

**4. How does SIL intend to make the payments to NAB under the deed of release by 11 September 2020?**

**SIL is still working to finalise and put into effect its capital raising and recapitalisation plan. While this has taken longer than SIL had hoped, SIL remains optimistic the final stages of the plan will be agreed in the near future.** Once agreed, SIL expects to request from NAB an extension of the repayment date, which it hopes to receive. Further details about the recapitalisation plan will be provided in due course.

**5. Please provide an update regarding the status of the matter referred to in paragraph F, including (where relevant):**

- a. whether SIL complied with ASIC's direction to remedy the failure to lodge its half-yearly accounts within 14 days;**
  - b. if not, whether ASIC made an application to the court as anticipated by subsection 1274(11); and / or**
  - c. whether any such application was heard and, if so, what orders were made, and whether SIL has complied with those orders.**
- a) SIL has not yet complied with the direction but continues to work with its auditor and expects to be able to release its half-year financial report in the near future and once its recapitalisation plan is finalised.
  - b) ASIC has not made an application to the court.
  - c) No application was heard.

**6. With regard to the Appendix 2As referred to in sub-paragraphs I.iii and J.iii, please advise of the basis on which SIL:**

- a. concluded that subsection 707(3) of the Act would not require the sale of any of the relevant securities within 12 months of their issue to be accompanied by disclosure under Part 6D.2; and**
  - b. thereby considered that it was in a position to make the warranty to that effect in the Appendix 2As.**
- a) SIL concluded that disclosure would not be required because:
    - a. with respect to the issue of shares announced 10 March 2020:
      - i. the recipient of the shares gave warranties under its commitment letter for the shares in question, including under that *'it is a person to whom the offer and issue of the Placement Shares may lawfully be made without the need for disclosure under Chapter 6D of the Corporations Act 2001 (Cth) or any legislation of another jurisdiction'*; and
      - ii. the investor's advisor and intermediary made prior representations that the investor had no intention of disposing of the shares; and
    - b. with respect to the grant of options announced 30 June 2020, the recipient of the options is restricted under the option agreement from dealing with the options, inter alia, unless the dealing complies with all laws and the Company's trading policy. Any such dealing would be treated as void against SIL and members of SIL, and SIL would be entitled to cancel the options for nil consideration.
  - b) For the reasons set out above, SIL considered at the time that it had a reasonable basis to give the warranty. SIL understands ASX's position in respect of quoting issued securities where a cleansing notice or cleansing prospectus has not been issued. SIL proposes to remedy any irregularity, to allow the securities to be quoted, at the same time it launches its anticipated capital raise. This may be achieved through an application to the Federal Court under section 1322 of the Corporations Act, or the issue of a prospectus so that any sale offer complies with section 708A(11) of the Corporations Act).

**7. Please confirm that SIL is complying with the listing rules and, in particular, listing rule 3.1.**