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FY2021 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 2020.

FY2021 first half highlights

- Gold sales of 130,354 ounces gold equivalent at a realised gold price of A\$2,400/oz (H1 FY20: 127,459 at A\$2,011/oz)
- 37% increase in EBITDA¹ to \$160.1 million (H1 FY20: \$116.7 million), with a 12% increase in group EBITDA margin to 51%
- 48% increase in statutory profit after tax of \$65.8 million (H1 FY20: \$44.6 million)
- Statutory result includes a non-cash tax expense of \$27.2 million and an equivalent reduction in the deferred tax asset balance on the balance sheet, with Silver Lake maintaining \$383.4 million of tax losses at period end
- 62% increase in cash flow from operations to \$160.5 million (H1 FY20: \$99.2 million)
- Cash and bullion balance increased by \$46 million to \$315.4 million at 31 December 2020 (30 June 2020: \$269.4 million) with no debt. In addition, Silver Lake had \$7.4 million of gold in circuit and concentrate on hand (valued at cost) and listed investments of \$13.8 million at period end
- Divestment of Andy Well and Gnaweeda projects for cash consideration of \$8 million completed in February 2021
- Hedge book at 31 December 2020 was 117,500 ounces at A\$2,233/oz for delivery over next 18 months
- \$13.4 million investment in exploration targeting both the upgrading of Inferred Resources to higher confidence categories and discovery of new mineralisation within proven mineralised corridors and proximal to established infrastructure
- FY21 Group gold sales guidance maintained at 240,000 to 250,000 ounces gold with copper sales guidance upgraded to 1,600 tonnes (previously 1,100 tonnes) at an AISC range of A\$1,400 to A\$1,500 per ounce²
- Growth projects remain on schedule and in line with budget. Activity levels and capital expenditure will increase in the second half as projects approach completion, with expenditure expected to peak during Q3 FY21. The investment in FY21 will see Deflector exit FY21 with an upgraded processing facility and significant opportunity to deliver production, mine life and cashflow growth.

¹ Refer to glossary on page 3

² Refer ASX release 25 January 2021 “Quarterly Activities Report” for full details

FY21 first half financial results summary

The H1 FY21 results reflect a solid period of performance for the Group across key financial metrics as activity and investment in growth projects in the Deflector region began to ramp up.

The Company's statutory profit after tax for the half of \$65.8 million includes a tax expense of \$27.2 million. The tax expense is non-cash and resulted in an equivalent reduction in the deferred tax asset balance on the balance sheet. At 31 December 2020 the Company has \$383.4 million of tax losses remaining for offset against future taxable profits (June 2020: \$422.4 million loss).

Revenue for the half totalled \$316.3 million from the sale of 130,354 ounces gold equivalent at an average realised price of A\$2,400/oz, a 22% increase on H1 FY20 (\$258.8 million from the sale of 127,459 ounces gold equivalent at A\$2,011/oz). The increase in revenue reflects a 4% increase in gold ounces sold and higher realised commodity prices in the period.

EBITDA was up 37% on the pcip at \$160.0 million at an EBITDA margin of 51%, up 12% on the pcip. The EBITDA contribution was weighed towards Deflector during the half with Deflector reporting EBITDA of \$102.4 million at an EBITDA margin of 67%, increases of 70% and 26% respectively versus pcip. Mount Monger EBITDA was \$67.1 million at an EBITDA margin of 41% (H1 FY20: \$65.2 million and 45% respectively), reflecting the investment in waste stripping and elevated underground development during the half.

Non-recurring items for the period included the recognition of a \$7.5 million profit on the divestment of non-core tenements and a \$3.0 million impairment against the Andy Well and Gnaweeda projects which were divested in February 2021 for \$8.0 million cash.

The All-in Sustaining Cost (AISC) for the half year was A\$1,502/oz (H1 FY20: A\$1,223oz), reflecting the elevated strip ratio during the waste stripping phase of the Karonie South open pit and the introduction of Santa Underground costs for the first time in the AISC calculation.

Key measures	1H FY21	1H FY20	Variance
Gold sales (Au equivalent oz)	130,354	127,459	+2%
Average realised gold price (A\$/oz)	2,400	2,011	+19%
AISC (A\$/oz)	1,502	1,223	+23%
Revenue (\$m)	316.3	258.8	+22%
EBITDA (\$m)	160.1	116.7	+37%
EBITDA margin (%)	51	45	+12%
NPAT (\$m)	65.8	44.6	+48%
Operating cash flow (\$m)	160.5	99.2	+62%
Cash and bullion at 31 December (\$m)	315.4	186.1	+69%
Debt at period end	Nil	Nil	-

Table 1: H1 FY21 Financial Results

Capital expenditure for H1 FY21 totalled \$88.0 million (1H FY20: \$42.6 million) with the increase driven by the ramp up of growth projects in the Deflector region (Deflector plant upgrade, South West Deflector decline development and commencement of the Rothsay mine). Capital expenditure for the half year included \$36.9 million of mine capital development, \$11.9 million relating to the Deflector plant upgrade, \$17.1 million of site establishment costs and underground development at Rothsay and exploration expenditure of \$13.4 million.

All growth projects remain on schedule and in line with budget. Activity levels and capital expenditure will increase in the second half as projects approach completion, with expenditure expected to peak during

Q3 FY21. The investment in FY21 will see Deflector exit FY21 with an upgraded processing facility and significant opportunity to deliver production, mine life and cashflow growth.

Silver Lake continued to build on its strong track record of cash generation (refer Chart 1) with a cash and bullion position at 31 December 2020 of \$315.4 million and no bank debt. In addition, Silver Lake has \$7.4 million of gold in circuit and concentrate on hand and listed investments of \$13.8 million.

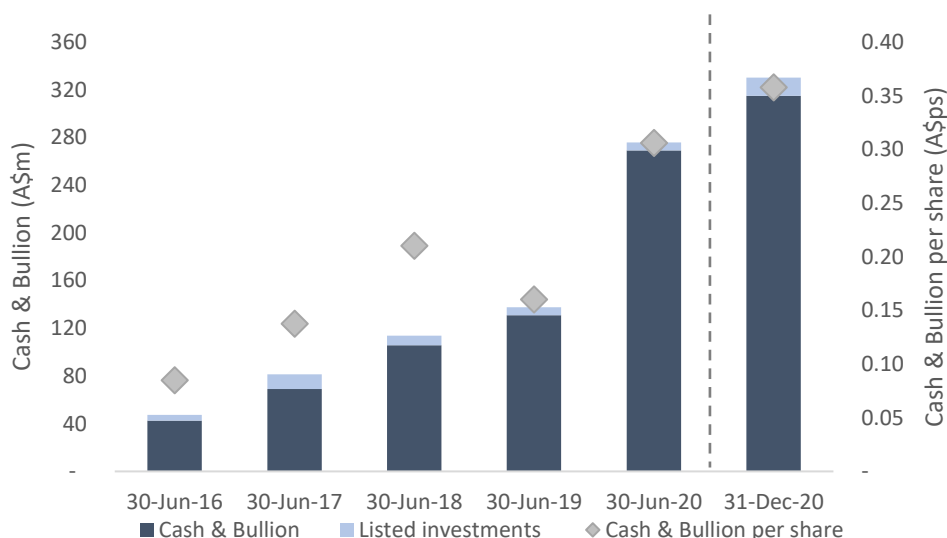


Chart 1: Cash and bullion absolute and per share growth FY16 - 31 December 2020

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 a Au price of A\$2,100/oz, Cu price of A\$8,400/t and a 10% payability reduction for treatment and refining charges. The gold equivalent formula is $Au\ Eq\ koz = Au\ koz + (Cu\ kt * 4)$, 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. An unaudited reconciliation between the net profit after tax and EBITDA (excluding significant items) is set out on page 8 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.