APPENDIX 4D
HALF YEAR REPORT
Period ended 31 December 2023

Name of entity: Silver Lake Resources Limited
Current reporting period: 6 months ended 31 December 2023
Previous corresponding reporting period: 6 months ended 31 December 2022

		31 Dec 2023 A$'000	31 Dec 2022 A$'000
Revenues from ordinary activities	up 28%	374,384	292,630
Earnings before interest, tax, depreciation and amortisation (EBITDA)[1]	up 124%	164,027	73,103
Profit/(loss) after tax	Note 2	49,678	(14,817)
Net tangible assets per share	up 22%	$1.13	$0.93

[1] Refer to Page 4 of Interim Financial Report for reconciliation between profit after tax and EBITDA

[2] In the current period, the Group reported a profit after tax of $49.678 million compared with a loss after tax of $14,817 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 2023.
As at 31 December 2023, 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 2023

Corporate Directory

Directors

David Quinlivan	Non-executive Chairman
Luke Tonkin	Managing Director
Kelvin Flynn	Non-executive Director
Rebecca Prain	Non-executive Director

Company Secretary

David Berg

Principal Office

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Fax: +61 8 6313 3888
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Registered Office

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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

ABN 38 108 779 782

ASX Code: SLR

Directors' Report

The Directors present their report for the half year ended 31 December 2023.

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 demonstrable organic growth from their portfolios of highly endowed and prospective tenement holdings.

GROUP FINANCIAL OVERVIEW

The Group recorded a net profit after tax for the period of $49.7 million (H1 FY23: $14.8 million loss) and an EBITDA (before significant items)[1] of $164.0 million (H1 FY23: $73.1 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 $374.4 million from the sale of 124,771 ounces of gold equivalent[2] at an average realised gold sale price of A$2,986/oz and a copper price of A$12,589/t compared with revenue of $292.6 million from the sale of 115,790 ounces of gold equivalent at an average realised gold sale price of A$2,516/oz and a copper price of A$12,015/t in the previous corresponding period. The increase in revenue reflects an 8% increase in gold equivalent sales and at a higher average gold price over the period.

Cost of sales increased to $303.2 million in the period (H1 FY23: $294.2 million) predominantly driven by higher amortisation costs and royalty expense in the current period. The All-in Sustaining Cost (AISC)[1] for the half year was A$1,791/oz (H1 FY23: A$2,153/oz), noting that Sugar Zone was not included in the FY24 AISC for the Group.

A non-cash tax expense of $23.1 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 2023 totals $218.1 million in Australia and $244.5 million in Canada.

[1] Non-IFRS measure

[2] All gold equivalency calculations assume a gold price of A$2,800/oz, copper price of A$11,600/t and a 10% payability reduction for treatment and refining charges

Directors' Report

Operating cash flow for the period was $146.0 million (H1 FY23: $53.2 million), while investing cash flows for the period were $180.8 million (H1 FY23: $97.8 million). Investing cash flows include $107.0 million of outflows in respect of a strategic investment in Red 5 (Red 5). Cash and bullion at 31 December 2023 was $284.1 million (H1 FY23: $253.3 million).

Key cash flow movements for the period included:

- Acquisition of plant and equipment of $12.0 million
- Total exploration related expenditure of $28.8 million (including $10.7 million on three exploration drives at Sugar Zone)
- Mine capital development of $46.4 million (including $32.2 million at Deflector region and $12.6 million at Mount Monger)
- Acquisition of strategic shareholding in Red 5 for $107.0 million, and an associated short term cash facility of $130 million, which has been closed out, which was used to facilitate the acquisition.

REVIEW OF FINANCIAL PERFORMANCE

The Group recorded an after tax profit for the financial period of $49.7 million. This profit 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)	H1 FY24 $'000	H1 FY23 $'000
Statutory profit/(loss) after tax for the period:	49,678	(14,817)
Adjustments for:		
Depreciation & amortisation	104,100	83,875
Net finance (income)/cost (includes change in fair value of listed investments)	(19,712)	(2,873)
Income tax expense	23,096	5,145
Exploration expenditure	6,883	2,009
Other	(18)	(236)
EBITDA (excluding significant items) *	**164,027**	**73,103**

* Non-IFRS measure

REVIEW OF OPERATIONS

During the first half for the financial year (H1 FY24), the Group achieved production of 121,699 ounces gold and 541 tonnes copper, driven by strong operational performance from Deflector and Mount Monger. At Sugar Zone, operational activities shifted to the development of exploration drives and an extensive drill program during the period, accordingly production was limited to the first two months of the financial year, resulting in 5,142 ounces of gold produced.

Directors' Report

Mount Monger Operation

The Mount Monger Operation is located approximately 50km southeast of Kalgoorlie and is a highly endowed gold camp with an established track record of gold production. The three independent and self-sufficient Mining Centres at Mount Monger are the Daisy Complex, Mount Belches and Aldiss Mining Centres. These Mining Centres feed the 1.3Mtpa Randalls CIP processing facility (**"Mill"**).

Mining

Ore mined from the Mount Monger Mining Centres totalled 336,346 tonnes at a grade of 3.9 g/t Au for 41,867 contained ounces, all from underground mine sources. Mount Monger supplements underground run of mine production with stockpile feed to the Randalls Mill, with stockpiles decreasing by ~14,300 ounces during the period. Stockpiles at 31 December 2023 were ~2.2 million tonnes containing ~76,190 ounces.

The Daisy Complex produced 122,426 tonnes at 5.0 g/t for 19,790 contained ounces, with production sourced from the Easter Hollows, Haoma West, and Lower Prospect mining areas. Production from Tank South was 114,325 tonnes at a grade of 3.2 g/t for 22,077 contained ounces, with the primary stopes completed and secondary stopes commenced in the period.

Processing

Ore milled for the period 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 ~26% of the mill feed with the balance sourced from open pit stockpiles.

Silver Lake will continue to maintain an iterative approach to mine and mill feed scheduling beyond FY24, continuing to prioritise highest returning and cash generative ore sources to preserve ore body optionality and margin in the prevailing operating climate. Following exploration success at Flora Dora, Silver Lake has revised its operating strategy at the Mt 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 life of mine visibility relative to the previously announced plan of initially mining stage 1 Santa open pit prior to mining Santa stage 2.

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 pit shells of existing Mineral Resources has identified potential open pits proximal to the Santa open pit, including the Rumbles and Flora Dora prospects. Further opportunities for inclusion in the medium-term mining schedule include the recommencement of underground mining at Mount Belches.

Mining and production statistics for the Mount Monger Operation for the period ended 31 December 2023 are detailed in Table 1 and Table 2.

Deflector Operation

The Deflector Region Operation is in the Midwest region of Western Australia and comprises the Deflector and Rothsay underground mines and the Deflector mill.

Deflector Mining

Deflector mine production for the period totalled 412,118 tonnes at 4.3 g/t gold for 56,566 ounces and 0.2% copper. Production was sourced from the Western, Central and South West Lodes. Mine production during the period was weighted towards stoping from the Deflector Main mining area, with development activities focused in the Deflector South West mining area.

Rothsay Mining

Rothsay production for the period totalled 114,711 tonnes at 4.4 g/t gold for 16,054 ounces. During the period, 99,667 tonnes were hauled to the Deflector mill with the balance stockpiled at the mine.

Processing

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 ounces gold and 541 tonnes copper.

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 gold and copper concentrate grade of 15%. Approximately 71% 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 2023 are detailed in Table 1 and Table 2.

SUGAR ZONE

The Sugar Zone Operation is in an established mining province of Northern Ontario, Canada, approximately 30km north of the town of White River. Mining at Sugar Zone commenced in 2019 with Silver Lake acquiring the operation in February 2022 following the acquisition of Harte Gold Corp ("Harte Gold").

Following the completion of essential site based capital projects following the acquisition, the decision was made in early FY24 to idle mining and processing operational activities and shift focus to exploration, which includes the development of three dedicated exploration drives. Silver Lake's investment in exploration is designed to deliver a step change in ore body knowledge and begin unlocking the potential of the extensive resource base and underexplored land package. Sugar Zone's site logistics network will be reviewed, which will include the relocation of the White River camp to Sugar Zone and the mobilisation of site personnel on shift change.

Sugar Zone gold production for the period was 5,142 ounces with sales of 7,218 ounces, with mining and processing activities idling in August 2023.

Mined tonnes of 29,268 tonnes reflect a full month of production in July 2023 prior to the ramp down of activities throughout August. Underground mine activities from August were focused on the development of the three dedicated exploration drives, which were completed in October. Exploration drilling activities ramped up at Sugar Zone with 5 rigs active and 46,991 metres completed during the period.

Mining and production statistics for the Sugar Zone Operation for the period ended 31 December 2023 are detailed in Table 1 and Table 2.

Directors’ Report

Group Mining and Production Statistics

Mount Monger Mining	**Units**	**H1 FY24**	**H1 FY23**
Underground			
Ore mined	Tonnes	336,346	163,566
Mined grade	g/t Au	3.9	4.1
Contained gold	Oz	41,867	21,655
Open Pit			
Ore mined	Tonnes	-	-
Mined grade	g/t Au	-	-
Contained gold	Oz	-	-
Deflector Mining			
Underground			
Ore mined	Tonnes	412,118	367,429
Mined grade	g/t Au	4.3	4.3
Contained gold	Oz	56,566	50,602
Copper grade	%	0.2	0.2
Contained copper	Tonnes	650	661
Rothsay Mining			
Underground			
Ore mined	Tonnes	114,711	110,691
Mined grade	g/t Au	4.4	3.8
Contained gold	Oz	16,054	13,527
Sugar Zone Mining			
Underground			
Ore mined	Tonnes	29,268	129,053
Mined grade	g/t Au	5.4	5.3
Contained gold	Oz	5,081	22,099
Group Mining			
Total ore mined	Tonnes	892,443	770,740
Mined grade	g/t Au	4.2	4.4
Contained gold	Oz	119,568	107,872
Copper grade	%	0.2%	0.2
Contained copper	Tonnes	650	661

Table 1

Directors' Report

Mount Monger Processing	Units	H1 FY24	H1 FY23
Ore milled	Tonnes	588,490	648,010
Head grade	g/t Au	3.0	2.2
Recovery	%	89.4	88.0
Gold produced	Oz	51,070	41,010
Gold sold	Oz	50,456	39,994
Deflector Processing			
Ore milled	Tonnes	380,414	375,086
Gold grade	g/t Au	5.5	4.8
Copper grade	%	0.2	0.2
Gold recovery	%	97.2	96.4
Copper recovery	%	77.1	78.2
Gold produced	Oz	65,487	55,294
Gold sold	Oz	65,107	53,936
Copper recovered	Tonnes	541	501
Copper sold	Tonnes	534	457
Sugar Zone Processing			
Ore milled	Tonnes	30,935	134,153
Head grade	g/t Au	5.4	5.0
Recovery	%	95.5	95.0
Gold produced	Oz	5,142	20,531
Gold sold	Oz	7,218	20,050
Group Processing			
Ore milled	Tonnes	999,840	1,157,249
Gold grade	g/t Au	4.0	3.4
Copper grade	%	0.2	0.2
Gold produced	Oz	121,699	116,835
Gold sold	Oz	122,781	113,980
Copper recovered	Tonnes	541	501
Copper sold	Tonnes	534	457

Table 2

Exploration

Silver Lake invested $28.8 million in exploration during the period to advance the high-grade projects within established and proven mineralised corridors proximal to established infrastructure.

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

Directors' Report

Drilling within the Santa Mining Complex returned excellent high-grade results at Flora Dora which is a higher grade open pit (current Reserve of 50,000 ounces), when compared with the larger Santa open pit (current Reserve of 226,000 ounces), and provides the opportunity to bring forward higher grade ounces to the Randalls Mill. Ongoing underground Resource definition and extensional drilling at the Daisy Complex has delivered increased confidence in the continuity of the high grade plunging lodes and demonstrate the potential for further Mineral Resource growth and future Ore Reserve conversion in close proximity to current mining infrastructure.

Further high-grade results were released for the Spanish Galleon area at Deflector which provides opportunities for Ore Reserve conversion and introduce a new, short lead time, high grade mining front proximal to established mine development servicing the established Deflector South West Lodes.

Silver Lake has continued its commitment to drilling at Sugar Zone with its largest exploration investment at the Canadian asset. During the period, three exploration development drives were completed to facilitate the underground drill program. Three underground and two surface drill rigs were in operation for a total of 46,991 metres drilled. Underground drilling has focused on a 200m vertical zone immediately beneath the current decline position to provide appropriate drill coverage for mine scheduling over an 18 – 24 month period. Surface drilling has focused on increasing drilling coverage beneath the underground drill zone to enhance medium to longer term mine planning.

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

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 and it is not known what impact this will have on FY24 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 2023. This Independence Declaration is attached to the Directors' Report and forms a part of the Directors' Report.

Subsequent Events

On 5 February 2024, the Company announced a proposed merger with Red 5, in which both Silver Lake and Red 5 had entered into a binding Scheme Implementation Deed, under which the companies will merge via a Silver Lake Scheme of Arrangement (the Transaction). Refer to note 13 for additional information.

Signed in accordance with a resolution of the Directors.

Luke Tonkin
Managing Director
20 February 2024

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 2023 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
20 February 2024

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 2023 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

Graham Hogg
Partner
Perth
20 February 2024

Independent Auditor's Review Report

To the shareholders of Silver Lake Resources Limited

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 2023 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 2023;
- 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 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 2023 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 Interim 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

KPMG

Graham Hogg

Partner

Perth

20 February 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2023

	Notes	31 December 2023 $'000	31 December 2022 $'000
Revenue	4	374,384	292,630
Cost of sales	5	(303,181)	(294,237)
Gross profit/(loss)		71,203	(1,607)
Other income		61	577
Profit on sale of assets		16	237
Exploration expenditure		(6,883)	(2,009)
Administrative expenses		(11,335)	(9,743)
Results from operating activities		53,062	(12,545)
Finance income		21,759	4,639
Finance expenses		(2,047)	(1,766)
Net finance income/(costs)	6	19,712	2,873
Profit/(loss) before income tax		72,774	(9,672)
Income tax expense	7	(23,096)	(5,145)
Profit/(loss) for the period		49,678	(14,817)
Net profit/(loss) for the period		49,678	(14,817)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Exchange differences arising on translating foreign operations		(5,552)	(8,548)
Total comprehensive income/(loss) for the period		44,126	(23,365)

Earnings per share	Cents Per Share	Cents Per Share
Basic earnings/(loss) per share	5.31	(1.59)
Diluted earnings/(loss) per share	5.16	(1.59)

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 2023

	Notes	31 December 2023 $'000	30 June 2023 $'000
Current Assets			
Cash and cash equivalents		278,681	328,285
Trade and other receivables		10,324	14,136
Inventories		105,620	92,473
Prepayments		371	875
Total Current Assets		394,996	435,769
Non-Current Assets			
Inventories		44,344	53,711
Exploration, evaluation and development expenditure	9	430,991	435,967
Property, plant and equipment		214,177	235,651
Investments	8	135,998	12,838
Deferred tax assets	7	-	17,331
Goodwill		90,695	90,695
Total Non-Current Assets		916,205	846,193
Total Assets		1,311,201	1,281,962
Current Liabilities			
Trade and other payables	10	74,250	90,672
Lease liabilities	11	18,133	23,479
Employee benefits		8,039	7,243
Total Current Liabilities		100,422	121,394
Non-Current Liabilities			
Lease liabilities	11	17,364	21,134
Rehabilitation and restoration provision		48,855	48,093
Deferred tax liabilities	7	8,695	2,931
Total Non-Current Liabilities		74,914	72,158
Total Liabilities		175,336	193,552
Net Assets		1,135,865	1,088,411
Equity			
Share capital		1,095,436	1,095,436
Reserves		15,486	17,710
Retained earnings/(accumulated losses)		24,943	(24,735)
Total Equity		1,135,865	1,088,411

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 2023

	Share Capital $'000	Option Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings/ (Accumulated Losses) $'000	Total Equity $'000
Balance at 1 July 2022	1,096,268	5,796	7,690	(55,571)	1,054,183
Total comprehensive (loss) for the period	-	-	-	(14,817)	(14,817)
Transactions with owners, recorded directly in equity					
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)
Balance at 31 December 2022	1,093,231	7,948	(858)	(70,388)	1,029,933

	Share Capital $'000	Option Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings/ (Accumulated Losses) $'000	Total Equity $'000
Balance at 1 July 2023	1,095,436	8,057	9,653	(24,735)	1,088,411
Total comprehensive profit for the period	-	-	-	49,678	49,678
Transactions with owners, recorded directly in equity					
Equity settled share based payment	-	3,328	-	-	3,328
Exchange differences on translation of foreign operations	-	-	(5,552)	-	(5,552)
Balance at 31 December 2023	1,095,436	11,385	4,101	24,943	1,135,865

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 2023

	31 December 2023 $'000	31 December 2022 $'000
Cash flow from operating activities		
Cash receipts from customers	377,363	278,814
Cash paid to suppliers and employees	(231,319)	(225,584)
Net cash from operating activities	146,044	53,230
Cash flow from investing activities		
Interest received	5,581	1,918
Sale of plant and equipment	20	302
Acquisition of plant and equipment	(12,043)	(21,574)
Acquisition of investment	(107,007)	(210)
Proceeds from divestment of shares	-	969
Exploration, evaluation and development expenditure	(67,359)	(79,172)
Net cash used in investing activities	(180,808)	(97,767)
Cash flow from financing activities		
Share buy back	-	(3,037)
Proceeds from borrowings	130,000	-
Repayment of borrowings	(130,000)	-
Repayment of lease liabilities	(13,799)	(14,166)
Interest paid	(1,131)	(1,164)
Net cash used in financing activities	(14,930)	(18,367)
Net movement in cash and cash equivalents	(49,694)	(62,904)
Cash and cash equivalents at 1 July	328,285	304,298
Effects of fx rate changes on cash and cash equivalents	90	-
Cash and cash equivalents at 31 December	278,681	241,394

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 2023

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 2023 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "Group Entities").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2023 which are available upon request from the Company's registered office or at www.silverlakeresources.com.au.

The condensed consolidated financial statements were approved by the Board of Directors on 20 February 2024.

(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 2023.

(b) Functional and Presentation Currency

These consolidated financial statements are prepared in Australian dollars, which is the functional currency of the Company and its Australian subsidiaries. The functional currency for its Canadian subsidiaries is Canadian dollars. 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 2023.

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 2023.

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.

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Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

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 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 2023 is as follows:

31 December 2023	Mount Monger $'000	Deflector $'000	Sugar Zone $'000	Unallocated[2] $'000	Total $'000
Revenues	151,725	201,622	21,037	-	374,384
Expenditures	(94,005)	(83,146)	(31,028)	(2,178)	(210,357)
EBITDA (excluding significant items)[1]	57,720	118,476	(9,991)	(2,178)	164,027
Capital expenditure	21,950	38,571	17,698	-	78,219

31 December 2022	Mount Monger $'000	Deflector $'000	Sugar Zone $'000	Unallocated[2] $'000	Total $'000
Revenues	98,932	142,363	51,335	-	292,630
Expenditures	(82,929)	(74,302)	(52,472)	(9,824)	(219,527)
EBITDA (excluding significant items)[1]	16,003	68,061	(1,137)	(9,824)	73,103
Capital expenditure	33,191	41,389	28,081	330	102,991

[1] A reconciliation between the statutory profit after tax and the Group's EBITDA (excluding significant items) is tabled on page 4
[2] Unallocated items comprise corporate, exploration and business development expenditure

Reconciliation of Statutory Profit/(Loss) after Tax to EBITDA (excluding significant items)	**H1 FY24 $'000**	**H1 FY23 $'000**
Statutory profit/(loss) after tax for the period:	49,678	(14,817)
Adjustments for:		
Depreciation & amortisation	104,100	83,875
Net finance (income)/cost (includes change in fair value of listed investments)	(19,712)	(2,873)
Income tax expense	23,096	5,145
Exploration expenditure	6,883	2,009
Other	(18)	(236)
EBITDA (excluding significant items) [3]	**164,027**	**73,103**

[3] Non-IFRS measure

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

4. Revenue

	31 December 2023 $'000	31 December 2022 $'000
Gold sales	363,564	291,507
Provisional pricing adjustments	3,542	(4,688)
Other metal sales	7,278	5,811
Total	374,384	292,630

At 31 December 2023, the Company has a total of 110,000 ounces of gold left to be delivered into forward contracts over the next 24 months at an average price of A$3,007/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.

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 2023 $'000	31 December 2022 $'000
Mining and processing costs	147,698	157,540
Amortisation	68,604	49,031
Depreciation	35,496	34,844
Salaries and on-costs	39,501	43,843
Royalties	11,882	8,979
	303,181	294,237

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

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.

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

	Period
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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

6. Finance Income and Expenses

	31 December 2023 $'000	31 December 2022 $'000
Interest income	5,581	3,100
Change in fair value of listed investments	16,178	1,539
Finance Income	21,759	4,639
Rehabilitation accretion	(969)	-
Interest expense on financial liabilities	(1,078)	(1,766)
Finance Costs	(2,047)	(227)
Net Finance Income/(Costs)	19,712	2,873

7. Income Tax

The Group recognised an income tax expense of $23,096,000 for the half year. Income tax expense relates to movement in temporary differences applied against the Group's deferred tax balance, decreasing the net balance to a deferred tax liability position of $8,695,000 at 31 December 2023 (June 2023: Deferred tax asset balance $14,401,000).

The Group utilised $67,051,000 of Australian carried forward tax losses in the period, which results in $218,139,000 of tax losses at 31 December 2023 (June 2023: $240,326,000) 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 2023, the Group's Canadian subsidiary has $244,506,000 (June 2023: $209,434,000) of tax losses remaining that are available for offset against future taxable profits in Canada. The Canadian subsidiary has not recognised $128,707,000 of these losses on the balance sheet which would equate to a deferred tax asset of $32,177,000.

8. Investments

	31 December 2023 $'000	30 June 2023 $'000
Investments in listed entities - at fair value	135,998	12,838

During the period, the Group purchased 411,662,268 shares in RED 5 Limited, resulting in 11.88% ownership holding in the company. Investments were revalued for the 6 months to 31 December, which resulted in a favourable change in the fair value of investments of $16.2 million.

Accounting Policies

Financial assets designated at fair value through profit or loss comprise investments in equity securities.

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets are measured at fair value and changes are recognised in the profit or loss.

The fair values of investments in equity securities are determined with reference to their quoted ASX closing price at balance date (considered a Level 1 fair value measurement).

9. Exploration, Evaluation and Development Expenditure

During the period ended 31 December 2023 the Group incurred and capitalised the following on exploration, evaluation and development expenditure:

	31 December 2023 $'000	30 June 2023 $'000
Exploration and evaluation phase		
Cost brought forward	21,903	16,850
Expenditure during period	12,044	14,429
Impaired during the year	-	(901)
Transferred to development phase	(7,962)	(5,758)
Expensed during period	(6,588)	(2,717)
Balance at period end	19,397	21,903
Development phase		
Cost brought forward	-	-
Transferred from exploration and evaluation phase	7,962	5,758
Expenditure during the period	1,581	-
Transferred to production phase	(6,702)	(5,758)
Balance at period end	2,841	-
Production phase		
Cost brought forward	414,064	385,296
Transfer from development phase	6,702	5,758
Expensed during the period	(295)	(1,426)
Expenditure during the period	59,460	141,307
Foreign currency translation adjustment	(3,121)	1,322
Rehabilitation provision adjustment	547	318
Amortisation expense	(68,604)	(118,511)
Balance at period end	408,753	414,064
Total	430,991	435,967

10. Trade and other payables

	31 December 2023 $'000	30 June 2023 $'000
Trade payables	42,486	43,815
Other payables	31,764	46,857
Total	74,250	90,672

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.

11. Lease liabilities

Finance Lease Liabilities	31 December 2023 $'000	30 June 2023 $'000
Current lease liabilities	18,133	23,479
Non-current lease liabilities	17,364	21,134
Total lease liabilities	35,497	44,613

At 31 December 2023 the Group recognised additional right-of-use assets of $6.8 million (H1 FY23: $7.8 million) and lease liabilities of $6.8 million (H1 FY23: $7.8 million).

	31 December 2023 $'000	30 June 2023 $'000
Right of use assets	29,333	37,994
Finance lease liabilities	35,497	44,613

For the period ended 31 December 2023, the Group recognised $12.3 million of lease liability repayments (H1 FY23: $14.2 million), $11.5 million of depreciation charges (H1 FY23: $12.8 million) and $1.1 million of interest costs (H1 FY23: $1.0 million) in relation to these leases.

12. 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 2023.

Hedging

At 31 December 2023, the Company had a total of 110,000 ounces left to be delivered under its hedging programmes at an average forward price of A$3,007/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.

13. Share-Based Payments

During the period, Performance Rights of 15,112,610 were granted to employees and senior management of the Company in the form of long-term incentives (LTI's) under the Group's Employee Incentive Plan.

The Performance Rights are subject to performance hurdles, as determined by the Board, based on the total shareholder return (TSR) ranking of Company over the performance period, relative to the TSR performance of a nominated comparator group of companies. The Performance Rights granted in the current period are to be assessed over the three-year period from 1 July 2023 to 30 June 2026.

Notes to the Condensed Consolidated Financial Statements
For the six months ended 31 December 2023

The fair value at grant date, which has market-based performance conditions, was estimated using a hybrid employee share option pricing model, which incorporates a Monte Carlo simulation.

The table below details the terms and conditions of the grant and the assumptions used in estimating fair value:

Grant date	1 July 2023
Value of the underlying security at grant date	$0.965
Exercise price	Nil
Risk free rate	4.03%
Volatility	50%
Commencement of performance period	1 Jul 2023
Performance measurement date	30 June 2026
Remaining performance period (years)	2.5

The fair value of the Performance Rights granted during the half-year was $9,719,723, with a fair value per right of $0.644. For the six months ended 31 December 2023, the Group has recognised $3,328,000 of share-based payments in the statement of comprehensive income (H1 FY23: $2,152,000).

14. Subsequent Events

On 5 February 2024, the Company announced a proposed merger with Red 5, in which both Silver Lake and Red 5 had entered into a binding Scheme Implementation Deed, under which the companies will merge via a Silver Lake Scheme of Arrangement (the Transaction).

Under the terms of the Transaction, Red 5 will acquire 100% of the shares in Silver Lake and each Silver Lake shareholder will receive 3.434 Red 5 shares for every Silver Lake share held. Upon implementation of the Transaction, Red 5 shareholders will own 51.7% of the merged entity and Silver Lake shareholders will own the remaining 48.3%.

The Transaction is subject to a number of conditions, including:

- Silver Lake shareholder approval of the scheme of arrangement;
- The Independent Expert issuing an Independent Expert's Report which concludes that the Transaction is in the best interests of Silver Lake 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 Scheme Implementation Deed) occurring in respect of either Red 5 or Silver Lake;
- Court approval of the scheme of arrangement; and
- No superior proposal (as defined in the Scheme Implementation Deed) emerging in relation to either Silver Lake or Red 5.

If successful, the Transaction is expected to be implemented by June 2024.