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Board of Directors:

David Quinlivan
Luke Tonkin
Les Davis
Kelvin Flynn

ASX Code: SLR

Issued Capital:

507.9m Shares
7.4m Performance Rights

All financial figures
quoted in this report are
in Australian dollars and
are unaudited

FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Consistent performance in an investment period positions Silver Lake for growth

Silver Lake Resources Limited (“Silver Lake”) is pleased to report financial results for the half year ended 31 December 2018.

1H FY2019 financial highlights

- Revenue up 4% on 1H FY18 with gold sales of 69,947 ounces at A\$1,713/oz
- AISC of A\$1,467/oz¹ is consistent with guidance and reflects non-cash inventory adjustments and treatment of lower grade material during the period
- NPAT of \$4.0m, an 88% increase on 1H FY18
- Cash flow from operations of \$29.7 million, consistent with 1H FY18
- \$5.6 million investment in exploration with 23,027 metres drilled and significant results reported during the period from the Daisy and Mount Belches Mining Centres
- \$17.5 million investment in establishing the Aldiss Mining Centre and Harrys Hill development stripping
- Despite the elevated investment at Mount Monger during the period, cash and bullion of \$104.3 million was in line with the 30 June 2018 balance (\$105.7 million), with listed investments of \$6.7 million and no debt
- On track to meet FY19 guidance for gold sales of 140,000 to 150,000 at an AISC of A\$1,350-A\$1,390/oz

Silver Lake Managing Director Luke Tonkin commented:

“The solid set of financial results for 1H FY2019 reflect consistent operational delivery from Mount Monger. The strategy of increasing and diversifying our high grade underground feed sources over the past two years has allowed Silver Lake to internally fund the development of the new open pit Mining Centre at Aldiss while maintaining a stable cash position.

With the intensive pre strip mining phase complete at Harrys Hill, Silver Lake is well positioned to capture returns from its investment while continuing to invest in exploration at Mount Monger to advance the suite of organic development prospects, targeting increased cash margins and further LOM extensions.

The proposed merger with Doray Minerals has progressed satisfactorily with the recently released Independent Expert Report opining that the transaction is fair and reasonable and is in the best interests of Doray Minerals shareholders. We look forward to completing the transaction in early April and commencing work to realise the full potential of the merged group for our shareholders.”

¹ Costs and sales associated with the ramp up of Harrys Hill excluded from AISC for the period consistent with World Gold Council Guidelines

1H FY2019 financial results summary

Revenue for the period totalled \$119.8 million from the sale of 69,947 ounces of gold at an average realised price of A\$1,713/oz (1H FY18 revenue: \$114.7 million from 68,704 ounces at A\$1,662/oz).

Cost of sales of \$106.6 million was broadly in line with 1H FY18 (\$105.5 million). Key movements in the composition of the cost of sales relative to the prior corresponding period ("pcp") include:

- Lower amortisation and depreciation expense of \$18.1 million (pcp \$35.6 million). The pcp included amortisation associated with the depletion of the Imperial/Majestic open pits, which carried a higher amortisation rate than Harrys Hill and were fully amortised in FY18
- Inclusion of a full half of Cock-eyed Bob operating costs with the mine reaching target production rates during the period (\$6.3 million increase on pcp)
- A \$5.6 million inventory expense (pcp \$6.2 million gain) which comprised a net \$1.1 million ore stock draw and a \$4.5 million reduction in bullion on hand over the six month period

Key measures (\$m)	1H FY2019	1H FY2018	Variance
Gold produced (oz)	66,966	68,898	-2.8%
Gold sales (oz)	69,947	68,704	+1.8%
Average realised gold price (A\$/oz)	1,713	1,662	+3.0%
AISC (A\$/oz) ¹	1,467	1,387	+5.8%
Revenue	119.8	114.7	+4.4%
NPAT	4.0	2.1	+87.8%
Operating cash flow	29.7	30.1	-1.6%
Cash and bullion at period end	104.3	66.7	+56.4%

Table 1: Operating and financial results summary

¹ Costs and sales associated with the ramp up of Harrys Hill were excluded from the AISC for the period consistent with World Gold Council Guidelines

Operating cash flow for the period of \$29.7 million was broadly consistent with the prior corresponding period (\$30.1 million).

Growth capital expenditure during the period was focused at the Aldiss Mining Centre with \$17.5 million invested in development of the Aldiss Mining Centre and stripping of the Harrys Hill open pit. Exploration spend for the period was \$5.6 million and tracking in line with the FY19 budget of \$12 million.

Silver Lake's cash and bullion position at 31 December 2018 was \$104.3 million and remained consistent with the 30 June 2018 balance of \$105.7 million, despite the significant growth capital and exploration investment during the period. In addition, Silver Lake has \$6.7 million in listed investments and no debt.

For more information about Silver Lake and its projects please visit our web site at www.silverlakeresources.com.au.

For further information, please contact

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