

## APPENDIX 4D

### HALF YEAR REPORT

Period ended 31 December 2022

**Name of entity:** Silver Lake Resources Limited  
**Current reporting period:** 6 months ended 31 December 2022  
**Previous corresponding reporting period:** 6 months ended 31 December 2021

		31 Dec 2022 A\$'000	31 Dec 2021 A\$'000
Revenues from ordinary activities	down 5%	292,630	307,598
Earnings before interest, tax, depreciation and amortisation (EBITDA) <sup>1</sup>	down 54%	73,103	157,601
Profit/(loss) after tax	Note 2	(14,817)	44,476
Net tangible assets per share	up 5%	\$0.93	\$0.89

<sup>1</sup> Refer to Page 4 of Interim Financial Report for reconciliation between profit after tax and EBITDA

<sup>2</sup> In the current period, the Group reported a loss after tax of \$14.817 million compared with a profit after tax of \$44.476 million in the previous reporting period. Therefore, a percentage movement in profit after tax is not considered meaningful.

#### Dividend information

The Company has not proposed to pay any dividend in respect of the period.

#### Control gained or lost over entities during the period

There have been no changes in control over entities in the 6 month period ended 31 December 2022. As at 31 December 2022, the Group held no interest in any associate or joint venture entity.

#### Financial results

This report is based on the attached Interim Financial Report which has been reviewed by the Group's auditors, KPMG.

# **Silver Lake Resources Limited**

(ABN 38 108 779 782)

## **Interim Financial Report For the Six Months Ended 31 December 2022**

## Corporate Directory

### Directors

David Quinlivan  
Luke Tonkin  
Kelvin Flynn  
Rebecca Prain

Non-executive Chairman  
Managing Director  
Non-executive Director  
Non-executive Director

### Company Secretary

David Berg

### Principal Office

Suite 4, Level 3, South Shore Centre  
85 South Perth Esplanade  
South Perth WA 6151  
Tel: +61 8 6313 3800  
Fax: +61 8 6313 3888  
Email: [contact@slrltd.com.au](mailto:contact@slrltd.com.au)

### Registered Office

Suite 4, Level 3, South Shore Centre  
85 South Perth Esplanade  
South Perth WA 6151

### Share Register

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth WA 6000  
Tel: (03) 9415 4000

### Auditors

KPMG  
235 St George's Terrace  
Perth WA 6000

### Internet Address

[www.silverlakeresources.com.au](http://www.silverlakeresources.com.au)

**ABN 38 108 779 782**

**ASX Code: SLR**

	<b>Page</b>
Directors' Report	3
Directors' Declaration	11
Auditor's Independence Declaration	12
Independent Review Report	13
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	15
Condensed Consolidated Statement of Financial Position	16
Condensed Consolidated Statement of Changes in Equity	17
Condensed Consolidated Statement of Cash Flows	18
Notes to the Condensed Consolidated Financial Statements	19

## Directors' Report

The Directors present their report for the half year ended 31 December 2022.

### DIRECTORS

The names and details of the Company's Directors in office during the six months and until the date of this report are as follows. The Directors were in office for the entire period unless otherwise stated.

David Quinlivan	Non-executive Chairman	Appointed 25 June 2015
Luke Tonkin	Managing Director	Appointed 14 October 2013
Kelvin Flynn	Non-executive Director	Appointed 24 February 2016
Rebecca Prain	Non-executive Director	Appointed 17 August 2021

### PRINCIPAL ACTIVITIES

The principal activities of the Group during the period were exploration, mine development, mine operations and the sale of gold and gold/copper concentrate in Australia and Canada.

Silver Lake is a multi-asset gold company operating in the Eastern Goldfields and Midwest regions of Western Australia and in Northern Ontario, Canada. The Group's three operations, Deflector, Mount Monger and Sugar Zone, offer significant potential for organic growth from their portfolios of highly endowed and prospective tenement holdings.

The Group's operations continued to be challenging over the last 6 months, despite the Western Australian borders opening in March 2022. The pandemic fallout is likely to be ongoing with supply chain and labour constraints to continue. Burgeoning inflation has materially driven up the cost of goods and services whilst poor energy policy has driven energy supply costs higher. Operating conditions are likely to be challenging for the foreseeable future and the Group will continue to respond appropriately and prudently.

### GROUP FINANCIAL OVERVIEW

The Group recorded a net loss after tax for the period of \$14.8 million (H1 FY22: \$44.5 million profit) and an EBITDA (before significant items)<sup>1</sup> of \$73.1 million (H1 FY22: \$157.6 million). A reconciliation between the statutory profit after tax and the Group's underlying operating results is tabled on page 4. This reconciliation is an unaudited non-IFRS measure that, in the opinion of the Board, provides useful information to assess the operating performance of the Group.

Revenue for the period totalled \$292.6 million from the sale of 115,790 ounces of gold equivalent<sup>2</sup> at an average realised gold sale price of A\$2,516/oz and a copper price of A\$12,015/t compared with revenue of \$307.6 million from the sale of 126,718 ounces of gold equivalent at an average realised gold sale price of A\$2,418/oz and a copper price of A\$12,800/t in the previous corresponding period. The decrease in revenue reflects a 9% decrease in gold equivalent sales, partly offset by a higher average gold price over the period and the inclusion of revenue from Sugar Zone, which was acquired as part of the Harte Gold Corp. transaction in February 2022.

Cost of sales increased to \$294.2 million in the period (H1 FY22: \$231.2 million) driven by elevated contractor and labour costs and the inclusion of mining operations at Sugar Zone in the current period. The All-in Sustaining Cost (AISC) for the half year was A\$2,153/oz (H1 FY22: A\$1,597/oz) with the increase reflecting a combination of broader industry cost pressures and the impact of movements in underlying physicals.

<sup>1</sup> Non-IFRS measure

<sup>2</sup> All gold equivalency calculations assume a gold price of A\$2,500/oz, copper price of A\$11,000/t and a 10% payability reduction for treatment and refining charges

## Directors' Report

A non-cash tax expense of \$5.1 million has been recorded in the period. The current period taxable expense will be added to the Group's tax loss position, which at 31 December 2022 totals \$311.4 million in Australia and \$170.6 million in Canada.

Operating cash flow for the period was \$53.2 million (H1 FY22: \$120.1 million) with cash and bullion at 31 December 2022 of \$253.3 million. Key cash flow movements for the period included:

- Acquisition of plant and equipment of \$21.6 million (including \$16.2 million at Sugar Zone)
- Mine capital development of \$65.8 million (including \$9.1 million at Sugar Zone and \$12.6 million at the Tank South mine at Mount Monger)
- Exploration expenditure of \$13.3 million
- Repayment of \$15.3 million against the gold prepay arrangement which for the period is reflected as a reduction in cash receipts from customers.

### REVIEW OF FINANCIAL PERFORMANCE

The Group recorded an after tax loss for the financial period of \$14.8 million. This loss includes a number of significant items, such as depreciation/amortisation and finance costs that, in the opinion of the directors, need adjustment to enable shareholders to obtain an understanding of the results from operations. The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) excluding these significant items are outlined in the table below:

Reconciliation of Statutory Profit/(Loss) after Tax to EBITDA (excluding significant items) - Unaudited	H1 FY23 \$'000	H1 FY22 \$'000
Statutory profit/(loss) after tax for the period:	(14,817)	44,476
<i>Adjustments for:</i>		
Depreciation & amortisation	83,875	87,943
Net finance (income)/cost (includes change in fair value of listed investments)	(2,873)	3,007
Income tax expense	5,145	19,496
Exploration expenditure	2,009	1,894
Other	(236)	785
<b>EBITDA (excluding significant items) *</b>	<b>73,103</b>	<b>157,601</b>

\* Non-IFRS measure

### REVIEW OF OPERATIONS

#### MOUNT MONGER OPERATION

##### Mining

Ore mined from the three Mount Monger Mining Centres totalled 163,566 tonnes at a grade of 4.1 g/t Au for 21,655 contained ounces, all from underground mine sources. The Mount Monger Operation continued to be mill constrained with stockpiles at 31 December 2022 totalling ~2.7 million tonnes containing ~100,000 ounces of gold.

The Daisy Complex produced 132,469 tonnes at 4.5 g/t for 19,177 contained ounces, with production sourced from the Easter Hollows, Haoma West, Lower Prospect and remnant mining areas.

Development of the Tank South underground mine at the Aldiss Mining Centre commenced in July 2022, with first development ore introduced to the mill blend in Q2 FY23. Production from the mine for the period

## Directors' Report

totalled 12,271 tonnes at 2.2 g/t for 856 contained ounces. Consistent with FY23 guidance, ore production is expected to ramp up progressively through H2 FY23 with stoping scheduled to commence in Q4 FY23.

The Mount Belches underground mines (Maxwells and Cock-eyed Bob) produced 18,826 tonnes at 2.7 g/t for 1,622 contained ounces before production was suspended in July 2022, pending a return to normalised operating and supply chain conditions.

### Processing

Ore milled for the period totalled 648,010 tonnes at a blended grade of 2.2 g/t Au for 41,010 recovered ounces. The high-grade underground mines provided ~26% of the mill feed with the balance sourced from open pit stockpiles.

Silver Lake will maintain an iterative approach at Mount Monger to mine and mill feed scheduling beyond FY23, continuing to prioritise highest returning and cash generative ore sources to preserve ore body optionality and margin in the prevailing operating climate. The primary opportunities for inclusion in the FY24 mine schedule are a recommencement of underground mining at Mount Belches under a new mining contract and commencement of open pit mining at Santa.

Mining and production statistics for the Mount Monger Operation for the period ended 31 December 2022 are detailed in Table 1 and Table 2.

## DEFLECTOR OPERATION

### Deflector Mining

Deflector mine production for the period totalled 367,429 tonnes at 4.3 g/t gold for 50,602 ounces and 0.2% copper. Production was sourced from the Western, Central and South West Lodes. Mine production during the period reflected strong performance from the Deflector Main mining area which contributed the majority of ore production, with development activities focused in the Deflector South West mining area. Consistent with guidance, the contribution from Deflector South West is expected to increase through H2 FY23 as access to multiple levels is established.

### Rothsay Mining

Rothsay production for the period totalled 110,691 tonnes at 3.8 g/t gold for 13,527 ounces. During the period, 78,184 tonnes were hauled to the Deflector mill, with the balance stockpiled at the mine.

### Processing

Mill throughput was 375,086 tonnes at an average gold grade of 4.8 g/t and copper grade of 0.2% for production of 55,294 ounces gold and 501 tonnes copper.

Total gold recovery was 96.4% with copper recovery of 78.2%. Concentrate production totalled 2,963 tonnes with an average gold grade of 125 g/t gold and copper concentrate grade of 17%. Approximately 80% of milled ore tonnes was sourced from Deflector with the balance sourced from Rothsay.

Mining and production statistics for the Deflector Operation for the period ended 31 December 2022 are detailed in Table 1 and Table 2.

## Directors' Report

### SUGAR ZONE

#### **Sugar Zone Mining**

Sugar Zone mine production for the period totalled 129,053 tonnes at 5.3 g/t gold for 22,099 ounces. Mining tonnes were below plan during the half, driven by a shortfall in development metres due to manning shortages, equipment availability of aged fleet and a prioritisation of site resources to capital projects during the summer/autumn construction window. The shortfall in development metres has limited the ability to access scheduled stoping fronts and consistently increase ore mining rates beyond 800tpd during H1 FY23.

Consistent with Silver Lake's guided operating strategy at the Sugar Zone, Silver Lake is focused on establishing improved infrastructure and implementing changes to operational practices that provide a platform to enable the site to achieve targeted productivity levels as new underground mining fleet is introduced. The schedule for delivery of the new mining fleet remains on target with equipment scheduled to be progressively delivered and commissioned through Q4 FY23 and Q1 FY24.

#### **Processing**

Ore milled for the period totalled 134,153 tonnes at an average gold grade of 5.0 g/t gold for 20,531 recovered ounces. Total gold recovery was 94.8%.

Mining and production statistics for the Sugar Zone Operation for the period ended 31 December 2022 are detailed in Table 1 and Table 2.



## Directors' Report

### Group Mining and Production Statistics

<b>Mount Monger Mining</b>	<b>Units</b>	<b>H1 FY23</b>	<b>H1 FY22</b>
<u>Underground</u>			
Ore mined	Tonnes	163,566	388,115
Mined grade	g/t Au	4.1	4.0
Contained gold	Oz	21,655	50,477
<u>Open Pit</u>			
Ore mined	Tonnes	-	1,032,566
Mined grade	g/t Au	-	1.4
Contained gold	Oz	-	48,063
<b>Deflector Mining</b>			
<u>Underground</u>			
Ore mined	Tonnes	367,429	307,706
Mined grade	g/t Au	4.3	5.5
Contained gold	Oz	50,602	54,116
Copper grade	%	0.2	0.2
Contained copper	Tonnes	661	545
<b>Rothsay Mining</b>			
<u>Underground</u>			
Ore mined	Tonnes	110,691	108,728
Mined grade	g/t Au	3.8	4.2
Contained gold	Oz	13,527	14,846
<b>Sugar Zone Mining<sup>1</sup></b>			
<u>Underground</u>			
Ore mined	Tonnes	129,053	-
Mined grade	g/t Au	5.3	-
Contained gold	Oz	22,099	-
<b>Group Mining</b>			
Total ore mined	Tonnes	770,740	1,837,115
Mined grade	g/t Au	4.4	2.8
Contained gold	Oz	107,872	167,502
Copper grade	%	0.2	0.2
Contained copper	Tonnes	661	545

<sup>1</sup> Sugar Zone physicals are from the date of acquisition, 18 February 2022

Table 1

## Directors' Report

<b>Mount Monger Processing</b>	<b>Units</b>	<b>H1 FY23</b>	<b>H1 FY22</b>
Ore milled	Tonnes	648,010	649,836
Head grade	g/t Au	2.2	3.4
Recovery	%	88.0	92.4
Gold produced	Oz	41,010	66,085
Gold sold	Oz	39,994	64,212
<b>Deflector Processing</b>			
Ore milled	Tonnes	375,086	363,141
Gold grade	g/t Au	4.8	5.6
Copper grade	%	0.2	0.2
Gold recovery	%	96.4	96.0
Copper recovery	%	78.2	81.8
Gold produced	Oz	55,294	62,871
Gold sold	Oz	53,936	60,388
Copper recovered	Tonnes	501	494
Copper sold	Tonnes	457	451
<b>Sugar Zone Processing <sup>1</sup></b>			
Ore milled	Tonnes	134,153	-
Head grade	g/t Au	5.0	-
Recovery	%	95.0	-
Gold produced	Oz	20,531	-
Gold sold	Oz	20,050	-
<b>Group Processing</b>			
Ore milled	Tonnes	1,157,249	1,012,977
Gold grade	g/t Au	3.4	4.2
Copper grade	%	0.2	0.2
Gold produced	Oz	116,835	128,956
Gold sold	Oz	113,980	124,600
Copper recovered	Tonnes	501	494
Copper sold	Tonnes	457	451

<sup>1</sup> Sugar Zone physicals are from the date of acquisition, 18 February 2022

Table 2

## Directors' Report

### EXPLORATION

Silver Lake invested \$13.3 million in exploration during the period to advance the high-grade projects within established and proven mineralised corridors proximal to established infrastructure.

During the period ongoing drilling focused on Mineral Resource definition and extensions at established underground mines across the Group. Regional exploration work continued at all mining centres with multiple programs underway to target the discovery of new mineralisation.

Highly encouraging assays were returned and released from exploration drilling at Deflector, targeting the Spanish Galleon prospect located ~300m west of Deflector South West, and within mafic and ultramafic host rocks similar to the main Deflector host stratigraphy. The Spanish Galleon area has been historically defined by shallow oxide mineralisation with limited drilling beneath oxide mineralisation and presents a new exploration front at Deflector.

Silver Lake has commenced surface exploration at the Sugar Zone with the initial target the southern limits of the Sugar Zone Resource wireframes towards the Lynx Zone located 1.5km south of the Sugar Zone mine development. A Phase 1 program of 9 holes was completed during the period with Sugar Zone style mineralisation intersected in all holes and coarse visible gold reported in 2 holes.

### STRATEGY

The Group's short to medium term strategy is to deliver superior returns for shareholders by positioning Silver Lake as a leading gold stock on the ASX with a balanced portfolio of operations and growth projects. To achieve this strategic objective, the Company must become larger, longer life and lower cost. This will be achieved by:

- Pursuing and unlocking the full potential of existing operations;
- Attracting and retaining an experienced team to enable Silver Lake to be an effective operator and developer of mining assets;
- Developing a balanced growth profile through exploration and targeted M&A programs;
- Maintaining the appropriate balance sheet strength and scale to achieve long term growth through the cycle; and
- A returns driven capital management strategy.

Key risks associated with delivering on the Group's strategy include:

- **Gold price and FX currency:** The Company is exposed to fluctuations in the Australian dollar gold price which can impact on revenue streams from operations. To mitigate downside in the gold price, the Board has implemented a hedging program to assist in offsetting variations in the Australian dollar gold price. Hedging is reported to the Board monthly to ensure it continues to fit within the Company's hedging strategy and is deemed appropriate;
- **Reserves and Resources:** The Mineral Resources and Ore Reserves for the Group's assets are estimates only and no assurance can be given that they will be realised;
- **Government charges:** The gold mining industry is subject to a number of Government taxes, royalties and charges. Changes to the rates of taxes, royalties and charges can impact on the profitability of the Company. The Company maintains communications with relevant parties to mitigate potential increases;
- **Operating risk:** The Group's gold mining operations are subject to operating risks that could result in decreased production, increased costs & reduced revenues. To manage this risk the Company seeks

## Directors' Report

to attract and retain high calibre employees and implement suitable systems and processes to ensure production targets are achieved;

- Exploration success: No assurance can be given that exploration expenditure will result in future profitable operating mines;
- Environmental: The Company has environmental liabilities associated with its tenements which arise as a consequence of mining operations, including waste management, tailings management, chemical management, water management and energy efficiency. The Company monitors its ongoing environmental obligations and risks, and implements rehabilitation and corrective actions as appropriate, through compliance with its environmental management system;
- People risks: The Company seeks to ensure that it provides a safe workplace to minimise risk of harm to its employees and contractors. It achieves this through an appropriate safety culture, safety systems, training and emergency preparedness; and
- Supply chain constraints: The Group's operations continue to be impacted by ongoing supply chain constraints that have arisen as a consequence of the pandemic and it is not known what impact this will have on FY23 performance.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group that occurred during the period under review.

### AUDITOR'S INDEPENDENCE

Section 307C of the Corporations Act 2001 requires Silver Lake's auditors, KPMG, to provide the Directors of Silver Lake with an Independence Declaration in relation to the audit of the interim financial report for the six months ended 31 December 2022. This Independence Declaration is attached to the Directors' Report and forms a part of the Directors' Report.

### SUBSEQUENT EVENTS

No material events have occurred between the reporting date and the date of signing this report.

Signed in accordance with a resolution of the Directors.



**Luke Tonkin**  
Managing Director  
21 February 2023

## Directors' Declaration

In the opinion of the Directors:

- a) The consolidated financial statements and notes of the Group are in accordance with the Corporations Act 2001 including:
  - i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the six month period then ended; and
  - ii) Complying with Australian Accounting Standard *AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration is signed in accordance with a resolution of the Board of Directors.



**Luke Tonkin**  
Managing Director  
21 February 2023



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Silver Lake Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Silver Lake Resources Limited for the half-year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

GL + 177

Graham Hogg

*Partner*

Perth

21 February 2023



# Independent Auditor's Review Report

To the shareholders of Silver Lake Resources Limited

## Report on the Interim Financial Report

### Conclusion

We have reviewed the accompanying **Interim Financial Report** of Silver Lake Resources Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Silver Lake Resources Limited does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2022;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date;
- Notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Silver Lake Resources Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half-year.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Half-Year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Graham Hogg

*Partner*

Perth

21 February 2023



## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2022

	Notes	31 December 2022 \$'000	31 December 2021 \$'000
Revenue	4	292,630	307,598
Cost of sales	5	(294,237)	(231,185)
<b>Gross profit/(loss)</b>		<b>(1,607)</b>	<b>76,413</b>
Other income		577	52
Profit on sale of assets		237	-
Exploration expenditure		(2,009)	(1,894)
Administrative expenses		(9,743)	(7,592)
<b>Results from operating activities</b>		<b>(12,545)</b>	<b>66,979</b>
Finance income		4,639	179
Finance expenses		(1,766)	(3,186)
<b>Net finance income/(costs)</b>	6	<b>2,873</b>	<b>(3,007)</b>
<b>Profit/(loss) before income tax</b>		<b>(9,672)</b>	<b>63,972</b>
Income tax expense	7	(5,145)	(19,496)
<b>Profit/(loss) for the period</b>		<b>(14,817)</b>	<b>44,476</b>
<b>Net income/(loss) for the period</b>		<b>(14,817)</b>	<b>44,476</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit and loss			
Exchange differences arising on translating foreign operations		(8,548)	-
<b>Total comprehensive income/(loss) for the period</b>		<b>(23,365)</b>	<b>44,476</b>
<b>Earnings per share</b>		<b>Cents Per Share</b>	<b>Cents Per Share</b>
Basic earnings/(loss) per share		(1.59)	5.03
Diluted earnings/(loss) per share		(1.59)	4.98

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to these consolidated financial statements.

## Condensed Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	31 December 2022 \$'000	30 June 2022 \$'000
<b>Current Assets</b>			
Cash and cash equivalents		241,394	304,298
Trade and other receivables		13,153	15,078
Inventories		103,976	83,887
Prepayments		1,255	1,230
<b>Total Current Assets</b>		<b>359,778</b>	<b>404,493</b>
<b>Non-Current Assets</b>			
Inventories		45,109	63,356
Exploration, evaluation and development expenditure	8	428,131	402,146
Property, plant and equipment		239,629	247,604
Investments		8,942	7,968
Deferred tax assets	7	72,855	65,112
Goodwill		90,695	90,695
<b>Total Non-Current Assets</b>		<b>885,361</b>	<b>876,881</b>
<b>Total Assets</b>		<b>1,245,139</b>	<b>1,281,374</b>
<b>Current Liabilities</b>			
Trade and other payables	9	76,565	83,317
Lease liabilities	10	17,909	22,382
Employee benefits		7,253	7,617
Deferred revenue		5,149	20,467
Rehabilitation and restoration provision		90	90
<b>Total Current Liabilities</b>		<b>106,966</b>	<b>133,873</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	10	24,525	24,465
Rehabilitation and restoration provision		48,823	46,833
Deferred tax liabilities	7	34,892	22,020
<b>Total Non-Current Liabilities</b>		<b>108,240</b>	<b>93,318</b>
<b>Total Liabilities</b>		<b>215,206</b>	<b>227,191</b>
<b>Net Assets</b>		<b>1,029,933</b>	<b>1,054,183</b>
<b>Equity</b>			
Share capital		1,093,231	1,096,268
Reserves		7,090	13,486
Accumulated losses		(70,388)	(55,571)
<b>Total Equity</b>		<b>1,029,933</b>	<b>1,054,183</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes to these consolidated financial statements.

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2022

	Share Capital \$'000	Option Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings/ (Accumulated Losses) \$'000	Total Equity \$'000
<b>Balance at 1 July 2021</b>	1,023,106	5,924	-	(133,252)	895,778
Total comprehensive profit for the period	-	-	-	44,476	44,476
<b>Transactions with owners, recorded directly in equity</b>					
Equity settled share based payment	-	1,633	-	-	1,633
<b>Balance at 31 December 2021</b>	<u>1,023,106</u>	<u>7,557</u>	<u>-</u>	<u>(88,776)</u>	<u>941,887</u>
<b>Balance at 1 July 2022</b>	1,096,268	5,796	7,690	(55,571)	1,054,183
Total comprehensive profit/(loss) for the period	-	-	-	(14,817)	(14,817)
<b>Transactions with owners, recorded directly in equity</b>					
Equity settled share based payment	-	2,152	-	-	2,152
Share buyback	(3,037)	-	-	-	(3,037)
Exchange differences on translation of foreign operations	-	-	(8,548)	-	(8,548)
<b>Balance at 31 December 2022</b>	<u>1,093,231</u>	<u>7,948</u>	<u>(858)</u>	<u>(70,388)</u>	<u>1,029,933</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to these consolidated financial statements.

## Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2022

	31 December 2022 \$'000	31 December 2021 \$'000
<b>Cash flow from operating activities</b>		
Cash receipts from customers	278,814	306,931
Cash paid to suppliers and employees	(225,584)	(186,829)
<b>Net cash from operating activities</b>	<u>53,230</u>	<u>120,102</u>
<b>Cash flow from investing activities</b>		
Interest received	1,918	179
Sale of plant and equipment	302	-
Acquisition of plant and equipment	(21,574)	(5,528)
Acquisition of investment	(210)	(1,718)
Harte Gold transaction	-	(101,853)
Proceeds from divestment of shares	969	-
Exploration, evaluation and development expenditure	(79,172)	(54,116)
<b>Net cash used in investing activities</b>	<u>(97,767)</u>	<u>(163,036)</u>
<b>Cash flow from financing activities</b>		
Share buy back	(3,037)	-
Repayment of lease liabilities	(14,166)	(17,462)
Interest paid	(1,164)	(1,320)
<b>Net cash used in financing activities</b>	<u>(18,367)</u>	<u>(18,782)</u>
Net movement in cash and cash equivalents	(62,904)	(61,716)
Cash and cash equivalents at 1 July	304,298	328,890
<b>Cash and cash equivalents at 31 December</b>	<u>241,394</u>	<u>267,174</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes to the consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2022

### 1. Basis of Preparation

Silver Lake Resources Limited (“Silver Lake” or “the Company”) is a for profit entity domiciled in Australia. The condensed consolidated financial statements of the Company as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as “the Group” and individually as “Group Entities”).

The condensed consolidated financial statements were approved by the Board of Directors on 21 February 2023.

#### (a) Statement of Compliance

The condensed consolidated financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. They do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2022.

#### (b) Functional and Presentation Currency

These consolidated financial statements are prepared in Australian dollars, which is the functional currency of the Company and its subsidiaries. The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Director’s Reports) Instrument 2016/191* and in accordance with that Corporations Instrument, all financial information has been rounded off to the nearest thousand dollars, unless otherwise stated.

#### (c) Use of Judgements and Estimates

The preparation of these interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

### 2. Significant Accounting Policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 30 June 2022.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are not expected to have a significant impact on the Group.

### 3. Segment Reporting

The accounting policies used by the Group in reporting segments are in accordance with the measurement principles of the Australian Accounting Standards. Management has determined that the Group has the following reportable segments, namely:

- i) Mount Monger Operation
- ii) Deflector Operation (including the Rothsay project)
- iii) Sugar Zone Operation

The Mount Monger and Deflector operations are both located in Western Australia, with the Sugar Zone Operation located in Ontario, Canada. The Mount Monger Operation produces gold bullion, the Deflector

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2022

Operation produces gold bullion and gold-copper concentrate, and the Sugar Zone Operation produces gold bullion and gold concentrate.

Financial information for the reportable segments for the period ended 31 December 2022 is as follows:

31 December 2022	Mount Monger \$'000	Deflector \$'000	Sugar Zone <sup>2</sup> \$'000	Unallocated <sup>3</sup> \$'000	Total \$'000
Revenues	98,932	142,363	51,335	-	292,630
EBITDA (excluding significant items) <sup>1</sup>	16,003	68,061	(1,137)	(9,824)	73,103
Capital expenditure	33,191	41,389	28,081	330	102,991

31 December 2021	Mount Monger \$'000	Deflector \$'000	Sugar Zone <sup>2</sup> \$'000	Unallocated <sup>3</sup> \$'000	Total \$'000
Revenues	151,028	156,570	-	-	307,598
EBITDA (excluding significant items) <sup>1</sup>	68,359	97,073	-	(7,831)	157,601
Capital expenditure	25,642	34,997	-	-	60,639

<sup>1</sup> A reconciliation between the statutory profit after tax and the Group's EBITDA (excluding significant items) is tabled on page 4

<sup>2</sup> The Sugar Zone Operation was acquired on 18 February 2022 as part of the acquisition of Harte Gold Corp

<sup>3</sup> Unallocated items comprise corporate, exploration and business development expenditure

### 4. Revenue

	31 December 2022 \$'000	31 December 2021 \$'000
Gold sales	291,507	302,467
Timing effect of revenue	(4,688)	(1,230)
Other metal sales	5,811	6,361
<b>Total</b>	<b>292,630</b>	<b>307,598</b>

Included in current period sales is 30,000 ounces of gold sold (at an average price of A\$2,435/ounce) under various hedge programs. At 31 December 2022, the Company had a total of 52,000 ounces of gold left to be delivered under these programs over the next 6 months at an average price of A\$2,697/ounce.

#### Accounting Policies

##### Gold bullion sales

Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control requires judgement. With the sale of gold bullion, this occurs when physical bullion, from a contracted sale, is transferred from the Company's account into the account of the buyer.

##### Concentrate Sales

Under AASB 15, revenue is recognised upon receipt of the bill of lading when the concentrate is delivered for shipment. Contract terms for concentrate sales allow for a final price adjustment after the date of sale, based on average market prices and final assays in the period after the concentrate is sold. Average market prices are derived from independently published data with material adjustments between the provisional and final price separately disclosed as other revenue. This typically occurs between 60-80 days after the initial date of sale.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2022

### *Gold forward contracts*

The Group uses derivative financial instruments such as gold forward contracts to manage the risks associated with commodity price. The sale of gold under such hedge instruments is accounted for using the 'own use exemption' under *AASB 9 Financial Instruments* and as such all hedge revenue is recognised in the Statement of Profit or Loss and no fair value adjustments are subsequently made to sales yet to be delivered under the hedging program.

### 5. Cost of Sales

	31 December 2022 \$'000	31 December 2021 \$'000
Mining and processing costs	157,540	104,482
Amortisation	49,031	54,599
Depreciation	34,844	33,344
Salaries and on-costs	43,843	28,698
Royalties	8,979	10,062
	294,237	231,185

### *Accounting Policies*

#### *Mining and processing costs*

This includes all costs related to mining, milling and site administration, net of costs capitalised to mine development and production stripping. This category also includes movements in the cost of inventory and any net realisable value write downs.

#### *Amortisation*

The Group applies the units of production method for amortisation of its mine properties, which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. These calculations require the use of estimates and assumptions in relation to Reserves and Resources, metallurgy and the complexity of future capital development requirements. These estimates and assumptions are reviewed annually and changes to these estimates and assumptions may impact the amortisation charge in the Statement of Profit or Loss and asset carrying values.

The Group uses ounces mined over mineable inventory as its basis for depletion of mine properties. In the absence of Reserves, the Group believes this is the best measure as evidenced by historical conversion of Resources to Reserves. The Group applies applicable factoring rates when adopting the units of production method to reflect the risk of conversion from the inferred and indicated categories to mineable inventory.

#### *Depreciation*

Depreciation is calculated on either a reducing balance basis or on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful life while processing plants are depreciated on the life of mine basis. Capital work in progress is not depreciated until it is ready for use. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2022

The estimated useful lives for the current and comparative period are as follows:

	<b>Period</b>
Buildings	7-10 Years
Haul roads	3-5 Years
Plant and equipment	3-10 Years
Office furniture and equipment	3-15 Years
Motor vehicles	3-5 Years
Capital work in progress is not depreciated until it is ready for use.	

### 6. Finance Income and Expenses

	31 December 2022 \$'000	31 December 2021 \$'000
Interest income	3,100	179
<b>Finance Income</b>	<b>3,100</b>	<b>179</b>
Change in fair value of listed investments	1,539	(1,502)
Interest expense on financial liabilities	(1,766)	(1,684)
<b>Finance Costs</b>	<b>(227)</b>	<b>(3,186)</b>
<b>Net Finance Income/(Costs)</b>	<b>2,873</b>	<b>(3,007)</b>

### 7. Income Tax

The Group recognised an income tax expense of \$5,145,000 for the half year. The current period income tax benefit was offset by the movement in temporary differences and applied against the Group's deferred tax assets, decreasing the net balance to \$37,963,000 at 31 December 2022 (June 2022: \$43,092,000).

At 31 December 2022 the Company has \$311,415,000 (June 2022: \$303,846,000) of tax losses remaining in Australia for offset against future taxable profits. The Company has not recognised \$37,654,000 of these losses on the balance sheet which would equate to a deferred tax asset of \$11,296,000.

At 31 December 2022, the Group's Canadian subsidiary has \$170,570,000 (June 2022: \$130,255,000) of tax losses remaining that are available for offset against future taxable profits in Canada. The Canadian subsidiary has not recognised \$82,320,000 of these losses on the balance sheet which would equate to a deferred tax asset of \$20,580,000.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2022

### 8. Exploration, Evaluation and Development Expenditure

During the period ended 31 December 2022 the Group incurred and capitalised the following on exploration, evaluation and development expenditure:

	31 December 2022 \$'000	30 June 2022 \$'000
<b>Exploration and evaluation phase</b>		
Cost brought forward	16,850	11,772
Expenditure during period	6,879	8,307
Transferred to development phase	-	(1,026)
Expensed during period	(1,639)	(2,203)
<b>Balance at period end</b>	<b>22,090</b>	<b>16,850</b>
<b>Development phase</b>		
Cost brought forward	-	96,452
Transferred from exploration and evaluation phase	-	1,026
Transferred to production phase	-	(97,478)
<b>Balance at period end</b>	<b>-</b>	<b>-</b>
<b>Production phase</b>		
Cost brought forward	385,296	159,936
Acquired in a business combination	-	95,928
Transfer from development phase	-	97,478
Expenditure during the period	72,285	131,565
Expensed during period	(370)	-
Foreign currency translation adjustment	(4,371)	3,872
Rehabilitation provision adjustment	2,232	(3,421)
Amortisation expense	(49,031)	(100,062)
<b>Balance at period end</b>	<b>406,041</b>	<b>385,296</b>
<b>Total</b>	<b>428,131</b>	<b>402,146</b>

### 9. Trade and other payables

	31 December 2022 \$'000	30 June 2022 \$'000
Trade payables	50,332	65,972
Other payables	26,233	17,345
<b>Total</b>	<b>76,565</b>	<b>83,317</b>

#### Accounting Policies

Trade payables are recognised at the value of the invoice received from a supplier. They represent liabilities for goods and services provided to the Group prior to the end of the period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and generally paid between 30-45 days of recognition.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2022

### 10. Finance Leases

	31 December 2022 \$'000	30 June 2022 \$'000
<b>Finance Lease Liabilities</b>	<u>17,909</u>	<u>22,382</u>
Current lease liabilities	24,525	24,465
Non-current lease liabilities	<u>42,434</u>	<u>46,847</u>
<b>Total lease liabilities</b>		

At 31 December 2022 the Group recognised additional right-of-use assets of \$7.8 million (H1 FY22: \$1.3 million) and lease liabilities of \$7.8 million (H1 FY22: \$1.3 million).

	31 December 2022 \$'000	30 June 2022 \$'000
Right of use assets	45,195	50,118
Finance lease liabilities	42,434	46,847

For the period ended 31 December 2022, the Group recognised \$14.2 million of lease liability repayments (H1 FY22: \$17.4 million), \$12.8 million of depreciation charges (H1 FY22: \$16.6 million) and \$1.0 million of interest costs (H1 FY22: \$1.3 million) in relation to these leases.

### 11. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2022.

#### *Hedging*

At 31 December 2022, the Company had a total of 52,000 ounces left to be delivered under its hedging programmes at an average forward price of A\$2,697/ounce.

The sale of gold under these hedges is accounted for using the 'own use exemption' under AASB 9 Financial Instruments and as such all hedge revenue is recognised in the Statement of Profit or Loss and no mark to market valuation is performed on undelivered ounces.

### 12. Subsequent Events

No material events have occurred between the reporting date and the date of signing this report.