	1.00	4,000	8,000	6,000	8,000	16,000	12,000
P37/9399	1.97	100%	1.00	4,000	8,000	6,000	7,900	15,800	11,800
P37/9400	1.98	100%	1.00	4,000	8,000	6,000	7,900	15,800	11,900
P37/9401	1.92	100%	1.00	4,000	8,000	6,000	7,700	15,400	11,500
P37/9402	2.00	100%	1.00	100,000	200,000	150,000	199,600	399,100	299,300
P37/9403	2.00	100%	1.00	4,000	8,000	6,000	8,000	16,000	12,000
P37/9404	1.91	100%	1.00	4,000	8,000	6,000	7,600	15,300	11,400
P37/9405	1.96	100%	1.00	4,000	8,000	6,000	7,800	15,600	11,700
P37/9406	1.96	100%	1.00	4,000	8,000	6,000	7,900	15,700	11,800
P37/9407	1.98	100%	1.00	4,000	8,000	6,000	7,900	15,800	11,900
P37/9408	1.95	100%	1.00	2,500	5,000	3,750	4,900	9,700	7,300
P37/9409	1.98	100%	1.00	2,500	5,000	3,750	4,900	9,900	7,400
P37/9410	1.95	100%	1.00	2,500	5,000	3,750	4,900	9,700	7,300
P37/9491	1.14	100%	1.00	4,000	8,000	6,000	4,600	9,100	6,900
P37/9492	1.16	100%	1.00	100,000	200,000	150,000	115,900	231,900	173,900
E37/1385	45.24	100%	1.00	2,500	5,000	3,750	113,100	226,200	169,600

Permit	Area* (km ²)	Equity Interest	Application Factor	Selected Multiples (A\$/km ²)		Market Value (A\$)			
				Lower	Upper	Preferred	Upper		
Montague									
M57/0429	9.82	25%	1.00	50,000	100,000	75,000	122,700	245,400	184,100
M57/0485	9.15	25%	1.00	50,000	100,000	75,000	114,300	228,700	171,500
E57/0793	45.24	25%	1.00	5,000	10,000	7,500	56,500	113,100	84,800

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Appendix D Geoscientific rating valuation

Area based – Geoscientific – Silver Lake

Permit	Area* (km ²)	BAC (A\$)	Equity Interest	Off-property		On-property		Anomaly		Geology		Market Factor	Application Factor	Valuation (A\$)		
				Low	High	Low	High	Low	High	Low	High			Low	High	Preferred
Mount Monger																
M28/0043	8.62	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	1,056,274.08	5,134,665.69	3,095,469.89
M28/0171	1.09	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	133,574.44	649,320.21	391,447.33
M28/0208	9.83	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	1,204,560.72	5,855,503.50	3,530,032.11
M28/0289	8.91	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	1,092,257.65	5,309,585.82	3,200,921.74
E25/0557	13.47	492	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	43,739.78	127,574.37	85,657.08
M25/0071	9.84	12,384	100%	3.0	3.5	1.0	2.0	1.0	2.0	2.0	2.5	1.1	1.0	804,062.16	4,690,362.60	2,747,212.38
M25/0125	9.23	12,384	100%	3.0	3.5	1.0	2.0	1.0	2.0	2.0	2.5	1.1	1.0	754,204.18	4,399,524.36	2,576,864.27
M25/0133	9.68	12,384	100%	3.0	3.5	1.0	2.0	1.0	2.0	2.0	2.5	1.1	1.0	790,902.92	4,613,600.38	2,702,251.65
M25/0236	9.97	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	815,137.17	2,377,483.42	1,596,310.29
M25/0307	0.44	12,384	100%	3.0	3.5	1.0	2.0	1.0	2.0	2.0	2.5	1.1	1.0	35,587.16	207,591.75	121,589.46
M25/0347	9.90	12,384	100%	3.0	3.5	1.0	2.0	1.0	2.0	2.0	2.5	1.1	1.0	809,497.50	4,722,068.74	2,765,783.12
M25/0371	0.55	12,384	100%	3.0	3.5	1.0	2.0	1.0	2.0	2.0	2.5	1.1	1.0	44,978.44	262,374.24	153,676.34
M26/0038	0.12	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	10,102.37	29,465.25	19,783.81
M26/0094	0.10	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	7,813.81	22,790.28	15,302.04
M26/0129	0.24	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	29,546.99	143,631.18	86,589.08
M26/0249	3.22	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	263,021.30	767,145.46	515,083.38
M26/0250	3.15	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	257,259.02	750,338.82	503,798.92
M26/0251	3.32	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	271,235.61	791,103.85	531,169.73
M26/0271	0.18	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	22,313.49	108,468.36	65,390.93
M26/0280	0.14	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	11,050.49	32,230.60	21,640.54
M26/0282	0.28	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	33,789.00	164,252.09	99,020.54
M26/0325	0.16	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	12,938.56	37,737.45	25,338.00
M26/0389	0.81	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	66,262.08	193,264.39	129,763.24

Permit	Area* (km ²)	BAC (A\$)	Equity Interest	Off-property		On-property		Anomaly		Geology		Market Factor		Application Factor		Valuation (A\$)		
				Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Preferred		
M26/0391	0.12	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	9,922.56	28,940.79	19,431.67	
M26/0393	0.68	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	55,432.27	161,677.45	108,554.86	
M26/0401	1.16	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	94,525.83	275,700.35	185,113.09	
M26/0402	4.76	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	388,892.28	1,134,269.14	761,580.71	
M26/0410	0.11	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	1.0	13,731.38	66,749.76	40,240.57	
M26/0411	0.09	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	1.0	11,193.53	54,412.97	32,803.25	
M26/0415	0.02	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	1,675.56	4,887.04	3,281.30	
M26/0500	0.05	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	3,678.05	10,727.64	7,202.84	
M26/0636	0.06	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	4,830.50	14,088.97	9,459.74	
M26/0665	0.09	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	1.0	11,573.59	56,260.51	33,917.05	
M26/0825	0.27	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	21,921.17	63,936.73	42,928.95	
M26/0836	0.08	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	6,489.71	18,928.32	12,709.02	
M26/0844	0.27	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	0.8	1.0	17,654.63	51,492.67	34,573.65	
M26/0847	0.14	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	11,777.93	34,352.29	23,065.11	
M26/0860	1.21	12,384	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	0.8	1.0	79,315.06	231,335.60	155,325.33	
P26/3961	1.22	12,569	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	101,205.59	295,182.97	198,194.28	
P26/4092	1.83	12,569	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	151,808.38	442,774.45	297,291.41	
P26/4093	1.81	12,569	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	149,933.59	437,306.30	293,619.95	
P26/4094	0.10	12,569	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	8,295.54	24,195.33	16,245.43	
P26/4175	0.04	12,569	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	2,986.39	8,710.32	5,848.36	
P26/4185	1.80	12,569	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	149,319.72	435,515.85	292,417.79	
P26/4250	1.90	12,569	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	157,615.26	459,711.18	308,663.22	
P26/4251	1.83	12,569	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	151,808.38	442,774.45	297,291.41	
P26/4252	1.85	12,569	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	153,467.49	447,613.51	300,540.50	
P26/4253	1.82	12,569	100%	3.0	3.5	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	1.0	151,285.76	441,250.14	296,267.95	

Permit	Area* (km ²)	BAC (A\$)	Equity Interest	Off-property		On-property		Anomaly		Geology		Market Factor	Application Factor	Valuation (A\$)			
				Low	High	Low	High	Low	High	Low	High			Low	High	Preferred	
P26/4254	1.64	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	136,046.86	396,803.33	266,425.09
Deflector																	
E59/1240-I	83.06	492	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	1.0	404,568.65	1,966,653.15	1,185,610.90
E59/1241-I	94.15	492	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	1.0	458,585.82	2,229,236.63	1,343,911.22
E59/1242-I*	105.63	492	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	1.0	514,502.60	2,501,054.33	1,507,778.46
E59/1274-I	24.95	492	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	1.0	121,526.46	590,753.63	356,140.04
E59/1275-I	33.05	492	100%	3.0	3.5	1.0	1.0	0.9	1.0	2.0	2.5	1.1	1.0	1.0	96,587.96	156,508.28	126,548.12
E59/2156	19.91	492	100%	3.0	3.5	1.0	1.0	0.9	1.0	2.0	2.5	1.1	1.0	1.0	58,186.58	94,283.81	76,235.19
E59/2173	14.30	492	100%	3.0	3.5	1.0	1.0	0.9	1.0	2.0	2.5	1.1	1.0	1.0	41,791.46	67,717.65	54,754.56
M59/0049-I	1.94	12,384	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	1.0	396,514.01	1,387,799.03	892,156.52
M59/0068	1.40	12,384	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	1.0	286,683.41	1,003,391.93	645,037.67
M59/0132	0.20	12,384	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	1.0	40,111.16	140,389.05	90,250.10
M59/0133-I	3.72	12,384	100%	3.0	3.5	1.0	1.5	1.5	2.5	2.0	2.5	1.1	1.0	1.0	456,507.06	1,664,348.65	1,060,427.85
M59/0224-I	2.34	12,384	100%	3.0	3.5	1.0	1.5	1.5	2.5	2.0	2.5	1.1	1.0	1.0	287,010.35	1,046,391.89	666,701.12
M59/0294-I	5.85	12,384	100%	3.0	3.5	1.0	1.5	2.5	3.0	2.0	2.5	1.1	1.0	1.0	1,194,956.93	3,136,761.94	2,165,859.43
M59/0335-I	0.32	12,384	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	1.0	64,529.31	225,852.58	145,190.94
M59/0336-I	0.04	12,384	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	1.0	8,479.94	29,679.80	19,079.87
M59/0356	1.30	12,384	100%	3.0	3.5	1.0	1.0	0.9	1.0	2.0	2.5	1.1	1.0	1.0	95,592.47	154,895.20	125,243.83
M59/0391-I	2.65	12,384	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	1.0	540,877.39	1,893,070.87	1,216,974.13
M59/0392-I	1.79	12,384	100%	3.0	3.5	1.0	1.5	2.5	3.0	2.0	2.5	1.1	1.0	1.0	365,659.27	959,855.59	662,757.43
M59/0442	7.63	12,384	100%	3.0	3.5	1.0	1.5	2.5	3.0	2.0	2.5	1.1	1.0	1.0	1,559,901.02	4,094,740.19	2,827,320.61
M59/0507-I	0.09	12,384	100%	3.0	3.5	1.0	1.5	2.5	3.0	2.0	2.5	1.1	1.0	1.0	18,083.74	47,469.81	32,776.77
M59/0522-I	2.66	12,384	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	1.0	542,920.75	1,900,222.63	1,221,571.69
M59/0530	2.33	12,384	100%	3.0	3.5	1.0	1.0	0.9	1.0	2.0	2.5	1.1	1.0	1.0	171,691.28	278,203.46	224,947.37
M59/0531	4.96	12,384	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	1.0	1,012,995.72	3,545,485.02	2,279,240.37

SRK CONSULTING (AUSTRALASIA) PTY LTD ■ 26 APRIL 2024 ■ JM/IDEK

Permit	Area* (km ²)	BAC (A\$)	Equity Interest	Off-property		On-property		Anomaly		Geology		Market Factor	Application Factor	Valuation (A\$)		
				Low	High	Low	High	Low	High	Low	High			Low	High	Preferred
E59/2183	20.35	492	100%	3.0	3.5	1.0	2.0	3.5	4.0	2.0	2.5	1.1	1.0	231,281.82	770,939.40	501,110.61
E59/2254	2.99	492	100%	3.0	3.5	1.0	1.0	0.9	1.0	2.0	2.5	1.1	1.0	8,738.22	14,159.15	11,448.68
E59/2354	2.99	492	100%	3.0	3.5	1.0	2.0	0.9	1.0	0.5	0.9	1.1	1.0	2,184.55	10,194.58	6,189.57
E59/2355	2.99	492	100%	3.0	3.5	1.0	2.0	0.9	1.0	0.5	0.9	1.1	1.0	2,184.55	10,194.58	6,189.57
M59/0039-I	7.10	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.0	2.0	2.5	1.1	1.0	870,839.16	3,386,596.75	2,128,717.96
M59/0040-I	3.81	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.0	2.0	2.5	1.1	1.0	466,928.19	1,815,831.86	1,141,380.03
Sugar Zone																
Gold mining leases	14.67	13,960	100%	3.0	3.5	1.0	2.0	2.0	2.5	2.0	2.5	1.1	1.0	2,941,762.19	10,725,174.65	6,833,468.42
Claims	798.20	1,360	100%	3.0	3.5	1.0	2.0	2.0	2.5	2.0	2.5	1.1	1.0	14,850,303.47	54,141,731.39	34,496,017.43

Area based – Geoscientific – Red 5

Permit	Area* (km ²)	BAC (A\$)	Equity Interest	Off-property				On-property				Geology	Market Factor	Application Factor	Valuation (A\$)		
				Low		High		Low		High					Low	High	Preferred
				Low	High	Low	High	Low	High	Low	High						
Darlot																	
E36/1044	14.86	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	48,253	70,370	59,311	
EA36/1051	6.05	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	0.8	15,716	22,920	19,318	
EA36/1056	18.16	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	0.8	47,175	68,797	57,986	
EA36/1072	24.25	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	0.8	62,996	91,869	77,432	
EA36/1073	39.31	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	0.8	102,118	148,922	125,520	
EA36/1082	48.43	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	0.8	125,810	183,472	154,641	
EA36/1084	54.64	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	0.8	141,942	206,998	174,470	
EA36/1086	3.04	492	100%	3.0	3.5	1.0	1.5	1.5	2.5	2.0	2.5	1.1	0.8	11,846	43,188	27,517	
EA36/1088	3.03	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	0.8	7,871	11,479	9,675	
P36/1931	1.00	12,569	100%	3.0	3.5	1.0	1.5	1.0	1.0	2.0	2.5	1.1	1.0	83,204	182,010	132,607	
M37/0155	10.00	12,384	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	2,043,360	7,151,760	4,597,560	
M37/0252	8.29	12,384	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	1,694,048	5,929,167	3,811,607	
M37/0373	1.60	12,384	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	130,857	190,833	160,845	
M37/0417	9.51	12,384	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	776,967	1,133,077	955,022	
M37/0418	9.08	12,384	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	742,148	1,082,300	912,224	
M37/0419	9.36	12,384	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	765,075	1,115,734	940,405	
M37/0420	8.18	12,384	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	668,465	974,844	821,655	
M37/0421	3.84	12,384	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	313,574	457,295	385,435	
M37/0503	1.48	12,384	100%	3.0	3.5	1.0	1.5	1.5	2.5	2.0	2.5	1.1	1.0	181,144	660,420	420,782	
M37/0584	1.59	12,384	100%	3.0	3.5	1.0	1.5	1.5	2.5	2.0	2.5	1.1	1.0	195,243	711,824	453,533	
M37/0592	9.96	12,384	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	814,197	1,187,371	1,000,784	
M37/0608	9.99	12,384	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	1,224,545	5,952,648	3,588,597	

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Permit	Area* (km ²)	BAC (A\$)	Equity Interest	Off-property			On-property			Anomaly	Geology	Market Factor	Application Factor	Valuation (A\$)		
				Low	High	High	Low	High	High					Low	High	High
M37/0632	5.95	12,384	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	1,215,697	4,254,940	2,735,318
M37/0667	1.38	12,384	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	282,801	989,804	636,302
M37/0774	0.76	12,384	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	61,967	90,368	76,168
M37/0775	6.10	12,384	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	498,539	727,036	612,787
M37/1217	0.15	12,384	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	12,530	18,273	15,401
E37/1220	105.40	492	100%	3.0	3.5	1.0	2.0	2.5	3.0	2.0	2.5	1.1	1.0	855,637	2,994,730	1,925,184
E37/1247	10.98	492	100%	3.0	3.5	1.0	1.5	2.5	3.0	2.0	2.5	1.1	1.0	89,136	233,981	161,558
E37/1253	17.92	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	58,190	84,860	71,525
E37/1268	3.86	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	12,534	18,279	15,407
E37/1269	57.51	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	84,036	108,935	96,486
E37/1296	6.07	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	19,711	28,744	24,227
E37/1297	3.03	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	9,839	14,349	12,094
E37/1298	23.73	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	77,056	112,373	94,715
E37/1319	25.84	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	83,908	122,365	103,136
E37/1321	36.33	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	117,971	172,041	145,006
E37/1322	42.39	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	137,649	200,738	169,193
E37/1350	84.87	492	100%	3.0	3.5	1.0	1.5	1.5	2.0	2.0	2.5	1.1	1.0	413,385	1,205,706	809,545
E37/1352	1.65	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	5,358	7,814	6,586
E37/1369	24.21	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	78,615	114,646	96,631
E37/1378	69.79	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	226,622	330,491	278,556
E37/1391	3.02	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	9,807	14,301	12,054
E37/1393	121.54	492	100%	1.0	2.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	59,200	131,555	95,377
E37/1395	112.34	492	100%	1.0	2.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	54,719	121,597	88,158
E37/1398	1.41	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	4,579	6,677	5,628
E37/1400	72.09	492	100%	3.0	3.5	1.0	2.0	1.5	2.5	2.0	2.5	1.1	1.0	351,136	1,706,911	1,029,023

Permit	Area* (km ²)	BAC (A\$)	Equity Interest	Off-property				On-property				Anomaly	Geology	Market Factor	Application Factor	Valuation (A\$)		
				Low		High		Low		High						Low	High	Preferred
				Low	High	Low	High	Low	High	Low	High							
E37/1413	24.33	492	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	11,851	19,751	15,801	
E37/1415	30.22	492	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	14,720	24,533	19,626	
E37/1428	17.92	492	100%	1.0	1.5	1.5	1.5	2.5	3.0	2.0	2.5	1.1	1.0	1.0	72,737	163,659	118,198	
EA37/1512	3.03	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	0.8	0.8	7,871	11,479	9,675	
EA37/1521	51.51	492	100%	3.0	3.5	1.0	1.5	1.5	2.0	2.0	2.5	1.1	0.8	0.8	200,716	585,421	393,069	
EA37/1541	21.27	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	0.8	0.8	55,254	80,579	67,917	
P37/8699	1.07	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	88,665	129,304	108,985	
P37/8716	0.02	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	1,668	2,432	2,050	
P37/8788	1.60	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	133,139	194,162	163,650	
P37/8789	1.59	12,569	100%	3.0	3.5	1.0	1.5	1.5	2.0	2.0	2.5	1.1	1.0	1.0	197,873	577,130	387,502	
P37/9345	0.11	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	9,309	13,576	11,442	
E37/1272	112.55	492	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	54,820	91,367	73,093	
E37/1273	109.55	492	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	53,357	88,929	71,143	
M37/0320	3.37	12,384	84%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	230,167	335,660	282,914	
M37/0246	1.48	12,384	84%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	101,178	147,551	124,365	
M37/0265	0.78	12,384	84%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	53,029	77,334	65,181	
M37/0343	0.69	12,384	84%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	47,310	68,993	58,151	
M37/0345	0.04	12,384	84%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	2,477	3,613	3,045	
M37/0393	4.78	12,384	84%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	325,885	475,249	400,567	
M37/0776	1.56	12,384	84%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	106,433	155,215	130,824	
M37/0552	1.84	12,384	30%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	45,228	65,957	55,592	
M37/0631	7.77	12,384	30%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	190,462	277,756	234,109	
M37/0709	0.92	12,384	30%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	22,667	33,055	27,861	
M37/1045	0.91	12,384	30%	3.0	3.5	1.0	1.5	1.5	2.0	2.0	2.5	1.1	1.0	1.0	33,485	97,663	65,574	
E37/1194	3.04	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	1.0	9,869	14,393	12,131	

Permit	Area* (km ²)	BAC (A\$)	Equity Interest	Off-property				On-property	Anomaly			Geology	Market Factor	Application Factor	Valuation (A\$)			
				Low		High			Low	High	Low				High	Low	High	Preferred
				Low	High	Low	High		Low	High	Low				High	Low	High	Preferred
E37/1195	3.04	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	9,868	14,391	12,129	
M37/0054	0.60	12,384	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	48,889	71,297	60,093	
P37/9292	2.00	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	165,726	241,684	203,705	
E39/1706	36.40	492	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	17,729	29,548	23,638	
E39/1854	87.91	492	100%	1.0	1.5	1.0	1.5	1.0	1.0	1.0	0.9	1.0	1.1	1.0	42,818	107,045	74,932	
E39/1985	57.57	492	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	28,041	46,735	37,388	
E37/1271	42.43	492	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	20,667	34,445	27,556	
E37/1274	115.30	492	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	56,160	93,600	74,880	
E37/1210	2.98	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	9,671	14,103	11,887	
E36/0865	41.85	492	100%	3.0	3.5	1.0	1.5	1.5	2.0	2.0	2.0	2.5	1.1	1.0	203,843	594,542	399,193	
E36/0940	3.03	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	9,839	14,349	12,094	
E36/0941	3.03	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	9,839	14,349	12,094	
E36/0944	21.23	492	100%	3.0	3.5	1.0	1.5	1.5	2.0	2.0	2.0	2.5	1.1	1.0	103,407	301,604	202,506	
E36/0945	9.09	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	29,517	43,046	36,281	
E36/0964	6.06	492	100%	3.0	3.5	1.0	1.5	1.5	2.0	2.0	2.0	2.5	1.1	1.0	29,517	86,091	57,804	
E36/0968	3.03	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	9,839	14,349	12,094	
E36/0969	5.66	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	18,379	26,803	22,591	
E36/0980	15.09	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	49,000	71,459	60,229	
E36/0997	9.08	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	29,485	42,998	36,241	
E36/0999	15.16	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	49,228	71,790	60,509	
E36/1002	8.86	492	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	28,770	41,957	35,363	
P36/1879	2.00	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	166,098	242,226	204,162	
P36/1883	0.20	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	16,324	23,805	20,065	
P36/1884	0.08	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	7,006	10,217	8,611	
P36/1889	0.50	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	41,365	60,325	50,845	

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Permit	Area* (km ²)	BAC (A\$)	Equity Interest	Off-property			On-property			Anomaly			Geology			Market Factor	Application Factor	Valuation (A\$)		
				Low	High	Low	High	Low	High	Low	High	Low	High	Low	High			Low	High	Preferred
P36/1920	1.91	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	158,052	230,492	194,272			
P36/1921	0.42	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	34,747	50,672	42,709				
P37/9210	0.07	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.1	1.0	5,656	8,249	6,952				
King of the Hills																				
M37/0021	0.24	12,384	100%	3.0	3.5	1.0	1.5	1.5	2.5	2.0	2.5	1.1	1.0	29,142	106,248	67,695				
M37/0067	0.38	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	31,141	90,827	60,984				
M37/0076	0.66	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	53,577	156,266	104,921				
M37/0090	1.67	12,384	100%	3.0	3.5	1.5	2.0	1.5	2.5	2.0	2.5	1.1	1.0	306,841	994,393	650,617				
M37/0179	0.97	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	79,564	232,063	155,814				
M37/0201	2.28	12,384	100%	3.0	3.5	1.5	2.0	1.5	2.5	2.0	2.5	1.1	1.0	418,378	1,355,855	887,116				
M37/0222	4.16	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	340,219	992,307	666,263				
M37/0248	0.02	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	1,831	5,340	3,585				
M37/0330	2.99	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	244,672	713,626	479,149				
M37/0394	1.88	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	153,456	447,581	300,519				
M37/0407	2.92	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	238,705	696,224	467,465				
M37/0410	3.60	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	294,366	858,569	576,468				
M37/0416	6.59	12,384	100%	3.0	3.5	1.0	1.5	1.0	1.0	2.0	2.5	1.1	1.0	538,221	1,177,358	857,790				
M37/0429	1.33	12,384	100%	3.0	3.5	1.5	2.0	1.5	2.5	2.0	2.5	1.1	1.0	245,326	795,037	520,182				
M37/0449	4.20	12,384	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	2.0	1.1	1.0	57,146	171,438	114,292				
M37/0451	2.65	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	216,351	631,024	423,687				
M37/0457	6.90	12,384	100%	3.0	3.5	1.0	1.5	1.0	1.0	2.0	2.5	1.1	1.0	563,926	1,233,589	898,758				
M37/0496	2.82	12,384	100%	3.0	3.5	1.5	2.0	1.5	2.5	2.0	2.5	1.1	1.0	517,777	1,677,982	1,097,879				
M37/0529	1.21	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	99,144	289,169	194,157				
M37/0544	0.84	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	68,673	200,297	134,485				
M37/0547	9.01	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	2.0	2.5	1.1	1.0	736,713	2,148,746	1,442,730				

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Permit	Area* (km ²)	BAC (A\$)	Equity Interest	Off-property				On-property	Anomaly			Geology	Market Factor	Application Factor	Valuation (A\$)			
				Low		High			Low	High	Low				High	Low	High	Preferred
				Low	High	Low	High		Low	High	Low				High	Low	High	Preferred
M37/0548	3.13	12,384	100%	3.0	3.5	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.5	1.1	1.0	575,247	1,491,380	1,033,314
M37/0551	1.77	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	144,588	421,715	283,152
M37/0570	5.15	12,384	100%	3.0	3.5	1.5	2.0	1.5	2.5	2.0	2.5	2.0	2.5	1.1	1.0	946,362	3,066,913	2,006,637
M37/0571	6.89	12,384	100%	3.0	3.5	1.0	1.5	1.5	2.5	2.0	2.5	2.0	2.5	1.1	1.0	844,296	3,078,162	1,961,229
M37/0572	9.37	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	765,810	2,233,614	1,499,712
M37/0573	8.53	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	697,358	2,033,961	1,365,659
M37/0574	6.29	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	514,069	1,499,366	1,006,717
M37/0905	0.42	12,384	100%	3.0	3.5	1.0	1.5	1.5	2.0	2.0	2.0	2.0	2.5	1.1	1.0	51,548	150,348	100,948
M37/1050	1.89	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	154,764	451,395	303,080
M37/1051	3.82	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	312,430	911,253	611,842
M37/1081	4.22	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	345,042	1,006,372	675,707
M37/1105	0.09	12,384	100%	3.0	3.5	1.0	2.0	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	7,522	21,938	14,730
M37/1165	2.03	12,384	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	2.0	1.1	1.0	41,501	83,001	62,251
E37/1409	8.44	492	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	2.0	1.1	1.0	6,850	13,699	10,275
E37/1410	27.19	492	100%	3.0	3.5	1.0	1.5	1.5	2.0	2.0	2.0	2.0	2.5	1.1	1.0	132,428	386,248	259,338
P37/9157	0.57	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	2.0	1.1	1.0	11,814	23,628	17,721
P37/9160	1.96	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	1.1	1.0	27,067	81,200	54,134
P37/9161	0.21	12,569	100%	3.0	3.5	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.5	1.1	1.0	17,367	25,327	21,347
P37/9270	1.54	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.1	1.0	19,175	31,959	25,567
P37/9271	1.37	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.1	1.0	17,055	28,424	22,739
P37/9281	1.99	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.1	1.0	24,797	41,329	33,063
P37/9282	2.00	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.1	1.0	24,841	41,402	33,121
P37/9283	1.99	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.1	1.0	24,784	41,306	33,045
P37/9284	1.99	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.1	1.0	24,821	41,369	33,095
P37/9285	1.89	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.1	1.0	23,550	39,249	31,399

Permit	Area* (km ²)	BAC (A\$)	Equity Interest	Off- property			On- property			Anomaly	Geology			Market Factor	Application Factor	Valuation (A\$)				
				Low	High	High	Low	High	High		Low	High	Low			High	High	Low	High	Preferred
P37/9286	1.99	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	24,784	41,306	33,045			
P37/9287	2.00	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.0	2.0	1.1	1.0	27,597	82,792	55,195			
P37/9288	2.00	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	24,856	41,427	33,142			
P37/9289	1.99	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	24,785	41,308	33,046			
P37/9290	2.00	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	24,852	41,420	33,136			
P37/9291	1.99	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	24,798	41,331	33,065			
P37/9293	1.99	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	24,802	41,337	33,070			
P37/9294	1.81	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	22,509	37,515	30,012			
P37/9295	1.97	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.1	1.0	24,480	40,799	32,639			
P37/9392	1.26	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	26,110	52,220	39,165			
P37/9393	1.62	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	33,584	67,169	50,377			
P37/9394	1.18	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	24,466	48,931	36,699			
P37/9395	2.00	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	41,463	82,925	62,194			
P37/9396	1.98	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	40,996	81,993	61,495			
P37/9397	1.92	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	39,780	79,561	59,671			
P37/9398	2.00	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	41,403	82,807	62,105			
P37/9399	1.97	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	40,854	81,709	61,282			
P37/9400	1.98	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	41,027	82,053	61,540			
P37/9401	1.92	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	39,896	79,792	59,844			
P37/9402	2.00	12,569	100%	3.0	3.5	1.0	1.5	1.5	2.0	2.0	2.5	1.1	1.0	1.0	248,325	724,281	486,303			
P37/9403	2.00	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	41,459	82,919	62,189			
P37/9404	1.91	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	39,559	79,119	59,339			
P37/9405	1.96	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	40,568	81,136	60,852			
P37/9406	1.96	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	40,734	81,468	61,101			
P37/9407	1.98	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2.0	1.1	1.0	41,056	82,111	61,583			

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Permit	Area* (km ²)	BAC (A\$)	Equity Interest	Off- property			On- property			Anomaly	Geology	Market Factor	Application Factor	Valuation (A\$)		
				Low	High	High	Low	High	High					Low	High	High
P37/9408	1.95	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.1	1.0	26,944	40,417	33,680	
P37/9409	1.98	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.1	1.0	27,350	41,025	34,187	
P37/9410	1.95	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.1	1.0	26,896	40,345	33,621	
P37/9491	1.14	12,569	100%	1.0	1.5	1.0	1.0	1.0	1.0	1.5	2.0	1.0	23,698	47,397	35,548	
P37/9492	1.16	12,569	100%	3.0	3.5	1.0	1.5	1.5	2.0	2.0	2.5	1.0	144,265	420,772	282,519	
E37/1385	45.24	492	100%	1.0	1.5	1.0	1.0	1.0	1.0	0.9	1.0	1.0	22,035	36,725	29,380	
Montague																
M57/0429	9.82	12,384	25%	3.0	3.5	1.0	2.0	1.5	2.0	2.0	2.5	1.0	300,895	1,170,147	735,521	
M57/0485	9.15	12,384	25%	3.0	3.5	1.0	2.0	1.5	2.0	2.0	2.5	1.0	280,344	1,090,226	685,285	
E57/0793	45.24	492	25%	3.0	3.5	1.0	1.0	1.0	1.0	2.0	2.5	1.0	36,725	53,557	45,141	

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APPENDIX 3 – SCHEME

Silver Lake Resources Limited

Scheme Shareholders

Scheme of Arrangement

Scheme of Arrangement

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Date 4 February 2024

Parties

Silver Lake Resources ACN 108 779 782 of Suite 4, Level 3, South Shore Centre, 85 South Perth Esplanade, South Perth, WA 6151 (**Silver Lake**)

Each registered holder of Silver Lake Shares as at the Record Date (other than Excluded Shareholders) (**Scheme Shareholders**)

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this document these terms have the following meanings:

ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.
Business Day	A ‘business day’ as defined in the Listing Rules, provided that such day is not a day on which the banks in Perth, Western Australia are authorised or required to close.
CHESS	The clearing house electronic sub-register system of share transfers operated by ASX Settlement and Transfer Corporation Pty Ltd.
Commissioner	Federal Commissioner of Taxation.
Control	Has the meaning given in section 50AA of the Corporations Act.
Controlled Entity	In respect of a party, an entity that party Controls.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Court	The Federal Court of Australia or such other court of competent jurisdiction as agreed between Silver Lake and Red 5.
Deed Poll	The deed poll executed by Red 5 substantially in the form of Annexure A of the Scheme Implementation Deed or as otherwise agreed by Silver Lake and Red 5 under which Red 5 covenants in favour of each Scheme Shareholder to

	perform the obligations attributed to Red 5 under this Scheme.
Effective	The coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	The date on which this Scheme becomes Effective.
End Date	The later of: <ul style="list-style-type: none"> (a) the date that is nine months after the date of the Scheme Implementation Deed; and (b) such other date and time agreed in writing between Silver Lake and Red 5 before that date.
Excluded Shareholder	Any Red 5 Group Member.
First Court Date	The date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Government Agency	Any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
Implementation Date	The fifth Trading Day after the Record Date or such other date after the Record Date agreed to in writing by Silver Lake and Red 5.
Ineligible Overseas Shareholder	A Scheme Shareholder whose address shown in the Silver Lake Share Register on the Record Date is a place outside Australia and New Zealand and their respective external territories, unless Red 5 determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with the Scheme Consideration when the Scheme becomes Effective.
ITAA 1997	The <i>Income Tax Assessment Act 1997</i> (Cth).
Listing Rules	The official listing rules of ASX as amended from time to time.

New Red 5 Share	A new Red 5 Share to be issued by Red 5 under the terms of this Scheme.
Nil Variation Notice	A notice issued by the Commissioner under section 14-235 of Schedule 1 to the TAA varying the amount (if any) that Red 5 is liable to pay the Commissioner under section 14-200 of Schedule 1 of the TAA in respect of the acquisition of the Scheme Shares, to zero.
Nominee Holder	A Scheme Shareholder who holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person.
Record Date	7.00 pm on the second Trading Day after the Effective Date or such other time and date agreed to in writing between the parties.
Red 5	Red 5 Limited ACN 068 647 610
Red 5 Group	Red 5 and its Controlled Entities (excluding, at any time, the Silver Lake Group Members to the extent that the Silver Lake Group Members are Subsidiaries of Red 5 at that time).
Red 5 Group Member	Each member of the Red 5 Group.
Red 5 Share	A fully paid ordinary share in the capital of Red 5.
Red 5 Share Register	The register of members of Red 5 maintained in accordance with the Corporations Act.
Registered Address	In relation to a Scheme Shareholder, the address of that Scheme Shareholder shown in the Silver Lake Share Register.
Relevant Red 5 Shares	The meaning given in clause 7.8(a)
Rights	All accretions, rights and benefits attaching to, or arising from, the Scheme Shares directly or indirectly, including any capital returns, all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Silver Lake.
Sale Agent	A person appointed by Red 5 to sell, in accordance with clause 7.8 , the New Red 5 Shares to which Ineligible Overseas Shareholders and Small Parcel Shareholders would have been entitled under this Scheme but for the operation of clause 7.8 .
Scheme	This scheme of arrangement between Silver Lake and Scheme Shareholders under which all of the Scheme

	Shares will be transferred to Red 5 under Part 5.1 of the Corporations Act as described in clause 7 of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Red 5 and Silver Lake in accordance with clause 12 of this Scheme.
Scheme Consideration	The consideration to be provided to Scheme Shareholders for the transfer to Red 5 of each Scheme Share under the terms of this Scheme, being 3.434 New Red 5 Shares for every Scheme Share (subject to the terms of this Scheme).
Scheme Implementation Deed	The Scheme Implementation Deed dated 4 February 2024 between Red 5 and Silver Lake under which, amongst other things, Silver Lake has agreed to propose this Scheme to Silver Lake Shareholders, and each of Silver Lake and Red 5 have agreed to take certain steps to give effect to this Scheme, a copy of which was released in full to ASX on 5 February 2024.
Scheme Meeting	The meeting of Silver Lake Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Share	A Silver Lake Share held by a Scheme Shareholder as at the Record Date.
Scheme Shareholder	A person who holds Silver Lake Shares recorded in the Silver Lake Share Register as at the Record Date (other than an Excluded Shareholder).
Scheme Shareholder Declaration	A declaration in accordance with the requirements of section 14-225 of Schedule 1 of the TAA that covers, at least, the date of the Scheme Implementation Deed and the Implementation Date.
Second Court Date	The first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, means the date on which the adjourned application or appeal is heard.
Security Interest	Any security interest, including: <ul style="list-style-type: none"> (a) a 'Security Interest' within the meaning of section 51A of the Corporations Act; (b) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor

- priority over unsecured creditors in relation to any property; and
- (c) any right of first refusal, pre-emptive right or any similar restriction.

Share Scheme Transfer	For each Scheme Shareholder, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.
Small Parcel Shareholder	A Scheme Shareholder (other than an Ineligible Overseas Shareholder) who, based on their holding of Scheme Shares, would on the Implementation Date be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New Red 5 Shares (assessed by reference to the highest closing price of Red 5 Shares on the ASX beginning on the date the Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration.
Subsidiary	Has the meaning given to that term in Division 6 of Part 1.2 of the Corporations Act.
Silver Lake Group	Silver Lake and its Controlled Entities.
Silver Lake Group Member	Each member of the Silver Lake Group.
Silver Lake Registry	Computershare Investor Services Pty Ltd
Silver Lake Share	An issued fully paid ordinary share in the capital of Silver Lake.
Silver Lake Share Register	The register of members of Silver Lake maintained in accordance with the Corporations Act.
Silver Lake Shareholder	Each person who is registered in the Silver Lake Share Register as a holder of one or more Silver Lake Shares.
TAA	The <i>Taxation Administration Act 1953</i> (Cth).
Trading Day	A 'business day' as defined in the Listing Rules.

1.2 Interpretation

In this document, except where the context otherwise requires:

- (a) the singular includes the plural, and the converse also applies;
- (b) the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;
- (c) a gender includes other genders;

- (d) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (e) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this document, and a reference to this document includes any schedule or annexure;
- (f) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (g) a reference to **A\$, \$A, dollar** or **\$** is to the lawful currency of Australia;
- (h) a reference to time is, unless otherwise indicated, a reference to that time in Perth, Western Australia;
- (i) a reference to a party is to a party to this document, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (j) a reference to a person includes a natural person, partnership, body corporate, joint venture, association, governmental or local authority or agency or other entity or organisation;
- (k) a reference to "law" includes common law, principles of equity and legislation (including regulations);
- (l) a reference to legislation or to a provision of legislation (including a listing rule or operating rule of a financial market or of a clearing and settlement facility) includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- (m) a reference to "regulations" includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (n) a reference to a body (including an institute, association or authority), other than a party to this document, whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (o) a reference to an agreement other than this document includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (p) a word or expression defined in the Corporations Act, and which is not defined in **clause 1.1**, has the meaning given to it in the Corporations Act;

- (q) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (r) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (s) if an act prescribed under this document to be done by a party on or by a given day is done after 5.00 pm on that day, it is taken to be done on the next day;
- (t) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;
- (u) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this document or any part of it;
- (v) a reference to something being 'reasonably likely' (or to a similar expression) is a reference to that thing being more likely than not to occur, when assessed objectively; and
- (w) a reference to conduct includes an omission, statement or undertaking, whether or not in writing.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

1.4 Business Day

If a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

2 Preliminary

2.1 Red 5 Limited

Red 5 is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the official list of ASX and Red 5 Shares are officially quoted on the stock market conducted by ASX.

2.2 Silver Lake Resources Limited

Silver Lake is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the official list of ASX and Silver Lake Shares are officially quoted on the stock market conducted by ASX.

2.3 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to Red 5, Red 5 will provide, or cause to be provided, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of this Scheme and the Deed Poll;
- (b) all Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to Red 5 on the Implementation Date; and
- (c) Silver Lake will enter the name of Red 5 in the Silver Lake Share Register in respect of all Scheme Shares transferred to Red 5 in accordance with the terms of this Scheme and the Deed Poll.

2.4 Scheme Implementation Deed

Red 5 and Silver Lake have agreed by executing the Scheme Implementation Deed to implement the terms of this Scheme.

2.5 Deed Poll

This Scheme attributes actions to Red 5 but does not itself impose an obligation on it to perform those actions. Red 5 has executed the Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders to perform (or procure the performance of) the obligations attributable to Red 5 as contemplated by this Scheme, including to provide, or cause to be provided, the Scheme Consideration to the Scheme Shareholders.

3 Red 5 Nominee

- (a) Red 5 may nominate any wholly-owned Subsidiary of Red 5 (**Red 5 Nominee**) to acquire the Scheme Shares under this Scheme by giving written notice to Silver Lake on or before the date that is 10 Business Days before the First Court Date.
- (b) If Red 5 nominates the Red 5 Nominee to acquire the Scheme Shares under the Scheme, then:
 - (i) references in this Scheme to Red 5 acquiring the Scheme Shares under this Scheme are to be read as references to the Red 5 Nominee doing so;
 - (ii) other references in this Scheme to Red 5 are to be read as references to Red 5 or the Red 5 Nominee, other than to the extent those provisions relate to the New Red 5 Shares which will always be fully paid ordinary shares in the capital of Red 5 (and not the Red 5 Nominee);
 - (iii) Red 5 and Silver Lake must procure that the Scheme Shares transferred under the Scheme are transferred to the Red 5 Nominee, rather than Red 5;

- (iv) Red 5 must procure that the Red 5 Nominee complies with the relevant obligations of Red 5 under this Scheme; and
- (v) any such nomination will not relieve Red 5 of its obligations under this Scheme, including the obligation to provide, or cause to be provided, the Scheme Consideration in accordance with the terms of this Scheme, provided that Red 5 will not be in breach of this Scheme for failing to perform an obligation of Red 5 if that obligation is fully discharged by the Red 5 Nominee.

4 Conditions precedent

4.1 Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00 am on the Second Court Date, the Scheme Implementation Deed and Deed Poll not having been terminated;
- (b) all of the conditions precedent in schedule 1 of the Scheme Implementation Deed having been satisfied or waived (other than the condition precedent relating to Court approval set out in item 5 of schedule 1 of the Scheme Implementation Deed) in accordance with the terms of the Scheme Implementation Deed by 8.00am on the Second Court Date;
- (c) the Court having approved this Scheme pursuant to section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Red 5 and Silver Lake;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to by Red 5 and Silver Lake having been satisfied or waived; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme on or before the End Date.

4.2 Conditions precedent and operation of clause 6 of this Scheme

The satisfaction of each condition of **clause 4.1** of this Scheme is a condition precedent to the operation of **clause 6** of this Scheme.

4.3 Certificate in relation to conditions precedent

- (a) Red 5 and Silver Lake must provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in **clause 4.1** of this Scheme (other than the conditions precedent in **clauses 4.1(c), 4.1(d) and 4.1(e)**)

of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Date.

- (b) The certificate referred to in **clause 4.3(a)** will constitute conclusive evidence of whether the conditions precedent referred to in **clause 4.1** of this Scheme (other than the condition precedent in **clauses 4.1(c), 4.1(d) and 4.1(e)** of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Date.

5 Scheme

5.1 Effective Date

Subject to **clause 5.2** of this Scheme, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

5.2 End Date

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with their respective terms,
- (c) unless Red 5 and Silver Lake otherwise agree in writing.

6 Implementation of Scheme

6.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in **clause 4.1** of this Scheme (other than the condition precedent in **clause 4.1(e)** of this Scheme) are satisfied, Silver Lake must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 12.00 pm on the first Business Day after the day on which the Court approves this Scheme or such later time as Silver Lake and Red 5 agree in writing.

6.2 Transfer and registration of Scheme Shares

Subject to the Scheme becoming Effective, on the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with **clause 7** of this Scheme:

- (a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Red 5, without the need for any further act by any Scheme Shareholder (other than acts performed by Silver Lake as attorney and agent for Scheme Shareholders under **clause 10** of this Scheme), by:

- (i) Silver Lake delivering to Red 5 a duly completed and executed Share Scheme Transfer executed on behalf of the Scheme Shareholders by Silver Lake, for registration; and
 - (ii) Red 5 duly executing the Share Scheme Transfer and delivering it to Silver Lake for registration; and
- (b) immediately after receipt of the duly executed Share Scheme Transfer, Silver Lake must enter, or procure the entry of, the name of Red 5 in the Silver Lake Share Register in respect of all Scheme Shares transferred Red 5 in accordance with the terms of this Scheme.

6.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Red 5 of the Scheme Shares, each Scheme Shareholder will be entitled to receive, and Red 5 will issue to each Scheme Shareholder (subject to the terms of this Scheme), the Scheme Consideration in respect of each of their Scheme Shares in accordance with **clause 7** of this Scheme, and with the Deed Poll.

6.4 Title and rights in Scheme Shares

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder (other than Ineligible Overseas Shareholders and Small Parcel Shareholders), Red 5 will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by Silver Lake of Red 5 in the Silver Lake Share Register as the holder of the Scheme Shares.

6.5 Warranty by Scheme Shareholders

- (a) Each Scheme Shareholder warrants to Silver Lake on the Implementation Date and is deemed to have authorised Silver Lake to warrant to Red 5 on the Implementation Date as agent and attorney for the Scheme Shareholder by virtue of this **clause 6.5**, that:
- (i) all their Scheme Shares (including any Rights attaching to them) transferred to Red 5 under the Scheme will, as at the date of the transfer, be fully paid and free from all Security Interests and other interests of third parties of any kind whether legal or otherwise, and restrictions on transfer of any kind; and
 - (ii) they have full power and capacity to sell and to transfer their Scheme Shares (including any Rights attaching to them) to Red 5 under this Scheme.
- (b) Silver Lake undertakes that it will provide such warranty to Red 5 as agent and attorney of each Scheme Shareholder.

6.6 Transfer free of Security Interests

To the extent permitted by law, all Scheme Shares (including any Rights attaching to them) which are transferred to Red 5 under this Scheme will, at the date of the transfer of them to Red 5, vest in Red 5 free from all Security Interests and interests of third parties of any kind, whether legal or otherwise,

and free from any restrictions on transfer of any kind not referred to in this Scheme.

6.7 Appointment of Red 5 as sole proxy

- (a) Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by **clauses 6.2 and 7** of this Scheme, on and from the Implementation Date until Silver Lake registers Red 5 as the holder of all of the Scheme Shares in the Silver Lake Share Register, each Scheme Shareholder:
- (i) is deemed to have irrevocably appointed Silver Lake as attorney and agent (and directed Silver Lake in such capacity) to appoint Red 5 and each of its directors, secretaries and officers from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this **clause 6.7(a)(i)**);
 - (ii) must take all other actions in the capacity of the registered holder of Scheme Shares as Red 5 directs; and
 - (iii) acknowledges and agrees that in exercising the powers referred to in **clause 6.7(a)(i)** of this Scheme, Red 5 and any director, secretary or officer or corporate representative nominated by Red 5 under **clause 6.7(a)(i)** of this Scheme may act in the best interests of Red 5 as the intended registered holder of the Scheme Shares.
- (b) Silver Lake undertakes in favour of each Scheme Shareholder that it will appoint Red 5 and each of its directors, secretaries or officers from time to time (jointly and each of them individually) as that Scheme Shareholder's proxy or, where applicable, corporate representative in accordance with **clause 6.7(a)(i)** of this Scheme.

7 Scheme Consideration

7.1 Consideration under this Scheme

On the Implementation Date, Red 5:

- (a) must provide, or cause the provision of, the Scheme Consideration to the Scheme Shareholders (or to the Sale Agent in accordance with **clause 7.8** of this Scheme) in accordance with this **clause 7**; and
- (b) agrees to (in satisfaction of Red 5's obligation to provide such Scheme Consideration to the Scheme Shareholders under **clause 7.1(a)** of this Scheme) issue, or cause to be issued, the Scheme Consideration to the

Scheme Shareholders (other than Ineligible Overseas Shareholders and Small Parcel Shareholders) in accordance with this **clause 7**.

7.2 Scheme Consideration

Subject to the terms and conditions of this Scheme (including **clauses 7.7** and **7.8** of this Scheme in relation to Ineligible Overseas Shareholders and Small Parcel Shareholders, and **clause 7.4** of this Scheme in relation to fractional elements), the Scheme Consideration to be provided to each Scheme Shareholder will be provided by the issue by Red 5 of the Scheme Consideration to that Scheme Shareholder on the Implementation Date.

7.3 Provision of Scheme Consideration

Subject to the other provisions of this **clause 7**, the obligations of Red 5 to provide (or procure the provision of) the Scheme Consideration to the Scheme Shareholders will be satisfied by procuring that:

- (a) the name and address of each such Scheme Shareholder is entered into the Red 5 Share Register on the Implementation Date in respect of the New Red 5 Shares to which it is entitled under this **clause 7**; and
- (b) within 15 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each such Scheme Shareholder representing the number of New Red 5 Shares issued to the Scheme Shareholder pursuant to this Scheme.

7.4 Fractional entitlements

- (a) If the number of Scheme Shares held by a Scheme Shareholder at the Record Date is such that the aggregate entitlement of the Scheme Shareholder to Scheme Consideration is such that a fractional entitlement to a Red 5 Share arises, then the entitlement of that Scheme Shareholder must be rounded up or down, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of Red 5 Shares (or cents, as applicable), and any such fractional entitlement of 0.5 or more will be rounded up to the nearest whole number of Red 5 Shares (or cents, as applicable).
- (b) If a Nominee Holder holds more than one parcel of Scheme Shares as trustee or nominee for, or otherwise on account of, another person, then for the purposes of this **clause 7.4**, the Scheme Consideration for the Nominee Holder will be calculated and rounded based on the aggregate number of Scheme Shares held by the Nominee Holder in those parcels as trustee or nominee for, or otherwise on account of, other persons.

7.5 Shareholder splitting or division

If Red 5 is of the reasonable opinion that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with **clause 7.4** or each of whom holds less than or equal to the number of Silver Lake Shares required to classify as a Small Parcel Shareholder) have, before the Record Date, been party to shareholder splitting

or division in an attempt to obtain an advantage by reference to such rounding, Red 5 may give notice to those Scheme Shareholders:

- (a) setting out their names and Registered Addresses;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice is given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of other provisions of this Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and Registered Addresses are set out in the notice will, for the purposes of the other provisions of this Scheme, be taken to hold no Scheme Shares. Red 5, in complying with the other provisions of this Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to other Scheme Shareholders named under the notice under the terms of this Scheme.

7.6 Scheme Shareholders' agreements

Under this Scheme, each Scheme Shareholder (and, to the extent relevant, the Sale Agent) irrevocably:

- (a) agrees to the transfer of their Scheme Shares together with all Rights attaching to them in accordance with this Scheme;
- (b) agrees to the variation, cancellation or modification of the Rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) agrees to, on the direction of Red 5, destroy any holding statements or share certificates relating to their Scheme Shares;
- (d) agrees to become a shareholder of Red 5, to be bound by the terms and conditions of the constitution of Red 5, to have their name entered in the Red 5 Share Register and accepts the New Red 5 Shares issued to them under this Scheme on the terms and conditions of the Red 5 constitution, without the need for any further act by the Scheme Shareholder;
- (e) agrees and acknowledges that the issue of New Red 5 Shares in accordance with **clause 7.1** of this Scheme constitutes satisfaction of all that person's entitlements under this Scheme;
- (f) agrees, to the extent the Scheme Shareholder holds their Silver Lake Shares in a CHESS Holding, to the conversion of their Silver Lake Shares to an "Issuer Sponsored Holding" and irrevocably authorises Silver Lake to do anything necessary or expedient to effect or facilitate such conversion;

- (g) acknowledges that this Scheme binds Silver Lake and all of the Scheme Shareholders from time to time (including those who do not attend the Scheme Meeting and those who do not vote, or voted against this Scheme, at the Scheme Meeting); and
- (h) consents to Silver Lake and Red 5 doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

7.7 Unclaimed monies

- (a) Silver Lake may cancel a cheque issued under this **clause 7** if the cheque:
 - (i) is returned to Silver Lake; or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Silver Lake or Red 5 (or the Silver Lake Registry or Red 5's share registry) (which request may not be made until the date which is 10 Business Days after the Implementation Date), Silver Lake must reissue or procure the reissuance of a cheque that was previously cancelled under **clause 7.7(a)**.
- (c) The *Unclaimed Monies Act 1990* (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of that Act).

7.8 Ineligible Overseas Shareholders and Small Parcel Shareholders

- (a) Red 5 has no obligation to issue, and will not issue, any New Red 5 Shares to:
 - (i) an Ineligible Overseas Shareholder; or
 - (ii) a Small Parcel Shareholder,
 and instead will issue (subject to **clause 7.4** and **7.10(d)**) the New Red 5 Shares that would otherwise have been issued to the Ineligible Overseas Shareholder or the Small Parcel Shareholder (**Relevant Red 5 Shares**) to the Sale Agent.
- (b) Red 5 will procure that, as soon as reasonably practicable after the Implementation Date, the Sale Agent:
 - (i) in consultation with Red 5, sells or procures the sale of all of the Relevant Red 5 Shares on the financial market conducted by ASX in such manner, at such price and on such terms as the Sale Agent determines in good faith (and at the risk of the Ineligible Overseas Shareholders and the Small Parcel Shareholders); and

- (ii) remits to Silver Lake the proceeds of sale (after deducting any applicable brokerage, stamp duty, currency conversion costs and other selling costs, taxes and charges).
- (c) Promptly after the last sale of Relevant Red 5 Shares in accordance with **clause 7.8(b)** and receiving the net proceeds of such sale, Silver Lake must pay, or procure the payment, to each Ineligible Overseas Shareholder and Small Parcel Shareholder the amount calculated in accordance with the following formula and rounded down to the nearest cent:
- (A ÷ B) x C**
- Where:
- A is the number of Relevant Red 5 Shares that would otherwise have been issued to that Ineligible Overseas Shareholder or Small Parcel Shareholder if they had not been an Ineligible Overseas Shareholder or Small Parcel Shareholder, and which were issued to the Sale Agent for sale in accordance with **clause 7.8(b)**;
- B is the total number of Relevant Red 5 Shares which would have been issued to all Ineligible Overseas Shareholders and Small Parcel Shareholders, and which were issued to the Sale Agent for sale in accordance with **clause 7.8(b)**; and
- C is the proceeds of sale (after deducting any applicable brokerage, stamp duty, currency conversion costs and other selling costs, taxes and charges), being the amount referred to in **clause 7.8(b)(ii)**.
- (d) Each Ineligible Overseas Shareholder and Small Parcel Shareholder acknowledges and agrees that:
- (i) none of Red 5, Silver Lake or the Sale Agent give any assurance as to the price that will be achieved for the sale of the Relevant Red 5 Shares described in **clause 7.8(b)**; and
- (ii) Red 5, Silver Lake and the Sale Agent each expressly disclaim any fiduciary duty to any Ineligible Shareholder which may arise in connection with this **clause 7.8**.
- (e) Silver Lake must pay or procure that each Ineligible Overseas Shareholder and Small Parcel Shareholder is paid any amounts owing under **clause 7.8(c)** by either (in the absolute discretion of Silver Lake):
- (i) making a deposit in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by that Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) to Silver Lake (or the Silver Lake Registry) and recorded in or for the purposes of the Silver Lake Share Register at the Record Date; or

- (ii) dispatching, or procuring the dispatch, to that Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) by prepaid post to the Registered Address (as at the Record Date) of that Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable), a cheque in the name of that Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) (in the case of joint holders, the cheque will be drawn in the name of the joint holders and dispatched in accordance with the procedures set out in **clause 7.13**),

for the relevant amount, with that amount being denominated in Australian dollars.

- (f) Each Ineligible Overseas Shareholder and Small Parcel Shareholder appoints Silver Lake, and each director and officer of Silver Lake, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices (including any updates of those documents) that the Sale Agent is required to provide to the Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) under the Corporations Act or any other applicable law.
- (g) Payment of the relevant amounts calculated in accordance with **clause 7.8(c)** satisfies in full the Ineligible Overseas Shareholders' or Small Parcel Shareholders' (as applicable) right under this Scheme in respect of the Scheme Consideration.

7.9 Other ineligible Scheme Shareholders

Where the issue of New Red 5 Shares to which a Scheme Shareholder (other than an Ineligible Overseas Shareholder or a Small Parcel Shareholder) would otherwise be entitled under this Scheme would result in a breach of law:

- (a) Red 5 will issue the maximum possible number of New Red 5 Shares to the Scheme Shareholder without giving rise to such a breach; and
- (b) any further New Red 5 Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such a breach, will instead be issued to the Sale Agent and dealt with under **clause 7.8**, as if:
 - (i) references to Ineligible Overseas Shareholders also included that Scheme Shareholder; and
 - (ii) references to Relevant Red 5 Shares also included any of that Scheme Shareholder's New Red 5 Shares that have been issued to the Sale Agent.

7.10 Withholding

- (a) If Red 5 is required by Subdivision 14-D of Schedule 1 of the TAA (Subdivision 14-D) to pay any amounts to the Commissioner in respect of the acquisition of Scheme Shares from certain Scheme Shareholders, Red 5 is permitted to deduct the relevant amounts from the payment of the Scheme Consideration to those Scheme Shareholders, and remit

such amounts to the Commissioner. The aggregate sum payable to Scheme Shareholders shall not be increased to reflect the deduction and the net aggregate sum payable to those Scheme Shareholders shall be taken to be in full and final satisfaction of the amounts owing to those Scheme Shareholders. Red 5 must pay any amount to the Commissioner in the amount payable under this clause 7.10(a) and time as required by law and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Scheme Shareholder.

- (b) For the purposes of **clause 7.10(a)**, Red 5 may:
- (i) treat those Scheme Shareholders as Ineligible Overseas Shareholders for the purposes of this Scheme (if they are not already treated as such); and
 - (ii) deduct the relevant amounts from those Scheme Shareholders' proportion of the net proceeds of sale referred to in **clause 7.8(c)** and remit the amounts deducted to the Commissioner.
- (c) Red 5 acknowledges and agrees that it will not deduct any amounts from the payment of the Scheme Consideration or pay any amounts to the Commissioner under **clause 7.10(a)** with respect to a Scheme Shareholder where Red 5:
- (i) receives a Scheme Shareholder Declaration from the Scheme Shareholder prior to the Implementation Date and does not know that the Scheme Shareholder Declaration is false; or
 - (ii) receives a Nil Variation Notice prior to the Implementation Date.
- (d) Silver Lake agrees Red 5 may approach the ATO to obtain clarification as to the application of Subdivision 14-D to the Scheme and will provide all information and assistance Red 5 reasonably requires in making any such approach. Red 5 agrees:
- (i) to provide Silver Lake a reasonable opportunity to review the form and content of all materials to be provided to the ATO, and must incorporate Silver Lake's reasonable comments on those materials, and more generally to take into account Silver Lake's comments in relation to Red 5's engagement with the ATO, and provide Silver Lake a reasonable opportunity to participate in any discussions and correspondence between Red 5 and the ATO in connection with the application of Subdivision 14-D to the Proposed Transaction; and
 - (ii) not to contact any Scheme Shareholders in connection with the application of Subdivision 14-D to the Scheme without Silver Lake's prior written consent.
- (e) The parties agree to consult in good faith as to the application of Subdivision 14-D, including taking into account any clarification provided

by the ATO following any process described in this clause. The parties agree to take all actions that they agree (each acting reasonably) are necessary or desirable following that consultation which may include, without limitation, making amendments to this document and the Deed Poll to ensure that relevant representations are obtained from Scheme Shareholders.

7.11 Orders of a Court or Government Agency

- (a) Red 5 and Silver Lake may deduct and withhold from any consideration which would otherwise be provided to a Scheme Shareholder in accordance with this **clause 7**, any amount which Silver Lake and Red 5 determine is required to be deducted and withheld from that consideration under any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency.
- (b) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing agency.
- (c) If written notice is given to Red 5 or Silver Lake of an order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency that:
 - (i) requires consideration which would otherwise be provided to a Scheme Shareholder in accordance with this **clause 7** to instead be paid or provided to a Government Agency or other third party (either through payment of a sum or the issuance of a security), then Silver Lake shall be entitled to procure that provision of that consideration is made in accordance with that order, direction or notice (and payment or provision of that consideration in accordance with that order, direction or notice will be treated for all purposes under this Scheme as having been paid or provided to that Scheme Shareholder); or
 - (ii) prevents consideration being provided to any particular Scheme Shareholder in accordance with this **clause 7**, or the payment or provision of such consideration is otherwise prohibited by applicable law, Silver Lake shall be entitled to (as applicable):
 - (A) direct Red 5 not to issue (or procure the issue of), or to issue or provide to a trustee or nominee, such number of New Red 5 Shares as that Scheme Shareholder would otherwise be entitled to under this **clause 7**; or
 - (B) retain an amount, in Australian dollars, payable to that Scheme Shareholder under clause 7.8,

until such time as payment or provision of the consideration in accordance with this **clause 7** is permitted by that order or direction or otherwise by law.

7.12 Shares to rank equally

Red 5 covenants in favour of Silver Lake (in its own right and on behalf of the Scheme Shareholders) that, subject to this Scheme becoming Effective:

- (a) the New Red 5 Shares will, upon their issue, rank equally in all respects with all other Red 5 Shares then on issue;
- (b) it will use all reasonable endeavours to ensure that the New Red 5 Shares will be quoted on the official list of ASX and commence trading on a normal settlement basis on the first Business Day after the Implementation Date;
- (c) the New Red 5 Shares will be duly and validly issued in accordance with applicable laws; and
- (d) on issue, each New Red 5 Share will be fully paid and free from any Security Interest (except for any lien arising under Red 5's constitution).

7.13 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any New Red 5 Shares to be issued under this Scheme must be issued and registered in the names of the joint holders and entry in the Red 5 Share Register must take place in the same order as the holders' names appear in the Silver Lake Share Register;
- (b) any cheque required to be sent under this Scheme must be payable to the joint holders and sent to the holder whose name appears first in the Silver Lake Share Register on the Record Date; and
- (c) any document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Silver Lake, the holder whose name appears first in the Silver Lake Share Register as at the Record Date or to the joint holders.

8 Dealings in Scheme Shares

8.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Scheme Shares or other alterations to the Silver Lake Share Register will only be recognised by Silver Lake if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Silver Lake Share Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before

the Record Date at the place where the Silver Lake Share Register is kept,

and Silver Lake must not accept for registration, nor recognise for any purpose (except a transfer to Red 5 pursuant to this Scheme and any subsequent transfer by Red 5 or its successors in title) any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

8.2 Silver Lake Share Register

Silver Lake must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with **clause 8.1(b)** of this Scheme on or before the Record Date, provided that nothing in this **clause 8.2** requires Silver Lake to register a transfer that would result in a Silver Lake Shareholder holding a parcel of Silver Lake Shares that is less than a 'marketable parcel' (as defined in the operating rules of ASX).

8.3 No disposals after Record Date

(a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.

8.4 Maintenance of Silver Lake Share Register

For the purpose of determining entitlements to the Scheme Consideration, Silver Lake must maintain the Silver Lake Share Register in accordance with the provisions of this **clause 8** until the Scheme Consideration has been issued to the Scheme Shareholders and Red 5 has been entered in the Silver Lake Share Register as the holder of all the Scheme Shares. The Silver Lake Share Register in this form will solely determine entitlements to the Scheme Consideration.

8.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to Red 5 contemplated in **clauses 6.2** and **8.4** of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of Red 5 and its successors in title). After the Record Date, each entry current on the Silver Lake Share Register as at the Record Date (other than entries in respect of Red 5 or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Silver Lake Shares relating to that entry.

8.6 Details of Scheme Shareholders

Within one Business Day after the Record Date, Silver Lake must ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Shareholder, as shown in the Silver Lake Share Register at

the Record Date, are available to Red 5 in such form as Red 5 reasonably requires.

8.7 Quotation of Silver Lake Shares

Silver Lake must ensure suspension of trading on ASX in Silver Lake Shares occurs from the close of trading on ASX on the Effective Date.

8.8 Termination of quotation of Silver Lake Shares

Silver Lake must apply:

- (a) for termination of the official quotation of Silver Lake Shares on ASX; and
- (b) to have itself removed from the official list of ASX,

in each case with effect on and from the close of trading on the Trading Day immediately following the Implementation Date.

9 Instructions and notification

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to Silver Lake that are binding or deemed binding between the Scheme Shareholder and Silver Lake relating to Silver Lake or Silver Lake Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on Silver Lake Shares; and
- (c) notices or other communications from Silver Lake (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Red 5 in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to Red 5 and to be a binding instruction, notification or election to, and accepted by, Red 5 until that instruction, notification or election is revoked or amended in writing addressed to Red 5 at its registry.

10 Power of attorney

Each Scheme Shareholder, without the need for any further act by any Scheme Shareholder, irrevocably appoints Silver Lake and each of its directors and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:

- (a) executing any document, or doing or taking any other act, necessary or expedient to give effect to this Scheme and the transactions contemplated by it, including the Share Scheme Transfer; and
- (b) enforcing the Deed Poll against Red 5,

and Silver Lake accepts such appointment.

11 Notices

11.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Silver Lake, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Silver Lake's registered office or at the office of the registrar of Silver Lake Shares.

11.2 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Silver Lake Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

12 General

12.1 Variations, alterations and conditions

- (a) Silver Lake may, with the consent of Red 5, by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.
- (b) Each Scheme Shareholder agrees to any such alterations or conditions which Silver Lake has consented to pursuant to **clause 12.1(a)** of this Scheme.

12.2 Further action by Silver Lake

Silver Lake will execute all documents and do all things (on its own behalf and on behalf of each Scheme Shareholder) necessary or expedient to implement, and perform its obligations under, this Scheme and the transaction contemplated by it.

12.3 Authority and acknowledgement

Each of the Scheme Shareholders:

- (a) irrevocably consents to Red 5 and Silver Lake doing all things necessary or expedient for or incidental to the implementation of this Scheme; and
- (b) acknowledges that this Scheme binds Silver Lake and all Scheme Shareholders (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Silver Lake.

12.4 No liability when acting in good faith

Without prejudice to the parties' rights under the Scheme Implementation Deed, neither Red 5 nor Silver Lake, nor any of their respective officers or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

12.5 Enforcement of Deed Poll

Silver Lake undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against Red 5 on behalf of and as agent and attorney for the Scheme Shareholders.

12.6 Stamp duty

Red 5 will pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme.

12.7 Scrip for scrip roll-over relief

In the event the Scheme Shareholders are eligible for scrip for scrip roll-over relief, Red 5 acknowledges it has not made, and will not make, a choice under subsection 124-795(4) of the ITAA 1997.

13 Governing law**13.1 Governing law and jurisdiction**

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

13.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the section of this document headed 'Parties'.

APPENDIX 4 – DEED POLL

Red 5 Limited

In favour of each Scheme Shareholder

Deed Poll

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Date 17 April 2024

Parties

Red 5 Limited ACN 068 647 610 of Level 2, Ventnor Avenue, West Perth, WA 6005
(Red 5)

In favour of each Scheme Shareholder

Background

- A The directors of Silver Lake Resources Limited ACN 108 779 782 (**Silver Lake**) have resolved that Silver Lake should propose the Scheme.
 - B The effect of the Scheme will be that all Scheme Shares will be transferred to Red 5.
 - C Red 5 and Silver Lake have entered into the Scheme Implementation Deed.
 - D In the Scheme Implementation Deed, Red 5 agreed (amongst other things) to provide the Scheme Consideration to the Scheme Shareholders, subject to the satisfaction of certain conditions.
 - E Red 5 is entering into this document for the purpose of covenanting in favour of Scheme Shareholders to perform the obligations attributed to Red 5 in relation to the Scheme.
-

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this document these terms have the following meanings:

Scheme The proposed scheme of arrangement between Silver Lake and Scheme Shareholders under which all Scheme Shares will be transferred to Red 5 under Part 5.1 of the Corporations Act, substantially in the form of **schedule 1** to this document, or as otherwise agreed by Silver Lake and Red 5, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Red 5 and Silver Lake in accordance with clause 12 of the Scheme.

Scheme Implementation Deed The scheme implementation deed between Red 5 and Silver Lake under which, amongst other things, Silver Lake has agreed to propose the Scheme to Scheme Shareholders, and each of Silver Lake and Red 5 has agreed to take certain steps to give effect to the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme.

1.2 Interpretation

Clause 1.2 of the Scheme applies to this document.

1.3 Nature of deed poll

Red 5 acknowledges that:

- (a) this document may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Silver Lake and each of its directors and secretaries (jointly and each of them severally) as its attorney and agent to enforce this document against Red 5.

2 Red 5 nominee

- (a) Red 5 may nominate any wholly-owned Subsidiary of Red 5 (**Red 5 Nominee**) to acquire the Scheme Shares under the Scheme by giving written notice to Silver Lake on or before the date that is 10 Business Days before the First Court Date.
- (b) If Red 5 nominates the Red 5 Nominee to acquire the Scheme Shares under the Scheme, then:
 - (i) references in this document to Red 5 acquiring the Scheme Shares under the Scheme are to be read as references to the Red 5 Nominee doing so;
 - (ii) other references in this document to Red 5 are to be read as references to Red 5 or the Red 5 Nominee, other than to the extent those provisions relate to the New Red 5 Shares which will always be fully paid ordinary shares in the capital of Red 5 (and not the Red 5 Nominee);
 - (iii) Red 5 must procure that the Red 5 Nominee complies with the relevant obligations of Red 5 under this document; and
 - (iv) any such nomination will not relieve Red 5 of its obligations under this document, including the obligation to provide the Scheme Consideration in accordance with the terms of the Scheme, provided that Red 5 will not be in breach of this document for

failing to perform an obligation of Red 5 if that obligation is fully discharged by the Red 5 Nominee.

3 Condition precedent and termination

3.1 Condition precedent

The obligations of Red 5 under this document are subject to the Scheme becoming Effective.

3.2 Termination

The obligations of Red 5 under this document will automatically terminate and the terms of this document will be of no further force or effect:

- (a) if the Scheme has not become Effective on or before the End Date; or
- (b) if the Scheme Implementation Deed is terminated in accordance with its terms,

unless Red 5 and Silver Lake otherwise agree in writing.

3.3 Consequences of termination

If this document is terminated under **clause 3.2** of this document, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

- (a) Red 5 is released from its obligations to further perform this document; and
- (b) each Scheme Shareholder retains the rights, powers or remedies they have against Red 5 in respect of any breach of this document which occurs before it is terminated.

4 Scheme Consideration

4.1 Scheme Consideration

Subject to **clause 3** of this document:

- (a) Red 5 undertakes in favour of each Scheme Shareholder to provide or procure (as set forth in **clause 4.1(b)** of this document) the provision of the Scheme Consideration to each Scheme Shareholder;
- (b) Red 5 undertakes in favour of each Scheme Shareholder to (in satisfaction of Red 5's obligation to provide such Scheme Consideration to the Scheme Shareholders under **clause 4.1(a)** of this document) issue, or procure the issue of, the Scheme Consideration to the Scheme Shareholders; and
- (c) Red 5 undertakes to perform all other actions attributed to it under the Scheme,

in each case subject to and in accordance with the Scheme.

4.2 New Red 5 Shares to rank equally

Red 5 undertakes in favour of each Scheme Shareholder that all New Red 5 Shares issued in accordance with the Scheme will, upon their issue:

- (a) rank equally in all respects with all other Red 5 Shares then on issue; and
- (b) be fully paid and free from any Security Interest.

5 Representations and warranties

Red 5 represents and warrants that:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation, remains in good standing thereunder and has power and authority to own its assets and carry on its business as it is now being conducted;
- (b) **(power)** it has full legal capacity and power to enter into this document, to comply with its obligations under it, exercise its rights under it and otherwise carry out the transactions contemplated by it;
- (c) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document does not and will not breach:
 - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded;
 - (ii) any law binding or applicable to it or its assets; or
 - (iii) any other document or agreement that is binding on any it;
- (d) **(authorisations)** other than the approvals contemplated by schedule 1 of the Scheme Implementation Deed, it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and
- (f) **(solvency)** no Insolvency Event (as that term is defined in the Scheme Implementation Deed) has occurred in relation to it.

6 Continuing obligations

This document is irrevocable and, subject to **clause 3** of this document, remains in full force and effect until:

- (a) Red 5 has fully performed its obligations under this document; or

- (b) the earlier termination of this document under **clause 3.2** of this document.

7 Stamp duty and registration fees

Red 5:

- (a) agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this document (including any fees, fines, penalties and interest in connection with any of these amounts); and
- (b) indemnifies each Scheme Shareholder against, and agrees to reimburse and compensate it for, any liability in respect of stamp duty under **clause 7(a)** of this document.

8 Notices

- (a) Notices and other communications in connection with this document must be in legible writing in English, signed by the person giving the notice or other communication and sent to the following address:
Address: Level 2, 35 Ventnor Avenue, West Perth, WA 6005
Email: Mark.Williams@red5ltd.com
For the attention of: Mark Williams
with a copy to: Lisa Wynne (Lisa.Wynne@red5ltd.com) and
David Coyne (David.Coyne@red5ltd.com)
- (b) If the intended recipient has notified of changed contact details, then communications must be sent to the changed contact details.
- (c) Any notice or other communication given in accordance with **clause 8(a)** will be deemed to have been duly given and received by one of the following methods and at the time set out below:
 - (i) if delivered by hand, on delivery to the nominated address;
 - (ii) if sent by pre-paid post to the nominated address in the same country, at 9.00 am (addressee's time) on the second Business Day after the date of posting;
 - (iii) if sent by pre-paid post to the nominated address in another country, at 9.00 am (addressee's time) on the fifth Business Day after the posting;
 - (iv) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or

- (B) two hours after the time sent (as recorded on the device from which the email was sent), provided that the sender does not receive an automated message that the email has not been delivered,

whichever happens first.

- (d) Any notice that, pursuant to **clause 8(c)**, would be deemed to be given:
- (i) other than on a Business Day or after 5.00 pm on a Business Day is regarded as given at 9:00 am on the following Business Day; and
 - (ii) before 9:00 am on a Business Day is regarded as given at 9:00 am on that Business Day,

when references to time are to time in the place the recipient is located.

9 General

9.1 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) the variation is agreed to by Red 5 and Silver Lake in writing; and
- (b) if the variation occurs after the First Court Date (as that term is defined in the Scheme Implementation Deed), the Court indicates (either at the hearing on the First Court Date, an interlocutory hearing or the hearing on the Second Court Date) that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event Red 5 must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation, alteration or amendment.

9.2 Waiver

- (a) Red 5 may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) No Scheme Shareholder may rely on words or conduct of Red 5 as a waiver of any right unless the waiver is in writing and signed by Red 5. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (c) Failure to exercise or enforce, a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this document by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further

exercise or enforcement, of that or any other right, power or remedy provided by law or under this document.

9.3 Remedies cumulative

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

9.4 Assignment or other dealings

Red 5 and each Scheme Shareholder may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of Red 5.

9.5 Further steps

Red 5 agrees to do anything including executing all documents and do all things (on its own behalf or on behalf of each Scheme Shareholder) necessary to give full effect to this document and the transactions contemplated by it.

9.6 Severance and enforceability

Any provision, or the application of any provision, of this document that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this document in that or any other jurisdiction.

10 Governing law and jurisdiction

10.1 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

10.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on Red 5 by being delivered or left at the corresponding address set out in the section of this document headed 'Parties'.

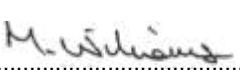
Execution

EXECUTED as a deed poll

Executed by Red 5 Limited ACN 068)
647 610 in accordance with section)
127(1) of the *Corporations Act 2001* (Cth)


.....
Company Secretary/~~Director~~

David Coyne
.....
Name of Company Secretary/~~Director~~
(print)


.....
Director

Mark Williams
.....
Name of Director (print)

APPENDIX 5 – NOTICE OF SCHEME MEETING

NOTICE OF SCHEME MEETING

Silver Lake Resources Limited ACN 108 779 782 (Company or SLR)

Notice is given that, by an order of the Supreme Court of New South Wales made on Wednesday, 24 April 2024, pursuant to section 411(1) of the Corporations Act, a meeting of the holders of ordinary shares in the Company (**SLR Shareholders**) will be held on 10:00 am on Friday, 31 May 2024, at Level 6, Brookfield Tower Two, 123 St Georges Terrace, Perth WA 6000 (**Scheme Meeting**).

The Court has also directed that Mr David Quinlivan act as chairperson of the Scheme Meeting or failing him Mr Kelvin Flynn, and has directed the chairperson to report the results of the Scheme Meeting to the Court.

Purpose of Meeting

On 5 February 2024, the Company announced that it had entered into a scheme implementation deed (**SID**) with Red 5 Limited (**RED**), under which RED will acquire all the issued shares in the Company (**SLR Shares**) by way of a court approved scheme of arrangement (**Scheme**).

The purpose of the Scheme Meeting is for SLR Shareholders to consider and, if thought fit, to approve (with or without modification) the Scheme.

To enable you to make an informed voting decision, important information about the Scheme is set out in this scheme booklet accompanying this Notice of Scheme Meeting (**Scheme Booklet**).

The Explanatory Memorandum forms part of this Notice of Scheme Meeting. Unless otherwise defined, capitalised terms used in this notice have the same meaning as set out in the defined terms in **section 13** of the Scheme Booklet.

Agenda

Resolution 1 – Approval of the Scheme

To consider and if, thought fit, to pass, with or without amendment, the following resolution in accordance with section 411 of the Corporations Act:

"That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between SLR and the holders of its ordinary shares as contained in and more particularly described in this Scheme Booklet of which this Notice of Scheme Meeting forms part, is agreed to (with or without alterations or conditions as approved by the Court to which SLR and RED agree), and SLR is authorised, subject to the terms of the Scheme Implementation Deed to agree to such alterations or conditions, and subject to approval by the Court, to implement the Scheme with any such alterations or conditions."

By order of the Court and the SLR Board

Dated Wednesday, 24 April 2024

MEETING INSTRUCTIONS

This Explanatory Memorandum has been prepared for the information of SLR Shareholders in connection with the business to be conducted at the Scheme Meeting on 10:00 am on Friday, 31 May 2024, at Level 6, Brookfield Tower Two, 123 St Georges Terrace, Perth WA 6000.

This Explanatory Memorandum should be read in conjunction with the Notice of Scheme Meeting and the Scheme Booklet (of which the Notice of Scheme Meeting forms part).

Any changes to the Scheme Meeting will be communicated to SLR Shareholders virtually via SLR's ASX platform.

A copy of the Scheme is set out in **Appendix 3** of the Scheme Booklet.

Voting entitlements

The persons eligible to vote at the Scheme Meeting are those who are registered as shareholders of SLR at 5.00 pm (Perth time) on Wednesday, 29 May 2024.

Participating in person

All people attending the Scheme Meeting in person are asked to arrive at the Scheme Meeting venue at least 30 minutes prior to the start of the Scheme Meeting, so that either that either their shareholding can be checked against the SLR Register and any power of attorney or form of appointment of corporate representative verified, and their attendance noted.

Alternative arrangements

If it becomes necessary or appropriate to make alternative or supplementary arrangements to hold the Scheme Meeting, SLR Shareholders will be given as much notice as possible. Any changes to the Scheme Meeting will be communicated to SLR Shareholders via SLR's ASX platform.

How to ask questions?

SLR Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their questions to redmerger@slrltd.com prior to 10:00 am on Thursday, 30 May 2024 (being 24 hours before the Scheme Meeting).

Alternatively SLR Shareholders will have an opportunity to ask questions at the Scheme Meeting in person at appropriate times during the Scheme Meeting.

Required Voting Majority

In order for the Scheme to become effective, the resolution set out in the Notice of Scheme Meeting must be passed at a meeting by:

- unless the Court orders otherwise, a majority of the number of SLR Shareholders present and voting (whether in person or by proxy, attorney or, in the case of corporate shareholders, a corporate representative) at the meeting; and
- at least 75% of the votes cast on the resolution,

(the **Requisite Majorities**).

The Court has the discretion under section 411(4)(a)(ii)(A) of the Corporations Act to approve the Scheme if it is approved by at least 75% of the votes cast on the resolution but not by a majority in number of SLR Shareholders (other than SLR Shareholders who are ineligible to vote) present and voting at the Scheme Meeting.

Voting at the Scheme Meeting will be by poll rather than by a show of hands.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without alteration or conditions) is subject to approval of the Court. If the resolution proposed at the Scheme Meeting is approved by the Requisite Majorities, and the relevant conditions precedent to the Scheme (other than approval by the Court) are satisfied, or waived, by the time required under the Scheme, SLR intends to apply to the Court for the necessary orders to give effect to the Scheme.

How to vote

SLR Shareholders entitled to vote at the Scheme Meeting can vote:

- by attending the Scheme Meeting physically; or
- by appointing a proxy, attorney or, in the case of corporate shareholders or proxies, a corporate representative to attend the Scheme Meeting physically and vote on their behalf.

Voting by proxy

A SLR Shareholder entitled to attend and vote at the Scheme Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on the Scheme Resolution and also to speak and ask questions at the Scheme Meeting. The appointment of a proxy may specify the proportion or the number of votes the proxy may exercise. Where more than one proxy is appointed, and if the appointment does not specify the proportion or number of SLR Shareholder votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a SLR Shareholder.

If a proxy is not directed how to vote on any item of business, the proxy may vote or abstain from voting, as the proxy thinks fit. If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the shareholder's behalf on the poll, and the SLR Shares the subject of the proxy appointment will not be counted in computing the required majority.

SLR Shareholders who appoint a proxy but do not nominate the identity of their proxy will be taken to have appointed the chairperson of the Scheme Meeting as their proxy to vote on their behalf. If a proxy is lodged and the proxy specifies the way the proxy is to vote on the Scheme Resolution but the nominated proxy is either not recorded as attending the Scheme Meeting or does not vote on the Scheme Resolution, the chairperson of the Scheme Meeting will act in place of the nominated proxy and vote in accordance with the directions.

Proxy appointments in favour of, or which default, to the chairperson of the Scheme Meeting and which do not contain a direction as to how to vote will be voted in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable to, and in the best interests of SLR Shareholders. An ASX announcement will be released if the chairperson changes their voting intention.

If you appoint a proxy, you may still attend the Scheme Meeting. Please note that if you appoint a proxy and attend the Scheme Meeting, your proxy's authority to vote will not be suspended while you are present. However, you may still vote on the Scheme Resolution at the Scheme Meeting. If you do so and your proxy also votes, your vote will be counted and your proxy's will not.

Appointing a proxy

SLR Shareholders who are unable to attend the Scheme Meeting are strongly encouraged to submit their votes by proxy instead.

Online	<p>SLR Shareholders who have elected to receive notices of meeting virtually will receive an email with a personalised link to a website which can be used to appoint a proxy online by following the instructions on that website.</p> <p>Proxy Forms can be lodged online at www.investorvote.com.au (Control Number: 183716) by following the below instructions:</p> <p>SLR Shareholders who have not elected to receive notices of meetings electronically will need to visit www.investorvote.com.au (Control Number: 183716), enter their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and their postcode or, in the case of overseas shareholders, their country as shown on the front of the Proxy Form.</p> <p>SLR Shareholders who access the site through their personalised link will need their postcode or, in the case of overseas shareholders, their country.</p> <p>You will be taken to have signed a Proxy Form and appointed a proxy if you submit your proxy online in accordance with the instructions on the website. Please read the instructions for online proxy submissions carefully before you lodge your proxy. Please note that there are certain restrictions on who can lodge a proxy form online.</p> <p>The online proxy appointment must be received by SLR by no later than 10:00 am (Perth time) on Wednesday, 29 May 2024 to be effective (being 48 hours before the Scheme Meeting). Proxy appointments received later than this time will be invalid.</p>
Hard copy	<p>SLR Shareholders who have not elected to receive notices of meeting electronically will receive a letter which includes a hard copy of the Proxy Form.</p> <p>SLR Shareholders may appoint a proxy by completing and returning the Proxy Form to the Share Registry, Computershare, by either posting it in the reply-paid envelope provided (only for use in Australia) or by sending, delivering, faxing or lodging it online as follows:</p>
Mail to:	<p>Computershare Investor Services Pty Limited GPO Box 1282 Melbourne VIC 3001 Australia</p>
Fax to:	<p>1800 783 447 within Australia or +61 3 9473 2555 outside Australia</p>
Mobile device	<p>Scan the QR code on your Proxy Form and follow the prompts. You will need your postcode or, in the case of overseas shareholders, the country as shown on your Proxy Form</p>
By Custodians:	<p>For intermediary online subscribers only (custodians), please visit www.intermediaryonline.com to submit your voting intentions.</p>

The signed Proxy Form (and an original or certified copy of any power of attorney under which it has been signed, unless already provided) must be received by SLR or the Share Registry by 10:00 am (Perth time) on Wednesday, 29 May 2024 (being 48 hours before the Scheme Meeting), to be effective. Proxy Forms received later than this time will be invalid.

For further information on proxy voting, please refer to the Proxy Form.

Appointing a corporate representative

A SLR Shareholder or proxy which is a body corporate may appoint an individual to act as its representative to vote at the Scheme Meeting (**Corporate Representative**). The appointment must comply with section 250D of the Corporations Act. If a Corporate Representative of a SLR Shareholder or proxy which is a body corporate is to attend the Scheme Meeting, the appropriate "Appointment of Corporate Representative" form will need to be produced prior to admission along with an original or certified copy of any power of attorney under which it is signed. A form may be obtained from the Share Registry or online at www.investorcentre.com/au and select "Printable Forms".

Unless otherwise specified in the appointment, a Corporate Representative acting in accordance with his or her authority, until it is revoked by the body corporate SLR Shareholder or proxy, is entitled to exercise the same powers on behalf of that body corporate as that body corporate could exercise at a meeting or in voting on a resolution in its capacity as SLR Shareholder or proxy.

Appointing an attorney

SLR Shareholders who wish to vote by attorney at the Scheme Meeting should, if they have not already presented an appropriate power of attorney to SLR, deliver to the Share Registry or SLR an original or certified copy of the power of attorney by no later than 48 hours before the commencement of the Scheme Meeting.

Joint holders

In the case of SLR Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one SLR Shareholder votes in respect of jointly held SLR Shares, the vote of the holder named first in the SLR Register, whether in person or by proxy, attorney or corporate representative, will be accepted to the exclusion of the votes of the other joint holders. If multiple Proxy Forms are received for a joint holding of SLR Shares, the lattermost Proxy Form received will be accepted to the exclusion of the foregoing Proxy Forms

Further information for SLR Shareholders

If you have any questions please contact the SLR Shareholder Information Line on 1300 907 699 (within Australia) or +61 1300 907 699 (outside Australia), Monday to Friday between 7:00 am and 5:00 pm, excluding public holidays.

AUTHORISATION

The issue of this Scheme Booklet is authorised by the SLR Directors and this Scheme Booklet has been signed by or on behalf of the SLR Directors on 26 April 2024.

A handwritten signature in black ink, appearing to read 'David Quinlivan', with a stylized flourish at the end.

David Quinlivan
Chairman

CORPORATE DIRECTORY

Directors

Mr David Quinlivan – Non-Executive Chairman
 Luke Tonkin – Managing Director
 Kelvin Flynn – Non-Executive Director
 Rebecca Prain – Non-Executive Director

General Counsel and Company Secretary

Mr David Berg

Legal Advisers

Corrs Chambers Westgarth
 Level 6/123A St Georges Terrace
 Perth WA 6000

Independent Expert

BDO Corporate Finance (WA) Pty Ltd
 Level 9, Mia Yellagonga Tower 2, 5 Spring Street
 Perth, WA 6000

Independent Technical Specialist

SRK Consulting (Australasia) Pty Ltd
 Level 3, 18-32 Parliament Place
 West Perth, WA 6005

Share Registry

Computershare Investor Services Pty Limited
 Level 17/221 St Georges Terrace
 Perth, WA 6000

Website: <https://www.computershare.com/au>

SLR Shareholder Information Line

1300 907 699 (within Australia)
 +61 1300 907 699 (outside Australia)

The SLR Shareholder Information Line is open between 7:00 am and 5:00 pm Monday to Friday (excluding public holidays).

Registered and Corporate Office

Suite 4, Level 3
 South Shore Centre
 85 South Perth Esplanade
 South Perth WA 6151

Website: <https://www.silverlakeresources.com.au>

Financial Advisers

RBC Capital Markets
 Level 59, 25 Martin Place
 Sydney NSW 2000

Capital Markets Advisers

EurozHartleys
 QV1, Level 37/250 St Georges Terrace
 Perth WA 6000

Stock Exchange Listing

ASX Code: SLR



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