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Limited

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FY2024 HALF YEAR FINANCIAL RESULTS SUMMARY

Silver Lake Resources Limited (“Silver Lake” or the “Company”) is pleased to report its financial results for the half year ended 31 December 2023.

FY2024 first half highlights

- Gold sales of 124,771 ounces gold equivalent¹ at a realised gold price of A\$2,986/oz (H1 FY23: 115,790 ounces at A\$2,516/oz)
- 124% increase in EBITDA² to \$164.0 million (H1 FY23: \$73.1 million), with a group EBITDA margin of 44% (up 75% on pcp¹), including a 50% EBITDA margin from the Western Australian operations
- Net Profit after Tax (“NPAT”) of \$49.7 million (H1 FY23: \$14.8 million loss)
- NPAT result includes a non-cash tax expense of \$23.1 million and Silver Lake retains \$218.1 million of available Australian tax losses and \$244.5 million of available Canadian tax losses at period end
- 174% increase in cash flow from operations of \$146.0 million (H1 FY23: \$53.2 million)
- Investing cash flow of \$180.8 million includes \$107.0 million purchase of a ~12% interest in Red 5 Limited (“Red 5”)
- Strong underlying free cash flow of \$58.4 million or \$466 per ounce
- \$28.8 million investment in exploration, including the development of 3 dedicated exploration drives at Sugar Zone with 46,991 metres of the first of its kind 93,000 metre drill program, completed during the half
- Cash and bullion of \$284.1 million at period end (excludes \$27.4 million of gold in circuit and concentrate on hand valued at net realisable value)
- As at 20 February 2024 listed investments were valued at \$130.8 million for a net cash, bullion and liquid investments position of \$414.9 million
- Gold hedges at 31 December 2023 of 110,000 ounces at an average gold price of A\$3,007/oz for delivery over next 24 months.
- Strong H1 FY24 operating results have Silver Lake well positioned to build on its nine year track record of delivering guidance for FY24 group sales guidance of 210,000 to 230,000 ounces at an AISC of A\$1,850 to A\$2,050 per ounce (including \$168 per ounce in non-cash inventory charge associated with the treatment of stockpiles at Mount Monger)
- Merger of equals announced with Red 5 on 5 February 2024 for the immediate creation of leading, diversified mid-tier producer with a sector leading balance sheet positioned for further growth
- The strong H1 FY24 results from the respective operations of Silver Lake and Red 5 demonstrate the immediate production of ~445,000³ ounces per annum with a strong organic growth profile and cash generating capacity under the proposed merger

¹ Includes sales of 7,218 ounces from Sugar Zone which were not included in FY24 sales guidance and refer to glossary on Page 4 for gold equivalent calculation

² Refer to glossary on Page 4

³ Refer to ASX release 5 February 2024 “Red 5 and Silver Lake Resources to Merge”

FY24 first half financial results summary

Silver Lake delivered a strong performance during the first half of FY24 on multiple fronts. Operationally, both of the Western Australian operations are at the top end of their respective full year sales guidance ranges with AISC's at the bottom end of the respective full year guidance ranges, positioning Silver Lake to build on its nine year track record of meeting guidance.

The strong operational results during the half delivered underlying free cash flow of \$58.4m whilst Silver Lake continued to advance organic growth through exploration initiatives across the Western Australian operations and Sugar Zone. The 93,000m drill program at Sugar Zone is on track with ~46,991 metres completed through the half and results beginning to be returned towards the end of the half.

The strong operating platform and free cash flow generation are integral components in the proposed merger of equals with Red 5, which was announced post period end on 5 February 2024. The merger is expected to unlock value through the combination of two complementary gold businesses, the respective operations and balance sheets to create a diversified, low risk mid-tier gold producer, with the financial resources and long life assets to sustain a leading gold business through the cycle.

Revenue for the period totalled \$374.4 million from the sale of 124,771 ounces of gold equivalent at an average realised gold sale price of A\$2,986/oz (H1 FY23: \$292.6 million from the sale of 115,790 ounces gold equivalent at \$2,516/oz). The 28% increase in revenue reflects an 8% increase in sales and 19% higher average realised gold price relative to pcp.

The 124% increase in Group EBITDA of \$164 million relative to pcp at an EBITDA margin of 44% reflects the larger weighting of sales to the higher margin Western Australian operations following the idling of mining and processing operations at Sugar Zone in August 2023. EBITDA from the Western Australian operations was \$176.2 million at an EBITDA margin of 50%.

A higher depreciation and amortisation charge of \$104.1 million was reported relative to pcp (H1 FY23: \$83.9m) driven by a higher charge at Mount Monger commensurate with higher mined tonnes relative to pcp, driven by the ramp up of mining at Tank South.

The Company's statutory profit after tax for the half of \$49.7 million includes a \$16.2 million gain from the revaluation of listed investments and a non-cash tax expense of \$23.1 million. At 31 December 2023 the Company has \$218.1 million of available Australian tax losses and \$244.5 million of available Canadian tax losses for offset against future taxable profits.

Key measures	H1 FY24	H1 FY23	%
Gold sales (Au equivalent oz)	124,771	115,790	+7.8%
Average realised gold price (A\$/oz)	2,986	2,516	+18.7%
AISC (A\$/oz)	1,791	2,153	-16.8%
Revenue (\$m)	374.4	292.6	28.0%
EBITDA (\$m)	164.0	73.1	+124.4%
EBITDA margin (%)	43.8	24.9	+75.4%
NPAT (\$m)	49.7	-14.8	NMF ¹
Operating cash flow (\$m)	146.0	53.2	+174.4%
Cash and bullion at 31 December (\$m)	284.1	253.3	+12.2%
Debt at period end	Nil	Nil	

Table 1: H1 FY24 Financial Results

Capital expenditure for the half year included \$46.4 million of mine capital development, \$12.0 million of expenditure on plant and equipment, and exploration expenditure of \$28.8 million (including costs associated with the development of three dedicated exploration drives at Sugar Zone to accommodate 52,000 metres of underground drilling to be completed through FY24).

Investing cashflow during the period include \$107 million related to Silver Lake's acquisition of a strategic ~12% shareholding in Red 5. As part of the structure of the proposed merger of equals of Silver Lake and Red 5, the combined group will either monetise or cancel the shares in accordance with section 259D of the Corporations Act. The shareholding provides valuable optionality to further enhance the sector leading balance sheet through a non-dilutive funding source or essentially act as a buy back should the shares be cancelled.

Silver Lake's cash and bullion position at 31 December 2023 was \$284.1 million with no bank debt. In addition, Silver Lake had \$15.2 million of gold in circuit and concentrate on hand valued at cost (\$27.4 million at net realisable value) and listed investments of \$136.0 million at 31 December 2023. The value of listed investments as at 20 February 2024 was \$130.8 million, for a cash, bullion and liquid investments position of \$414.9 million.

This announcement was authorised for release to ASX by Luke Tonkin, Managing Director. For more information about Silver Lake Resources Limited and its projects please visit our web site at www.silverlakeresources.com.au.

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Glossary

All gold equivalency calculations assume an Au price of A\$2,800/oz, Cu price of A\$11,600/t and a 10% payability reduction for treatment and refining charges. The gold equivalent formula is $Au\ Eq\ koz = Au\ koz + (Cu\ kt * 3.7)$, based on the commodity price assumptions outlined above.

EBITDA (before significant items) is a non-IFRS measure and comprises net profit after tax, adjusted to exclude significant items such as tax, net finance costs, profit/loss on disposal of assets, depreciation and amortisation. A reconciliation between the net profit after tax and EBITDA (excluding significant items) is set out on page 4 of the Company's Interim Financial Report released to the ASX contemporaneously with this announcement. The directors consider it useful as it enables readers to obtain an understanding of results from operations.

PCP refers to Previous Corresponding Period.

NMF refers to No Meaningful Figure.