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MEDIA RELEASE

ST BARBARA DECLINES TO ENGAGE WITH SILVER LAKE ON COMPETING PROPOSAL TO ACQUIRE LEONORA ASSETS

Silver Lake Resources Limited (**Silver Lake** or the **Company**) advises that it has unsuccessfully attempted to engage with the Board of St Barbara Limited (**St Barbara**) in regards to an alternative indicative proposal to acquire St Barbara's Leonora assets in Western Australia (**Silver Lake Proposal**) on terms considered to be superior to that offered by Genesis Minerals Limited (**Genesis**) under the existing sale agreement for the sale and purchase of St Barbara's Leonora assets to Genesis (**Genesis Agreement**).

Silver Lake believes that the strategic and complementary fit of St Barbara's Leonora assets within Silver Lake would create a genuine mid-tier gold producer with a diversified and complementary portfolio of production, expansion, development and exploration assets.

The Silver Lake Proposal offered consideration of A\$732 million¹, comprising A\$326 million in cash and 327.1 million Silver Lake ordinary shares. It did not include any contingent consideration.

The Silver Lake Proposal provided St Barbara with a 28% premium to the base consideration offered by Genesis under the terms of the Genesis Agreement. Should the contingent consideration become payable under the Genesis Agreement, the Silver Lake Proposal would still represent a 14% premium to the Genesis Agreement.²

Upon completion, St Barbara shareholders would have held a 26% interest in Silver Lake, with St Barbara retaining sufficient flexibility and working capital to implement a strategy to realise the long-term value of its Simberi and Atlantic operations.

Silver Lake confirms it has sufficient committed liquidity to fund the Silver Lake Proposal, with cash and bullion of A\$268 million at 31 March 2023 (excluding \$31m of gold in circuit and concentrate on hand) and an undrawn US\$150 million credit approved acquisition facility provided by Taurus Mining Finance Fund No.2 L.P.

Silver Lake believes that the Silver Lake Proposal provides a compelling opportunity for the shareholders of both St Barbara and Silver Lake through the immediate establishment of a genuine mid-tier gold producer with:

- Sales of approximately 400,000 ounces per annum from a combined portfolio with three operating mining centres concentrated in Western Australia;
- Increased leverage to the current and forecast strong outlook for Australian dollar gold prices;
- A robust balance sheet and strong forecast operating cash flow available to support the strong growth profile of the group;
- A proven and experienced management team that has a demonstrable track record of operating Western Australian gold mines, including prior experience managing the Gwalia mine, with a strong emphasis on achieving sustainable growth;
- The potential to realise significant administrative synergies through the utilisation of Silver Lake's established corporate and technical services functions; and
- A superior capital markets profile to enhance appeal to gold and generalist investors.

¹ Value of total offer consideration under the Silver Lake Proposal is equal to the cash component plus the value of Silver Lake shares being offered, priced as at ASX market close on 3 May 2023.

² Premia are calculated by reference to the ASX market closing share prices of Silver Lake and Genesis on 3 May 2023.

Converting the Silver Lake Proposal to a binding offer was conditional only on each of Silver Lake and Taurus Mining Finance Fund No.2 L.P being satisfied with the results of a targeted two week due diligence review of the Leonora assets.

It was expected that the terms of any binding offer would (other than the increased consideration offered under the Silver Lake Proposal) be materially equivalent to the terms of the Genesis Agreement, although a Silver Lake independent expert's report would be required due to the increased percentage ownership of Silver Lake that would be acquired by St Barbara immediately upon completion of any such transaction. Silver Lake suggested to St Barbara that in order to expedite the progression of the Silver Lake Proposal, St Barbara prepare the first draft of the required asset sale agreement which would, once in agreed form, set out the terms of the binding offer. The Silver Lake Proposal envisaged the provision of a A\$25 million funding facility by Silver Lake so as to assist St Barbara with its working capital requirements through to the completion of the transaction, should it be required.

Silver Lake notes that St Barbara's two largest shareholders L1 Capital and Baker Steel Capital Managers LLP, representing 9.3% and 8.6% respectively, have separately advised Silver Lake that they are supportive of St Barbara engaging with Silver Lake to progress the Silver Lake Proposal to a binding offer stage, and for St Barbara to grant Silver Lake access to conduct due diligence in order to progress the Silver Lake Proposal. Each of L1 Capital and Baker Steel Capital Managers LLP have separately consented to this statement being attributed to them in this announcement.

Silver Lake is surprised and disappointed that after limited engagement regarding the Silver Lake Proposal, the St Barbara Board has advised that it will not engage further with Silver Lake in respect of the Silver Lake Proposal.

Silver Lake has engaged RBC Capital Markets as its financial adviser and Corrs Chambers Westgarth as its legal adviser with respect to the proposed transaction and, subject to engagement by the St Barbara Board, remains committed to converting the Silver Lake Proposal to a binding offer on an expedited basis.

This media release was authorised for release by Luke Tonkin, Managing Director. This media release was not authorised for release by ASX. For more information about Silver Lake and its projects please visit our web site at www.silverlakeresources.com.au.

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