

27 August 2019

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
ABN 38 108 779 782

Board of Directors:

David Quinlivan
Luke Tonkin
Peter Alexander
Les Davis
Kelvin Flynn

ASX Code: SLR

Issued Capital:

818.4m Shares
7.2m Performance Rights

All financial figures
quoted in this report are
in Australian dollars

FY19 FINANCIAL RESULTS SUMMARY

Strong cash conversion, successful M&A and significant exploration results highlight a pivotal year to reshape Silver Lake as a mid- tier producer

Silver Lake Resources Limited (“Silver Lake” or the “Company”) is pleased to report its financial results for year ended 30 June 2019.

FY19 highlights

- Successful acquisition of the Deflector Operation introduced a second operating asset in a tier 1 jurisdiction to the portfolio
- 6% increase in gold production to 166,695 ounces gold equivalent¹
- 13% increase in gold sales to 171,322 ounces gold equivalent¹
- Normalised profit after tax¹ of \$16.7 million (FY18: \$16.2 million)
- EBITDA¹ of \$80.2m and NPAT of \$6.5m. NPAT is after \$10.2 million of business combination expenditure associated with the acquisition of Doray Minerals Limited, effective 5 April 2019
- Cash flow from operations of \$71.8 million (FY18: \$80.8 million)
- Cash and bullion balance increased 24% to finish the year at \$130.7 million (2018: \$105.7 million) with listed investments of \$6.6 million and no debt
- Recommended offer to acquire Egan Street Resources Limited announced 30 July 2019
- FY19 highlights are tabled below:

Key measures (\$m)	FY19	FY18	Variance
Gold equivalent production (oz)	166,695	157,936	+6%
Gold equivalent sales (oz)	171,322	151,250	+13%
Average realised gold price (A\$/oz)	1,754	1,684	+4%
AISC (A\$/oz)	1,367	1,289	+6%
Revenue	301.5	255.6	+18%
NPAT (adj for non-recurring)	16.7	16.2	+3%
Operating cash flow	71.8	80.8	-11%
Cash and bullion at period end	130.7	105.7	+24%
Debt at period end	Nil	Nil	-

¹ Refer to glossary on page 3

FY19 financial results summary

The Company's normalised net profit after tax for the year was \$16.7 million (FY18: \$16.2 million). Non-recurring items included in the result relate to the recognition of business combination costs (including estimated stamp duty) associated with the successful completion of the nil-premium acquisition of Doray Minerals Limited in April 2019. The acquisition has reshaped Silver Lake's business with the addition of a second operation in a tier 1 jurisdiction.

Revenue for the year totalled \$301.5 million from the sale of 171,322 ounces of gold equivalent at an average realised price of A\$1,754/oz, an 18% increase on FY18 (\$255.6 million from 151,250 ounces @ A\$1,684/oz). The increase in revenue reflects the contribution from Deflector from completion date of 5 April 2019.

Cost of sales increased to \$272.1 million for the year (FY18: \$225.9 million) reflecting the enlarged production base following the inclusion of Deflector and 16,000 ounce stockpile build from open pit mining at Harrys Hill, the profit margin from which will be recognised in future periods as the stockpiles are processed.

EBITDA was 6% down on FY18 at \$80.2 million, reflecting a 12% decrease in feed grade at the Mount Monger Operation driven by the processing of lower grade stockpiles in the first half of the year, prior to the introduction of higher grade open pit feed from Harrys Hill in the second half.

The All-in Sustaining Cost (AISC) for the period of A\$1,367/oz was 6% higher than FY18 and reflects the lower year on year mill grade at Mount Monger following the depletion of higher grade open pit material from Imperial in FY18.

Operating cash flow for the period was \$71.8 million and includes mining costs associated with a 16,000 ounce stockpile build in FY19. FY19 again saw Silver Lake build on its strong track record of cash generation (refer Chart 1), with a cash and bullion position at year end of \$130.7 million and no bank debt. In addition, Silver Lake has \$4.5 million of gold in circuit and concentrate on hand and listed investments of \$6.6 million.

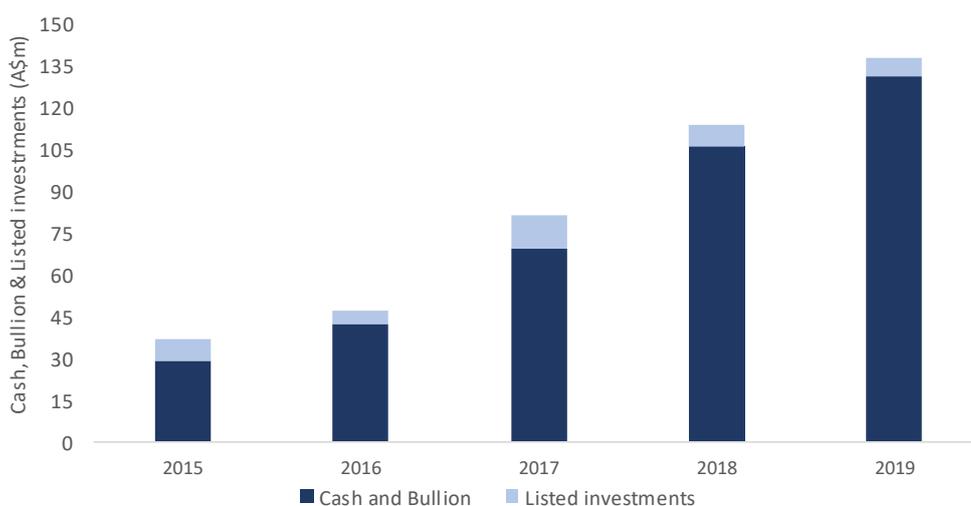


Chart 1: Cash and bullion growth FY15-FY19

Capital expenditure for FY19 totalled \$57.7 million (FY18: \$51.8 million) and included \$8.1 million of fixed asset acquisitions, \$34.7 million of mine capital development and exploration spend of \$14.9 million.

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

For further information, please contact

Luke Tonkin
Managing Director
+61 8 6313 3800
contact@silverlakeresources.com.au

Len Eldridge
Corporate Development Officer
+61 8 6313 3800
contact@silverlakeresources.com.au

Glossary

EBITDA (before significant items) is a non-IFRS measure and comprises net profit after tax, adjusted to exclude significant items such as tax expense, finance costs, interest income, asset impairments and depreciation and amortisation. An unaudited reconciliation between the net profit after tax and EBITDA (excluding significant items) is set out on page 7 of the Company's 2019 Annual 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.

Normalised Profit after Tax is calculated by adjusting profit after tax for business combination adjustments (including professional fees and estimated stamp duty costs) associated with the Company's merger with Doray Minerals Limited.

Deflector Gold Equivalent Calculation All gold equivalency calculations assume a Au price of A\$1,800/oz, Cu price of A\$8,400/t and a 10% payability reduction for treatment and refining charges. The gold equivalent formula is $Au\ Eq\ koz = Au\ koz + (Cu\ kt * 4.21)$, based on the commodity price assumptions outlined above.