Silver Lake Resources

ANNUAL REPORT

FOR THE YEAR ENDED
30 JUNE 2015

ABN: 38 108 779 782

YEAR IN REVIEW

2015

KEY FINANCIAL POINTS

» Revenue of $186.0m (FY14: $309.7m)

» Net loss after tax of $94.0m (FY14: loss of $170.4m)

» EBITDA excluding significant items of $38.0m (FY14: $26.3m)*

» Net operating cash flows of $29.5m (FY14: $24.5m)

» Cash, bullion and investments of $36.5m (FY14: $41.9m)

KEY OPERATIONAL POINTS

» FY15 mine production from Daisy Complex, Cock-eyed Bob underground, Wombola Dam open pit and stockpiles

» Gold sales for the period 124,209 oz (2014: 217,348 oz)

» Focussed production from lower risk, high tenor Mount Monger ore sources

» Introduced a prudent gold hedging policy

» Completed care and maintenance obligations at the Murchison Operation

» Commenced crystallising value from non-core assets:

  » Lakewood mill sale

  » Murchison mill lease

  » Divestment process underway for Murchison Operation & Great Southern Project

» June 2015 JORC resource totals 5.0 million ounces gold, 133,600 tonnes copper and 10.5 million ounces silver

» June 2015 JORC reserve totals 0.8 million ounces gold, 74,700 tonnes copper and 8.5 million ounces silver

See page 33 for explanation of EBITDA before significant items

CORPORATE DIRECTORY

Directors

David Quinlivan
Non-executive Chairman

Luke Tonkin
Managing Director

Les Davis
Non-executive Director

David Griffiths
Non-executive Director

Brian Kennedy
Non-executive Director

Company Secretaries

Peter Armstrong
David Berg

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ASX Code: SLR

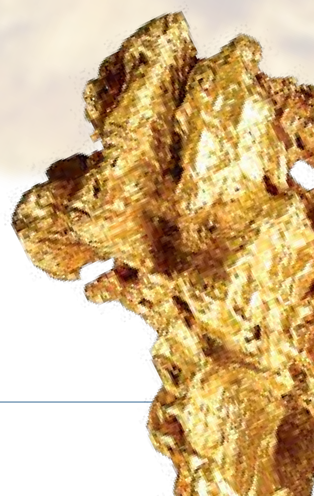


TABLE OF CONTENTS

DEAR FELLOW SHAREHOLDER,

Silver Lake (SLR) has undergone a significant transformation over the last 12 months.

In the first half of the financial year the Company placed the Murchison Operation on care and maintenance and leased the Tuckabianna processing facility to a private consortium. In the second half of the year the Company consolidated its processing capability in the Goldfields by divesting the Lakewood facility and directing all feed sources to SLR's Randalls plant. These transactions were an integral part of the Company's strategic plan to focus all resources on the Mount Monger Operation, an area SLR knows well and that has delivered strong results over the last 7 years.

I am pleased to announce that the steps taken and the revised strategy the Company has adopted now places SLR in a stronger position, more capable of capitalising on organic growth opportunities.

A key objective of SLR is now to improve shareholder returns through a coherent value accretive strategy that invests in our core assets and crystallises the inherent value from the Company's non-core assets. To do this SLR is focussing operational and financial resources on the Mount Monger area where it has been possible to generate a superior financial return from substantially less gold production.

SLR has conducted a strategic review of its exploration assets and following positive results, has launched a significant, internally funded, exploration campaign that will test targets in close proximity to existing mines and infrastructure in the region. The Company's goal is to test "Daisy Complex repeat" targets which, if converted, may materially enhance the Group's operating margins and underpin SLR's long term future.

The Balance Sheet has been strengthened through prudent cost and cash flow management, the introduction of a sensible gold hedging policy and the impairment of certain assets to values we consider appropriately reflect their market worth.

SLR's short to medium term production plan generates sufficient cash to invest in planned exploration activities and future mine development and, given the prevailing gold price, establishes a sound platform for earnings growth. It is this strategy that, coupled with a stronger Australian dollar gold price outlook, should provide upward momentum in SLR's market capitalisation.

Returning to the Company's performance for the last year, we would like to highlight the following:

- Gold refined and sold for the year totalled 124,209 oz
- Average realised gold price of A$1,497/oz against an all in sustaining cost of A$1,331/oz
- The Lakewood Mill and associated infrastructure (including rehabilitation liability) was divested in March 2015
- All care and maintenance payments and site contract restructuring expenses relating to the Murchison Operation were concluded within time and budget
- The Company entered into a dry hire lease arrangement with a private consortium for the Tuckabianna processing facility. A total of $1.4 million was received during the year in relation to this lease, which fully covered associated care and maintenance costs over the same period of $0.2 million
- A formal sales campaign commenced to divest non-core assets including the Great Southern Project and the Murchison Operation
- The Company had promising infill and extensional resource definition drilling results at the Imperial/Majestic, Lucky Bay, Santa Area, Rumbles and Maxwells deposits. This allowed for the commencement of mine operations of the Lucky Bay and Santa Area open pit deposits in July 2015. These open pits generate approximately 50,000 oz of gold over 14 months
- The Company completed a strategic exploration review and identified a number of highly prospective exploration targets. A revised exploration strategy has been adopted with the Company increasing its FY16 exploration budget by 60% to $15.5 million. Exploration will focus on highly prospective gold targets at Mount Monger, proximal to existing mine and processing infrastructure
- Through prudent cost and cashflow management the Company's Balance Sheet has strengthened. Year-end cash, bullion and investments totalled $36.1 million, while trade payables reduced by $20m over the period.

Over the past year SLR also announced key changes to its Board, with the departure of founding directors Paul Chapman, Chris Banasik and Peter Johnston. In addition Les Davis, SLR's founding Managing Director, stepped down from his executive role and joined the Board in a Non-executive capacity. I would like to extend the Board's appreciation at this time to Paul, Les, Chris and Peter for the significant contribution they made in the formation and development of the Company and wish them every success in their future endeavours. The Board now comprises one executive and four non-executive directors with the reduction in numbers more aligned with the restructured business.

The focus of the Company is now on maximising value from our core assets and capitalising on the embedded value from our non-core assets. Accordingly, SLR has set the following key objectives for the next twelve months:

- Achieve gold production of 125,000 to 135,000 oz Au from the Mount Monger Operation;
- Build operating consistency focusing on delivering improved margins;
- Invest in new deposits with low capital expenditure requirements;
- Launch a new and significant exploration strategy at Mount Monger to recapture a lower cost base;
- Increase exploration expenditure with a systematic, gated approach driving phased, risk-weighted spending. This will include:
  - Targeting Daisy analogues ("repeats") at shallower levels than current mining with similar ounces per vertical metre;
  - Resource conversion continuing to drive short-term production and cashflow baseline;
- Divestment of non-core assets;
- Continue the balance sheet rebuild

On behalf of the Board, we would like to thank the Company's employees for their efforts and achievements during the year and we appreciate the support of our suppliers and contractors.

We would also like to acknowledge the continued support of our shareholders. The Board has made some difficult decisions over the last two years which has left the Company better placed to take advantage of more favourable future conditions.

David Quinlivan

Non-Executive Chairman

Luke Tonkin

Managing Director

Commencement of Lucky Bay Open Pit

OVERVIEW OF ASSETS

Core business

Mount Monger Operation

- FY15 gold sales of 122koz at A$1,331/oz AISC
- Multiple underground (5.0-7.0g/t Au) and open pit (2.0-2.5g/t Au) mines
- Ore processed through central 1.2Mtpa Randalls mill
- Resources of 3Moz[1] Au and reserves of 0.38Moz[1] Au

Non-core business

Murchison Operation

- On care & maintenance from July 2014; sale process underway
- Resources of 1Moz[1] Au
- Resources of 39kt copper and 495koz silver[1]

Great Southern Project

- Sale process underway
- Resources of 1Moz gold, 10Moz silver and 95kt copper[1]

Investments

Listed Investments

- Total current market value (30 June 2015) = A$7.6M
- Primary listed investment is 13.6% stake in Paringa Resources (ASX-PNL)

[1] *Refer to Resources and Reserves Report.*

MOUNT MONGER OPERATION

- Located 50 km southeast of Kalgoorlie, Western Australia
- Flagship Daisy Complex mine has produced 511k oz since its purchase by Silver Lake in 2007
  - Average ounces per vertical metre of 1,658 from the 500m RL to the 700m RL
  - The Daisy Complex provides stable baseload feed (65-70k oz pa recovered gold)
- In FY16 mining operations will include the Daisy Complex and Cock-eyed Bob underground mines and a number of open pit mines including Lucky Bay and Santa Area
- Further supplementary open pit mines are planned for FY17 and beyond
- The focus for the Company is on head grade and margin optimisation
- Operating under a single mill strategy – the 1.2Mtpa Randalls Processing Facility
- High gold recoveries from free milling ores (93-95%)

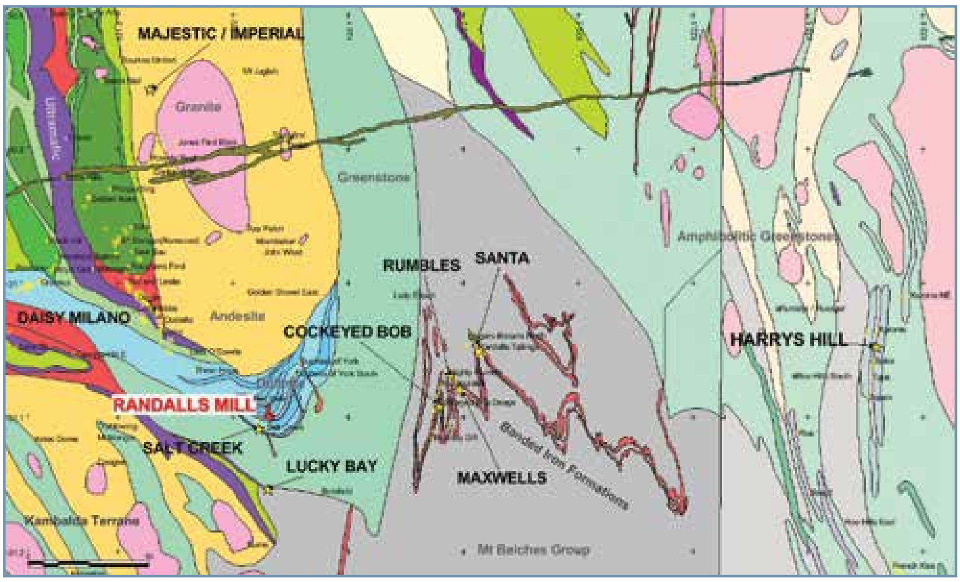
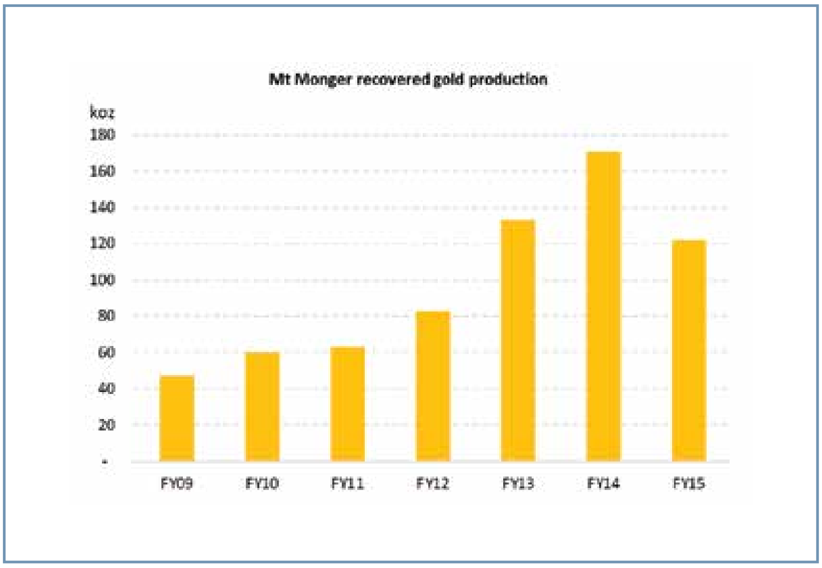
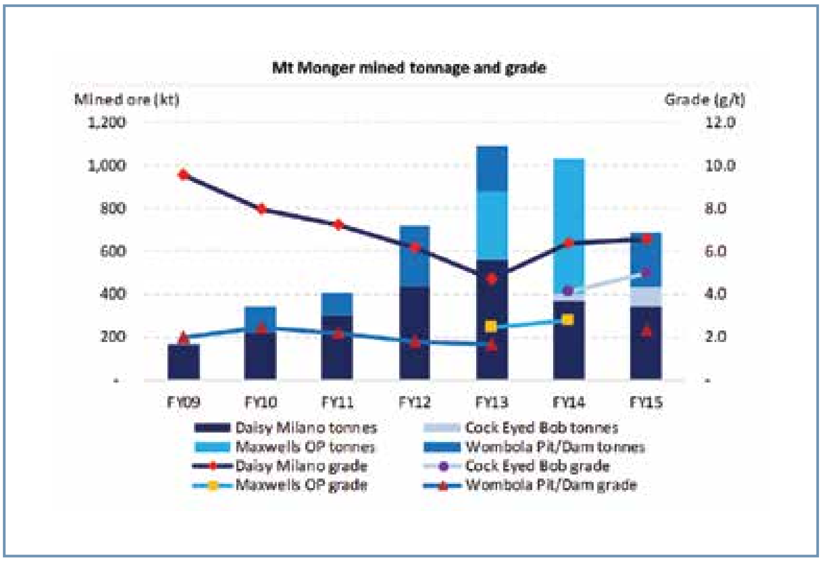


Figure 1: Plan View of the Mount Monger Operation



Graph 1: Historical Mount Monger recovered gold production



Graph 2: Mount Monger mined tonnage and grade

Daisy Complex

- Located 14 kilometres north west of the Randalls processing facility (refer to Figure 1)
- Consists of multiple ore lodes and historic mines accessed from the same underground infrastructure (refer to Figure 2)
- Ore sources currently in production include Daisy Milano, Haoma, Haoma West and Lower Prospect
- In FY16, 22,000m of underground diamond drilling is planned for seven target areas within or adjacent to the Daisy Complex
- Resource development drilling is designed to upgrade Inferred Resources to an Indicated category and to identify direct extensions to the known zones of Inferred Resources
- In addition approximately 6,000m of exploration diamond drilling is planned for FY16 targeting new gold zones or confirming significant strike extensions to known zones that could be accessed from the existing Daisy Complex mine. This should provide near to medium-term mining opportunities for the Company
- 2015 JORC Resource of 1,291,300 tonnes at 20.8 g/t Au for 861,500 oz (refer to Table 2)
- 2015 JORC Reserve of 297,300 tonnes at 8.6 g/t Au for 81,800 oz (refer to Table 7)

Figure 2: Schematic view of Daisy Complex

Cock-eyed Bob

- Located 14 kilometres east of the Randalls processing facility (refer to Figure 1)
- Currently developed and mined on 3 levels down to approximately 100m below the base of the remnant open pit
- Limited drilling below the 345 mining level
- Gold is hosted by BIF units with two parallel lodes (hanging-wall and foot-wall) dipping 70° - 80° to the east - higher gold grades occur where quartz veins obliquely cross cut the BIF
- FY16 exploration at Cock-eyed Bob includes 3,600m of surface RC and diamond drilling to target the next three mining levels below the current development
- This drilling continues to provide invaluable geological information that can be applied to other BIF hosted gold units in the region
- 2015 JORC Resource of 2,507,500 tonnes at 2.7 g/t Au for 217,800 oz (refer to Table 2)

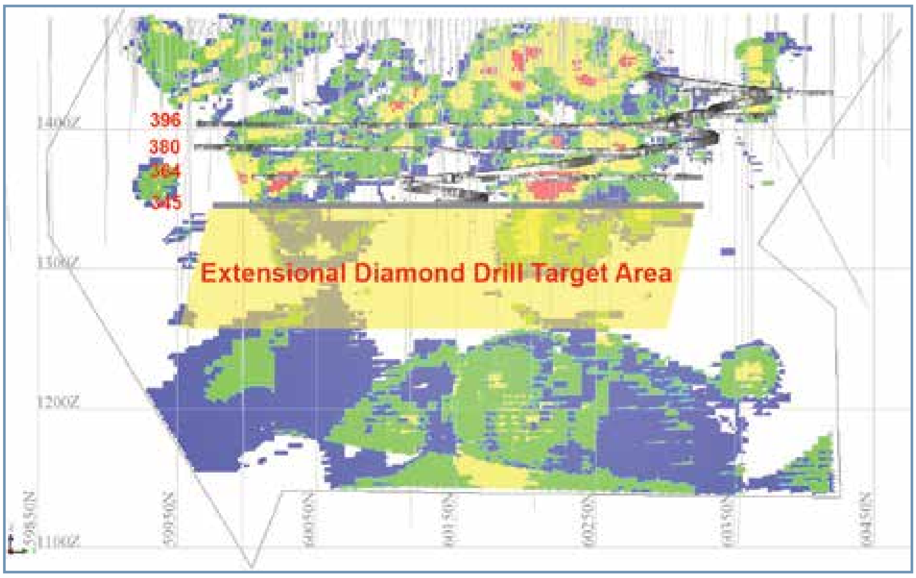


Figure 3: Cock-eyed Bob drilling target area below 345 mining level

Lucky Bay

- Located 5 kilometres south of the Randalls processing facility (refer to Figure 1)
- Commenced mining activities in July 2015
- 2015 JORC Resource of 125,600 tonnes at 5.4 g/t Au for 21,600 oz (refer to Table 2)
- 2015 JORC Reserve of 79,700 tonnes at 4.2 g/t Au for 10,800 oz (refer to Table 7)

Santa Area (includes Rumbles)

- Located 16 kilometres north east of the Randalls processing facility (refer to Figure 1)
- Updated resource and reserve estimate reflects the application of appropriate geological constraints to gold distribution assumptions in the geological model (refer to Figure 5)
- Commenced mining activities in August 2015
- 2015 JORC Resource of 7,443,700 tonnes at 2.2 g/t Au for 514,800 oz (refer to Table 2)
- 2015 JORC Reserve of 744,000 tonnes at 1.8 g/t Au for 42,800 oz (refer to Table 7)

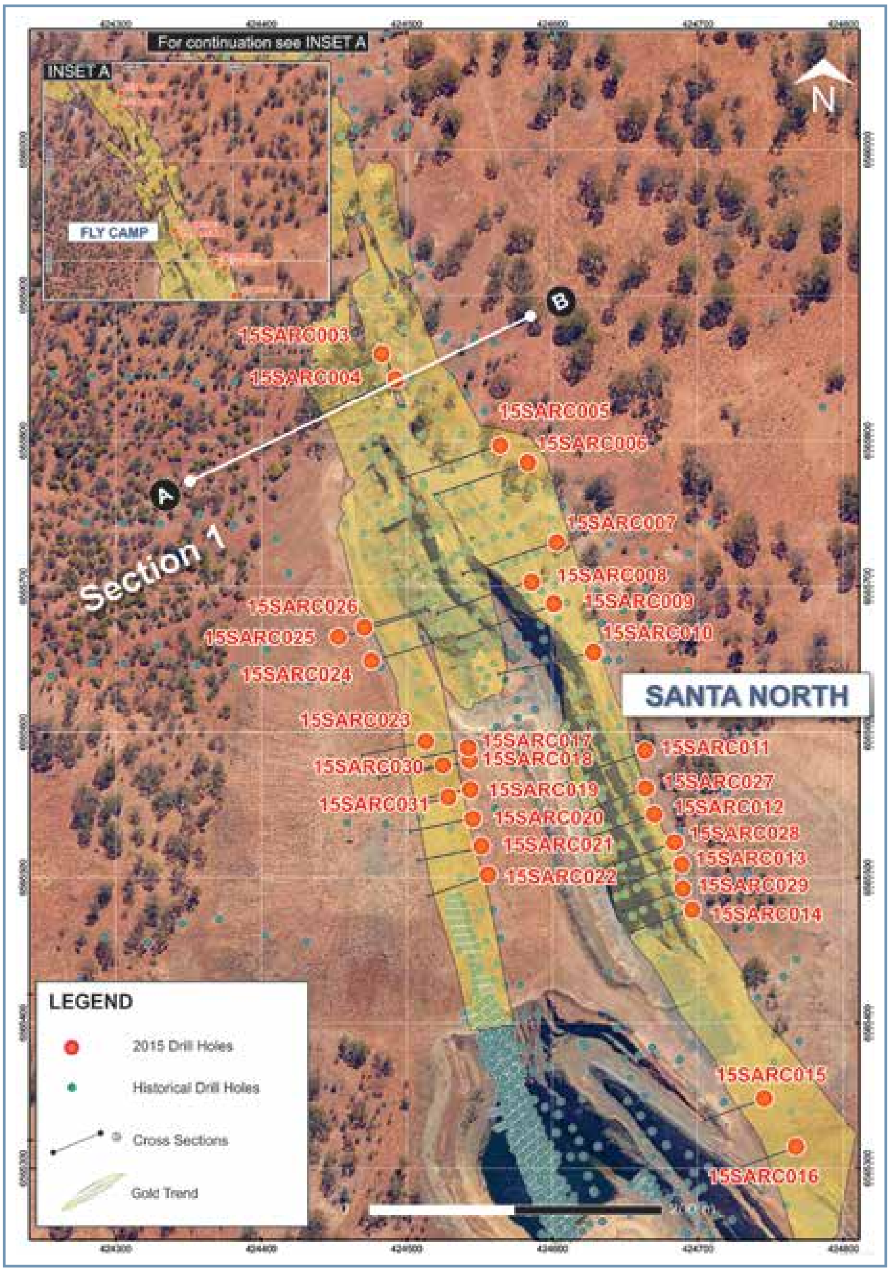


Figure 4: Santa Area plan view showing the open pit, gold zones and current drilling collar locations

Majestic/Imperial

- Located 24 kilometres north west of the Randalls processing facility (refer to Figure 1)
- Purchase of the remaining 15% of the project from Newcrest completed (now 100% owned by Silver Lake)
- Mining options and optimisation studies continue and capital works are expected to commence in Q3 FY16 with associated open pit mining commencing in Q4 FY16 for a period of 2 years
- 2015 JORC Resource of 2.8 million tonnes at 2.8 g/t Au for 250,300 oz (refer to Table 2)
- 2015 JORC Reserve of 1.2 million tonnes at 3.1 g/t Au for 115,900 oz (refer to Table 7)

Maxwells

- Located 16 kilometres east of the Randalls processing facility (refer to Figure 1)
- Mining at the Maxwells open pit was completed in June 2014 delivering 945kt at 2.7g/t for 81k oz (>1,000 ounces per vertical metre)
- Strong recent and historical drilling results indicate a potential underground mine (refer to Figure 5)
- Extensional testing of known mineralisation below historic open pit is currently in progress
- Initial program to drill on 30m x 30m spacing from pit floor
- Existing infrastructure and ready access from the pit deliver potential for mine plan inclusion within six months of resource definition
- BIF hosted mineralisation provides clear marker for effective exploration to test for long term underground potential
- Subject to ongoing exploration success at Maxwells, production from Maxwells Underground is capable of being introduced to the production plan in FY17
- 2015 JORC Resource of 752,100 tonnes at 3.2 g/t Au for 78,300 oz (refer to Table 2)

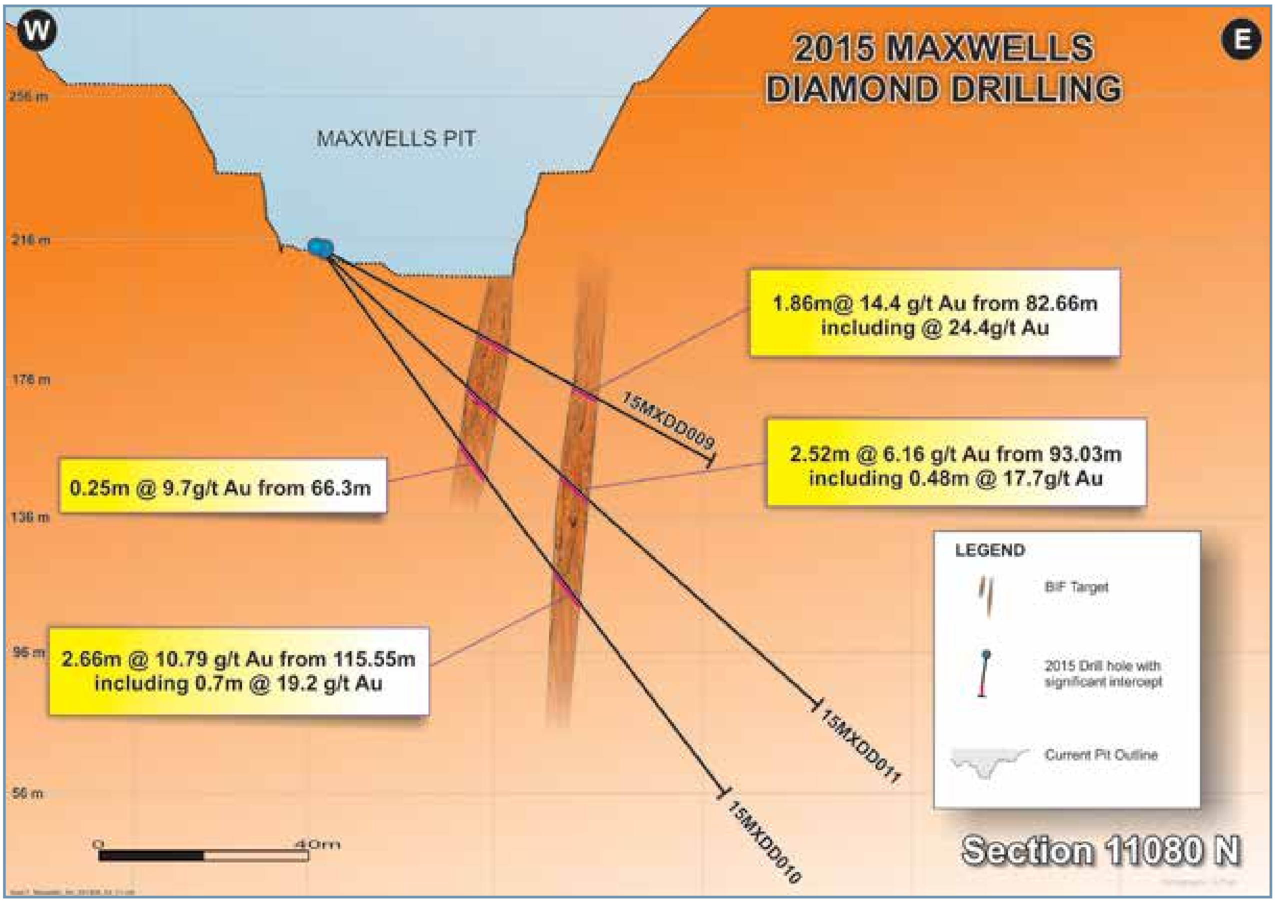


Figure 5: Maxwells Cross Section

MURCHISON OPERATION

- Located 20 kilometres east of the town of Cue, 600 km north east of Perth
- Silver Lake constructed the Murchison Operation during 2012 - 2013 having consolidated the project from various entities between 2007 and 2011
- This led to the definition of resources and reserves associated with a potential 14 open pits and 4 underground mines distributed throughout the Tuckabianna, Comet and Moyagee mining centres
- The 1.2Mtpa CIL processing plant was constructed at the historic Tuckabianna mill site and was designed to allow for a flotation circuit to be "bolted on" under suitable circumstances, in order to process existing and potential base metal resources
- Open pit mining operations commenced at Genesis and Caustons North in October 2012, with first gold pour occuring in February 2013 and commercial production declared in June 2013
- Underground development commenced at Caustons in early 2013 but was deferred before accessing ore due to the steeply declining gold price in July 2013
- A strategic review of operations in January 2014 concluded that continued production from the Murchison was unsustainable at prevailing gold prices and in February 2014 the Company announced that it would be placing the operation on care and maintenance in the June 2014 quarter
- In October 2014 Silver Lake entered into a binding agreement with a private consortium for a dry hire lease over the Murchison mill and associated infrastructure. The Company has received $1.4 million during the year, which fully covered associated care and maintenance costs
- Notwithstanding this lease, the Company continues to assess a number of strategic alternatives to further enhance the value of the gold and base metal assets in the Murchison including the divestment of the asset
- 2015 JORC Resource of 14.4 million tonnes at 2.2 g/t Au for 1.0 million oz (refer to Table 2), 495,300 oz of silver and 38,800 tonnes of copper (refer to Table 5)
- 2015 JORC Reserve of 150,900 oz of silver and 14,700 tonnes of copper (refer to Table 8)

GREAT SOUTHERN PROJECT

- Located in the Ravensthorpe region of Western Australia, ~200km west of the Port of Esperance
- The Great Southern Project comprises a package of tenements with gold and base metal Mineral Resources and Ore Reserves, accompanying data and related infrastructure
- The Project covers approximately 1,800km^2 of the Archaean Ravensthorpe Greenstone Belt, the host to the Kundip Mining Centre, and part of the Proterozoic Mt Barren Group, the host to the poly-metallic Trilogy deposit
- The Project was acquired in early 2012 due to the following key Project attributes:
  - Dominant ground position in a highly prospective, under-explored region;
  - Sound economic indicators including access to infrastructure, workforce and suppliers;
  - Near-term production ability with existing JORC (2004) Mineral Resources and Ore Reserves;
  - Quality concentrate potential; and
  - Lack of previous systematic exploration, particularly at depth, with multiple exploration targets demonstrating favourable widths/grades with potentially low discovery costs
- Silver Lake has not advanced the Project to the extent it would have liked due to the subsequent merger with Integra Resources Ltd and the commencement of the development of the Murchison Operation, both in late 2012, which consumed considerable management and financial resources over an extended period. As a result, Silver Lake is seeking either a divestment of the Project or a project level investor to advance the project
- 2015 JORC Resource of 16.0 million tonnes at 2.0 g/t Au for 1.0 million oz (refer to Table 2), 10.0 million oz of silver and 94,800 tonnes of copper (refer to Table 5)
- 2015 JORC Reserve of 7.4 million tonnes at 1.8 g/t Au for 442,100 oz (refer to Table 7), 8.3 million oz of silver and 60,000 tonnes of copper (refer to Table 8)

EXPLORATION STRATEGY FY16

Background

Silver Lake's FY15 exploration strategy was to advance development projects with near-term open pit and underground mining potential. This resulted in positive exploration results from the infill and extensional resource definition drilling at Daisy Complex, Imperial/Majestic, Lucky Bay, Santa, Rumbles and Maxwells deposits. The Lucky Bay open pit operation is the first of these development projects to be brought into production, with infrastructure and capital works largely completed and pre-stripping having already commenced in Q4 FY15. Lucky Bay and the Santa Area pits will produce approximately 50koz Au over the next 14 months whilst Imperial/Majestic is scheduled to produce approximately 110koz Au over a 2 year period commencing in Q4 FY16.

Exploration Strategy

The Silver Lake exploration team has completed a detailed compilation of the geology and prospectivity of the Mount Monger district, and reviewed the historical exploration results from the area. This review identified a number of highly prospective exploration targets. A revised exploration strategy has been adopted and the Company has increased its FY16 exploration budget by 60% to $15,500,000. Exploration will focus on the highest ranked gold targets within the Mount Monger Operation, proximal to existing mine and processing infrastructure (Figures 6 and 7).

The two core components of the FY16 exploration strategy comprise:

- Definition of new, high value resource ounces from near-mine drilling
    - Targeting shallow, high tenor "Daisy repeats" with similar ounces per vertical metre from highly prospective and untested horizons
    - These structures provide for cost effective exploration and low capital intensity of development
    - Sharpen focus on BIF hosted targets in the Randalls Area
    - Target zones are hosted by extensions to existing mineralised structures and within preferential stratigraphic units, supported by broad spaced drilling results, surface geochemical anomalies and magnetic trends
- Resource development drilling – extending and converting ounces into the Mount Monger mine plan to replace depletion
    - Upgrade from Inferred to Indicated Resources and conversion to Reserves
    - Leveraging above and below ground infrastructure via extensional ounces with short development timeframes

An experienced exploration team is in place and surface drilling contractors are ready to mobilise to commence the planned exploration programme in Q1 FY16.

RC Drilling at the Mount Monger Operation

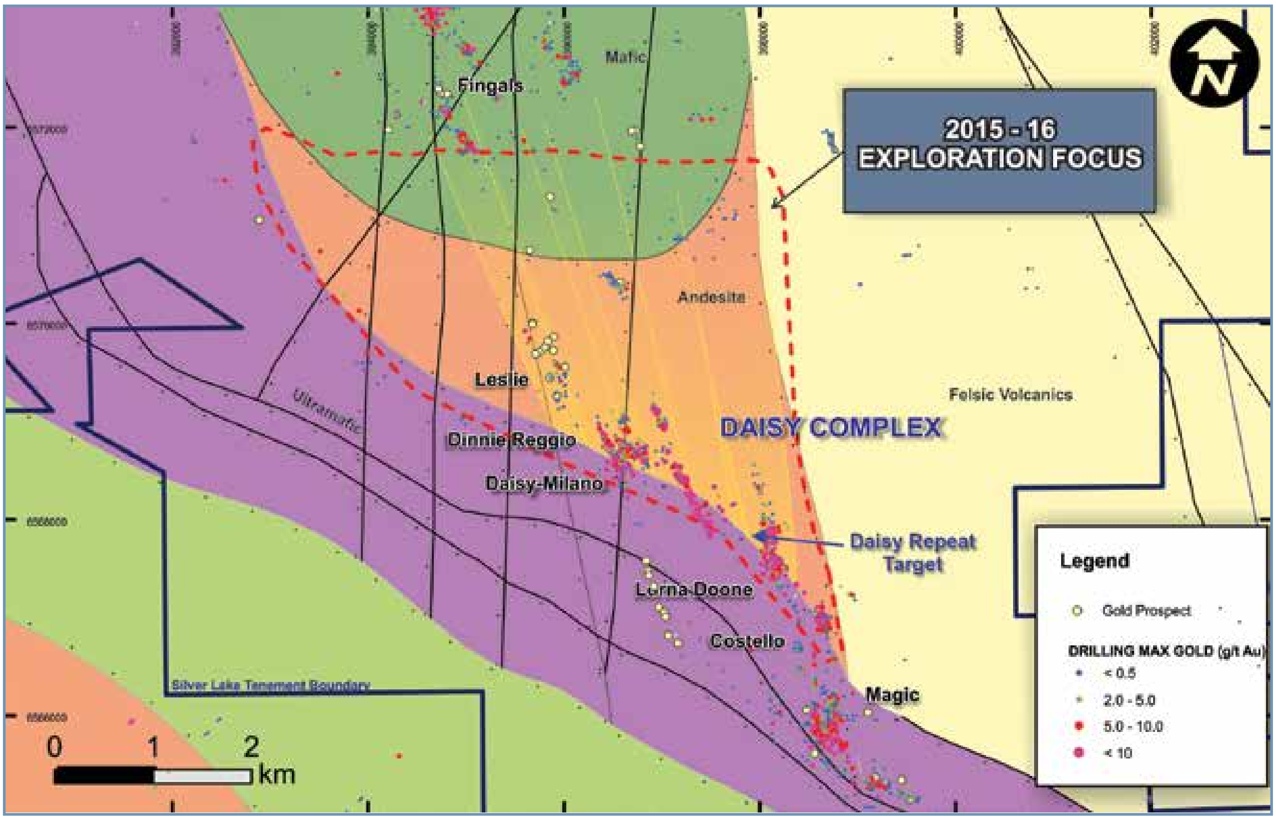


Figure 6: Exploration Focus – Daisy Complex area

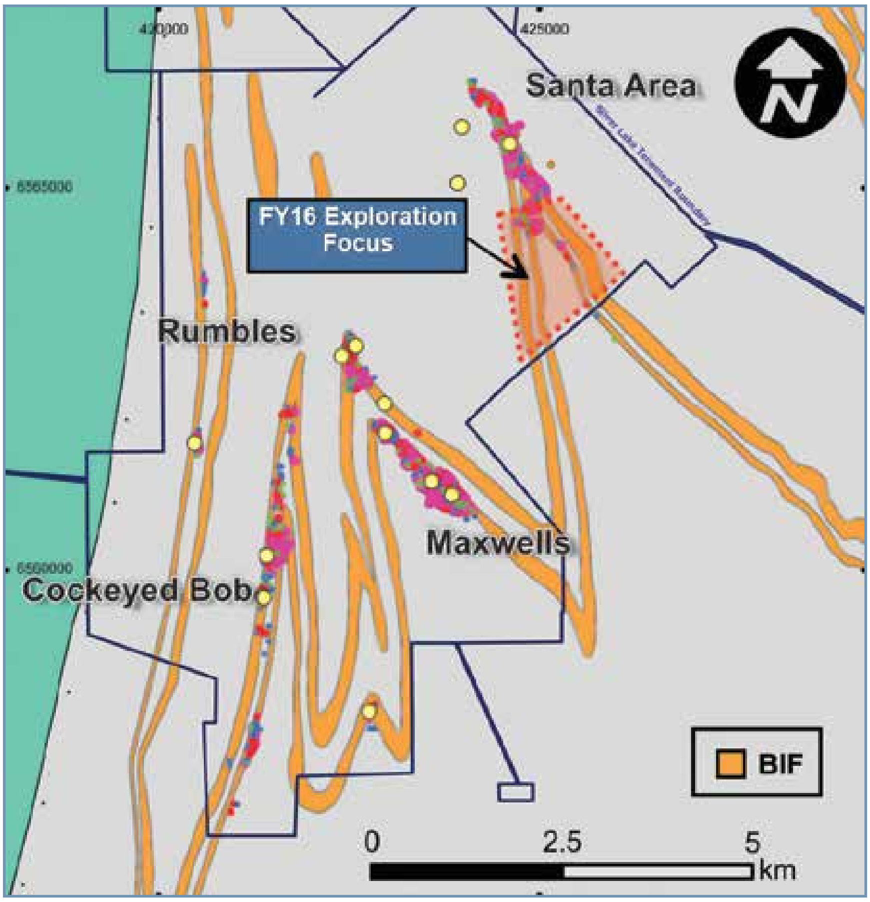


Figure 7: Exploration Focus – Randalls Area

Key Exploration Targets

Leslie Target Area (Figure 8)

- Four "Daisy Milano-style" mineralised trends extend along strike to the North West from the Dinnie Reggio and Christmas Flats deposits and along the Bull/Leslie trend
- Previous exploration diamond drilling in the Leslie area intersected 2m @ 36g/t Au and 2m @ 24.4g/t Au in a relatively shallow position (≈80m depth)
- The Leslie exploration campaign includes staged drilling programs comprising 5,000m AC reconnaissance drilling, 7,500m RC and diamond follow up and infill drilling

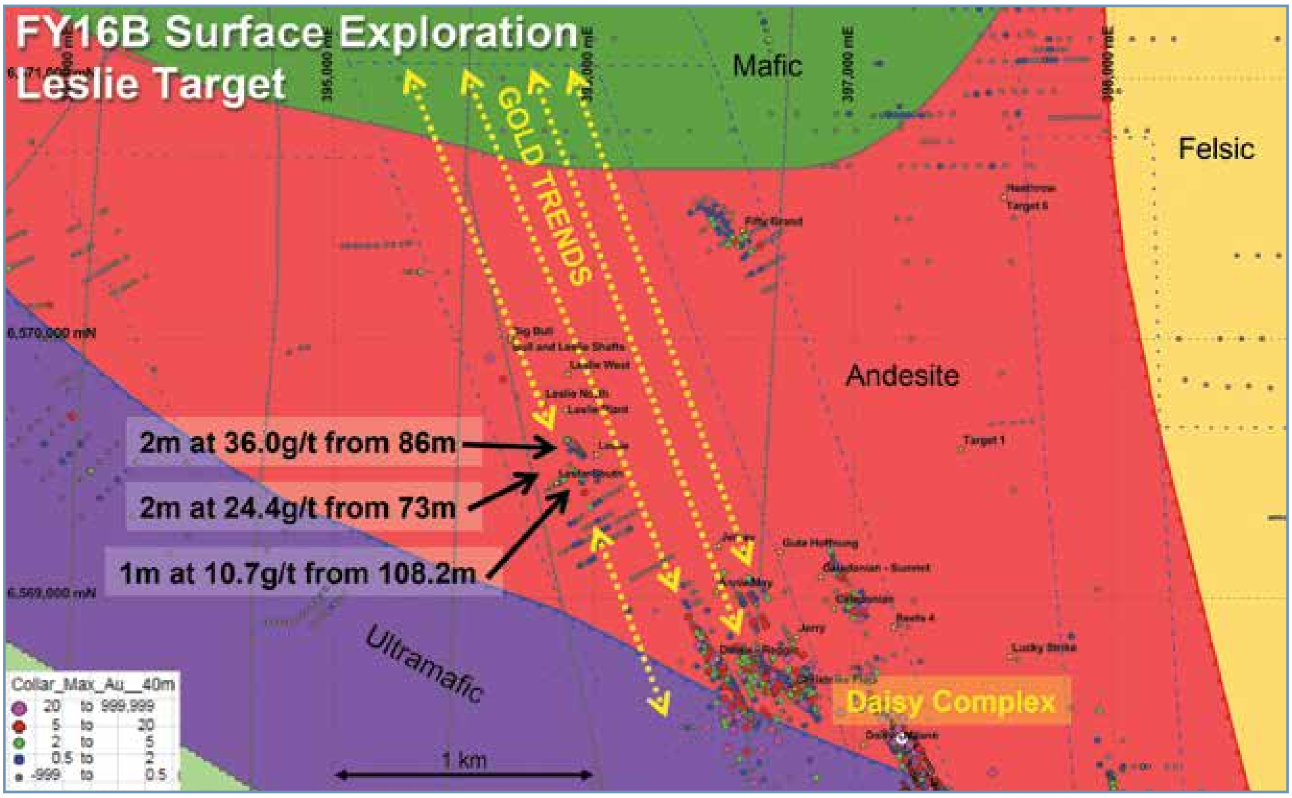


Figure 8: Surface Exploration - Leslie Target Area

District Geologist Ned Summerhayes at Randalls Area

Daisy Repeat Target (Figure 9)

- The Company has identified a significant gap in drilling located immediately east of the Daisy Complex, between the Daisy lodes and the Lorna Doone/Spinifex deposit
- The untested target zone is ≈500m wide and plunges to the south following the same trends as Daisy/Haoma-style mineralisation
- Currently no drilling tests the plunging target zones from either surface or underground
- A total of 4,000m of diamond drilling is planned to directly intersect high grade south-plunging lodes within the target zone

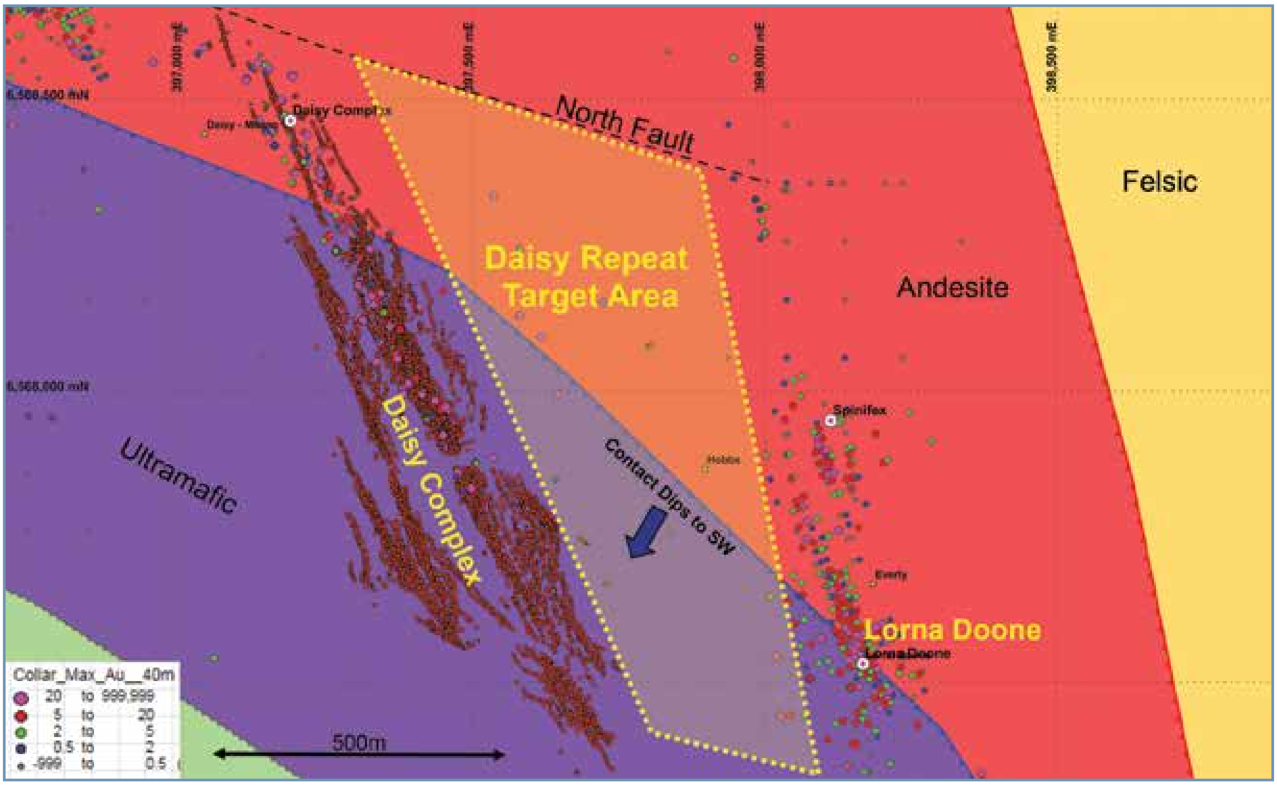


Figure 9: Surface and Underground Exploration - Daisy Repeat Target

Randalls Banded Iron Formation Exploration Targets

- A key component of Silver Lake's strategy is a focus on the Banded Iron Formation (BIF) deposits within the Mount Monger Operation (Figures 7 and 10)
- The BIF host rock within the Randalls area extends over 30 kilometres and the gold distribution along the BIF has the potential to contain further gold deposits similar to the current Santa, Maxwells & Cock-eyed Bob deposits
- The exploration focus is on high value BIF hosted targets associated with the Isoclinal fold hinge and limbs within the Maxwells BIF, and the Western limb of Santa/Craze BIF to the south of Santa Area
- The initial FY16 exploration program will identify shallower up-dip projections of high grade zones using regularly spaced sections of aircore drilling along BIF horizons. Follow up RC and diamond drilling will target the down plunge extensions of these zones.

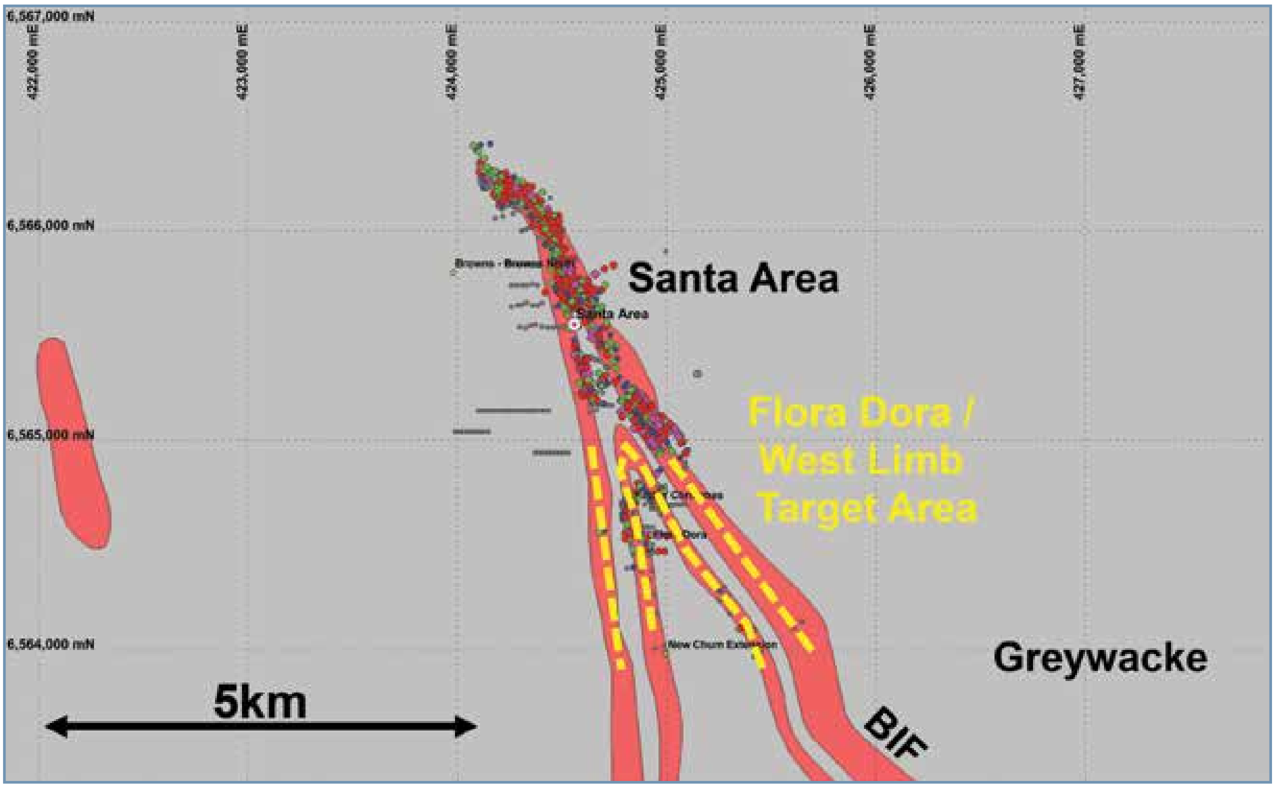


Figure 10: Flora Dora/West Limb target area

Randalls Gold Processing Facility

COMPANY SUMMARY AT 30 JUNE 2015

Total Mineral Resources are estimated at: 58.0 Mt @ 2.7 g/t Au for 5.03 Moz of contained gold, comprising:

- Mount Monger Operation: 27.7 Mt @ 3.36 g/t Au for 2.99 Moz of contained gold
- Murchison Operation: 14.4 Mt @ 2.24 g/t Au for 1.04 Moz of contained gold
- Great Southern Project: 16.0 Mt @ 1.95 g/t Au for 1.00 Moz of contained gold

Total Ore Reserves are estimated at: 11.6 Mt @ 2.2 g/t Au for 0.83 Moz of contained gold, comprising:

- Mount Monger Operation: 4.14 Mt @ 2.9 g/t Au for 0.39 Moz of contained gold
- Great Southern Project: 7.44 Mt @ 1.85 g/t Au for 0.44 Moz of contained gold

MINERAL RESOURCE STATEMENT AS AT 30 JUNE 2015

The Company's total Measured, Indicated and Inferred Mineral Resources as at 30 June 2015 are 58.0 million tonnes (Mt) @ 2.7 grams per tonne of gold (g/t Au) containing 5.03 million ounces of gold (Moz) (refer Tables 1, 2, 3, 4). The previous publicly reported estimate of Mineral Resources was 60.5 Mt @ 2.9 g/t Au containing 5.74 Moz of gold as at 30 June 2014, announced on 28th August 2014. The Mineral Resources as at 30 June 2015 are estimated after allowing for mining depletion from the Mount Monger Operation over the 2015 financial year period.

	June 2014			June 2015		
	Ore tonnes	Grade g/t	Total Oz Au	Ore tonnes	Grade g/t	Total Oz Au
Measured Resources	1,902,000	4.1	250,000	939,000	4.8	146,000
Indicated Resources	31,765,000	2.6	2,689,000	31,276,000	2.4	2,387,000
Inferred Resources	26,184,000	3.3	2,763,000	25,140,000	3.0	2,464,000
Total Resources	**60,540,000**	**2.9**	**5,736,000**	**58,044,000**	**2.7**	**5,031,000**

Table 1: Total Silver Lake Gold Mineral Resource as of June 2015

June 2015	Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
Deposit	Ore tonnes '000s	Grade g/t	Total Oz Au '000s	Ore tonnes '000s	Grade g/t	Total Oz Au '000s	Ore tonnes '000s	Grade g/t	Total Oz Au '000s	Ore tonnes '000s	Grade g/t	Total Oz Au '000s
Daisy Milano Complex	48	51.5	80	98	40.4	127	1,145	17.8	655	**1,291**	**20.8**	**861**
Majestic	-	-	-	1,930	2.2	139	563	1.5	28	**2,493**	**2.1**	**167**
Imperial	-	-	-	188	10.0	61	132	5.5	23	**320**	**8.1**	**84**
Fingals	-	-	-	131	2.7	11	1,043	2.3	77	**1,174**	**2.3**	**88**
Costello	-	-	-	-	-	-	111	4.0	14	**111**	**4.0**	**14**
Lorna Doone	-	-	-	686	2.0	44	641	3.5	72	**1,327**	**2.7**	**116**
Magic/Mirror	-	-	-	762	3.0	75	1,150	4.9	182	**1,912**	**4.2**	**257**
Wombola Pit	-	-	-	47	3.1	5	20	4.0	3	**67**	**3.3**	**7**
Wombola Dam	13	3.2	1	164	2.6	14	120	3.0	12	**297**	**2.8**	**27**
Hammer & Tap	-	-	-	-	-	-	350	2.4	27	**350**	**2.4**	**27**
Total Mount Monger	**61**	**41.1**	**81**	**4,006**	**3.7**	**475**	**5,275**	**6.4**	**1,092**	**9,342**	**5.5**	**1,648**
Salt Creek Stockpile	308	1.2	12	-	-	-	-	-	-	**308**	**1.2**	**12**
Maxwells	-	-	-	257	3.9	32	495	2.9	46	**752**	**3.2**	**78**
Santa Area	-	-	-	3,717	2.2	267	1,696	2.5	136	**5,413**	**2.3**	**403**
Cock-eyed Bob	116	3.4	13	601	2.3	44	1,790	2.8	161	**2,508**	**2.7**	**218**
Lucky Bay	83	5.4	15	35	4.7	5	8	7.2	2	**126**	**5.3**	**22**
Rumbles	-	-	-	482	1.9	29	1,549	1.7	83	**2,031**	**1.7**	**112**
Anomaly A	-	-	-	158	2.7	14	73	1.7	4	**231**	**2.4**	**18**
Randalls Dam	-	-	-	107	2.1	7	6	1.2	0	**113**	**2.1**	**7**
Total Randalls	**508**	**2.4**	**39**	**5,356**	**2.3**	**399**	**5,617**	**2.4**	**432**	**11,481**	**2.4**	**869**
Main Zone	-	-	-	1,888	2.4	145	26	2.1	2	**1,914**	**2.4**	**147**
Harry's Hill	-	-	-	1,780	2.3	134	18	1.9	1	**1,798**	**2.3**	**135**
French Kiss	-	-	-	1,906	1.9	116	39	2.1	3	**1,945**	**1.9**	**118**
Spice	-	-	-	-	-	-	104	4.0	14	**104**	**4.0**	**14**
Tank/Atriedes	-	-	-	622	1.9	37	60	1.9	4	**682**	**1.9**	**41**
Italia/Argonaut	-	-	-	409	1.4	19	-	-	-	**409**	**1.4**	**19**
Total Aldiss	**-**	**-**	**-**	**6,605**	**2.1**	**451**	**247**	**2.9**	**23**	**6,852**	**2.2**	**474**
Total Mount Monger Operation	**569**	**6.5**	**120**	**15,967**	**2.6**	**1,325**	**11,140**	**4.3**	**1,546**	**27,675**	**3.4**	**2,991**

Table 2: Mount Monger Operation Gold Mineral Resource as at 30 June 2015

June 2015	Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
Deposit	Ore tonnes '000s	Grade g/t	Total Oz Au '000s	Ore tonnes '000s	Grade g/t	Total Oz Au '000s	Ore tonnes '000s	Grade g/t	Total Oz Au '000s	Ore tonnes '000s	Grade g/t	Total Oz Au '000s
Caustons	-	-	-	886	2.2	63	1,765	2.2	123	**2,651**	**2.2**	**186**
Tuckabianna	-	-	-	1,216	1.9	76	1,487	1.8	85	**2,703**	**1.9**	**161**
TMC/Katies	-	-	-	299	2.5	24	316	2.5	25	**615**	**2.5**	**49**
Jasper Queen	-	-	-	-	-	-	175	2.6	15	**175**	**2.6**	**15**
Gilt Edge	-	-	-	-	-	-	96	3.1	9	**96**	**3.1**	**9**
Sherwood	-	-	-	-	-	-	527	2.1	35	**527**	**2.1**	**35**
Little John	-	-	-	-	-	-	1,201	1.8	69	**1,201**	**1.8**	**69**
Total Tuckabianna	**-**	**-**	**-**	**2,400**	**2.1**	**162**	**5,567**	**2.0**	**361**	**7,967**	**2.0**	**524**
Comet	-	-	-	1,205	4.9	192	252	4.2	34	**1,458**	**4.8**	**226**
Lunar/Solar	-	-	-	-	-	-	65	1.2	3	**65**	**1.2**	**3**
Pinnacles	60	1.5	3	1,130	1.7	62	1,090	1.7	60	**2,280**	**1.7**	**124**
Total Comet	**60**	**1.5**	**3**	**2,335**	**3.4**	**254**	**1,407**	**2.1**	**96**	**3,802**	**2.9**	**353**
Lena	-	-	-	433	2.0	28	839	1.8	49	**1,273**	**1.9**	**76**
Leviticus	-	-	-	-	-	-	42	6.0	8	**42**	**6.0**	**8**
Numbers	-	-	-	-	-	-	278	2.5	22	**278**	**2.5**	**22**
Break of Day	-	-	-	-	-	-	336	1.9	21	**336**	**1.9**	**21**
Total Moyagee		**-**		**433**	**2.0**	**28**	**1,495**	**2.1**	**99**	**1,928**	**2.0**	**127**
Hollandaire	-	-	-	473	1.4	21	45	1.1	2	**518**	**1.3**	**22**
Rapier South	-	-	-	-	-	-	171	2.2	12	**171**	**2.2**	**12**
Total Eelya		**-**		**473**	**1.4**	**21**	**216**	**1.9**	**13**	**689**	**1.5**	**34**
Total Murchison Operation	**60**	**1.5**	**3**	**5,642**	**2.6**	**464**	**8,685**	**2.0**	**570**	**14,387**	**2.2**	**1,038**

Table 3: Murchison Operation Gold Mineral Resources as at 30 June 2015

June 2015	Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
Deposit	Ore tonnes '000s	Grade g/t	Total Oz Au '000s	Ore tonnes '000s	Grade g/t	Total Oz Au '000s	Ore tonnes '000s	Grade g/t	Total Oz Au '000s	Ore tonnes '000s	Grade g/t	Total Oz Au '000s
Kundip	-	-	-	4,390	3.4	481	4,550	2.1	307	**8,940**	**2.7**	**789**
Trilogy	310	2.4	24	5,750	0.7	136	180	0.8	4	**6,240**	**0.8**	**165**
Queen Sheba	-	-	-	-	-	-	802	1.9	49	**802**	**1.9**	**49**
Total Great Southern Project	**310**	**2.4**	**24**	**10,140**	**1.9**	**618**	**5,532**	**2.0**	**361**	**15,982**	**2.0**	**1,002**

Table 4: Great Southern Project Gold Mineral Resources as at 30 June 2015

June 2015	Measured Resources					Indicated Resources					Inferred Resources					Total Resources				
	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit
Kundip Project																				
Silver	-	-	-	-	oz	4,390	2.5	g/t Ag	354	oz	4,550	2.1	g/t Ag	314	oz	**8,940**	**2.3**	**g/t Ag**	**668**	**oz**
Copper	-	-	-	-	t	4,390	0.4	% Cu	16	t	4,550	0.3	% Cu	15	t	**8,940**	**0.3**	**% Cu**	**30**	**t**
Trilogy Project																				
Silver	310	41.2	g/t Ag	407	oz	5,750	48.0	g/t Ag	8,860	oz	180	12.0	g/t Ag	73	oz	**6,240**	**47.0**	**g/t Ag**	**9,340**	**oz**
Copper	310	0.3	% Cu	1	t	5,750	1.1	% Cu	62	t	180	0.8	% Cu	1	t	**6,240**	**1.0**	**% Cu**	**65**	**t**
Hollandaire Project																				
Silver	-	-	-	-	oz	1,925	6.2	g/t Ag	387	oz	728	4.6	g/t Ag	109	oz	**2,654**	**5.8**	**g/t Ag**	**495**	**oz**
Copper	-	-	-	-	t	1,891	2.0	% Cu	37	t	122	1.4	% Cu	2	t	**2,014**	**1.9**	**% Cu**	**39**	**t**
Total Resource																				
Silver	**310**	**41.2**	**g/t Ag**	**407**	**oz**	**12,065**	**24.7**	**g/t Ag**	**9,600**	**oz**	**5,458**	**2.8**	**g/t Ag**	**495**	**oz**	**17,834**	**18.3**	**g/t Ag**	**10,503**	**oz**
Copper	**310**	**0.3**	**% Cu**	**1**	**t**	**12,031**	**1.0**	**% Cu**	**115**	**t**	**4,852**	**0.4**	**% Cu**	**18**	**t**	**17,194**	**0.8**	**% Cu**	**134**	**t**

Table 5: Silver Lake Base Metals and Silver Mineral Resource as at 30 June 2015

ORE RESERVES STATEMENT AS AT 30 JUNE 2015

The Company's total Proved and Probable Gold Ore Reserve as at 30 June 2015 are 11.6 million tonnes (Mt) @ 2.2 grams per tonne of gold (g/t Au) containing 0.8 million ounces of gold (Moz) (refer Tables 6 and 7). The previous publicly reported estimate of Gold Ore Reserves was 13.6 Mt @ 2.4 g/t Au containing 1.1 Moz of gold as at 30 June 2014, announced on 28th August 2014. The Ore Reserves as at 30 June 2015 are estimated after allowing for mining depletion from the Mount Monger Operation over the 2015 financial year period. All Ore Reserves were estimated using a gold price of AUD$ 1,500/oz.

	June 2014			June 2015		
	Ore tonnes	Grade g/t	Total Oz Au	Ore tonnes	Grade g/t	Total Oz Au
Proved Reserve	1,327,000	2.0	86,000	775,000	2.6	65,000
Probable Reserve	12,314,000	2.5	981,000	10,807,000	2.2	765,000
Total Reserves	**13,641,000**	**2.4**	**1,068,000**	**11,581,000**	**2.2**	**830,000**

Table 6: Total Silver Lake Gold Ore Reserves as at 30 June 2015

June 2015	Proved Reserves			Probable Reserves			Total Reserves		
	Ore tonnes '000s	Grade g/t	Total Oz Au '000s	Ore tonnes '000s	Grade g/t	Total Oz Au '000s	Ore tonnes '000s	Grade g/t	Total Oz Au '000s
Daisy Milano Complex	77	8.2	20	220	8.7	61	**297**	**8.6**	**82**
Majestic	-	-	-	870	2.2	61	**870**	**2.2**	**61**
Imperial	-	-	-	290	5.9	55	**290**	**5.9**	**55**
Mirror/Magic	-	-	-	417	2.9	39	**417**	**2.9**	**39**
Wombola Pit	-	-	-	-	-	-	**-**	**-**	**-**
Wombola Dam	-	-	-	-	-	-	**-**	**-**	**-**
Mount Monger Total	**77**	**8.2**	**20**	**1,797**	**3.7**	**216**	**1,874**	**3.9**	**236**
Santa Area	-	-	-	589	1.7	32	**589**	**1.7**	**32**
Rumbles	-	-	-	155	2.2	11	**155**	**2.2**	**11**
Cock-eyed Bob	-	-	-	-	-	-	**-**	**-**	**-**
Lucky Bay	79	4.3	11	1	0.8	0	**80**	**4.2**	**11**
Salt Creek Stockpile	308	1.2	12	-	-	-	**308**	**1.2**	**12**
Randalls Total	**387**	**1.8**	**22**	**745**	**1.8**	**43**	**1,132**	**1.8**	**65**
Harry's Hill	-	-	-	1,135	2.4	86	**1,135**	**2.4**	**86**
Aldiss Total	**-**	**-**	**-**	**1,135**	**2.4**	**86**	**1,135**	**2.4**	**86**
Total Mount Monger Operation	**465**	**2.9**	**43**	**3,677**	**2.9**	**345**	**4,141**	**2.9**	**388**
Kundip	-	-	-	2,810	3.4	307	**2,810**	**3.4**	**307**
Trilogy	310	2.2	22	4,320	0.8	113	**4,630**	**0.9**	**135**
Total Great Southern Project	**310**	**2.2**	**22**	**7,130**	**1.8**	**420**	**7,440**	**1.8**	**442**
Total Silver Lake	**775**	**2.6**	**65**	**10,807**	**2.2**	**765**	**11,581**	**2.2**	**830**

Table 7: Silver Lake Gold Ore Reserves as of 30 June 2015

June 2015	Proved Reserves					Probable Reserves					Total Reserves				
	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit
Kundip Project															
Silver	-	-	-	-	oz	2,810	2.7	g/t Ag	244	oz	**2,810**	**2.7**	**g/t Ag**	**244**	**oz**
Copper	-	-	-	-	t	2,810	0.4	% Cu	11	t	**2,810**	**0.4**	**% Cu**	**11**	**t**
Trilogy Project															
Silver	310	45.0	g/t Ag	449	oz	4,320	55.0	g/t Ag	7,638	oz	**4,630**	**54.3**	**g/t Ag**	**8,086**	**oz**
Copper	310	0.4	% Cu	1	t	4,320	1.1	% Cu	48	t	**4,630**	**1.1**	**% Cu**	**49**	**t**
Hollandaire Project															
Silver			-		oz	574	8.2	g/t Ag	151	oz	**574**	**8.2**	**g/t Ag**	**151**	**oz**
Copper			-		t	442	3.3	% Cu	15	t	**442**	**1.1**	**% Cu**	**15**	**t**
Total Reserve															
Silver	**310**	**45.0**	**g/t Ag**	**449**	**oz**	**7,704**	**32.4**	**g/t Ag**	**8,033**	**oz**	**8,014**	**32.9**	**g/t Ag**	**8,481**	**oz**
Copper	**310**	**0.4**	**% Cu**	**1**	**t**	**7,572**	**1.0**	**% Cu**	**73**	**t**	**7,882**	**0.9**	**% Cu**	**75**	**t**

Table 8: Silver Lake Base Metal and Silver Ore Reserves as at 30 June 2015

Notes to Tables 2, 3, 4, 5, 7 and 8:

1. Mineral Resources are reported inclusive of Ore Reserves.
2. Data is rounded to thousands of tonnes and thousands of ounces. Discrepancies in totals may occur due to rounding.
3. The "Daisy Milano Complex" comprises the following zones: Daisy Milano, Haoma, Haoma West, Dinnie Reggio and Christmas Flats.
4. The following Mineral Resource and Ore Reserves estimates are produced in accordance with the 2012 Edition of the Australian Code for Reporting of Mineral Resources and Ore Reserves (the 2012 JORC Code): Daisy Milano Complex (excluding Dinnie Reggio and Christmas Flats), Lorna Doone, Wombola Dam, Maxwells, Santa Area, Cock-eyed Bob, Lucky Bay, Rumbles, Caustons, Tuckabianna, TMC/Katies, Pinnacles, Lena. The remaining Mineral Resource and Ore Reserves estimates were first prepared and disclosed under the 2004 edition of the JORC Code and have not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

COMPETENT PERSON'S STATEMENT

The Mineral Resource and Ore Reserves estimates for the Daisy Complex (excluding Dinnie Reggio and Christmas Flats), Lorna Doone, Wombola Dam, Maxwells, Santa Area, Cock-eyed Bob, Lucky Bay, Rumbles, Caustons, Tuckabianna, TMC/Katies, Pinnacles and Lena are produced in accordance with the 2012 Edition of the Australian Code for Reporting of Mineral Resources and Ore Reserves (the 2012 JORC Code).

All other Mineral Resource and Ore Reserves estimates were first prepared and disclosed under the 2004 edition of the JORC Code and have not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Mineral Resources and Ore Reserves has been extracted from the ASX Announcement entitled "Mineral Resources and Ore reserves Update" dated 28 August 2015 which is available to view at www.silverlakeresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements and that all material assumptions and technical parameters underpinning the estimates in the ASX announcement continue to apply and have not materially changed.

The information in this report that relates to Exploration Results is based on information compiled by Mr Antony Shepherd, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Shepherd is a full time employee of Silver Lake Resources Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Shepherd consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This report may contain forward looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, Reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Silver Lake. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast.

Jumbo operating at Daisy Complex

The Directors present their report on the consolidated entity consisting of Silver Lake Resources Limited ("Silver Lake" or "the Company") and the entities it controlled at the end of, or during the financial year ended 30 June 2015 ("the Group").

DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Paul Chapman

BComm, ACA, Grad Dip Tax, MAICD, AAusIMM
Non-executive Chairman
Appointed 20 April 2004

Mr Chapman is a chartered accountant with over 20 years experience in the resources sector gained in Australia and the United States. Mr Chapman has experience across a range of commodity businesses including gold, nickel, uranium, manganese, bauxite/alumina and oil/gas.

Mr Chapman has held Managing Director and other senior management roles in various public companies and is currently Chairman of West Australian based copper explorer Encounter Resources Ltd (since October 2005). Mr Chapman was previously Chairman of Rex Minerals Ltd (until December 2013) and was also a Director of Phillips River Mining Ltd (until March 2014).

Mr Chapman has held no other Directorships in public listed companies in the last three years.

Mr Chapman will resign as Chairman on 30 September 2015 at which time Mr Quinlivan will assume the role of Chairman.

Luke Tonkin

BEng, Min Eng, MAusImm
Managing Director
Appointed 14 October 2013

Mr Tonkin is a mining engineering graduate of the Western Australian School of Mines and his extensive operations and management career spans 28 years within the minerals and mining industry. He is a past Chairman of the Western Australian School of Mines Advisory Board. Mr Tonkin has held senior management roles at WMC Resources Ltd, Sons of Gwalia Ltd and was Managing Director of Mount Gibson Iron Ltd for 7 years. Most recently he was Chief Executive Officer and Managing Director of Reed Resources Ltd. Mr Tonkin is a past director of Mount Gibson Iron Ltd (resigned December 2011) and Reed Resources Ltd (resigned September 2013).

Mr Tonkin joined the Company in October 2013 as Director of Operations and was appointed as Managing Director on 20 November 2014.

Mr Tonkin has held no other Directorships in public listed companies in the last three years.

Les Davis

MSc (Min Econs)
Non-executive Director
Appointed 25 May 2007

Mr Davis has over 35 years industry experience including 17 years hands-on experience in mine development and narrow vein mining. Mr Davis' career incorporates 13 years senior management experience including roles as Mine Manager, Technical Services Manager, Concentrator Manager, Resident Manager and General Manager Expansion Projects with organisations including WMC Resources Ltd, Reliance Mining Ltd and Consolidated Minerals Ltd. Mr Davis was previously a Director of Phillips River Mining Ltd (until March 2014) and a past Director of Paringa Resources Limited (resigned September 2012).

Mr Davis has held no other Directorships in public listed companies in the last three years. Mr Davis ceased as Managing Director on 20 November 2014 and was subsequently appointed as a Non-executive Director.

David Griffiths

BBus
Non-executive Director
Appointed 25 May 2007

Mr Griffiths has more than 30 years management and strategic communications experience developing from an initial focus on human resources and employee relations to broader, group-wide strategic roles. Previously Mr Griffiths was employed by WMC Resources Ltd and held the roles of Group Manager – Employee Relations and more recently, General Manager Corporate Affairs and Community Relations.

Mr Griffiths was previously a Director of Phillips River Mining Ltd (until March 2014). Mr Griffiths is a director (since January 2014) and past Chairman of Paringa Resources Limited (from September 2012 to January 2014).

Mr Griffiths has held no other Directorships in public listed companies in the last three years.

Brian Kennedy

Cert Gen Eng
Non-executive Director
Appointed 20 April 2004

Mr Kennedy has operated a successful resource consultancy for over 30 years and has worked in the coal, iron ore, nickel, gold and fertiliser industries. During this time Mr Kennedy managed large-scale mining operations such as Kambalda and Mount Keith on behalf of WMC Resources Ltd. More recently Mr Kennedy was Senior Vice President at Anglo Gold Ashanti Limited.

Mr Kennedy was a founding shareholder and Director of Reliance Mining Ltd, before its takeover by Consolidated Minerals Ltd. Mr Kennedy was previously a Director of Phillips River Mining Ltd (until March 2014).

Mr Kennedy has held no other Directorships in public listed companies in the last three years.

David Quinlivan

BApp Sci, Min Eng, Grad Dip Fin Serv, FAusImm, FFINSA, MMICA
Non-executive Director
Appointed 25 June 2015

Mr. Quinlivan is a Mining Engineer with significant mining and executive leadership experience having 11 years of service at WMC Resources Ltd, followed by a number of high-profile mining development positions. Since 1989, Mr Quinlivan has served as Principal of Borden Mining Services, a mining consulting services firm, where he has worked on a number of mining projects in various capacities. He has served as Chief Executive Officer of Sons of Gwalia Ltd (post appointment of administrators), Chief Operating Officer of Mount Gibson Iron Ltd, President and Chief Executive Officer of Alacer Gold Corporation and Chairman of Churchill Mining PLC.

Mr Quinlivan has held no other Directorships in public listed companies in the last three years.

DIRECTORS (CONT.)

Chris Banasik

BApp Sc (Physics), MSc (Econ Geol), Grad Dip Ed, MAusIMM
Executive Director – Exploration & Geology
Appointed 25 May 2007

Mr Banasik has over 25 years experience in the resource industry which includes 10 years hands-on experience in mine geology resource and reserve calculation and a history of successful exploration in the Kambalda region of Western Australia.

Mr Banasik has extensive experience in leading geology and exploration teams and managing drilling programmes, surveying, mine planning and other technical services through 11 years in management roles with WMC Resources Ltd, Reliance Mining Ltd and Consolidated Minerals Ltd. Mr Banasik was previously a Director of Phillips River Mining Ltd (until March 2014).

Mr Banasik resigned as Executive Director on 14 November 2014.

Peter Johnston

BA, FAICD, FAusIMM
Non-executive Director
Appointed 22 May 2007

Mr Johnston's extensive management career spans 30 years. During that time Mr Johnston held senior management roles at WMC Resources Ltd, Alcoa of Australia Limited and Lion Nathan Limited. As Executive General Manager at WMC Resources Ltd for over 8 years, Mr Johnston was at various times responsible for nickel and gold operations, Olympic Dam operations, Queensland Fertilisers Ltd and human resources. Mr Johnston was appointed Head of Global Nickel Assets for Glencore in May 2013 and was previously Chief Executive Officer/Director of Minara Resources Pty Ltd.

Mr Johnston is a Director of Tronox Limited and was previously a Director of Phillips River Mining Ltd (until March 2014). Mr Johnston is a Director and past Chairman of the Nickel Institute, past Chairman of the Minerals Council of Australia, past President of the Chamber of Minerals and Energy and past Vice President of the Australian Mines & Metals Association.

Mr Johnston resigned as Non-executive Director on 30 April 2015.

COMPANY SECRETARIES

Peter Armstrong

ACIS, B Bus(Acct)
Appointed 16 January 2009

Mr Armstrong has over 30 years of accounting experience, including the last 25 years in the resources sector. He has extensive experience in senior commercial management roles with Normandy Mining, WMC Resources Ltd and Newcrest. This experience involved working across a wide range of commodity businesses including gold, nickel, copper, coal and iron ore.

David Berg

LLB BComm (General Management)
Appointed 4 September 2014

Mr Berg has worked both in the resources industry and as a lawyer in private practice, advising on corporate governance, M&A, capital raisings, commercial contracts and litigation. Mr Berg has previously held company secretarial and senior legal positions with Mount Gibson Iron Limited and Ascot Resources Limited and legal roles with Atlas Iron Limited and the Griffin Group. Prior to this Mr Berg worked in the corporate and resources groups of Herbert Smith Freehills and King & Wood Mallesons.

Randalls Gold Processing Facility

COMMITTEE MEMBERSHIP

As at the date of this report, the Board has an Audit Committee and a combined Nomination & Remuneration Committee. The Nomination Committee and the Remuneration Committee were combined to form a joint committee on 23 January 2015.

Those members acting on the committees of the Board during the year were:

Audit	Remuneration	Nomination
David Griffiths (c)	Les Davis** (c)	Les Davis** (c)
Paul Chapman	David Griffiths	David Griffiths
David Quinlivan***	Brian Kennedy	Brian Kennedy
Peter Johnston *	Peter Johnston*	Peter Johnston*

(c) *Designates the Chairman of the committee*
* *Peter Johnston resigned 30 April 2015*
** *Les Davis was appointed Chairman of the Nomination & Remuneration Committee on 23 January 2015*
*** *David Quinlivan was appointed to the Audit Committee on 21 July 2015*

DIRECTORS' MEETINGS

The number of meetings of Directors (including committee meetings) held during the year and the number of meetings attended by each Director are as follows:

		Meetings of Committees		
	Directors' Meetings	Audit	Remuneration	Nomination
Number of meetings held:	13	3	5	0
Number of meetings attended:				
Paul Chapman	13	3	*	*
Luke Tonkin	13	*	*	*
Les Davis**	13	*	0	0
David Griffiths	11	2	5	0
Brian Kennedy	11	*	5	0
David Quinlivan***	0	*	*	*
Chris Banasik****	4	*	*	*
Peter Johnston*****	8	2	5	0

* *Not a member of this committee during the year*
** *Ceased as Managing Director 20 November 2014*
*** *Appointed as Non-executive Director 25 June 2015*
**** *Resigned as Executive Director 14 November 2014*
***** *Resigned as Non-executive Director 30 April 2015*

DIRECTORS' INTERESTS

The relevant interest of each Director in the share capital as notified by the Directors to the Australian Securities Exchange in accordance with s205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Name of Director	Fully Paid Ordinary Shares	Unlisted Options	Unlisted Performance Rights
Paul Chapman	5,334,294	-	-
Luke Tonkin	-	2,000,000	870,603
Les Davis	4,525,294	-	-
David Griffiths	4,393,671	-	-
Brian Kennedy	4,790,746	-	-
David Quinlivan	-	-	-
Chris Banasik	*	-	-
Peter Johnston	*	-	-

* *Resigned during the year*

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were gold mining and processing from the Mount Monger Operation, gold and base metals exploration and evaluation of projects.

CORPORATE STRUCTURE

Silver Lake is a company limited by shares and is domiciled and registered in Australia.

OPERATING OVERVIEW

Silver Lake is an all-Australian, ASX listed gold producing and exploration company operating in the Eastern Goldfields district of Western Australia.

Silver Lake's land position in Western Australia covers highly prospective, under explored tenements containing gold, silver and copper.

Group Financial Overview

The Group recorded a net loss after tax for the period of $94,024,000 (2014: loss of $170,438,000). Operating cash flow for the period was $29,489,000 (2014: $24,468,000).

A reconciliation between the statutory loss after tax and the Group's underlying operating results is tabled on page 33. 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. As noted in the table, the Group's EBITDA (before significant items) was $38,004,000 for the period (2014: $26,343,000).

The increase in EBITDA (before significant items) compared to the previous corresponding period is primarily due to the strategic decision to place the Murchison Operation on care and maintenance and focus resources on the Company's core Mount Monger Operation. Processing costs were also reduced with the divestment of the Lakewood mill with all feed sources now processed through the Randalls mill.

Gold sold for the period totalled 124,209 oz (2014: 217,348 oz) at an average price of A$1,497/oz (2014: A$1,421/oz). Sales were lower primarily as a result of placing the Murchison Operation on care and maintenance in the June 2014 quarter and completion of the Maxwells open pit mine in June 2014.

The FY15 All in Sustaining Cost for the Mount Monger Operation was A$1,331/oz (2014: A$1,224/oz). The increase in the cost profile per ounce was due to the completion of the lower cost Maxwells open pit mine in June 2014 as well as additional exploration and capital development expenditure undertaken in FY15 primarily at the Daisy Underground Complex.

Mining and production statistics for the Group for the year ended 30 June 2015 are detailed in Table 1 and Table 2.

Overview of Operations

Mount Monger Operation

During the year Silver Lake's Mount Monger Operation comprised the Daisy Complex and Cock-eyed Bob underground mines and the Wombola Dam open pit mine. The Mount Monger Operation also processed significant ore stockpiles from the Salt Creek mine.

Gold ore from the Mount Monger Operation is transported to the Randalls processing facility, located 60 km south east of Kalgoorlie. The Randalls processing facility has capacity of 1.2 million tonnes per annum.

Mount Monger has additional multi-mine potential underpinned by work programmes to advance the following deposits towards production:

» Upper areas to the east and west of Daisy Milano;

» Lucky Bay open pit (commenced Q4 FY15);

» Santa Area open pit (commencing FY15);

» Rumbles open pit (commencing FY15);

» Majestic & Imperial open pits; and

» Maxwells underground mine.

Mining and production statistics for the Mount Monger Operation for the year ended 30 June 2015 are detailed in Table 3 and Table 4.

Murchison Gold Operation

During the financial year, all care and maintenance payments and site contract restructuring expenses relating to the Murchison Gold Operation were concluded.

On 6 October 2014, the Company entered into a dry hire lease arrangement with a private consortium for the Murchison processing facility. The term of the lease is 10 months ("Term") and commenced 19 January 2015 ("Commencement"). Consideration under the lease is $7,894,000 payable in equal monthly payments from Commencement. If elected, the Term can be extended by the lessee in two stages:

» Stage 1: at the end of the Term, the Term can be extended for a further 9 months ("Extended Term") for consideration of $7,105,000 payable in equal monthly payments; and

» Stage 2: at the end of the Extended Term, the Term can be extended for a further 12 months for consideration of $9,474,000 payable in equal monthly payments.

Of the $4,278,000 of lease income recorded by the Company in FY15, $3,158,000 remains unpaid. The lessee has advised the Company that due to financial difficulties it has temporarily suspended operations and can only resume lease payments once it has secured a new source of funding. It is understood that the lessee is currently in advanced negotiations with a financier to fund the recommencement of operations and resume lease payments to Silver Lake. Due to the uncertainty in recovering this balance, the Company has recorded a provision for doubtful debt at year end for the full amount outstanding.

Notwithstanding this, the Company continues to assess a number of strategic alternatives to further enhance the value of the gold and base metal assets in the Murchison including the divestment of the asset.

Mining and production statistics for the Murchison Gold Operation for the year ended 30 June 2015 are detailed in Table 5 and Table 6.

Sale Process for the Murchison Operation and Great Southern Project

Silver Lake has commenced a sale process for the Murchison Operation and Great Southern Gold & Base Metals Project ("Great Southern").

Silver Lake has been assessing a number of strategic alternatives to further enhance the option value of the gold and base metal resources in the Murchison. As a result of this review, non-core tenure within the Murchison has been offered as a package for divestment, with the intention of retaining the processing facility, associated infrastructure and other core tenure. However offers to acquire the entire Murchison, including the processing plant and all tenure, will also be considered by the Company.

The sale process for the Great Southern, located in the Ravensthorpe region of Western Australia, will accommodate offers for either joint venture (JV) or outright sale. Since announcing at the 2014 AGM that the Company was assessing JV options for the Great Southern, a number of expressions of interest have been received, sufficient for the Company to commence a formal process for either JV or sale.

The sale processes are consistent with Silver Lake's strategy of focusing its capital on the project pipeline for the Mount Monger Operation which is the Company's core asset.

Safety

There were eight lost time injuries during the financial year and the 12 month moving average Lost Time Injury Frequency Rate ("LTIFR") was 9.6 (2014: 3.2), against the gold industry average of 2.6. These injuries resulted primarily from lifting or moving objects in restricted areas and all but one were low severity.

Gold Mining and Production Statistics

Group Operations - Mining	Units	FY 2015	FY 2014
Underground			
Ore mined	Tonnes	431,670	400,779
Mined grade	g/t Au	6.2	6.2
Contained gold in ore	Oz	86,093	79,774
Open Pit			
Ore mined	Tonnes	256,415	1,556,312
Mined grade	g/t Au	2.4	2.0
Contained gold in ore	Oz	19,384	101,088
Total ore mined	Tonnes	688,085	1,957,091
Mined grade	g/t Au	4.8	2.9
Contained gold in ore	Oz	105,477	180,862

Table 1

Group Operations - Processing	Units	FY 2015	FY 2014
Ore Milled	Tonnes	1,215,308	3,013,886
Head grade	g/t Au	3.3	2.4
Contained gold in ore	Oz	127,773	229,939
Recovery	%	95	93
Gold produced	Oz	121,780	214,866
Gold refined and sold	Oz	124,209	217,348

Table 2

Mount Monger - Mining	Units	FY 2015	FY 2014
Underground			
Ore mined	Tonnes	431,670	400,779
Mined grade	g/t Au	6.2	6.2
Contained gold in ore	Oz	86,093	79,774
Open Pit			
Ore mined	Tonnes	256,415	627,547
Mined grade	g/t Au	2.4	2.8
Contained gold in ore	Oz	19,384	55,986
Total ore mined	Tonnes	688,085	1,028,326
Mined grade	g/t Au	4.8	4.1
Contained gold in ore	Oz	105,477	135,760

Table 3

Mount Monger - Processing	Units	FY 2015	FY 2014
Ore Milled	Tonnes	1,215,308	1,931,486
Head grade	g/t Au	3.3	2.9
Contained gold in ore	Oz	127,773	180,417
Recovery	%	95	95
Gold produced	Oz	121,780	170,800

Table 4

Murchison - Mining	Units	FY 2015	FY 2014
Open Pit			
Ore mined	Tonnes	-	928,765
Mined grade	g/t Au	-	1.5
Contained gold in ore	Oz	-	45,102

Table 5

Murchison - Processing	Units	FY 2015	FY 2014
Ore Milled	Tonnes	-	1,082,400
Head grade	g/t Au	-	1.4
Contained gold in ore	Oz	-	49,523
Recovery	%	-	89
Gold produced	Oz	-	44,066

Table 6

Exploration

Silver Lake's FY15 exploration strategy was to advance development projects with near-term open pit and underground mining potential. This resulted in positive results from infill and extensional resource definition drilling at Imperial Majestic, Lucky Bay, Santa Area, Rumbles and Maxwells deposits.

In the last quarter of FY15 the Board approved mining of the Rumbles, Lucky Bay and Santa Area open pit deposits. Production of these open pits commenced in Q1 FY16 and are expected to have a combined mine life of 14 months, producing approximately 50,000 oz of gold.

Following a strategic exploration review, the Group has identified a number of highly prospective exploration targets. A revised exploration strategy has been adopted and the Company has increased its FY16 exploration budget by 60% to $15,500,000. Exploration will focus on highly prospective gold targets at Mount Monger, proximate to existing mine and processing infrastructure.

STRATEGY

The Group's short to medium term strategy is to maximise cash flow and maintain a strong balance sheet that allows for future growth. This will be achieved by:

- focussing on maximising cashflow from the Mount Monger Operation;
- commencing production from the Lucky Bay, Rumbles and Santa Area open pit mines;
- continue generating lease income from the Murchison processing facility or alternatively divesting the asset;
- executing the updated exploration strategy by directing expenditure to highly prospective priority targets identified during the exploration review; and
- divestment of the Murchison Operation and Great Southern Project.

The Randalls processing facility has capacity of 1.2mtpa and in FY16 will be fed with underground ore from the Daisy Complex and Cock-eyed Bob underground mines, the Lucky Bay, Rumbles and Santa Area open pit mines and surface stockpiles.

Mining options and optimisation studies continue for a number of near term mine sites in the Mount Monger Region, including the Majestic and Imperial deposits and the Maxwells Underground deposit. Silver Lake is planning to commence capital works for the Majestic and Imperial ore sources in Q3 FY16 with associated open pit mining commencing in Q4 FY16 for approximately two years. Subject to ongoing exploration success at Maxwells, production from Maxwells Underground is capable of being introduced to the production plan in Q3 2017.

Following a strategic exploration review, the Group has identified a number of highly prospective exploration targets. A revised exploration strategy has been adopted and the Company will increase its FY16 exploration budget by 60% to $15,500,000. Exploration will focus on highly prospective gold targets at Mount Monger, proximate to existing mine and processing infrastructure. The two core components of the FY16 exploration strategy comprise:

1) Resource development drilling at Daisy Complex and Cock-eyed Bob to upgrade Inferred Resources to Indicated category, and to define new Inferred Resources with extensions to the current lodes; and
2) Exploration drilling in the Daisy Complex area and Randalls mining centre, focussing on discovery of new gold deposits and growth of the known resource zones.

Key risks in being able to deliver on the Group's strategy include:

- Gold price - It is difficult to accurately predict future demand and gold price movements and such movements may adversely impact on the Group's profit margins, future development and planned future production
- Exchange rates – The Group is exposed to the Australian dollar currency risk on gold sales, which are denominated in US dollars. Revenue will therefore be affected by movements in the US dollar gold price or movement in the Australian Dollar exchange rate (against the US dollar)
- 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
- Operations - The Group's gold mining operations are subject to operating risks that could result in decreased production, increased costs & reduced revenues. Operational difficulties may impact the amount of gold produced, delay deliveries or increase the cost of mining for varying lengths of time.
- Exploration success – no assurance can be given that exploration spend will result in future profitable operating mines.

REVIEW OF FINANCIAL CONDITION

The Group recorded an after tax loss for the financial period of $94,024,000 (2014: loss of $170,438,000). This loss includes a number of significant items, such as the impairment of non-current assets, 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 Loss after Tax to EBITDA (excluding significant items) - unaudited	30 June 2015 $'000	30 June 2014 $'000
Statutory loss after tax for the year:	(94,024)	(170,438)
Adjustments for:		
Income tax	-	53,142
Depreciation and amortisation	38,409	47,855
Impairment of inventories	-	1,576
Non-current asset impairments	86,994	89,624
Other	6,625	4,584
EBITDA (excluding significant items) *	**38,004**	**26,343**

* *Non-IFRS measure*

At the end of the financial year the Group had $22,538,000 in cash (2014: $23,937,000), $6,387,000 in gold bullion (2014: $8,216,000) and bonds receivable of $146,000 (2014: $1,883,000). In addition the Group had $7,561,000 in ASX listed investments at year end (2014: $9,770,000).

Expenditure was principally directed to mining and exploration for gold in Western Australia.

CAPITAL STRUCTURE

As at the report date the Company had 503,233,971 fully paid ordinary shares on issue.

CASH FROM OPERATIONS

Details of the Cash from Operations are outlined in Note 15 to the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company up to the date of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no material events that have occurred between the reporting date and the date of signing this report.

LIKELY DEVELOPMENTS

The Company will continue to pursue maximising free cashflow from its core Mount Monger Operation. This will include directing exploration expenditure to high impact, cash generating projects, a number of which are currently under review.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Company's operations hold licences issued by the relevant regulatory authorities. These licences specify limits and regulate the management associated with the operations of the Company. At the date of this report the Company is not aware of any breach of those environmental requirements.

PERFORMANCE RIGHTS

During the financial year 870,603 performance rights were granted to Luke Tonkin, Managing Director (refer to Remuneration Report for further details).

No ordinary shares were issued on the exercise of options or performance rights during the financial year.

EMPLOYEES

The consolidated entity had 144 employees as at 30 June 2015 (2014: 169). In addition, Silver Lake also engages contractors and consultants as required.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify the current Directors and Officers against any liability that may arise from their position as Directors and Officers of the Company except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company has paid Directors' & Officers' insurance premiums in respect of liability of any current and future Officers, and senior executives of the Company. The amount paid cannot be disclosed due to confidentiality requirements.

Silver Lake has not provided any insurance or indemnity to the auditor of the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

At the date of this report there are no leave applications or proceedings brought on behalf of the Group under section 237 of the *Corporations Act 2001*.

CORPORATE GOVERNANCE

In recognising the need for appropriate standards of corporate behavior and accountability, the Directors of Silver Lake have adhered to the principles of good corporate governance. The Company's corporate governance policies are located on the Company's website.

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 financial report for the year ended 30 June 2015. This Independence Declaration is attached to the Directors' Report and forms a part of the Directors' Report.

NON-AUDIT SERVICES

During the year KPMG, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements.

The Board is satisfied that the provision of non-audit services is compatible with, and did not compromise the general standard of independence for auditors imposed by the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risk and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for audit and non-audit services provided during the year are set out below:

	2015 $	2014 $
Taxation services	119,755	159,030
Audit and review of financial statements	225,190	227,220
Total paid	344,945	386,250

SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

ROUNDING OFF

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Drill Rig at Mount Monger Operation

REMUNERATION REPORT - AUDITED

This report outlines the remuneration arrangements in place for both Executives and Non-executive Directors of Silver Lake Resources Limited.

Contents:

1. Basis of preparation
2. Key management personnel (KMP)
3. Remuneration snapshot
4. Remuneration governance
5. FY15 Executive remuneration
6. FY15 Non-executive director (NED) remuneration

1. Basis of preparation

This remuneration report has been prepared and audited in accordance with the requirements of the Corporations Act 2001 and the applicable accounting standards. All references to dollars in this remuneration report are to Australian Dollars unless otherwise specified.

2. Key Management Personnel

Key management personnel **(KMP)** comprise those persons with authority and responsibility for planning, directing and controlling the activities of the Company. This includes the Executives and Non-executive directors **(NEDs)** of the Company. In this report, 'Executives' refers to individuals identified as KMP, excluding NEDs and the Chairman.

A list of all NEDS and Executives for FY15 is set out below:

Name	Position	Term as KMP
Paul Chapman	Non-executive Chairman	Full year
Luke Tonkin	Director of Operations (until 20 November 2014) Managing Director (from 20 November 2014)	Full year
Les Davis	Managing Director (until 20 November 2014) Non-executive Director (from 20 November 2014)	Full year
David Griffiths	Non-executive Director	Full year
Brian Kennedy	Non-executive Director	Full year
David Quinlivan	Non-executive Director	Appointed 25 June 2015
Chris Banasik	Director – Exploration & Geology	Resigned 14 November 2014
Peter Johnston	Non-executive Director	Resigned 30 April 2015
Peter Armstrong	Chief Financial Officer & Joint Company Secretary	Full year
David Berg	General Counsel & Joint Company Secretary	Appointed 4 August 2014
Antony Shepherd	Exploration & Geology Manager	Appointed 8 September 2014

There have been no changes to KMP since the end of the reporting period up to the date on which the financial report was authorised for issue.

3. Remuneration snapshot

a. FY15 Remuneration in review

During the period the Company restructured its business by placing the Murchison Operation on care and maintenance and divesting the Lakewood processing facility. The Company's short to medium term strategy is to maximise its cash flow by focusing its activities and resources on its core Mount Monger Operation.

In November 2014, following the Company's Annual General Meeting, Luke Tonkin (previously Director of Operations) succeeded Les Davis as Managing Director of the Company. In addition Chris Banasik ceased as Director of Exploration & Geology in November 2014. The positions of Director of Operations and Director of Exploration & Geology were not replaced.

REMUNERATION REPORT - AUDITED

A number of executive appointments were also made during the year, including appointments to the newly established positions of General Counsel & Joint Company Secretary and Exploration & Geology Manager.

The Board believes that the Company's remuneration framework is aligned with market practice and that Executive remuneration in FY15 was reasonable, having regard to the performance of the Company, the platform established for ongoing performance improvement and the experience of the Executives.

The following changes to the remuneration structure were made during the period:

Remuneration element	Details
Fixed remuneration	Effective 1 February 2015, Non-executive Director fees decreased by 9.3% whilst the Non-executive Chairman's fee decreased by 10%. Fixed remuneration for Executives remained broadly in line with FY14 on an aggregate basis, although as noted above, there were a number of changes to the roles and personnel comprising the Executive team.
Short-term incentive (**STI**)	STI payments were made to Executives during the period in line with their performance against set targets. Detailed information on STI payments is included in Section 5(c) of this report.
Long-term incentive (**LTI**)	870,603 performance rights were granted to Mr Luke Tonkin on the terms approved by shareholders at the 2014 AGM and described further in this report. No other LTI grants were made in respect of FY15 remuneration.

b. Key changes to remuneration for FY16

No changes are anticipated to the Executive remuneration framework for FY16.

4. Remuneration governance

a. Board and Nomination & Remuneration Committee responsibility

The Nomination & Remuneration Committee is a subcommittee of the Board. It assists the Board to ensure that the Company develops and implements remuneration policies and practices that are appropriate for a company of the nature, size and standing of the Company.

The Nomination & Remuneration Committee is responsible for making recommendations to the Board on:

a) the remuneration arrangements (including base pay, performance targets, bonuses, equity awards, superannuation, retirement rights, termination payments) for senior Executives;

b) the remuneration of Non-executive Directors; and

c) the establishment of employee incentive and equity-based plans and the number and terms of any incentives proposed to be issued to Executives pursuant to those plans, including any vesting criteria.

b. Remuneration principles

The Company's remuneration strategy and structure is reviewed by the Board and the Nomination & Remuneration Committee for business appropriateness and market suitability on an ongoing basis.

KMP are remunerated and rewarded in accordance with the Company's remuneration policies (outlined in further detail below).

c. Engagement of remuneration consultants

During the period, the Company did not engage remuneration consultants to provide a "remuneration recommendation" (as that term is defined in the Corporations Act 2001), however PricewaterhouseCoopers was engaged to provide advice in respect of remuneration reporting and general advice in respect of market practice for long term incentive plans. In addition, the Nomination & Remuneration Committee benchmarked KMP salaries using external independent industry reports and data to ensure that remuneration levels are competitive and meet the objectives of the Company.

d. 2014 AGM voting outcome and comments

The Company received more than 93% "yes" votes on its Remuneration Report for the 2014 financial year.

REMUNERATION REPORT - AUDITED

5. FY15 Executive remuneration

a. Executive remuneration strategy and policy

In determining Executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain high calibre talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

The Company's approach to remuneration ensures that remuneration is competitive, performance-focused, clearly links appropriate reward with desired business performance, and is simple to administer and understand by Executives and shareholders.

In line with the remuneration policy, remuneration levels and arrangements are reviewed annually to ensure alignment to the market and the Company's stated objectives.

The Company's reward structure provides for a combination of fixed and variable pay with the following components:

- fixed remuneration in the form of base salary, superannuation and benefits;
- short-term incentives **(STI)**; and
- long-term incentives **(LTI)**.

In accordance with the Company's objective to ensure that executive remuneration is aligned to Company performance, a portion of Executives' remuneration is placed "at risk". The relative proportion of target FY15 total remuneration packages split between the fixed and variable remuneration is shown below:

Target remuneration mix

Executive	Fixed remuneration	Target STI	Target LTI
Managing Director	45%	22%	33%
Other Executives	62%	19%	19%

b. Fixed remuneration

Fixed remuneration is set at a level that is aligned to market benchmarks and reflective of Executives' skills, experience, responsibilities and performance.

When positioning base pay, the Company presently aims to position aggregate fixed remuneration at the 50th percentile of the market. This is to ensure that the Company's remuneration arrangements remain competitive against peer companies to assist with the retention and attraction of key talent.

Executive remuneration is benchmarked annually to ASX-listed companies of similar size (by market capitalisation), revenue base, employee numbers and complexity. Specific reference is also made to peer companies within the mining and exploration sectors.

There is no guaranteed base pay increases included in any Executives' contracts.

c. Short-term incentive (STI) arrangements

The purpose of the STI plan is to link the achievement of key Company targets with the remuneration received by those Executives charged with meeting those targets.

The STI plan provides eligible employees with the opportunity to earn a cash bonus if certain financial hurdles and agreed key performance indicators **(KPIs)** are achieved. The Board has determined that the Company must be cash-flow positive, from normal operating and sustaining capital activities (excluding enhancement activities) for the applicable performance period, for any STI to be paid.

All Executives are eligible to participate in the STI plan with awards capped at 100% of the target opportunity as summarised below:

FY15 Target STI opportunity

Role level	Target STI opportunity
Managing Director	50% of base salary
Other Executives	30% of base salary

REMUNERATION REPORT - AUDITED

Each year the Nomination & Remuneration Committee, in conjunction with the Board, sets KPI targets for Executives. Ordinarily, the KPIs would include measures relating to the Group and the individual (60/40 weighting), and include financial, production, people, safety and risk measures.

For FY15 the KPIs chosen aligned remuneration with performance and the overall objectives of the Company and included:

» achievement of the FY15 budget with particular emphasis on safety, cost management, production and cashflow;

» undertaking a comprehensive review of the Company's exploration portfolio and development of a strategic exploration plan with prioritised targets and milestones;

» development of base case and contingency business plans under different assumptions; and

» implementation and execution of specified commercial strategies, including divestment of the Lakewood processing facility and the lease of the Murchison processing facility.

Not all of the above KPIs were assigned to all Executives.

FY15 STI outcomes

Executive	Target STI opportunity	% STI paid	% STI forfeited
Les Davis (Managing Director until 20 November 2014)	$96,288 (50% of Total Fixed Remuneration. For period 1 July 2014 to 20 November 2014)	64	36
Luke Tonkin (Managing Director from 20 November 2014)	$152,740 (50% of Total Fixed Remuneration. For period 20 November 2014 to 30 June 2015)	64	36
Peter Armstrong (Chief Financial Officer & Joint Company Secretary)	$93,569 (30% of Total Fixed Remuneration)	34	66
David Berg (General Counsel & Joint company Secretary)	$75,000 (30% of Total Fixed Remuneration)	84	16
Antony Shepherd (Exploration Manager)	$72,000 (30% of Total Fixed Remuneration)	84	16
Chris Banasik (Director – Exploration & Geology)	$39,017 (30% of Total Fixed Remuneration. For period 1 July 2014 to 14 November 2014)	Resigned 14 November 2014	

d. Long-term incentive (LTI) arrangements

The Company implemented an LTI plan in 2012 to assist in the attraction and retention of experienced, qualified staff. The LTI plan allows the Company to issue rights to acquire shares (to be granted in the form of Performance Rights) to employees of the Company, including Executives, as determined by the Board from time to time. No dividends or voting rights are attached to Performance Rights. If the performance conditions are met at the end of the performance period, the relevant portion of Performance Rights automatically vest and the holder receives a share for each vested Performance Right. The plan was approved by shareholders at the 2012 AGM.

FY15 LTI outcomes

Executive	Target LTI opportunity	Number of Performance Rights granted	Fair value per Performance Right
Luke Tonkin (Managing Director from 20 November 2014)	$350,000 (75% of Total Fixed Remuneration)	870,603	$0.125*

* *Value determined based on the share price at the date the rights were approved by shareholders, with a 50% reduction applied in consideration of the likelihood of market based performance conditions being achieved*

At the 2014 AGM, the Company sought and obtained shareholder approval to issue 870,603 Performance Rights to Mr Tonkin in respect of the LTI component of his remuneration for FY15. These Performance Rights were subsequently issued in July 2015.

The Performance Rights will not vest (and the underlying shares will not be issued) unless a hurdle based on relative total shareholder return **(TSR)** has been satisfied. TSR measures the growth for a financial year in the price of shares plus cash distributions notionally reinvested in shares.

Relative TSR will be measured by comparing the Company's TSR with that of a comparator group of companies over the period from 1 July 2014 (i.e. the start of the 2015 financial year) to 30 June 2017 (i.e. the financial year that is 3 years later, being the "Vesting Date").

REMUNERATION REPORT - AUDITED

The Company and comparator TSR performances are measured using the 20 day VWAP calculation up to and including the last business day of the financial period immediately preceding the period that the performance rights relate to, and in determining the closing TSR performances at the end of the three year period. Relative TSR performance is calculated at a single point in time and is not subject to re-testing.

The Performance Rights will vest based on the Company's relative TSR ranking as follows:

Relative TSR Performance	Performance Vesting Outcome
Less than 50th percentile	0% vesting
At the 50th percentile	50% vesting
Between the 50th percentile and 75th percentile	Pro rata / progressive vesting from 50% to 100%
At or above the 75th percentile	100% vesting

The comparator group of companies for the Performance Rights are as follows:

Evolution Mining Ltd; Medusa Mining Ltd; OceanaGold Corporation; Doray Minerals Ltd; Northern Star Resources Ltd; Ramelius Resources Ltd; Kingsgate Consolidated Ltd; Gold Road Resources Ltd; Regis Resources Ltd; Independence Group NL; St Barbara Ltd; Saracen Mineral Holdings Ltd and Tanami Gold NL.

At the discretion of the Board, the composition of the comparator group may change from time to time.

No other Performance Rights were granted in respect of Executive Remuneration for FY15. Performance Rights were however granted to Executives (other than the Managing Director) in July 2015 in respect of FY16. Shareholder approval for the grant of performance rights to the Managing Director will be sought at the 2015 AGM. Details of these rights will be included in the 2015 Notice of Annual General Meeting and the FY16 Remuneration Report.

e. Other payments

During the period, the Company paid a one-off discretionary bonus of $200,000 to Mr Luke Tonkin in respect of the achievement of targets set by the Board relating to placing the Murchison Operation on care and maintenance. In his previous role as Director of Operations, Mr Tonkin oversaw the timely closure of the Murchison Operation on time and ahead of budget.

f. Service agreements

A summary of the key terms of service agreements for Executives in FY15 is set out below.

All Executives are entitled to participate in the Company's STI and LTI plans.

There is no fixed term for Executive service agreements. The Company may terminate service agreements immediately for cause, in which case the Executive is not entitled to any payment other than the value of fixed remuneration and accrued leave entitlements up to the termination date.

REMUNERATION REPORT - AUDITED

Summary of the key terms of Executive service agreements

Executive	Total remuneration package	Termination of service agreement
Luke Tonkin (Managing Director)	$500,000 plus 12% superannuation STI equivalent to 50% of base salary LTI equivalent to 75% of base salary	» Either the Executive or the Company may terminate the Executive's employment for any reason upon providing six months' notice to the other party in writing. In this case, the Executive is not entitled to any termination payment. The Company retains the right to terminate the Executive's employment immediately, by making a payment equal to six months' pay in lieu of the notice period. » When the Executive's position is made redundant and his employment is terminated as a result of that redundancy, the Company will pay the Executive a severance payment equal to 12 months of the Executive's total remuneration package. » The Company may summarily dismiss the Executive for serious misconduct. In this case, the Company does not need to provide notice to the Executive and the Executive is only entitled to be paid for the time worked up to the time of dismissal. In this case, the Executive is not entitled to any termination payment.
Peter Armstrong (Chief Financial Officer & Joint Company Secretary)	$311,898 plus 12% superannuation STI equivalent to 30% of base salary LTI equivalent to 30% of base salary	» Either the Executive or the Company may terminate the Executive's employment for any reason upon providing six months' notice (or any shorter period as the Company may agree) to the other party in writing. » The Company retains the right to terminate the Officer's employment immediately, by making a payment equal to six months' pay in lieu of the notice period. » When the Executive's position is made redundant and his employment is terminated as a result of that redundancy, the Company will pay the Executive a severance payment equal to 6 months of the Executive's total remuneration package.
David Berg (General Counsel & Joint Company Secretary)	$250,000 plus 9.5% superannuation STI equivalent to 30% of base salary LTI equivalent to 30% of base salary	» Either the Executive or the Company may terminate the Executive's employment for any reason upon providing six months' notice (or any shorter period as the Company may agree) to the other party in writing. » The Company retains the right to terminate the Officer's employment immediately, by making a payment equal to six months' pay in lieu of the notice period. » When the Executive's position is made redundant and his employment is terminated as a result of that redundancy, the Company will pay the Executive a severance payment equal to 6 months of the Executive's total remuneration package.
Antony Shepherd (Exploration Manager)	$240,000 plus 9.5% superannuation STI equivalent to 30% of base salary LTI equivalent to 30% of base salary	» Either the Executive or the Company may terminate the Executive's employment for any reason upon providing three months' notice (or any shorter period as the Company may agree) to the other party in writing. » The Company retains the right to terminate the Executive's employment immediately, by making a payment equal to three months' pay in lieu of the notice period. » When the Executive's position is made redundant and his employment is terminated as a result of that redundancy, the Company will pay the Executive a severance payment equal to 6 months of the Executive's total remuneration package.

REMUNERATION REPORT - AUDITED

g. Executive remuneration paid

		Short Term				Post-employment	Other Long Term				
		(A) Base Emolument $	STI / Bonus Payments $	(D) Other $	Total Benefits $	Superannuation Benefits $	Options / Performance Rights $	(B) Other Benefits $	Total $	Proportion of remuneration performance related %	Value of options as proportion of remuneration %
Luke Tonkin (F) *Managing Director*	**2015**	**480,210**	**297,753** (G)	**-**	**777,963**	**34,990**	**289,363**	**10,267**	**1,112,583**	**53**	**26**
	2014	265,563	-	-	265,563	18,744	216,000	20,152	520,459	42	42
Peter Armstrong *CFO & Joint Company Secretary*	**2015**	**308,863**	**31,190**	**-**	**340,053**	**37,064**	**-**	**29,822**	**406,939**	**8**	**-**
	2014	303,437	-	-	303,437	36,412	-	5,986	345,835	-	-
David Berg (H) *General Counsel & Joint Company Secretary*	**2015**	**218,788**	**62,500**	**-**	**281,288**	**20,785**	**-**	**12,012**	**314,085**	**20**	**-**
	2014	-	-	-	-	-	-	-	-	-	-
Antony Shepherd (J) *Exploration Manager*	**2015**	**189,231**	**60,000**	**-**	**249,231**	**17,977**	**-**	**13,625**	**280,833**	**21**	**-**
	2014	-	-	-	-	-	-	-	-	-	-
Chris Banasik (E) *Director Exploration & Geology*	**2015**	**119,942**	**-**	**286,670**	**406,612**	**14,393**	**-**	**(114,635)**	**306,370**	**-**	**-**
	2014	343,999	-	-	343,999	39,925	-	(11,571)	372,353	-	-
Les Davis (C) *Managing Director*	**2015**	**211,760**	**61,624**	**424,555**	**697,939**	**10,000**	**-**	**(137,108)**	**570,831**	**11**	**-**
	2014	492,499	-	-	492,499	59,654	-	(57,987)	494,166	-	-
Robert Humphryson (I) *Chief Operating Officer*	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2014	255,838	-	143,256	399,094	23,665	-	-	422,759	-	-
Total	**2015**	**1,528,794**	**513,067**	**711,225**	**2,753,086**	**135,209**	**289,363**	**(186,017)**	**2,991,641**	**27**	**10**
Total	2014	1,661,336	-	143,256	1,804,592	178,400	216,000	(43,420)	2,155,572	10	10

(A) Base emoluments may not agree with annual remuneration figures quoted as the amounts depend on the number of fortnightly pay periods during the year.
(B) Represents annual leave and long service leave entitlements, measured on an accrual basis, and reflects the movement in the entitlements over the 12 month period.
(C) Mr Davis ceased employment as Managing Director on 20 November 2015 and was subsequently appointed a Non-executive Director. The amounts disclosed in this table relate only to payments made to Mr Davis in his capacity as an Executive. NED fee payments are disclosed separately in Section 6(c).
(D) Includes annual leave, long service leave and employee contractual entitlements.
(E) Mr Banasik ceased employment on 14 November 2014.
(F) Mr Tonkin commenced employment on 14 October 2013 as Director of Operations. On 20 November 2014 Mr Tonkin was appointed as Managing Director.
(G) Includes STI payment in respect of FY15 and discretionary bonus paid during FY15 but relating to KPIs in Mr Tonkin's previous capacity as Director of Operations.
(H) Mr Berg commenced employment on 4 August 2014.
(I) Mr Humphryson ceased employment on 3 April 2014.
(J) Mr Shepherd commenced employment on 8 September 2014.

REMUNERATION REPORT - AUDITED

h. Link between company performance, shareholder wealth generation and remuneration

The Nomination & Remuneration Committee considers a number of criteria to assess the performance of the Company. Criteria used in this assessment include maximising of cash flows, managing risk, using a stronger balance sheet to undertake cash accretive investments in core assets, execution of development projects, exploration success as well as the following indices in respect of the current and previous financial years.

	2015	2014	2013	2012	2011
Cash and Bullion on Hand ($m)	28.9	32.2	19.2	72.1	21.0
Profit/(Loss) after tax attributable to shareholders ($m)	(94.0)*	(170.4)*	(319.3)*	31.2	15.8
Cash from operating activities ($m)	29.5	24.5	53.9	62.9	33.3
Closing share price at 30 June	$0.14	$0.51	$0.59	$2.81	$2.00
Dividend paid	-	-	-	-	-

** Includes impairments on inventories and other non-current assets*

The Company's remuneration arrangements reflect the achievement of certain of the Company's and KMP's performance objectives. The Company's overall objective has been to strengthen the balance sheet by enhancing operational performance at the Mount Monger Operation and to divest non-core assets.

In assessing KMP performance during the year, the Committee considered the following achievements:

- closure of the Murchison Operation and securing a lease arrangement for the Tuckabianna Mill;
- streamlining the Mount Monger processing function by divesting the Lakewood Mill and directing all production to the Randalls processing facility;
- commencement of a formal divestment process for the Murchison Operation and Great Southern Project;
- implementation of a simple, effective hedging strategy to secure future revenue streams;
- improved cash flow from the Mount Monger Operation;
- completed a review of the exploration strategy identifying a number of highly prospective exploration targets; and
- delivery of positive exploration results from infill and extensional resource definition drilling to allow further mines to enter production in FY16.

As a result of the financial performance of the Group in 2013 (driven by the decrease in the gold price), the Directors voluntarily assumed a 10% reduction to their remuneration effective 1 July 2013. Furthermore, no STI's or LTI's were awarded in FY13 or FY14. During FY15, the Directors again voluntarily agreed to a fee reduction of 9.3% (10% in respect of the Chairman) effective 1 February 2015.

6. FY15 Non-executive director (NED) remuneration

a. NED remuneration policy

The Company's policy is to remunerate NEDs at market rates (for comparable ASX listed companies) for time, commitment and responsibilities. Fees for NEDs are not linked to the performance of the Company. However, to align Directors' interests with shareholders' interests, Directors are encouraged to hold shares in the Company.

It is ensured that:

a) fees paid to NEDs are within the aggregate amount approved by shareholders at the Company's Annual General Meeting;

b) NEDs are remunerated by way of fees (in the form of cash and/or superannuation benefits);

c) NEDs are not provided with retirement benefits other than statutory superannuation entitlements; and

d) NEDs are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

Fees paid to NEDs cover all activities associated with their role on the Board and any sub-committees. No additional fees are paid to NEDs for being a Chair or Member of a sub-committee. However, NEDs are entitled to fees or other amounts as the Board determines where they perform special duties or otherwise perform extra services on behalf of the Company. They may also be reimbursed for out of pocket expenses incurred as a result of their Directorships.

REMUNERATION REPORT - AUDITED

b. NED fee pool and fees

The Company's Constitution provides that the NEDs may collectively be paid, as remuneration for their services, a fixed sum not exceeding the aggregate maximum from time to time determined by the Company in a general meeting. Directors' fees payable in aggregate to the NEDs of the Company is currently capped at $1,000,000 per annum.

FY15 NED fees

- Chairman $161,735 plus 9.5% superannuation
- NED $73,460 plus 9.5% superannuation

c. NED fees paid

Details of the remuneration of each NED for the year ended 30 June 2015 is set out in the following table:

		Short Term			Post-employment	Other	
		Base Emolument $	STI Cash Payment $	Total Benefits $	Superannuation benefits $	Options $	Total $
Paul Chapman *Non-executive Chairman*	**2015**	**172,624**	**-**	**172,624**	**16,399**	**-**	**189,023**
	2014	177,500	-	177,500	16,649	-	194,149
Les Davis* *Non-executive Director*	**2015**	**45,555**	**-**	**45,555**	**4,328**	**-**	**49,883**
	2014	-	-	-	-	-	-
David Griffiths *Non-executive Director*	**2015**	**77,955**	**-**	**77,955**	**7,406**	**-**	**85,361**
	2014	78,499	-	78,499	7,492	-	85,991
Brian Kennedy *Non-executive Director*	**2015**	**77,955**	**-**	**77,955**	**7,406**	**-**	**85,361**
	2014	78,499	-	78,499	7,492	-	85,991
David Quinlivan** *Non-executive Director*	**2015**	**-**	**-**	**-**	**-**	**-**	**-**
	2014	-	-	-	-	-	-
Peter Johnston*** *Non-executive Director*	**2015**	**66,371**	**-**	**66,371**	**6,305**	**-**	**72,676**
	2014	78,499	-	78,499	7,492	-	85,991
Total	**2015**	**440,460**	**-**	**440,460**	**41,844**	**-**	**482,304**
Total	2014	412,997	-	412,997	39,125	-	452,122

* *Mr Davis appointed a NED on 20 November 2014*
** *Mr Quinlivan appointed a NED on 25 June 2015*
*** *Mr Johnston resigned as NED on 30 April 2015*

Movement in Options

There were no options granted to KMP during FY15. The movement, during the reporting period, in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially by key management personal, including their related parties, is outlined below:

Key Management Personal	Held at 1 July 2014	Granted	Exercised	Held at 30 June 2015	Vested During The Year	Vested & Exercisable at 30 June 2015
Luke Tonkin *(i)*	2,000,000	-	-	2,000,000	400,000	400,000
Total	**2,000,000**	**-**	**-**	**2,000,000**	**400,000**	**400,000**

(i) Employee options (equity-settled)

REMUNERATION REPORT - AUDITED

On 14 October 2013 the Group granted Mr Luke Tonkin, (at the time Executive Director of Operations), a total of 2,000,000 employee options as part of his employment agreement which were approved by shareholders at the Annual General Meeting on 15 November 2013. The total expense recognised in the Statement of Profit or Loss for these options for the period ended 30 June 2015 was $253,087 (included within the total $289,363 value reflected in the remuneration table in Section 5(g)). Details of the options are summarised in the following table:

	Tranche A	Tranche B	Tranche C
Number of options	400,000	600,000	1,000,000
Exercise price	$0.94	$1.03	$1.14
Issue date	18 November 2013	18 November 2013	18 November 2013
Vesting date	15 January 2015	15 January 2016	15 January 2017
Expiry date	18 November 2017	18 November 2017	18 November 2017

The inputs used in the measurement of the fair values at grant date were as follows:

	Tranche A	Tranche B	Tranche C
Valuation at grant date	$0.36	$0.34	$0.33
Share price at grant date	$0.67	$ 0.67	$0.67
Volatility	80%	80%	80%
Risk free rate	3.03%	3.03%	3.03%
Expected dividends	-	-	-

The fair value of the options was measured using a binomial option pricing model. A Black Scholes option pricing model was used to validate the valuation prices calculated by the binomial option pricing model. Whilst there are no performance conditions attached to the exercise of these options, the exercise price of the options were set at a premium (between 40%-70%) to the prevailing share price at date of grant.

Movement in Performance Rights

On 21 July 2015 the Company issued Mr Tonkin a total of 870,603 Performance Rights as part of the LTI component of his FY15 remuneration which were approved by shareholders at the Annual General Meeting on 20 November 2014. The total expense recognised in the Statement of Profit or Loss for these rights for the period ended 30 June 2015 was $36,275 (included within the total $289,363 value reflected in the remuneration table in Section 5(g)).

This was the only movement in Performance Rights over ordinary shares in the Company held, directly, indirectly or beneficially by KMP during the period.

Commencement of Lucky Bay Open Pit

REMUNERATION REPORT - AUDITED

Movement in Shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Key Management Person	Held at 1 July 2014	Shares Acquired	Shares Exercised	Shares Sold	Other **	Held at 30 June 2015
Paul Chapman	5,334,294	-	-	-	-	5,334,294
Luke Tonkin	-	-	-	-	-	-
Les Davis	4,525,294	-	-	-	-	4,525,294
David Griffiths	4,393,671	-	-	-	-	4,393,671
Brian Kennedy	4,790,746	-	-	-	-	4,790,746
David Quinlivan*	-	-	-	-	-	-
Peter Armstrong	499,959	-	-	-	-	499,959
David Berg*	-	10,416	-	-	-	10,416
Antony Shepherd*	-	-	-	-	-	-
Chris Banasik	4,250,294	-	-	-	(4,250,294)	-
Peter Johnston	4,621,194	-	-	-	(4,621,194)	-
Total	28,415,452	10,416	-	-	(8,871,488)	19,554,380

* *Commenced employment during the current period*

** *Balance reported is the shareholding on the date of resignation*

Key Management Person	Held at 1 July 2013	Shares Acquired	Shares Exercised	Shares Sold	Other	Held at 30 June 2014
Paul Chapman	5,099,000	235,294	-	-	-	5,334,294
Luke Tonkin	-	-	-	-	-	-
Les Davis	4,290,000	235,294	-	-	-	4,525,294
David Griffiths	4,158,377	235,294	-	-	-	4,393,671
Brian Kennedy	4,555,452	235,294	-	-	-	4,790,746
Peter Armstrong	499,959	-	-	-	-	499,959
Chris Banasik	4,015,000	235,294	-	-	-	4,250,294
Peter Johnston	4,368,253	252,941	-	-	-	4,621,194
Total	26,986,041	1,429,411	-	-	-	28,415,452

The Directors' Report is signed in accordance with a resolution of the Directors.

Luke Tonkin
Managing Director
28 August 2015

1. In the opinion of the Directors:
   a) the consolidated financial statements and notes of the Group and the Remuneration Report in the Directors' Report are in accordance with the Corporations Act 2001 including:
      i) Giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year then ended; and
      ii) Complying with Australian Accounting Standards (including Australian Accounting Interpretations) and Corporations Regulations 2001;
   b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2;
   c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
   d) There are reasonable grounds to believe that the Company and the Group entity identified in Note 38 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and that Group entity pursuant to ASIC Class Order 98/1418.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with s295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2015.

The declaration is signed in accordance with a resolution of the Board of Directors.

Luke Tonkin
Managing Director
28 August 2015

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Silver Lakes Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Brent Steedman
Partner

Perth

28 August 2015

KPMG

Independent auditor's report to the members of Silver Lake Resources Limited

Report on the financial report

We have audited the accompanying financial report of Silver Lake Resources Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2015, and consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, Notes 1 to 38 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In Note 2 (a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Report on the remuneration report

We have audited the Remuneration Report included in pages 16 to 31 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Silver Lake Resources Limited for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Brent Steedman
Partner

Perth

28 August 2015

For the year ended 30 June 2015

	Notes	30 June 2015 $'000	30 June 2014 $'000
Revenue	7	185,956	309,661
Cost of sales	8	(176,994)	(331,814)
Gross profit/(loss)		8,962	(22,153)
Other income		4,874	202
Gain on dilution of investment		-	1,847
Business combination expense		-	(306)
Loss on sale of assets		(4,549)	-
Impairment losses	21	(86,994)	(89,624)
Administrative expenses	9	(11,282)	(8,828)
Results from operating activities		(88,989)	(118,862)
Finance income		201	5,110
Finance expenses		(5,236)	(3,544)
Net finance (costs)/income	11	(5,035)	1,566
Loss before income tax		(94,024)	(117,296)
Income tax expense	12	-	(53,142)
Loss for the year		(94,024)	(170,438)
Total comprehensive loss attributable to:			
Owners of the Company		(94,024)	(170,438)
Loss per share		Cents Per Share	Cents Per Share
Basic loss per share	13	(18.68)	(38.01)
Diluted loss per share	13	(18.68)	(38.01)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to these consolidated financial statements.

As at 30 June 2015

	Notes	30 June 2015 $'000	30 June 2014 $'000
Current assets			
Cash and cash equivalents	14	22,538	23,937
Trade and other receivables	16	4,966	13,093
Inventories	17	18,831	28,350
Prepayments		62	154
Total current assets		46,397	65,534
Non-current assets			
Exploration, evaluation and development expenditure	18	143,479	233,547
Property, plant and equipment	19	58,394	67,918
Investments	20	7,561	9,770
Total non-current assets		209,434	311,235
Total assets		255,831	376,769
Current liabilities			
Trade and other payables	22	25,172	45,055
Interest bearing liabilities	23	10,320	3,207
Rehabilitation and restoration provision	26	786	-
Employee benefits	24	1,613	1,884
Total current liabilities		37,891	50,146
Non-current liabilities			
Interest bearing liabilities	23	6,062	9,615
Rehabilitation and restoration provision	26	29,272	40,667
Total non-current liabilities		35,334	50,282
Total liabilities		73,225	100,428
Net assets		182,606	276,341
Equity			
Share capital	27	699,564	699,564
Reserves	28	505	216
Retained earnings		(517,463)	(423,439)
Total equity		182,606	276,341

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes to these consolidated financial statements.

For the year ended 30 June 2014

	Notes	Share Capital $'000	Option Reserve $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 July 2013		613,662	-	(253,001)	360,661
Total comprehensive loss for the year		-	-	(170,438)	(170,438)
Transactions with owners, recorded directly in equity					
Issue of ordinary shares net of costs and tax	27	85,902	-	-	85,902
Equity settled share based payment	28	-	216	-	216
Total transactions with owners of the Company		85,902	216	-	86,118
Balance at 30 June 2014		699,564	216	(423,439)	276,341

For the year ended 30 June 2015

	Notes	Share Capital $'000	Option Reserve $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 July 2014		699,564	216	(423,439)	276,341
Total comprehensive loss for the year		-	-	(94,024)	(94,024)
Transactions with owners, recorded directly in equity					
Equity settled share based payment	28	-	289	-	289
Total transactions with owners of the Company		-	289	-	289
Balance at 30 June 2015		699,564	505	(517,463)	182,606

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to these consolidated financial statements.

For the year ended 30 June 2015

	Notes	30 June 2015 $'000	30 June 2014 $'000
Cash flows from operating activities			
Cash receipts from customers		189,249	301,470
Cash paid to suppliers and employees		(156,553)	(275,824)
Stamp duty paid		(3,207)	(1,178)
Net cash from operating activities	15	29,489	24,468
Cash flow from investing activities			
Interest received		201	349
Acquisition of plant and equipment		(7,041)	(8,276)
Proceeds from sale of property, plant and equipment		1,500	15
Proceeds from sale of investment		-	135
Exploration, evaluation and development expenditure		(32,557)	(35,527)
Net cash used in investing activities		(37,897)	(43,304)
Cash flows from financing activities			
Proceeds from the issue of share capital	27	-	85,902
Refund of bonds		1,996	-
Proceeds from gold pre-pay arrangement		10,000	-
Repayment of interest bearing liabilities		(3,120)	(53,726)
Interest paid		(1,867)	(2,076)
Net cash from financing activities		7,009	30,100
Net (decrease)/increase in cash and cash equivalents		(1,399)	11,264
Cash and cash equivalents at 1 July		23,937	12,673
Cash and cash equivalents at 30 June	14	22,538	23,937

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes to the consolidated financial statements.

1. REPORTING ENTITY

Silver Lake Resources Limited ("Silver Lake" or "the Company") is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "Group Entities") and the Group's interests in associates. The Group is a for profit entity primarily involved in the exploration and production of gold.

2. BASIS OF PREPARATION

(a) Statement of Accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian Accounting interpretations) adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board ("IASB").

The consolidated financial statements were approved by the Board of Directors on 28 August 2015.

(b) Basis of Measurement

The financial statements are presented on the historical cost basis except for the following items in the statement of financial position:

- investments which have been measured at fair value.
- equity settled share based payment arrangements have been measured at fair value.
- inventories which have been measured at the lower of cost and net realisable value.
- exploration, evaluation and development assets which have been measured at recoverable value.
- assets and liabilities acquired as a result of a business acquisition which have been measured at fair value.

(c) Functional and Presentation Currency

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

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information has been rounded off to the nearest thousand dollars, unless otherwise stated.

(d) Use of Judgements and Estimates

The preparation of 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. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances. The results of which forms the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, and have a significant risk of resulting in a material adjustment within the next financial year, are described in the following notes:

- Note 3 (c)(i) Exploration and evaluation expenditure carried forward
- Note 3 (c)(ii) Amortisation of development expenditure
- Note 3 (c)(iii) Reserves and resources
- Note 3 (g) Impairment of assets
- Note 3 (j) Closure and rehabilitation
- Note 3 (q) Income Tax

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis for Consolidation

(i) Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; less
- The net recognised amount (generally fair value) of the identifiable assets and liabilities assumed.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Goodwill that arises on the acquisition of subsidiaries is included in intangible assets.

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iii) Investments in Associates and Joint Ventures (Equity-Accounted Investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement, over the net assets of the arrangement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and joint ventures are accounted for using the equity method (equity-accounted investees) and are initially recognised at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustment to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the interest, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discounted except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iv) Joint Operation Arrangements

The Group has investments in joint operations but they are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not in themselves generate revenue and profit. The joint operations are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint operation assets. The joint operations do not hold any assets and accordingly the Group's share of exploration evaluation and development expenditure is accounted for in accordance with the policy set out in Note 3 (c).

(v) Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Financial Instruments

The Group initially recognises loans and receivables on the date they originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

(i) Non-Derivative Financial Instruments

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated at 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 at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprise investments in equity securities that otherwise would have been classified as available-for-sale.

Other non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortised costs.

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(ii) Derivative Financial Instruments

The Group occasionally uses derivative financial instruments such as gold options and 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 139 Financial Instruments* and as such all hedge revenue is recognised in the Profit and Loss and no fair value adjustments are subsequently made to sales yet to be delivered under the hedging program.

The fair value of derivative financial instruments that are traded on an active market is based on quoted market prices at the statement of financial position date. The fair value of financial instruments not traded on an active market is determined using appropriate valuation techniques. A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

(c) Exploration and Evaluation and Mining Assets

(i) Exploration and Evaluation Expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Group in connection with the exploration for and evaluation of minerals resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Accounting for exploration and evaluation expenditures is assessed separately for each 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred.

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through successful development and exploitation or from sale of the area; and
- exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources, and active and significant operations in, or relating to, this area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to the area of interest.

Exploration and evaluation assets include:

- acquisition of rights to explore;
- topographical, geological, geochemical and geophysical studies;
- exploration drilling, trenching and sampling; and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation assets only to the extent that those costs can be related directly to the operational activities in the area of interest to which the exploration and evaluation assets relate. In all other instances, these costs are expensed as incurred.

Exploration and evaluation assets are classified as intangible. As the assets are not yet ready for use, they are not depreciated. Assets that are classified as tangible assets include:

- piping and pumps;
- tanks; and
- exploration vehicles and drilling equipment.

Assets that are classified as intangible assets include:

- drilling rights;
- acquired rights to explore;
- exploration drilling costs; and
- trenching and sampling costs.

Exploration and evaluation assets are transferred to Development Assets once technical feasibility and commercial viability of an area of interest is demonstrable. Exploration and evaluation assets are tested for impairment, and any impairment loss is recognised, prior to being reclassified.

Impairment testing of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- the term of exploration license in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted or planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resource and the decision was made to discontinue such activities in the specific area; or
- sufficient data exists to indicate that, although a development in the specific area of interest is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When a potential impairment is indicated, an assessment is performed for each CGU which is no larger than the area of interest. The Group performs impairment testing in accordance with accounting policy 3(g).

(ii) Mine Properties and Mining Assets

Mine properties represents the acquisition cost and/or accumulated exploration, evaluation and development expenditure in respect of areas of interest in which mining has commenced.

Mine development costs are deferred until commercial production commences. When commercial production is achieved mine development is transferred to mine properties, at which time it is amortised on a unit of production basis based on ounces mined over the total estimated resources related to this area of interest.

Significant factors considered in determining the technical feasibility and commercial viability of the project are the completion of a feasibility study, the existence of sufficient resources to proceed with development and approval by the board of Directors to proceed with development of the project.

Development expenditure is capitalised as either a tangible or intangible asset depending on the nature of the costs incurred.

Development expenditure includes the following:

- reclassified exploration and evaluation assets;
- direct costs of construction;
- pre-production stripping costs; and
- an appropriate allocation of overheads and borrowing costs incurred during the construction phase.

Open pit waste removal costs incurred in the development of a mine before production commences are capitalised as part of the mine development costs, which are subsequently amortised over the life of the open pit resource, once transferred to mine properties.

Underground development expenditure incurred in respect of a mine development after the commencement of production is carried forward as part of mine development only when substantial future economic benefits are expected. Otherwise, this expenditure is classified as part of production and expensed as incurred.

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; changes to these estimates and assumptions may impact the amortisation charge in the income statement and asset carrying values which would be adjusted if appropriate on a prospective basis.

The Group uses ounces mined over JORC compliant resources as its basis for depletion of mine properties. In the absence of reserves the Group believes resources is the best measure as evidenced by historical conversion of resources to reserves. The Group applies a discount of 20% to ounces within the inferred resource category and 10% to ounces in the indicated resource category when adopting the units of production method to reflect the risk of conversion from the inferred and indicated categories to reserves.

(iii) Reserves and Resources

Resources are estimates of the amount of gold product that can be economically extracted from the Group's mine properties. In order to calculate resources, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, future capital requirements, short and long term commodity prices and exchange rates.

Estimating the quantity and/or grade of resources requires the size, shape and depth of ore bodies to be determined by analysing geological data. This process may require complex and difficult geological judgments and calculations to interpret the data.

The Group determines and reports ore resources under the Australian Code of Reporting for Mineral Resource and Ore Reserves (2004 and 2012), known as the JORC Code. The JORC Code requires the use of reasonable assumptions to calculate resources. Due to the fact that economic assumptions used to estimate resources change from period to period, and geological data is generated during the course of operations, estimates of resources may change from period to period. Changes in reported resources may affect the Group's financial results and financial position in a number of ways, including:

- asset carrying values may be impacted due to changes in estimates of future cash flows;
- amortisation charged in the income statement may change where such charges are calculated using the units of production basis;
- decommissioning, site restoration and environmental provisions may change due to changes in estimated resources after expectations about the timing or costs of these activities change; and
- recognition of deferred tax assets, including tax losses.

(d) Deferred Stripping Costs

Stripping costs incurred in the development of a mine before production commences are capitalised as part of the mine development costs and amortised over the life of the mine on a unit of production basis.

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. During the production phase, stripping costs (production stripping costs) can be incurred both in relation to the production and the inventory period, and the creation of improved access and mining flexibility in relation to ore to be mined in the future. The former are included as part of the costs of inventory, while the latter are capitalised as a stripping activity asset, where certain criteria are met. Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between production stripping which relates to the extraction of inventory and that which relates to the creation of a stripping activity asset.

Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components for the ore bodies in each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and also to determine the expected volumes of waste to be stripped and ore to be mined in each of these components. These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans, and therefore the identification of components, will vary between mines for a number of reasons including the geological characteristics of the ore body, the geographical location and/or financial considerations.

Judgement is also required to identify a suitable measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The group considers that the ratio of the expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of the ore body, to be the most suitable measure.

Furthermore, judgements and estimates are also used to apply the units of production method determining the depreciable lives of the stripping activity asset(s).

(e) Plant and Equipment

Items of plant and equipment are stated at their cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is recognised in profit or loss and 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. Land is not depreciated. Depreciation of the processing plant is based on the life of the mine.

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

	Period
Buildings	10 Years
Haul roads	10 Years
Plant and equipment	3-10 Years
Office furniture and equipment	3-15 Years
Motor vehicles	3-5 Years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Capital work in progress is not depreciated until it is ready for use.

(f) Inventory

Inventories of broken ore, gold in circuit, gold bullion and work in progress are physically measured or estimated and valued at the lower of cost and net realisable value.

The cost comprises direct materials, labour and transportation expenditure in bringing such inventories to their existing location and condition, together with an appropriate portion of fixed and variable overhead expenditure based on weighted cost incurred during the period in which such inventories were produced.

Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to perform the sale. Inventories of consumable supplies and spare parts that are expected to be used in production are valued at cost. Obsolete or damaged inventories of such items are valued at net realisable value.

Consumables and spare parts are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to specific stock items identified.

(g) Impairment

(i) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The impairment losses are recognised in profit and loss. An impairment loss is reversed if the reversal can relate objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit and loss.

(ii) Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories, exploration and evaluation expenditure and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

(h) Employee Benefits

(i) Defined Contribution Superannuation Funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are incurred.

(ii) Other Long-Term Employee Benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Australian corporate bonds that have maturity dates approximating the terms of the Group's obligations.

(iii) Short-Term Benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

(iv) Share-Based Payment Transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

(i) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a discount rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(j) Closure and Rehabilitation

The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of relevant authorities and the Group's environmental policies.

Provisions for the cost of each closure and rehabilitation program are recognised when the Group has a present obligation and it is probable that rehabilitation/restoration costs will be incurred at a future date, which generally arises at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly.

Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation and at the time of closure, in connection with disturbances, as at the reporting date. Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

The timing of the actual closure and rehabilitation expenditure is dependent upon a number of factors such as the life and nature of the asset, the operating licence conditions and the environment in which the mine operates. Expenditure may occur before and after closure and can continue for an extended period of time dependent on closure and rehabilitation requirements. Closure and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Significant judgements and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows.

When provisions for closure and rehabilitation are initially recognised, to the extent that it is probable that future economic benefits associated with the rehabilitation, decommissioning and restoration expenditure will flow in the entity, the corresponding cost is capitalised as an asset. The capitalised cost of closure and rehabilitation activities is recognised in exploration evaluation and mine properties and property, plant and equipment as appropriate and depreciated/amortised accordingly. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognised in finance expenses.

Closure and rehabilitation provisions are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the undepreciated capitalised cost of the related assets, where it is probable that future economic benefits will flow to the entity, in which case the capitalised cost is reduced to nil and the remaining adjustment is recognised in the income statement. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved. Factors influencing those changes include:

- revisions to estimated reserves, resources and lives of operations;
- regulatory requirements and environmental management strategies;
- changes in the estimated costs of anticipated activities, including the effects of inflation and movements in foreign exchange rates;
- movements in interest rates affecting the discount rate applied; and
- the timing of cash flows.

At each reporting date the rehabilitation and restoration provision is remeasured to reflect any of these changes.

(k) Assets held for sale

Assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are measured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(l) Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

(m) Lease Payments

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the contingency no longer exists and the lease adjustment is known.

(n) Finance Income and Expenses

Interest income comprises interest income on funds invested and is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings and unwinding of the discount on provisions. All borrowing costs are recognised in profit and loss using the effective interest method in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case, borrowing costs are capitalised as part of the cost of the qualifying asset.

(o) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(p) Earnings Per Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated as profit/loss attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, including share options granted to employees.

(q) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax Consolidation

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidation group is Silver Lake Resources Limited.

Current tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within the group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable (receivable) to/(from) other entities in the tax-consolidated group. Any differences between these amounts are recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that the future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(r) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense as applicable.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(s) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Managing Director to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill, but including exploration evaluation and mining assets

(t) New Standards and interpretations not yet adopted

The standards and interpretations relevant to the Company that have not been early adopted are:

i. AASB 9 *Financial Instruments:* applicable to annual reporting periods beginning on or after 1 July 2018.

This standard includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 Financial Instruments: Recognition and Measurement. An assessment of the Group's financial assets and liabilities was performed to determine whether the change in standard would affect the classification and measurement of financial instruments currently held. The new standard is not expected to impact the measurement of the Company's financial assets and liabilities. Additional disclosure requirements will be incorporated on adoption of the standard.

ii. AASB15 *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaced IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. The AASB issued the Australian equivalent of IFRS 15, being AASB 15, in December 2014. Currently, these standards are effective for annual reporting periods commencing on or after 1 January 2017. Early application is permitted however the IASB and the AASB have proposed a one year deferral to IFRS 15/AASB 15, which if approved, would move the effective date to annual reporting periods commencing on or after 1 July 2018. The core principle of IFRS 15 Revenue from Contracts with Customers is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

a) identify the contract(s) with a customer

b) identify the performance obligations in the contract

c) determine the transaction price

d) allocate the transaction price to the performance obligations in the contract

e) recognise revenue when (or as) the entity satisfies a performance obligation

This new standard will not have an impact on the Group's Financial Statements.

iii. AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations:* applicable to annual reporting periods beginning on or after 1 July 2016.

AASB 2014-3 amends AASB 11 *Joint Arrangements* to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require:

- the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11 *Joint Arrangements*; and;
- the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

Adoption of this amendment will not result in a material impact on the Group's financial statements.

iv. AASB 2014-4 *Clarification of Acceptable Methods of Depreciation and Amortisation:* applicable to annual reporting periods beginning on or after 1 July 2016.

AASB 116 Property Plant and Equipment and AASB 138 Intangible Assets both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

Currently the Group does not have a revenue-based policy to calculate the depreciation of an asset and adoption of this standard is therefore not expected to impact the financial statements of the Company.

(u) Comparative amounts

Certain comparative disclosures have been reclassified to conform to the current year's presentation.

4. CHANGES IN ACCOUNTING POLICIES

There have been no material changes to the accounting policies set out in Note 3 for the periods presented in these consolidated financial statements.

5. DETERMINATION OF FAIR VALUE

A number of the Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end if the reporting period during which the change has occurred.

Inventories

The fair value of inventories is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale.

Equity securities

The fair values of investments in equity securities are determined with reference to their quoted closing bid price at the measurement date.

Exploration assets

The fair value of exploration assets is determined based on recent comparable transactions within Australia converted to a value per ounce. This is considered a level 3 valuation technique (refer Note 18).

6. SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any operating segments with discrete financial information. The Group does not have any customers, other than the Perth Mint and its bankers, and all the group assets and liabilities are located within Australia. The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

7. REVENUE

	30 June 2015 $'000	30 June 2014 $'000
Gold sales	185,632	308,943
Silver sales	324	645
Other revenue	-	73
Total	185,956	309,661

Included in current year gold sales is 87,687 ounces of gold sold (at an average price of A$1,499/ounce) under various hedging programs. At 30 June 2015, the Company has a total of 88,213 ounces of gold left to be delivered under these programs. The sale of gold under these hedges is accounted for using the 'own use exemption' under *AASB 139 Financial Instruments* and as such all hedge revenue is recognised in the Profit and Loss and no mark to market valuation is performed on undelivered ounces.

8. COST OF SALES

	30 June 2015 $'000	30 June 2014 $'000
Mining and processing costs	122,918	251,591
Impairment of carrying value of inventories	-	1,576
Amortisation	28,063	31,941
Depreciation	10,346	15,914
Salaries and on-costs	12,846	21,300
Royalties	5,703	9,492
Adjustment to rehabilitation provision	(2,882)	-
Total	176,994	331,814

9. ADMINISTRATION EXPENSES

	30 June 2015 $'000	30 June 2014 $'000
Salaries and on-costs	5,799	5,231
Consultants and contractors	378	843
Professional fees	351	419
Travel and accommodation	197	261
Business development expenditure	8	811
Rental expense	495	866
Provision for doubtful debts (Note 16)	3,184	-
Other corporate costs	870	397
Total	11,282	8,828

10. PERSONNEL EXPENSES

	30 June 2015 $'000	30 June 2014 $'000
Wages and salaries	18,187	24,503
Other associated personnel expenses	2,123	2,028
Superannuation contributions	1,699	2,202
Total	22,009	28,733

Personnel expenses included in cost of sales total $12,846,000 (2014: $21,300,000).

11. FINANCE INCOME AND EXPENSES

	30 June 2015 $'000	30 June 2014 $'000
Interest income	201	349
Change in fair value of listed investment	-	4,761
Finance income	201	5,110
Change in fair value of listed investment	(2,209)	(398)
Interest expense on interest bearing liabilities	(1,868)	(2,076)
Unwind of discount on provision	(1,159)	(1,070)
Finance costs	(5,236)	(3,544)
Net finance (costs)/income	(5,035)	1,566

12. TAXES

(a) Income tax

	30 June 2015 $'000	30 June 2014 $'000
Current tax expense		
Current income tax	(7,611)	(22,362)
Adjustment for prior years	723	(2,322)
	(6,888)	(24,684)
Deferred income tax expense		
Origination and reversal of temporary differences	6,888	77,826
Income tax expense reported in profit or loss	-	53,142
Numerical reconciliation between tax expenses and pre-tax profit		
Loss before tax	(94,024)	(117,296)
Income tax using the corporation tax rate of 30% (2013: 30%)	(28,207)	(35,189)
Increase/(decrease) in income tax expense due to non-deductible items	810	(1,628)
Adjustment for prior years	723	(2,322)
Changes in unrecognised temporary differences	26,674	92,281
Income tax expense reported in profit or loss	-	53,142

(b) Deferred tax assets and liabilities

	30 June 2015 $'000	30 June 2014 $'000
Deferred tax assets and liabilities are attributable to the following:		
Deferred tax assets/(liabilities)		
Receivables	990	(140)
Inventories	(1,500)	(1,622)
Exploration, evaluation and mining assets	23,516	1,586
Property, plant and equipment	24,914	26,104
Accrued expenses	503	203
Provisions	9,171	12,765
Share issue costs	1,700	2,642
Interest bearing liabilities	2,030	-
Tax losses	83,964	77,076
	145,288	118,614
Less deferred tax asset not recognised	(145,288)	(118,614)
Net deferred tax assets	-	-

(c) Tax losses

At 30 June 2015 the Company has $282,286,000 (2014: $256,920,000 loss) tax losses that are available for offset against future taxable profits of the Company. The Group has not recorded these carry forward tax losses that equate to an unrecognised deferred tax asset at 30 June 2015 of $84,686,000 (2014: $77,076,000).

The potential benefit of carried forward tax losses will only be obtained if taxable profits are derived of a nature and, of an amount sufficient to enable the benefit from the deductions to be realised or the benefit can be utilised by the Group provided that:

i. the provisions of deductibility imposed by law are complied with; and

ii. no change in tax legislation adversely affects the realisation of the benefit from the deductions.

In accordance with the Group's accounting policies for deferred taxes, a deferred tax asset is recognised for unused tax losses only if it is probable that future taxable profits will be available to utilise those losses.

Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This includes estimates and judgments about commodity prices, ore resources, exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

13. EARNINGS PER SHARE

Basic earnings per share

The earnings per share at 30 June 2015 was based on the loss attributable to ordinary shareholders of $94,024,000 (2014: loss of $170,438,000) and the weighted average number of ordinary shares outstanding as at 30 June 2015 of 503,233,971 (2014: 448,415,209).

	30 June 2015 '000	30 June 2014 '000
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	503,234	379,049
Issue of shares pursuant to fund raising	-	69,366
Total	503,234	448,415

Diluted earnings per share

Potential ordinary shares were not considered to be dilutive as the Group made a loss for the year and the exercise of potential shares would not increase this loss.

14. CASH AND CASH EQUIVALENTS

	30 June 2015 $'000	30 June 2014 $'000
Cash at bank and on hand – unrestricted	22,538	23,937
Total	22,538	23,937

In addition to cash at bank at 30 June 2015, the Company also had bullion and bullion receivables of $6,387,000 and outstanding bonds of $146,000, which are recognised within trade and other receivables (refer Note 16) and inventories (refer Note17). The Group's exposure to interest rate risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 30.

15. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	30 June 2015 $'000	30 June 2014 $'000
Cash flow from operating activities		
Loss after tax	(94,024)	(170,438)
Adjustments for:		
Depreciation	10,346	15,914
Amortisation	28,063	31,941
Gain on dilution of investment	-	(1,847)
Impairment of carrying value of inventories	-	1,576
Impairment of property, plant and equipment	-	46,808
Impairment of exploration and development expenditure	86,994	42,816
Share based payments	289	-
Net finance cost/(income)	3,369	(3,293)
Loss/(profit) from the sale of non-current assets	4,549	(150)
Income tax expense	-	53,142
Operating profit before changes in working capital and provisions	39,586	16,469
Change in trade and other receivables	7,197	(9,651)
Change in inventories	9,519	25,293
Change in prepayments	93	240
Change in trade and other payables	(23,205)	(7,132)
Change in provisions	(3,701)	(751)
Total	29,489	24,468

16. TRADE AND OTHER RECEIVABLES

	30 June 2015 $'000	30 June 2014 $'000
Current		
Trade receivables	6,883	8,216
GST receivable	1,197	2,492
Other receivables	388	2,385
Provision for doubtful debts (Note 30 (b)(ii))	(3,502)	-
Total	4,966	13,093

The Group's exposure to interest rate risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 30.

17. INVENTORIES

	30 June 2015 $'000	30 June 2014 $'000
Materials and supplies – at cost	4,999	5,406
Ore stocks – at cost	-	4,373
Ore stocks – at net realisable value*	6,902	12,863
Gold in circuit and bullion on hand – at cost	6,930	1,302
Gold in circuit and bullion on hand – at net realisable value*	-	4,406
Total	18,831	28,350

* At the reporting date the Group carried out an impairment review of inventory and assessed that all inventory was carried at the lower of cost and net realisable value and that no impairment was required (in 2014 a $1,576,000 impairment was recorded and included within cost of sales).

18. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

During the year ended 30 June 2015 the Group incurred and capitalised the following on exploration, evaluation and development expenditure:

	30 June 2015 $'000	30 June 2014 $'000
Exploration and evaluation phase		
Cost brought forward	63,067	55,880
Capitalised during the year	13,276	9,073
Decrease in rehabilitation provision	(3,093)	-
Impairment	(32,158)	(1,886)
Transferred to development phase	(4,014)	-
Balance at 30 June	37,078	63,067

The ultimate recoupment of deferred exploration and evaluation expenditure carried forward is dependent upon the successful development and exploitation, or alternatively, sale of the respective areas of interest at an amount greater than or equal to the carrying value.

A regular review is undertaken of each area of interest within exploration and evaluation to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine the technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

During the impairment review for the year ended 30 June 2015, the recoverable amount of certain assets was assessed as lower than the carrying amount which resulted in an impairment charge of $32,158,000 on exploration and evaluation assets. This was due to the reduction in the gold price outlook and an assessment of future exploration spend on the respective areas of interest.

The fair value of exploration assets is determined based on recent comparable transactions within Australia converted to a value per ounce. This is considered a level 3 valuation technique.

	30 June 2015 $'000	30 June 2014 $'000
Development phase		
Cost brought forward	76,296	81,296
Transfer from exploration and evaluation phase	4,014	-
Expenditure during the year	1,610	-
Impairment	(33,975)	(5,000)
Transferred to production phase	(6,100)	-
Balance at 30 June	41,845	76,296
Production phase		
Cost brought forward	94,184	131,958
Transfer from development phase	6,100	-
Expenditure during the year	18,272	29,991
Disposed during the year	(5,116)	-
Increase in rehabilitation provision	40	106
Amortisation expense	(28,063)	(31,941)
Impairment	(20,861)	(35,930)
Balance at 30 June	64,556	94,184
Total	143,479	233,547

See Note 21 for details of the impairment review of mine development and production assets.

19. PROPERTY, PLANT AND EQUIPMENT

	Note	Land & Building $'000	Plant & Equipment $'000	Haul Roads $'000	Motor Vehicles $'000	Office Furniture & Equipment $'000	Capital Work In Progress $'000	Total $'000
Cost								
Balance 1 July 2013		19,976	193,688	3,560	2,639	1,831	6,504	228,198
Additions		-	4,578	1	78	113	3,438	8,208
Acquisitions		18	6,141	-	20	1	(6,180)	-
Transfers		-	(1,555)	-	-	-	(874)	(2,429)
Disposals		(6,005)	-	-	(180)	-	-	(6,185)
Balance 30 June 2014		13,989	202,852	3,561	2,557	1,945	2,888	227,792
Additions		-	-	-	-	-	7,065	7,065
Transfers		18	9,322	-	-	38	(9,376)	-
Disposals		(99)	(20,532)	-	(53)	-	(51)	(20,735)
Balance 30 June 2015		13,908	191,642	3,561	2,504	1,983	526	214,124
Depreciation								
Balance at 1 July 2013		3,323	91,900	356	956	731	-	97,266
Depreciation expense	8	1,426	12,599	712	662	515	-	15,914
Impairment loss		5,264	41,546	-	-	-	-	46,808
Disposal		-	-	-	(114)	-		(114)
Balance 30 June/1 July 2014		10,013	146,045	1,068	1,502	1,246	-	159,874
Depreciation expense	8	487	8,098	712	603	447	-	10,346
Disposal		(30)	(14,414)	-	(47)	-	-	(14,490)
Balance 30 June 2015		10,470	139,729	1,780	2,058	1,693	-	155,730
Carrying Amount								
At 1 July 2013		16,653	104,160	3,204	1,683	375	4,857	130,932
At 30 June 2014		3,976	56,807	2,493	1,055	699	2,888	67,918
At 30 June 2015		3,438	51,913	1,781	446	290	526	58,394

20. INVESTMENTS

	30 June 2015 $'000	30 June 2014 $'000
Investments in listed entities – at fair value	7,561	9,770

Movements as follows:		
Balance at 1 July	9,770	838
Transfer of investment previously accounted for as an associate	-	2,722
Gain on dilution of investment	-	1,847
Change in fair value	(2,209)	4,363
Balance at 30 June	7,561	9,770

21. IMPAIRMENT TESTING FOR NON–CURRENT ASSETS

Results of impairment testing

	Notes	30 June 2015 $'000	30 June 2014 $'000
Mount Monger CGU	21.2	32,445	21,529
Murchison CGU	21.2	-	39,888
Property, plant and equipment		-	12,020
Long term development and mine assets	21.1	22,391	14,301
Exploration assets	18	32,158	1,886
Total impairment		86,994	89,624

21.1 LONG TERM DEVELOPMENT AND MINE ASSETS

Long term development and production phase assets that relate to unmined resources are constantly assessed in light of current economic conditions. Assumptions on the economic returns on and timing of specific production options may impact on the timing of development of these assets. The carrying values of these assets are assessed at balance date using a fair value less cost to sell technique. This is done based on implied market values against their existing resource and reserve base and an assessment on the likelihood of recoverability from the successful development or sale of the asset. The implied market values are calculated based on recent comparable transactions within Australia converted to a value per ounce. This is considered to be a Level 3 valuation technique.

As a result of changes to operating and capital cost assumptions, long term development assets were impaired by $22,391,000 at 30 June 2015. This impairment charge is reflected as part of the total impairments in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

21.2 CASH GENERATING UNITS (CGU's)

Management of the Group has identified two CGUs, the Mount Monger Operation and the Murchison Operation.

Mount Monger CGU

In assessing whether mine properties and mine development costs have been impaired, the carrying amount of the CGU is compared with its recoverable amount. In accordance with the Group's accounting policy, recoverable amount is assessed as the higher of fair value less costs to sell and value in use. The Group has adopted value in use in its assessment, using a life of mine discounted cash flow model.

A number of factors represented indicators of impairment as at 30 June 2015, including a reduction in the gold price outlook, the Company's market capitalisation relative to its book value and a reduction in the Mount Monger CGU resource base. As a result the Company assessed the recoverable amount of the Mount Monger CGU.

The key assumptions in addition to the life of mine plans used in the discounted cash flow valuation are the gold price, the Australian dollar exchange rate against the US dollar and the discount rate.

Gold price and AUD:USD exchange rate assumptions are estimated by management, with reference to external market forecasts, and updated at least annually. For this review, the forecast gold price was estimated at US$1,183–US$1,250/oz and the forecast exchange rate of US$0.74 to US$0.78 per A$1.00, based on a forward curve over the life of the mines. Significant changes to either the forecast gold price or the forecast exchange rate may have an impact on the carrying value of the CGU in future periods.

A discount rate of 11% was applied to the post tax cash flows expressed in nominal terms. The discount rate was derived from the Group's post tax weighted average cost of capital (WACC), with appropriate adjustments made to reflect the risks specific to the CGU.

The impairment testing carried out at 30 June 2015 resulted in a total impairment charge to the CGU of $32,445,000. This impairment charge is reflected as part of the total impairments in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and is summarised below.

	30 June 2015 $'000	30 June 2014 $'000
Mine development assets	11,585	5,000
Mine production assets	20,860	16,529
Total Impairment for Mount Monger CGU	32,445	21,529

Murchison CGU

The Murchison CGU comprises mine properties, mine development assets and property, plant and equipment associated with the Murchison Gold Operation which was placed on care and maintenance in the June 2014 quarter. As a result an impairment charge of $39,888,000 was recorded against the Murchison CGU in the prior year. There was nil impairment recorded against this CGU in the current year.

22. TRADE AND OTHER PAYABLES

	30 June 2015 $'000	30 June 2014 $'000
Trade payables	21,828	31,924
Other payables	3,344	13,131
Total	25,172	45,055

The Group's exposure to liquidity risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 30.

23. INTEREST BEARING LIABILITIES

	30 June 2015 $'000	30 June 2014 $'000
Current liability		
Gold prepay facility	6,767	-
Stamp duty	3,553	3,207
	10,320	3,207
Non-current liability		
Stamp duty	6,062	9,615
Total	16,382	12,822

The stamp duty liability is payable over three years and incurs interest at the rate of 10.7% per annum.

On 29 December 2014 the Company entered into a secured Gold Prepay Facility ("Facility") with the Commonwealth Bank of Australia ("CBA"), raising $10,000,000. Under the Facility, Silver Lake will deliver a total of 7,056 ounces of gold to CBA between January 2015 and July 2016 (392 ounces per month) – refer to Note 7 for accounting treatment of hedge impact. The Facility is secured by way of mining mortgages over the Daisy Milano and Randalls processing facility tenements and a general security interest over all assets of Silver Lake and its wholly owned subsidiary Silver Lake (Integra) Pty Ltd.

Under the terms of the gold prepay facility, the Company's financier requires that a minimum cash balance of $3,000,000 and a minimum cash & bullion balance of $6,000,000 be held until the facility is fully repaid in June 2016. The Company continues to satisfy this capital requirement.

The Group's exposure to interest rate and liquidity risk arising from these interest bearing liabilities is disclosed in Note 30.

24. EMPLOYEE BENEFITS

	30 June 2015 $'000	30 June 2014 $'000
Current		
Liability for annual leave	1,101	1,399
Liability for long service leave	512	485
Total	1,613	1,884

25. SHARE BASED PAYMENTS

Employee options (equity-settled)

On 14 October 2013 the Group granted Mr Luke Tonkin, (at the time Executive Director of Operations), a total of 2,000,000 employee options as part of his employment agreement which were approved by shareholders at the 2013 AGM. The total expense recognised in the Statement of Profit or Loss for these options for the period ended 30 June 2015 was $253,087 (2014: $216,000). Details of the options are as follows:

	Tranche A	Tranche B	Tranche C
Number of options	400,000	600,000	1,000,000
Exercise price	$0.94	$1.03	$1.14
Issue date	14 October 2013	14 October 2013	14 October 2013
Vesting date	15 January 2015	15 January 2016	15 January 2017
Expiry date	14 October 2017	14 October 2017	14 October 2017

The inputs used in the measurement of the fair values at grant date were as follows:

	Tranche A	Tranche B	Tranche C
Valuation at grant date	$0.36	$0.34	$0.33
Share price at grant date	$0.67	$ 0.67	$0.67
Volatility	80%	80%	80%
Risk free rate	3.03%	3.03%	3.03%
Expected dividends	-	-	-

The fair value of the options was measured using a binomial option pricing model. A Black Scholes option pricing model was used to validate the valuation prices calculated by the binomial option pricing model. Whilst there are no performance conditions attached to the exercise of these options, the exercise price of the options have been set at a premium (between 40%-70%) to the prevailing share price at date of grant.

The number of and weighted average exercise prices of share options are as follows:

	Weighted Average Exercise Price 2015	Number of Options 2015	Weighted Average Exercise Price 2014	Number of Options 2014
Outstanding at 1 July	$1.07	2,000,000	-	-
Forfeited during period	-	-	-	-
Granted during the period	-	-	$1.07	2,000,000
Exercised during the period	-	-	-	-
Outstanding at 30 June	$1.07	2,000,000	$1.07	2,000,000
Exercisable at 30 June	$0.94	400,000	-	-

Performance rights (equity settled)

On 20 November 2014 shareholders approved the granting of 870,603 performance rights to Mr Luke Tonkin as part of his employment agreement. The total expense recognised in the Statement of Profit or Loss for these performance rights for the period ended 30 June 2015 was $36,275. This expense was calculated based on the share price at the date the rights were approved by shareholders, with a 50% reduction applied in consideration of the likelihood of market based performance conditions being achieved.

26. PROVISIONS

	30 June 2015 $'000	30 June 2014 $'000
Closure and rehabilitation		
Opening balance at 1 July	40,667	39,629
Adjustment to provisions during the year	(5,936)	106
Disposal of asset	(5,285)	-
Unwind of discount	1,161	1,070
Rehabilitation spend	(549)	(138)
Closing balance at 30 June	30,058	40,667
Current provision	786	-
Non-current provision	29,272	40,667
Closing balance at 30 June	30,058	40,667

At 30 June 2015 a review of the Group's closure and rehabilitation provision was undertaken using updated cost assumptions and life of mine plans. As a result of this review the provision was reduced by $5,936,000.

27. SHARE CAPITAL

	Number	$'000
Movements in issued capital		
Balance as at 1 July 2013	379,048,750	613,662
Shares issued from capital raising net of costs	124,185,221	85,902
Balance as at 30 June 2014	503,233,971	699,564
Movement in the current period	-	-
Balance as at 30 June 2015	503,233,971	699,564

28. OPTION RESERVES

	Number	$'000
Movement in options reserve		
Balance as at 1 July 2013	-	-
Options granted	2,000,000	216
Balance as at 30 June 2014	2,000,000	216
Balance at 1 July 2014	2,000,000	216
Options granted	-	-
Equity settled share based payment expense	-	289
Balance as at 30 June 2015	2,000,000	505

29. OPERATING LEASES

The Company leases assets for operations including plant and office premises. The leases have an average life of 1 to 4 years. At 30 June 2015, the future minimum lease payments under non-cancellable leases were payable as follows.

	2015 $'000	2014 $'000
Less than one year	4,744	5,005
Between one and five years	9,750	14,494
	14,494	19,499

30. FINANCIAL RISK MANAGEMENT

(a) Overview

This note presents information about the Group's exposure to credit, liquidity and market risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

The Group does not generally use any form of derivatives. The Board does however regularly review the use of derivatives and opportunities for their use within the Group. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Presently, the Group undertakes gold mining, exploration and evaluation activities exclusively in Australia. At the balance sheet date there were no significant concentrations of credit risk.

(i) Cash and cash equivalents

The Group limits its exposure to credit risk by only investing in liquid securities and only with major Australian financial institutions.

(ii) Trade and other receivables

The Group's trade and other receivables relate to gold sales, GST refunds and rental income.

At 30 June 2015, a provision for doubtful debts of $3,502,000 has been recorded against rental income receivable as a result of financial difficulties being experienced by a debtor. This receivable is therefore not reflected in the trade and other receivables balance in Note 32(c).

The Group has determined that its credit risk exposure on all other trade receivables is low, as customers are considered to be reliable and have short contractual payment terms. Management does not expect any of these counterparties to fail to meet its obligations.

(c) Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying Amount	
	2015 $'000	2014 $'000
Trade and other receivables	4,966	13,093
Cash and cash equivalents	22,538	23,937
Total	27,504	37,030

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate cash reserves from funds generated from operations and by continuously monitoring forecast and actual cash flows.

To mitigate large fluctuations in the USD:AUD exchange rate as well as the USD denominated gold price, the Company has entered into hedging programmes whereby future bullion sales are hedged at a predetermined AUD gold price. At 30 June 2015, the Company has a total of 88,213 ounces to be delivered under these hedges over the next 15 months at an average of A$1,570/oz. The sale of gold under these hedges is accounted for using the 'own use exemption' under AASB 139 Financial Instruments and as such all hedge revenue is recognised in the Profit and Loss and no mark to market valuation is performed on undelivered ounces.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2015	Carrying Amount $'000	Contractual Cash Flows $'000	6 Months or Less $'000	6-12 Months $'000	1-2 Years $'000	2-5 Years $'000	More than 5 years $'000
Trade and other payables	25,172	25,172	25,172	-	-	-	-
Stamp duty	9,615	10,946	2,189	2,189	4,378	2,190	-
Gold prepay facility	6,767*	-	-	-	-	-	-
Total	41,554**	36,118	27,361	2,189	4,378	2,190	-

30 June 2014	Carrying Amount $'000	Contractual Cash Flows $'000	6 Months or Less $'000	6-12 Months $'000	1-2 Years $'000	2-5 Years $'000	More than 5 years $'000
Trade and other payables	45,055	45,055	45,055	-	-	-	-
Stamp duty	12,822	15,324	2,189	2,189	4,378	6,568	-
Total	57,877**	60,379	47,244	2,189	4,378	6,568	-

* *The gold prepay facility is settled through the physical delivery of bullion*

** *The carrying value at balance date approximates fair value*

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return. The Group only has exposure to interest rate risk and equity price risk.

(f) Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents and its interest bearing liabilities), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures. The Group ensures that as far as possible it maintains excess cash and cash equivalents in short-term high interest bearing deposits.

(i) Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying Amount	
	2015 $'000	2014 $'000
Fixed rate instruments		
Financial liabilities		
Stamp duty liability	(9,615)	(12,822)
Gold prepay facility	(6,767)	-
Total	(16,382)	(12,822)
Variable rate instruments		
Financial assets		
Cash and cash equivalents	22,538	23,937

(ii) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

(iii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss after tax by $225,000 (2014: $168,000). This analysis assumes that all other variables remain constant.

(g) Equity price risk

Equity investments are long-term investments that have been classified as financial assets at fair value through profit or loss. The Group is exposed to insignificant equity price risk arising from its equity investments.

(h) Fair values

The carrying amounts of financial assets are valued at year end at their quoted market price.

(i) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business through future exploration and development of its projects.

At 30 June 2015, the Company had an outstanding gold prepay facility with its financier of $6,767,000 (2014: Nil).

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting. Under the terms of the gold prepay facility, the Company's financier requires that a minimum cash balance of $3,000,000 and a minimum cash & bullion balance of $6,000,000 be held until the facility is fully repaid in June 2016. The Company continues to satisfy this capital requirement.

31. CAPITAL COMMITMENTS

The Group has no capital commitments in the next financial year relating to the acquisition of property plant and equipment (in 2014 the Group had a $5,060,000 commitment).

The Group has commitments totaling $7,174,000 (2014: $9,200,000) relating to minimum exploration expenditure on its various tenements.

32. RELATED PARTIES

(a) Key Management Personnel Compensation

	30 June 2015 $'000	30 June 2014 $'000
Short-term employee benefits	3,194	2,218
Post-employment benefits	177	218
Other long term benefits	103	173
Total	3,474	2,609

(b) Individual directors and executives compensation disclosures

Information regarding individual Directors and Executive's compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

In FY14, 2,000,000 incentive options were issued to Mr Luke Tonkin as part of his employment agreement. See Note 25 for further details of this related party transaction.

During the current period, 870,607 performance rights were awarded to Mr Luke Tonkin. See Note 25 for further details of this related party transaction.

(c) Transactions with key management personnel

In FY14, $2,904 was paid to Gryphon Management for consultancy services, a company controlled at the time by David Griffiths, a Non-executive Director. There were no amounts paid to other related parties in FY15.

33. GROUP ENTITIES

The Company controlled the following subsidiaries:

Subsidiaries	Country of Incorporation	Ownership Interest 2015	Ownership Interest 2014
Cue Minerals Pty Ltd	Australia	100%	100%
Silver Lake (Integra) Pty Ltd	Australia	100%	100%

34. JOINT OPERATIONS

The Group has the following interests in unincorporated joint operations:

Joint Operation	Principal Activities	Joint Operation Parties	Group Interest 2015	Group Interest 2014
Cowarna	Exploration	SLR/HBJ Minerals Pty Ltd	-*	90.0%
Bandalup Gossan	Exploration	SLR/Traka Resources Ltd	80.0%	-
West Tuckabianna	Exploration	SLR/George Petersons	90.0%	90.0%
Glandore	Exploration	SLR/Avoca Minerals Pty Ltd	20.0%	20.0%
Newcrest	Exploration	SLR/Newcrest	100.0%	85.0%
Peter's Dam	Exploration	SLR/Rubicon	69.2%	64.6%
Erayinia	Exploration	SLR/Image Resources	81.7%	81.7%
Queen Lapage	Exploration	SLR/Rubicon	58.0%	56.5%

* *Terminated during the period*

The joint operations are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not in themselves generate revenue and profit. The joint operations are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint operation assets. The joint operations do not hold any assets and accordingly the Company's share of exploration evaluation and development expenditure is accounted for in accordance with the policy set out in Note 3 (a) (iv).

35. AUDITOR'S REMUNERATION

	2015 $'000	2014 $'000
KPMG:		
Audit and review of the Company's financial statements	225,190	227,220
Taxation services	119,755	159,030
Other Audit and Assurance Firms:		
Other assurance related services	15,769	22,810
Total	360,714	409,060

36. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

37. PARENT ENTITY

As at, and throughout the financial year ended 30 June 2015, the parent company of the Group was Silver Lake Resources Limited.

	30 June 2015 $'000	30 June 2014 $'000
Results of the parent entity		
Loss for the year	(140,510)	(105,528)
Total comprehensive loss for the year	(140,510)	(105,528)
Financial position of parent entity at year end		
Current assets	28,669	43,173
Total assets	241,666	509,923
Current liabilities	42,507	43,692
Total liabilities	65,785	193,822
Total equity of the parent entity comprising of:		
Share capital	699,564	699,564
Option reserve	505	216
Accumulated losses	(524,189)	(383,679)
Total equity	175,881	316,101

The parent entity has no capital commitments in the next financial year relating to the acquisition of property plant and equipment (in 2014 the Group had a $5,060,000 commitment). The parent entity has $7,174,000 (2014: $6,840,000) of commitments relating to minimum exploration expenditure on its various tenements.

38. DEED OF CROSS GUARANTEE

During the year ended 30 June 2015, the Company and its wholly owned subsidiary Silver Lake (Integra) Pty Ltd entered into a Deed of Cross Guarantee under which each company guarantees the debts of the other.

By entering into the Deed of Cross Guarantee, Silver Lake (Integra) Pty Ltd has been relieved from the Corporations Act 2001 requirement to prepare, audit and lodge a financial report and Directors' report under Class Order 98/1418 (as amended).

At 30 June 2015 the Company had 503,233,971 fully paid ordinary shares and 2,000,000 outstanding options on issue.

DISTRIBUTION OF HOLDERS

			Fully Paid	Ordinary Shares Options	Performance Rights
1	-	1,000	1,705	-	-
1,001	-	5,000	5,496	-	-
5,001	-	10,000	2,563	-	-
10,001	-	100,000	4,405	-	-
100,001	-	and over	655	1	-
Total Holders			14,824	1	-

* *Details of the options outstanding:*

	Tranche A	Tranche B	Tranche C
Number of options	400,000	600,000	1,000,000
Exercise price	$0.94	$1.03	$1.14
Issue date	14 October 2013	14 October 2013	14 October 2013
Vesting date	15 January 2015	15 January 2016	15 January 2017
Expiry date	14 October 2017	14 October 2017	14 October 2017

VOTING RIGHTS OF SECURITIES

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there is only one class of Shares), at meetings of Shareholders of Silver Lake:

a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes as bears the same proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited).

Options and performance rights do not carry any voting rights.

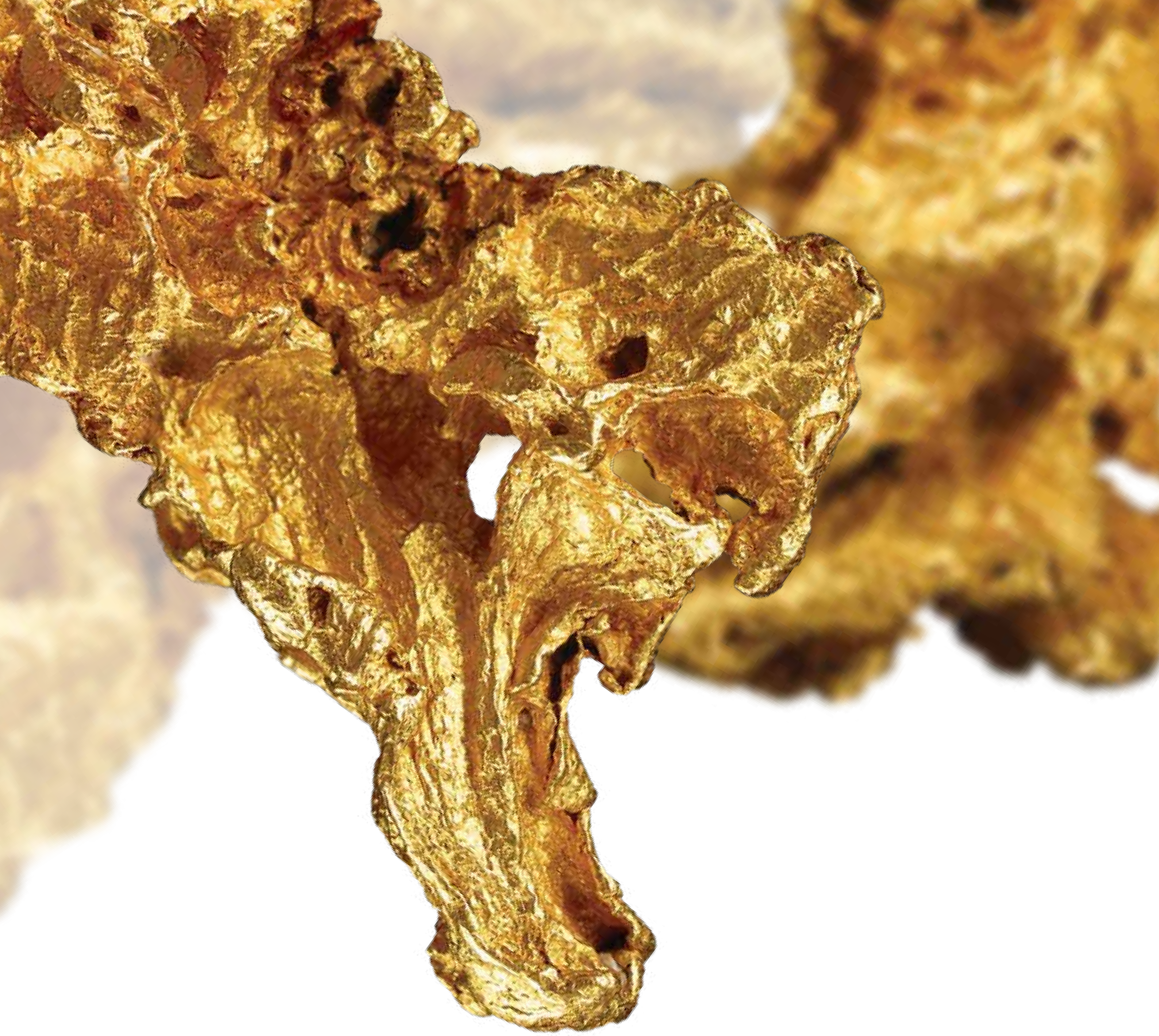
SUBSTANTIAL SHAREHOLDERS

As at 30 September 2015 there were no substantial holders disclosed to the Company.

TOP 20 HOLDERS OF QUOTED SECURITIES (EXCLUDING DIRECTORS)

As at 30 September 2015, the top 20 holders of quoted securities (excluding Directors of the Company) were:

	Holder Name	Number Held	Percentage
1	J P MORGAN NOMINEES AUSTRALIA	39,316,112	7.81%
2	HSBC CUSTODY NOMINEES	21,628,793	4.30%
3	CITICORP NOMINEES PTY LIMITED	21,619,229	4.30%
4	IQ RENTAL & FINANCE PTY LTD	6,500,000	1.29%
5	HOLT SUPER FUND A/C	4,036,172	0.80%
6	JOHNSTON SUPER FUND A/C	4,000,000	0.79%
7	MS NOLA VERONICA BANASIK	4,000,000	0.79%
8	MR YONGHONG SUN	3,473,431	0.69%
9	CJN BLOODSTOCK PTY LTD	3,063,000	0.61%
10	GARY B BRANCH PTY LTD	2,900,000	0.58%
11	ABN AMRO CLEARING SYDNEY	2,626,740	0.52%
12	BELL POTTER NOMINEES LTD	2,227,663	0.44%
13	MS EFFIE BINDEVIS	2,047,000	0.41%
14	MR FRANK MARIO ZAMBONETTI & MRS VICTORIA JEANETTE ZAMBONETTI	2,000,000	0.40%
15	JOHN SKELLY PTY LTD	2,000,000	0.40%
16	NATIONAL NOMINEES LIMITED	1,992,084	0.40%
17	COMSEC NOMINEES PTY LIMITED	1,957,719	0.39%
18	MR JOHN PAUL TOMEK	1,835,000	0.36%
19	DIFO PTY LTD	1,739,800	0.35%
20	BRAMOR SUPERANNUATION PTY LTD	1,600,000	0.32%
		130,562,743	**25.95%**



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