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ANNUAL REPORT

FOR THE YEAR ENDED
30 JUNE 2022



silverlake
RESOURCES

DIRECTORS

DAVID QUINLIVAN

Non-executive Chairman

LUKE TONKIN

Managing Director

KELVIN FLYNN

Non-executive Director

REBECCA PRAIN

Non-executive Director (appointed 17 August 2021)

PETER ALEXANDER

Non-executive Director (resigned 17 August 2021)

COMPANY SECRETARY

David Berg

PRINCIPAL OFFICE

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SHARE REGISTER

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AUDITORS

KPMG
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Perth WA 6000

INTERNET ADDRESS

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ABN

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ASX CODE

SLR

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CHAIRMAN & MANAGING DIRECTOR'S REPORT

DEAR FELLOW SHAREHOLDER,

We are pleased to present the 2022 Annual Report. It was a year in which the combination of resilient management of our operations in the face of a challenging operating climate and the progression of Silver Lake's growth strategy through the acquisition of Harte Gold consolidated the company's position as a leading mid-tier growth orientated gold mining business.

FY22 saw the continuation of the challenging operating environment experienced in FY21 across the global mining industry. Border closures, lockdowns, travel restrictions and other regulatory responses to COVID-19 together with increased supply chain constraints and cost pressures, saw Silver Lake constantly responding operationally to the rapidly changing environment that prevailed during the year. Strategically, FY22 marked a significant step as Silver Lake executed on its intent to strengthen the operating portfolio and growth pipeline through the acquisition of Harte Gold Corp. (Harte), its Sugar Zone mine and the associated 81,287 hectare contiguous land package in Ontario, Canada. Silver Lake completed the acquisition of Harte, taking both operational control and financial interest in February 2022.

In FY22 Silver Lake delivered gold sales of 251,735 ounces and copper sales of 907 tonnes copper at an AISC of A\$1,756 per ounce. FY22 sales were underpinned by record production and sales from the high margin Deflector operation, which delivered 20% year on year sales growth, in the first full year following the addition of the CIP circuit to the processing facility and introduction of Rothsay as a secondary high grade feed source.

For FY22 Silver Lake reported a statutory NPAT of A\$78 million, which included a non-cash tax expense of \$38 million and a non-cash gain of \$29 million associated with the acquisition of Harte. Silver Lake's profit before tax for the year was \$115 million, with operating cash flow \$249 million, which importantly delivered a 20% increase in year on year underlying free cash flow of \$89 million. Silver Lake ended FY22 with cash and bullion of \$314 million and 7,952 ounces of forward gold sales, to be delivered through to February 2023 as part of the close out of the Harte hedge book.

The strong balance sheet enabled capital returns to shareholders with the implementation of an on-market share buyback. The structure of the buyback provides an active capital management mechanism to compete for excess capital at times when share price volatility does not reflect the robust outlook for the business.

Silver Lake's Mineral Resources have grown to 6.8 million ounces at 30 June 2022, a 25% year on year increase, with Ore Reserves of 1.6 million ounces, a 17% year on year increase. With the year on year growth driven by the acquisition of Harte and inclusion of the Sugar Zone, it is pleasing to say that both Mineral Resources and Ore Reserves have increased by 19% and 11% respectively on a per share basis demonstrating Silver Lake's commitment to delivering value driven, not volume driven growth for our shareholders.

FY23 will demonstrate the value of the increased diversification of Silver Lake's portfolio with assets at different stages of the invest

and yield cycle, which underpins Silver Lake's operating strategy. In Western Australia, volume growth and changes in operating strategy will partially offset the impact of inflationary pressures at Deflector and Mount Monger respectively. At the newly acquired Sugar Zone operation, Silver Lake will commence the investment in low capital intensity projects with a short payback period to leverage installed infrastructure and generate improved productivity and cost reductions. Our FY23 sales guidance range of 260,000 to 290,000 ounces represents 9% year on year sales growth on absolute basis and 6% growth on a sales per share basis.

An exploration budget of \$27 million has been approved for FY23 and is the largest exploration investment in the Company's history, demonstrating Silver Lake's confidence in the continued low capital intensity organic growth potential to leverage the significant installed infrastructure across all its operations.

Whilst the early part of FY23 has presented a time of heightened volatility and uncertainty across commodity, currency and equity markets and the global political arena, Silver Lake is in a strong position with cash generative operations in tier one jurisdictions, a strong balance sheet and forecast free cash flow generation which allows internal funding of all organic development and exploration projects.

Silver Lake's financial position and disciplined capital allocation framework enables the Company to continue to approach further industry consolidation from a position of strength, as we seek to expand the pipeline of opportunities competing for capital, both organically and externally to deliver value creation for shareholders by executing our strategy to become a "larger, lower cost and longer life" business.

On behalf of the Board we would like to thank the Company's employees for their dedicated service and resilience over the past 12 months, and without whom the achievements of the past year would not have been possible.

We would also like to acknowledge our suppliers, contractors and shareholders who continue to support our strategy of delivering today, developing for tomorrow and discovering for the future.



David Quinlivan
Non-Executive Chairman



Luke Tonkin
Managing Director

RESOURCES & RESERVES REPORT

MINERAL RESOURCE STATEMENT AS AT 30 JUNE 2022

The Company's total Measured, Indicated and Inferred Mineral Resources at 30 June 2022 are 45.3 million tonnes @ 4.7 grams per tonne of gold containing 6.81 million ounces of gold, including 2.6 million tonnes @ 0.7 percent copper containing 16,800 tonnes of copper. The Mineral Resources as at 30 June 2022 are estimated after allowing for depletion during FY2022.

June 2022	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Total Mineral Resources		
	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)
Mount Monger												
Daisy Mining Centre												
Daisy Complex	90	32.5	94	616	18.1	359	872	23.1	649	1,578	21.7	1,102
Mirror/Magic	493	2.5	39	1,003	2.3	74	682	2.5	55	2,178	2.4	168
Lorna Doone	-	-	-	1,501	2.0	98	785	2.0	51	2,286	2.0	149
Costello	-	-	-	37	1.7	2	237	2.0	15	274	1.9	17
Sub Total	583	7.1	133	3,157	5.3	533	2,576	9.3	770	6,316	7.1	1,436
Mount Belches Mining Centre												
Maxwells	154	5.3	26	1,443	4.0	185	1,752	3.4	194	3,349	3.8	405
Cock-eyed Bob	258	5.4	45	1,017	3.9	129	825	3.6	95	2,100	4.0	269
Santa	-	-	-	7,097	2.6	591	1,414	3.0	137	8,511	2.7	728
Rumbles	-	-	-	888	1.9	55	538	1.9	32	1,426	1.9	87
Anomaly A	-	-	-	232	1.9	14	44	1.4	2	276	1.8	16
Sub Total	412	5.4	71	10,677	2.8	974	4,573	3.1	460	15,662	3.0	1,505
Aldiss Mining Centre												
Karonie	-	-	-	2,493	1.9	150	1,150	1.6	60	3,643	1.8	210
Tank/Atreides	-	-	-	1,251	2.5	102	234	1.6	12	1,485	2.4	114
French Kiss	-	-	-	1,112	2.2	80	189	2.0	12	1,301	2.2	92
Harrys Hill	-	-	-	479	2.2	34	415	2.3	31	894	2.3	65
Italia/Argonaut	-	-	-	531	1.6	27	19	1.6	1	550	1.6	28
Spice	-	-	-	136	1.6	7	296	1.4	13	432	1.4	20
Aspen	-	-	-	112	1.7	6	139	1.6	7	251	1.6	13
Sub Total	-	-	-	6,114	2.1	406	2,442	1.7	136	8,556	2.0	542
Randalls Mining Centre												
Lucky Bay	13	4.8	2	34	4.6	5	8	7.8	2	55	5.1	9
Randalls Dam	-	-	-	95	2.0	6	24	1.3	1	119	1.8	7
Sub Total	13	4.8	2	129	2.7	11	32	2.9	3	174	2.9	16
Mount Monger												
Stockpile	3,142	1.2	123	-	-	-	-	-	-	3,142	1.2	123
Sub Total	3,142	1.2	123	-	-	-	-	-	-	3,142	1.2	123
Mount Monger Total	4,150	2.5	329	20,077	3.0	1,924	9,623	4.4	1,369	33,850	3.3	3,622
Deflector												
Deflector	414	18.3	243	1,347	13.1	569	716	9.4	216	2,477	12.9	1,028
Stockpile	99	1.9	6	-	-	-	-	-	-	99	1.9	6
Deflector Total	513	15.1	249	1,347	13.1	569	716	9.4	216	2,576	12.5	1,034

June 2022	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Total Mineral Resources		
	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)
Rothsay												
Rothsay	-	-	-	581	12.6	236	475	9.9	151	1,056	11.4	387
Stockpile	54	1.7	3	-	-	-	-	-	-	54	1.7	3
Rothsay Total	54	1.7	3	581	12.6	236	475	9.9	151	1,110	10.9	390
Sugar Zone												
Sugar Zone	-	-	-	4,698	8.1	1,219	3,010	5.6	543	7,708	7.1	1,762
Stockpile	17	1.8	1	-	-	-	-	-	-	17	1.8	1
Sugar Zone Total	17	1.8	1	4,698	8.1	1,219	3,010	5.6	543	7,725	7.1	1,763
Total Gold Mineral Resources	4,734	3.8	582	26,703	4.6	3,948	13,824	5.1	2,279	45,261	4.7	6,809

June 2022	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Total Mineral Resources		
	Tonnes ('000s)	Grade (% Cu)	Copper (Tonnes)	Tonnes ('000s)	Grade (% Cu)	Copper (Tonnes)	Tonnes ('000s)	Grade (% Cu)	Copper (Tonnes)	Tonnes ('000s)	Grade (% Cu)	Copper (Tonnes)
Deflector												
Deflector	414	1.1%	4,400	1,347	0.7%	9,200	716	0.4%	2,800	2,477	0.7%	16,400
Stockpile	99	0.4%	400	-	-	-	-	-	-	99	0.4%	400
Total Copper Mineral Resources	513	0.9%	4,800	1,347	0.7%	9,200	716	0.4%	2,800	2,576	0.7%	16,800

ORE RESERVE STATEMENT AS AT 30 JUNE 2022

The total Proved and Probable Gold Ore Reserves at 30 June 2022 are 16.2 million tonnes @ 3.1 grams per tonne of gold containing 1.59 million ounces of gold, including 2.3 million tonnes @ 0.2 percent copper containing 5,100 tonnes of copper. The Ore Reserves at 30 June 2022 are estimated after allowing for depletion over FY2022. An assumed gold price of A\$2,300/oz was used for Daisy Complex, Maxwells and Cock-eyed Bob Ore Reserves, A\$2,200/oz was used for Santa Open Pit and Tank Ore Reserves and A\$2,100/oz for Santa Underground, French Kiss and Sugar Zone Ore Reserves.

June 2022	Proved Ore Reserves			Probable Ore Reserves			Total Ore Reserves		
	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)	Tonnes ('000s)	Grade (g/t Au)	Ounces (Au '000s)
Aldiss Mining Centre									
Tank	-	-	-	569	3.2	59	569	3.2	59
French Kiss	-	-	-	489	1.9	30	489	1.9	30
Total Aldiss Mining Centre	-	-	-	1,058	2.6	89	1,058	2.6	89
Daisy Mining Centre									
Daisy Complex	63	5.9	12	293	7.5	70	355	7.2	82
Total Daisy Mining Centre	63	5.9	12	293	7.5	70	355	7.2	82
Mount Belches Mining Centre									
Maxwells	20	3.2	2	154	3.5	17	174	3.5	19
Santa	-	-	-	5,132	1.6	258	5,132	1.6	258
Cock-eyed Bob	15	4.0	2	187	3.2	19	202	3.2	21
Total Mount Belches	35	3.6	4	5,473	1.7	294	5,509	1.7	298
Mount Monger Stockpiles	3,142	1.2	123	-	-	-	3,142	1.2	123
Total Mount Monger	3,239	1.3	139	6,824	2.1	453	10,064	1.8	592
Deflector									
Deflector UG	502	6.1	98	1,634	4.8	251	2,136	5.1	349
Deflector OP	-	-	-	140	3.1	14	140	3.1	14
Stockpile	38	3.3	4	-	-	-	38	3.3	4
Total Deflector	540	5.9	102	1,774	4.6	265	2,314	4.9	367
Rothsay									
Rothsay	-	-	-	615	6.0	119	615	6.0	119
Stockpile	61	1.9	4	-	-	-	61	1.9	4
Total Rothsay	61	1.9	4	615	6.0	119	676	5.7	123
Sugar Zone									
Sugar Zone	17	2.4	1	-	-	-	17	2.4	1
Stockpile	-	-	-	3,139	5.1	511	3,139	5.1	511
Sugar Zone	17	2.4	1	3,139	5.1	511	3,156	5.1	512
Total Gold Ore Reserves	3,857	2.0	247	12,352	3.4	1,348	16,209	3.1	1,594

June 2022	Proved Ore Reserves			Probable Ore Reserves			Total Ore Reserves		
	Tonnes ('000s)	Grade (% Cu)	Copper (Tonnes)	Tonnes ('000s)	Grade (% Cu)	Copper (Tonnes)	Tonnes ('000s)	Grade (% Cu)	Copper (Tonnes)
Deflector									
Deflector OP	-	0.0%	-	140	0.3%	400	140	0.3%	400
Deflector UG	502	0.2%	900	1,634	0.2%	3,500	2,136	0.2%	4,400
Stockpile	38	0.7%	300	-	0.0%	-	38	0.7%	300
Total Copper Ore Reserves	540	0.2%	1,200	1,774	0.2%	3,900	2,314	0.2%	5,100

NOTES TO TABLES MINERAL RESOURCE AND ORE RESERVE TABLES:

1. Mineral Resources are reported inclusive of Ore Reserves.
2. Data is rounded to thousands of tonnes, thousands of ounces gold, and hundreds of tonnes copper. Discrepancies in totals may occur due to rounding.
3. All Mineral Resource and Ore Reserve 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).

MINERAL RESOURCE AND ORE RESERVE GOVERNANCE AND INTERNAL CONTROLS

Silver Lake ensures that the Mineral Resource and Ore Reserve estimates quoted are subject to governance arrangements and internal controls activated at a site level and at the corporate level. Internal reviews of Mineral Resource and Ore Reserve estimation procedures and results are carried out through a technical review team which is comprised of highly competent and qualified professionals. These reviews have not identified any material issues. The Company has finalised its governance framework in relation to the Mineral Resource and Ore Reserve estimates in line with the conduct of its business. Silver Lake reports its Mineral Resources and Ore Reserves on an annual basis in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition (except where stated).

Mineral Resources are quoted inclusive of Ore Reserves. Competent Persons named by Silver Lake are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code. The Mineral Resources and Ore Reserves statements are based upon, and fairly represent, information and supporting documentation prepared by the Competent Persons named below. The Mineral Resources statement as a whole, as presented in this Annual Report, has been approved by Antony Shepherd, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. The Ore Reserves statement as a whole, as presented in this Annual Report, has been approved by Sam Larritt, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy.

COMPETENT PERSON'S STATEMENT

The information in this Annual Report that relates to the Mineral Resources for the Harrys Hill, Santa, Cock-eyed Bob, Maxwells, Anomaly A, Mirror/Magic, Tank/Atreides, Spice, Aspen, French Kiss, Italia/Argonaut, Lorna Doone, Rumbles, Costello, Randalls Dam and Karonie deposits is based upon information compiled by Aslam Awan, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Awan is a full-time employee of the Company. Mr Awan 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 Awan consents to the inclusion in the Annual Report of matters based on his information in the form and context in which it appears. The information in this Annual Report that relates to the Mineral Resources for the Deflector deposit is based upon information compiled by David Buckley, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Buckley is a full-time employee of the Company. Mr Buckley 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 Buckley consents to the inclusion in the Annual Report of matters based on his information in the form and context in which it appears. The information in this Annual Report that relates to the Mineral Resources for the Daisy Complex deposits is based upon information compiled by Darren Hurst, a Competent Person who is a member of The Australian Institute of Geoscientists. Mr Hurst was a full-time employee of the Company at the time the Daisy Complex Mineral Resource estimate was prepared. Mr Hurst 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 Hurst consents to the inclusion in the Annual Report of matters based on his information in the form and context in which it appears. The information in this Annual Report that relates to the Mineral Resources for the Rothsay and Sugar Zone deposits is based upon information compiled by Hans Andersen, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Andersen was a full-time employee of the Company at the time the Rothsay and Sugar Zone Mineral Resource estimates were prepared. Mr Andersen 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 Andersen consents to the inclusion in the Annual Report of matters based on his information in the form and context in which it appears.

The information in this Annual Report that relates to Ore Reserves for Deflector, Daisy Complex, Maxwells, Cock-eyed Bob, Santa, Tank, French Kiss and Sugar Zone is based upon information compiled by Sam Larritt, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Larritt is a full-time employee of the Company. Mr Larritt 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 Larritt consents to the inclusion in the Annual Report of matters based on his information in the form and context in which it appears. The information in this Annual Report that relates to Ore Reserves for Rothsay is based upon information compiled by Jigar Patel, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Patel is a full-time employee of the Company. Mr Patel 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 Patel consents to the inclusion in the Annual Report of matters based on his information in the form and context in which it appears. All other information in this Annual Report relating to Mineral Resources is based on information compiled by 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 the Company. Mr Shepherd 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 Annual Report of matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This Annual 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.

DIRECTORS' REPORT

The Directors submit their report, together with the consolidated financial statements of the Group comprising Silver Lake Resources Limited (the Company or Silver Lake) and its subsidiaries for the year ended 30 June 2022.

DIRECTORS

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

DAVID QUINLIVAN

BApp Sci, Min Eng, Grad Dip Fin Serv, FAusImm, FFINSA, MMICA

Non-executive Chairman

Appointed Non-executive Director on 25 June 2015 and Chairman on 30 September 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 multiple mining projects in various capacities. He has previously served as Chief Executive Officer of Sons of Gwalia Ltd (post appointment of administrators), as Chief Operating Officer of Mount Gibson Iron Ltd and President and Chief Executive Officer of Alacer Gold Corporation. Mr Quinlivan is currently non-executive Chairman of Dalaroo Metals and until recently served as Managing Director of Ora Banda Mining Limited until 30 June 2021 before assuming the role of non-executive Director.

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

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 over 35 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 and Chief Executive Officer and Managing Director of Reed Resources Ltd.

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.

KELVIN FLYNN

B.Com, CA

Non-executive Director

Appointed 24 February 2016

Mr Flynn is a qualified Chartered Accountant with over 30 years' experience in investment banking and corporate advisory roles including private equity and special situations investments in the mining and resources sector. He has held various leadership positions in Australia and Asia, having previously held the position of Executive Director/Vice President with Goldman Sachs and Managing Director of Alvarez & Marsal in Asia. He has worked in complex financial workouts, turnaround advisory and interim management. Mr Flynn was previously a director of privately held Global Advanced Metals Pty Ltd. Mr Flynn is a Non-Executive Director of Mineral Resources Limited and is Managing Director of the specialist alternative funds manager Harvis, which focuses on investments and financing in the real estate and real assets sectors.

Mr Flynn has held no other directorships in public listed companies in the last three years.

REBECCA PRAIN

BSc (Geology)

Non-executive Director

Appointed 17 August 2021

Ms Prain has 30 years' experience in the mining industry as a geologist and mining services provider. She has held a variety of technical and management roles throughout her career and is currently the Managing Director of Cube Consulting, a specialist resource estimation and mining engineering services group that provides geological and mining engineering expertise and systems. Ms Prain's experience includes technical and advisory roles to multiple Australian, North American and Southeast Asian mining companies, with a particular focus on the implementation and use of specialist resource estimation and mining software.

Ms Prain has held no other Directorships in public listed companies in the last three years.

PETER ALEXANDER

ASS APPL Geol

Non-executive Director

Appointed 5 April 2019; Resigned 17 August 2021

Mr Alexander is a geologist and has over 40 years' experience in mineral exploration and mining in Australia and overseas. Mr Alexander was Managing Director and Chief Executive Officer of Dominion Mining Limited from 1997 until his retirement in January 2008, at which time he continued as a Non-Executive Director until the takeover by Kingsgate Consolidated in 2010. Mr Alexander managed the start-up and operation of Dominion's Challenger gold mine and, under Mr Alexander's management, Dominion won the Gold Mining Journal's "Gold Miner of the Year" three years in succession.

Mr Alexander was a Non-executive Director and former Chairman of Doray Minerals Limited and was appointed to the Silver Lake Board following the Company's merger with Doray Minerals Limited. He is currently a Non-Executive Director of Kingsgate Consolidated Limited and was previously Non-Executive Chairman of Caravel Minerals Limited.

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

COMPANY SECRETARY

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.

COMMITTEE MEMBERSHIP

As at the date of this report, the Board has an Audit Committee and a Nomination & Remuneration Committee. Those members acting on the committees of the Board during the year were:

Audit Committee	Term	Nomination & Remuneration Committee (NRC)	Term
Kelvin Flynn (Chairman)	Full Year	Kelvin Flynn	Full Year
Rebecca Prain	Part Year	Rebecca Prain	Part Year
David Quinlivan	Full Year	David Quinlivan (Chairman)	Full Year
Peter Alexander	Part Year	Peter Alexander	Part Year

DIRECTORS' MEETINGS

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

	Directors' Meetings		Audit Committee		Nomination & Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
David Quinlivan	14	14	2	2	2	2
Luke Tonkin	14	14	-	-	-	-
Kelvin Flynn	14	14	2	2	2	2
Rebecca Prain ¹	13	13	1	1	1	1
Peter Alexander ²	1	1	1	1	1	1

¹ Appointed 17 August 2021

² Resigned 17 August 2021

DIRECTORS' INTERESTS

The relevant interest of each Director in the share capital at the date of this report is as follows:

Name of Director	Fully Paid Ordinary Shares	Unlisted Performance Rights
David Quinlivan	-	-
Luke Tonkin	1,181,661	1,541,965
Kelvin Flynn	-	-
Rebecca Prain	-	-

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were exploration, mine development, mine operations and the sale of gold and gold/copper concentrate in Australia and Canada.

OPERATING OVERVIEW

Silver Lake is a multi-asset gold company operating in the Eastern Goldfields and Midwest regions of Western Australia and in Northern Ontario, Canada.

The Group's three operations, Deflector, Mount Monger and Sugar Zone, offer significant potential for organic growth from their portfolios of highly endowed and prospective tenement holdings.

The Group's operations over the last 12 months have been impacted by the ongoing and evolving response to COVID-19 as well as by labour and supply chain constraints. The Company has however adapted and mitigated, as far as practicable, the risks associated with these disruptions. Given the industry framework in which Silver Lake operates and the Company's strong debt free balance sheet, Silver Lake will continue to actively pursue exploration, production and growth objectives, subject to the evolving and unforeseen impacts of COVID-19 and ongoing supply chain constraints.

GROUP FINANCIAL OVERVIEW

The Group recorded a net profit after tax for the year of \$77.7 million (FY21: \$98.2 million) and an EBITDA (before significant items)¹ of \$267.6 million (FY21: \$290.8 million). This resulted in an EBITDA margin for the year of 42% (FY21: 49%). The Board considers that EBITDA is an important metric in assessing the underlying operating performance of the Group. A reconciliation between the statutory profit after tax and the Group's EBITDA is tabled on page 11.

The FY22 financial results include a first time contribution from the Sugar Zone Operation (Sugar Zone) following Silver Lake's acquisition of Harte Gold Corporation during the year. Consolidated results in this report are from the closing date of the acquisition being 18 February 2022 (refer Note 3).

Revenue for the year totalled \$634.6 million from the sale of 255,994 ounces of gold equivalent² at an average realised gold sale price of A\$2,482/oz compared with revenue of \$598.3 million from 255,573 ounces (at A\$2,315/oz) in FY21. The increase in revenue reflects a 4 month contribution from Sugar Zone and improved commodity prices over the past year.

Cost of sales increased to \$518.5 million in the year (FY21: \$436.0 million) reflecting a \$23.8 million increase in depreciation and amortisation charge, increased operating costs associated with the larger operating base in the Deflector region and inclusion of the Sugar Zone Operation post acquisition date of 18 February 2022. In addition, all sites were adversely impacted by recent increases in input costs due to the impact of COVID-19 on supply chains and general inflationary pressures driving operating costs higher. The Group All-in Sustaining Cost (AISC) for the year increased to A\$1,756/oz (FY21: A\$1,484/oz).

The FY22 profit result includes the recognition of a \$28.8 million gain on bargain purchase on the acquisition of Harte Gold. Full details of the transaction are disclosed in Note 3.

A non-cash tax expense of \$37.7 million has been recorded in FY22. The current year taxable expense will be offset against available tax losses and hence no tax is payable for FY22.

¹ Non-IFRS measure

² All gold equivalency calculations assume a gold price of A\$2,300/oz, copper price of A\$12,000/t and a 10% payability reduction for treatment and refining charges

The reconciliation between the statutory profit after tax and the Group's EBITDA (excluding significant items) is outlined in the table below:

Reconciliation of Statutory Profit after Tax to EBITDA (excluding significant items) – unaudited	30 June 2022 \$'000	30 June 2021 \$'000
Statutory profit after tax:	77,681	98,205
<i>Adjustments for:</i>		
Depreciation and amortisation	167,880	144,108
Income tax expense	37,654	42,996
Net finance costs (includes change in value of listed investments)	8,075	5,691
Business combination adjustments (including gain on bargain purchase)	(27,924)	-
Exploration expensed	3,187	3,639
Other	1,007	(3,819)
EBITDA (excluding significant items)¹	267,560	290,820

Cash and bullion at 30 June 2022 was \$313.8 million (30 June 2021: \$330.2 million). In addition, the Group had \$12.9 million of gold in circuit and concentrate on hand, and listed investments of \$8.0 million at year end. The decrease in cash was largely attributable to cash outflows of \$134.7 million related to the acquisition of Harte Gold. Other key cash flow movements for FY22 included:

- Net cash inflow from operations of \$249.2 million
- Acquisition of plant and equipment of \$14.9 million
- \$91.1 million on mine development and \$21.0 million on exploration
- \$33.0 million on repayment of finance leases primarily attributed to right of use assets
- \$3.3 million payment on stamp duty relating to the 2019 acquisition of Egan Street Resources Limited
- \$30.5 million in proceeds from a gold prepay arrangement (relating to the future delivery of 11,928 ounces of gold). By 30 June 2022, 3,976 ounces (\$10.2 million) had been delivered against the gold prepay liability.

During the year the Company added 0.5 million tonnes of ore to its inventory balance. Ore stocks at 30 June 2022 contain 132,000 oz of gold and are valued at a cost of \$104.5 million on the Company's balance sheet.

The value of property, plant and equipment increased by \$65.8 million in FY22. The movement included \$113.9 million of assets acquired through the Harte Gold acquisition and a reduction of \$18.2 million in right of use assets recognised as leases under AASB16 Leases.

Deferred tax assets reduced by \$15.6 million to \$65.1 million at 30 June 2022, with the reduction due to the utilisation of tax losses and recognition of temporary differences between accounting and tax treatment of assets and liabilities. At 30 June 2022 the Company has \$303,846,000 (FY21: \$322,848,000) of tax losses remaining for offset against future taxable profits in Australia and \$130,255,000 of Canadian tax losses that are available for offset against future taxable profits in Canada.

As at 30 June 2022, Silver Lake's forward gold hedging program totalled 40,000 ounces, to be delivered over the next 12 months at an average forward price of A\$2,505/oz.

¹ Non-IFRS measure

OVERVIEW OF THE MOUNT MONGER OPERATION

The Mount Monger Operation is located approximately 50km southeast of Kalgoorlie and is a highly endowed gold camp with an established track record of gold production. Through exploration and development Mount Monger has transitioned to larger, longer life Mining Centres which have delivered multiple high-grade ore sources and increased production transparency. The three independent and self-sufficient Mining Centres at Mount Monger are the Daisy Complex, Mount Belches and Aldiss Mining Centres. These Mining Centres feed the 1.3Mtpa Randalls processing facility.

MINING

Ore mined from the three Mount Monger Mining Centres totalled 1,701,915 tonnes at a grade of 2.4 g/t Au for 131,328 contained ounces (FY21: totalled 2,298,725 tonnes at a grade of 2.6 g/t Au for 194,954 contained ounces).

Underground Mining

Mount Monger underground mine production for the year totalled 669,349 tonnes at 3.9 g/t for 83,265 contained ounces (FY21: 901,293 tonnes at 4.3 g/t for 125,000 contained ounces).

The Daisy Complex produced 243,168 tonnes at 5.1 g/t for 39,573 contained ounces, with production sourced from Haoma West, Lower Prospect, Easter Hollows and remnant mining areas. The Easter Hollows zone provides a shallower mining front and a significant exploration opportunity, with 1,000 metres of known plunge extent and improved drill access to target infill and extensional opportunities. In FY23, ore from the Daisy Mining Centre will continue to be sourced from Haoma West, Lower Prospect and the Easter Hollows lodes.

The Mount Belches underground mines (Maxwells, Cock-eyed Bob and Santa) produced 426,181 tonnes at 3.2 g/t for 43,692 contained ounces, representing 64% of the underground mine production at Mount Monger. Mining at Mount Belches will be suspended in FY23, with the hiatus in mining to allow Silver Lake to preserve the value of the Maxwells and CEB Mineral Resources and Ore Reserves and complete infill and extensional drilling beyond Mineral Resource limits in anticipation of a return to more normalised operating and supply chain conditions in Western Australia.

Development of the Tank South underground mine at the Aldiss Mining Centre commenced in July 2022, with first Tank South development ore expected to be introduced to the mill feed in Q2 FY23. The current Ore Reserve schedule will see ore mining progressively increase through FY23, with stoping scheduled to commence in Q4 and continue into FY24.

Open Pit Mining

Open pit mining at Aldiss (Karonie, Tank and Atrides) totalled 1,032,556 tonnes at 1.4 g/t for 48,063 contained ounces (FY21: 1,397,432 tonnes at 1.6 g/t for 69,955 contained ounces).

Open pit mining activities were completed during H1 FY22 to facilitate the treatment of surface ore stockpiles to supplement underground mine production.

PROCESSING

Gold ore from the Mount Monger Operation is treated at the Company's Randalls processing facility. Ore milled for the period totalled 1,256,338 tonnes at 3.0 g/t for 112,384 recovered ounces (FY21: 1,274,659 tonnes at 3.7 g/t Au for 141,602 recovered ounces).

Stockpiles at 30 June 2022 were ~3.1 million tonnes containing ~123,000 ounces (30 June 2021: ~2.7 million tonnes containing 115,500 ounces).

Silver Lake will maintain an iterative approach to mine and mill feed scheduling beyond FY23 at Mount Monger, continuing to prioritise highest returning and cash generative ore sources to preserve ore body optionality and margin in the prevailing operating climate. The primary opportunities for inclusion in the FY24 mine schedule are a recommencement of underground mining at Mount Belches under a new mining contract and commencement of open pit mining at Santa.

Mining and production statistics for the Mount Monger Operation for the year ended 30 June 2022 are detailed in Table 1 and Table 2.

OVERVIEW OF THE DEFLECTOR REGION

The Deflector Region Operation is in the midwest region of Western Australia and comprised the Deflector and Rothsay underground mines and Deflector processing facility. FY22 performance delivered a 20% year on year sales growth, in the first full year following the addition of the CIP circuit to the processing facility and introduction of a secondary high grade feed source at Rothsay.

MINING

Deflector Region mine production for the period totalled 799,524 tonnes at 5.0 g/t gold and 0.1% copper for 129,403 contained ounces gold (FY21: 675,022 tonnes at 5.3 g/t gold and 0.3% copper for 113,988 contained ounces gold).

Production was sourced from the primary Deflector underground mine and the secondary high grade ore source, Rothsay underground, which was progressively ramped up through FY22. Approximately 73% and 77% of mined ore tonnes and ounces respectively were sourced from Deflector.

PROCESSING

Deflector mill throughput was 751,021 tonnes at 5.4 g/t gold and 0.2% copper (FY21: 660,994 tonnes at 5.4 g/t gold and 0.3%). Total gold recovery was 96.1% with copper recovery of 77.8%. Production for the year was a record 124,602 ounces gold and 991 tonnes copper (FY21: 100,875 ounces gold and 1,690 tonnes copper).

FY22 mill throughput was 14% higher year on year with grades consistent and gold recovery 10% higher, following the successful addition and integration of a new CIP circuit. The combination of higher throughput and recoveries delivered the 24% year on year increase in gold production. Concentrate production for FY22 totalled 6,152 tonnes at an average gold grade of 149 g/t gold and 16% copper.

At 30 June 2022 Deflector regional ore stocks were 153,000 tonnes at 1.9 g/t gold (30 June 2021: 112,000 tonnes at 2.4 g/t gold).

Mining and production statistics for the Deflector Region for the year ended 30 June 2022 are detailed in Table 1 and Table 2.

OVERVIEW OF THE SUGAR ZONE OPERATION

In February 2022 Silver Lake completed the acquisition of Harte Gold Corp ("Harte Gold") and its 100% interest in the Sugar Zone Operation and associated 81,287 hectare land package in a prolific gold district in Northern Ontario, Canada. The Sugar Zone Operation is in an established mining province, within close proximity to transport corridors, grid power, established mining services and suppliers. Mining at Sugar Zone commenced in 2019 and is one of Ontario's most recent and highest grade gold mines.

The acquisition of Harte Gold and the Sugar Zone Operation further diversifies Silver Lake's production base and establishes a significant growth platform in a tier 1 mining jurisdiction, at an attractive entry point. The early stage nature of the operation provides Silver Lake with the flexibility to consider multiple operational optimisation strategies to enhance the value of the defined mineral inventory, whilst the limited drilling immediately beyond the defined mineral inventory and the scale of the land package provides significant exploration potential to enhance Silver Lake's organic growth pipeline.

Sugar Zone financials and physicals disclosed in this report are from the date of acquisition of 18 February 2022.

MINING

Sugar Zone mine production for the period totalled 91,519 tonnes at 5.4 g/t gold for 15,812 contained ounces gold.

Since taking over the project, Silver Lake has redesigned the mine and eliminated one of two declines accessing the Sugar Zone lodes. Level intervals will also increase from 15 metres to 17 metres with the replacement of older generation pneumatic longhole drill rigs with modern electro-hydraulic, longhole drill rigs. The middle zone will continue to be accessed via the single decline from the upper Sugar Zone decline. The redesign will reduce development metres over the life of mine, increase operating efficiency and reduce costs.

Silver Lake will also invest in the latest generation drilling, loading and haulage fleet to replace the existing fleet. This fleet replacement program will increase mine capacity, improve operating efficiency, increase mine productivity and reduce unit mining costs.

PROCESSING

Sugar Zone mill throughput for the period was 89,741 tonnes at 5.5 g/t gold for 14,901 recovered ounces. Total gold recovery was 94.6%.

Mill throughput is expected to average ~900tpd in FY23, with throughput to match mining rates during FY23. Gold recovery is expected to be consistent year on year.

Mining and production statistics for the Sugar Zone Operation for the period ended 30 June 2022 are detailed in Table 1 and Table 2.

GROUP MINING AND PRODUCTION STATISTICS

Mount Monger Mining	Units	FY22	FY21
Underground			
Ore mined	Tonnes	669,349	901,293
Mined grade	g/t Au	3.9	4.3
Contained gold	Oz	83,265	125,000
Open Pit			
Ore mined	Tonnes	1,032,566	1,397,432
Mined grade	g/t Au	1.4	1.6
Contained gold	Oz	48,063	69,955
Deflector Mining			
Underground			
Ore mined	Tonnes	586,867	627,579
Mined grade	g/t Au	5.3	5.4
Contained gold	Oz	99,697	108,249
Copper grade	%	0.2%	0.3%
Contained copper	Tonnes	1,114	1,752
Rothsay Mining			
Underground			
Ore mined	Tonnes	212,657	47,443
Mined grade	g/t Au	4.3	3.8
Contained gold	Oz	29,706	5,739
Sugar Zone Mining¹			
Underground			
Ore mined	Tonnes	91,519	-
Mined grade	g/t Au	5.4	-
Contained gold	Oz	15,812	-
Group Mining			
Total ore mined	Tonnes	2,592,958	2,973,747
Mined grade	g/t Au	3.3	3.2
Contained gold	Oz	276,543	308,943
Copper grade	%	0.2%	0.3%
Contained copper	Tonnes	1,114	1,752

¹ Sugar Zone physicals are from the date of acquisition, 18 February 2022

Table 1

Mount Monger Processing	Units	FY22	FY21
Ore milled	Tonnes	1,256,338	1,274,659
Head grade	g/t Au	3.0	3.7
Recovery	%	92%	93%
Gold produced	Oz	112,384	141,602
Gold sold	Oz	113,875	145,623
Deflector Processing			
Ore milled	Tonnes	751,021	660,994
Gold grade	g/t Au	5.4	5.4
Copper grade	%	0.2%	0.3%
Gold recovery	%	96.1%	87.7%
Copper recovery	%	77.8%	89.4%
Gold produced	Oz	124,602	100,875
Gold sold	Oz	123,099	103,158
Copper recovered	Tonnes	991	1,690
Copper sold	Tonnes	907	1,724
Sugar Zone Processing¹			
Ore milled	Tonnes	89,741	-
Head grade	g/t Au	5.5	-
Recovery	%	94.6%	-
Gold produced	Oz	14,901	-
Gold sold	Oz	17,762	-
Group Processing			
Ore milled	Tonnes	2,097,100	1,935,653
Gold grade	g/t Au	4.0	4.3
Copper grade	%	0.2%	0.3%
Gold produced	Oz	251,887	242,478
Gold sold	Oz	251,735	248,781
Copper recovered	Tonnes	991	1,690
Copper sold	Tonnes	907	1,724

¹ Sugar Zone physicals are from the date of acquisition, 18 February 2022

Table 2

EXPLORATION

Silver Lake invested \$20.8 million in exploration activities during the year to advance high-grade projects within established and proven mineralised corridors proximal to established infrastructure. The FY23 exploration budget of \$27 million is the largest exploration investment in the Company's history and demonstrates Silver Lake's confidence in the continued low capital intensity organic growth potential to leverage the significant installed infrastructure across all its operations.

Mount Monger

Drilling during the year focused on Mineral Resource definition and extensions at established underground mines targeting lode infill and extensions proximal to current underground development.

At the Daisy Complex, underground resource definition drilling targeted direct extensions and splays to the Easter Hollows and Haoma West lodes, and at Cock-eyed Bob (CEB) and Maxwells, underground drilling focussed on strike and dip extensions to the mineralisation within the banded iron formation (BIF) stratigraphy.

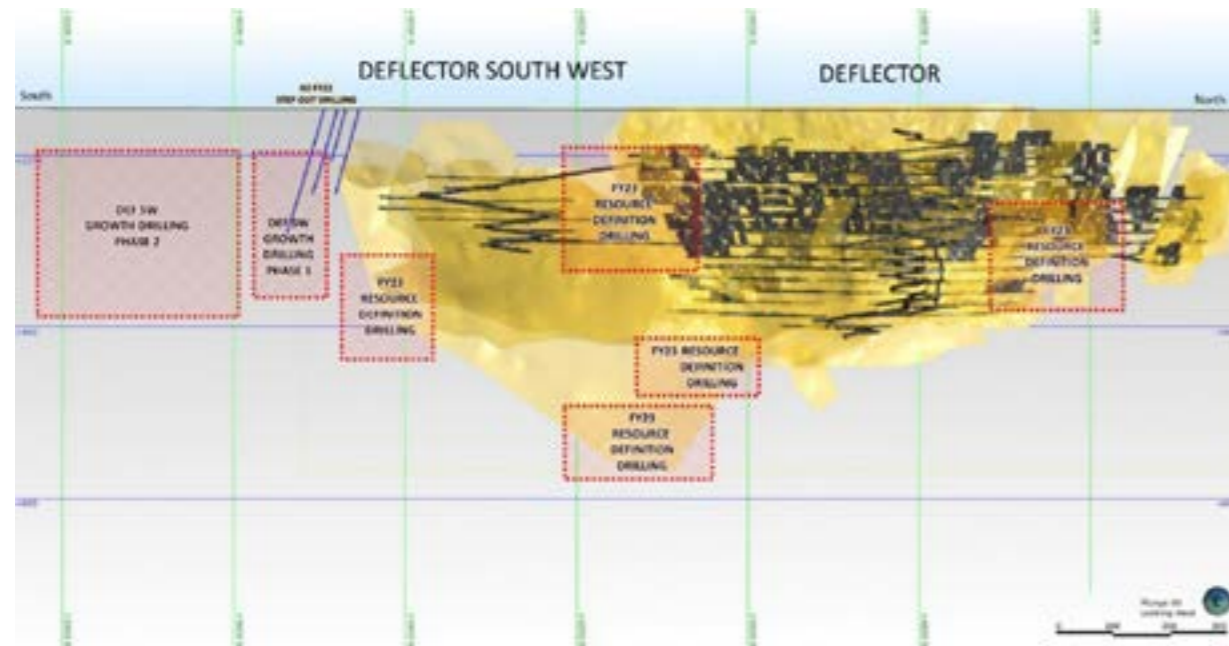
Regional discovery exploration activity was focused on the Mount Belches Mining Centre with drilling activities at Flora Dora and Accumulator. RC and diamond drilling at the Flora Dora zone is targeting a BIF fold hinge approximately 200m south west

from the Santa gold deposit which features the characteristic shallow south-plunging vein sets known to be associated with the Mount Belches lodes at CEB, Maxwells and Santa. The Accumulator RC drilling program is targeting northern and southern extensions of the CEB mine BIF zones, including the down plunge extensions to the Anomaly A deposit immediately south of CEB. At the Aldiss Mining Centre, ongoing AC and RC exploration drilling stepped out along the SAT trend, along strike from the main Tank/Atreides and Karonie deposits.

Deflector

Deflector underground drilling in FY22 was focused on grade control drilling of the South West lodes in preparation for the ramp up of mining activities in FY23 with limited incremental underground resource development drilling completed during FY22 defining the southern and lower margins of the Deflector South West lodes.

FY23 resource definition drilling will include a larger portion of underground and surface drilling to target further extensions to the South West lodes. Encouragingly, surface drilling in H2 FY22 confirmed the presence of "Deflector style" mineralisation ~70m beyond the South West Mineral Resource limits.



Deflector long section showing Resource wireframes and budgeted FY23 exploration target areas

Deflector regional exploration activity focused on the Gullewa greenstone belt corridor targeting corridors of historic mining activity covering large areas of prospective geology and structural features which are underexplored. RC and diamond drilling programs were completed in FY22 to confirm the geological model and enhance target generation.

Sugar Zone

Investment in exploration will be prioritised at Sugar Zone with significant in-mine, near mine and district scale opportunities to target growth. The main Sugar Zone lodes remain open laterally and at depth along a 3km trend. The limited drill coverage and inadequate exploration work beyond Mineral Resource limits provides the potential for highly accretive new discoveries within the Sugar Zone mine trend. FY23 drilling will include surface and underground programs comprising grade control and resource definition to confirm repetitions of high grade lodes proximal to the main North and South Sugar Zone lodes identified in broad space drilling.

STRATEGY

The Group's short to medium term strategy is to deliver superior returns for shareholders by positioning Silver Lake as a leading gold stock on the ASX with a balanced portfolio of operations and growth projects. To achieve this strategic objective, the Company must become larger, longer life and lower cost. This will be achieved by:

- Pursuing and unlocking the full potential of existing operations;
- Attracting and retaining an experienced team to enable Silver Lake to be an effective operator and developer of mining assets;
- Developing a balanced growth profile through exploration and targeted M&A programs;
- Maintaining the appropriate balance sheet strength and scale to achieve long term growth through the cycle; and
- A returns driven capital management strategy.

Key risks associated with delivering on the Group's strategy include:

- **Gold price and FX currency:** The Company is exposed to fluctuations in the Australian dollar gold price which can impact on revenue streams from operations. To mitigate downside in the gold price, the Board has implemented a hedging program to assist in offsetting variations in the Australian dollar gold price. Hedging is an agenda item at each Board meeting to ensure it continues to fit within the Company's hedging strategy and is deemed appropriate;
- **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;
- **Government charges:** The gold mining industry is subject to a number of Government taxes, royalties and charges. Changes to the rates of taxes, royalties and charges can impact on the profitability of the Company. The Company maintains communications with relevant parties to mitigate potential increases;
- **Operating risk:** The Group's gold mining operations are subject to operating risks that could result in decreased production, increased costs & reduced revenues. To manage this risk the Company seeks to attract and retain high calibre employees and implement suitable systems and processes to ensure production targets are achieved;
- **Exploration success:** No assurance can be given that exploration expenditure will result in future profitable operating mines;
- **Environmental:** The Company has environmental liabilities associated with its tenements which arise as a consequence of mining operations, including waste management, tailings management, chemical management, water management and energy efficiency. The Company monitors its ongoing environmental obligations and risks, and implements rehabilitation and corrective actions as appropriate, through compliance with its environmental management system;
- **People risks:** The Company seeks to ensure that it provides a safe workplace to minimise risk of harm to its employees and contractors. It achieves this through an appropriate safety culture, safety systems, training and emergency preparedness;
- **COVID-19:** COVID-19 restrictions have had an adverse effect on Silver Lake's access to interstate and overseas labour resources on which it relies. The consequence of this have been higher turnover, lower productivity, and higher costs. It is not known if the mobility of skilled labour will improve significantly in FY23, however, Silver Lake's historical stockpile build, and mill constrained operating plan provides the Company with operating flexibility to deliver FY23 market guidance; and
- **Supply chain constraints:** The Group's operations continue to be impacted by ongoing supply chain constraints that have arisen as a consequence of the pandemic and it is not known what impact this will have on FY23 performance.

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

Other than as disclosed elsewhere in this report, 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 and increasing operating margins from its three operations. There are no likely developments of which the directors are aware which could be expected to significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in this Report.

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 significant breach of those environmental requirements.

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 the improper use of position, or committing of any criminal, dishonest, fraudulent or malicious act.

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 contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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 behaviour 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.

SUBSEQUENT EVENTS

No events have arisen in the interval between the end of the financial year and the date of this report 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.

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. FY22 Executive remuneration
6. FY22 Non-executive director (NED) remuneration
7. KMP Shareholdings

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.

A list of all NEDs and Executives for FY22 is set out below:

Name	Position	Term as KMP
David Quinlivan	Non-executive Chairman	Full year
Luke Tonkin	Managing Director	Full year
Kelvin Flynn	Non-executive Director	Full year
Rebecca Prain ¹	Non-executive Director	11 months
Peter Alexander ²	Non-executive Director	1 month
David Berg	General Counsel & Company Secretary	Full year
Diniz Cardoso	Chief Financial Officer	Full year
Steven Harvey	General Manager Mount Monger Operation	Full year
Antony Shepherd	Exploration & Geology Manager	Full year
David Vemer	General Manager Deflector Operation	Full year

¹ Appointed 17 August 2021

² Resigned 17 August 2021

3. REMUNERATION SNAPSHOT

FY22 REMUNERATION IN REVIEW

During the year the Company continued its focus on delivering new ore sources that sustain and enhance margins to drive shareholder returns. Highlights for the year from this strategy included:

- Silver Lake's operations have resiliently managed the challenges presented by the prevailing operating climate during FY22, which were impacted by the ongoing and evolving response to COVID-19, and labour and supply chain constraints. Despite these challenges, Silver Lake's Australian operations produced 236,974 ounces gold which was within original market guidance range;
- cash & bullion (excluding the Harte Gold transaction) increased \$111 million (34%) for the year;
- successful execution of the Harte Gold transaction, providing a measured entry into a new tier 1 operating jurisdiction;
- the Deflector Region Operation delivered 20% year on year sales growth, in the first full year of production following the addition of the CIP circuit to the processing facility and introduction of a secondary high grade feed source in Rothsay;
- created operating flexibility at Mount Monger through the generation of ore stockpiles of approximately 3.2 million tonnes at 1.23 g/t for 124,000 contained ounces; and
- exploration success has created a pipeline of projects at Mount Monger to further leverage from the established infrastructure and enhance mine life visibility. Development of the Tank South underground mine commenced in July 2022 whilst open pit and underground production opportunities exist at the Santa project area.

Further information on the link between company performance and KMP remuneration can be found in section 5(g).

The Board believes that the Company's remuneration framework is aligned with market practice and that Executive remuneration in FY22 was reasonable, having regard to the performance of the Company, the platform established for ongoing performance improvement and the experience of the Executives.

Key remuneration outcomes for FY22 are summarised in the table below:

Remuneration element	Details
Fixed remuneration	No change to fixed remuneration structure.
Short-term incentive (STI)	STI payments were made to Executives during the period in line with their performance against set targets. Further information on STI payments is included in Section 5(c) of this report.
Long-term incentive (LTI)	In FY22, 505,819 performance rights were granted to the Managing Director on the terms approved by shareholders at the 2021 AGM and a further 1,047,898 performance rights were granted to other Executives as described further in this report.

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 the nature, size and standing of the Company.

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

- the remuneration arrangements (including base pay, performance targets, bonuses, equity awards, superannuation, retirement rights, termination payments) for Executives;
- the remuneration of Non-executive Directors; and
- 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, the Nomination & Remuneration Committee has benchmarked KMP remuneration using external independent industry reports and data to ensure that remuneration levels are competitive and meet the objectives of the Company.

D. 2021 AGM VOTING OUTCOME AND COMMENTS

The Company received more than 98% votes in favour of the adoption of its Remuneration Report for the 2021 financial year.

5. FY22 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 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;
- Variable remuneration in the form of short-term incentives (STI) and long-term incentives (LTI).

The table below provides a summary of the structure of executive remuneration:

FIXED REMUNERATION	VARIABLE REMUNERATION
<ul style="list-style-type: none"> • Base salary • Superannuation • Other benefits 	<ul style="list-style-type: none"> • STI (Cash Bonuses) • LTI (Performance Rights)

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 FY22 total remuneration packages split between the fixed and variable remuneration is shown below:

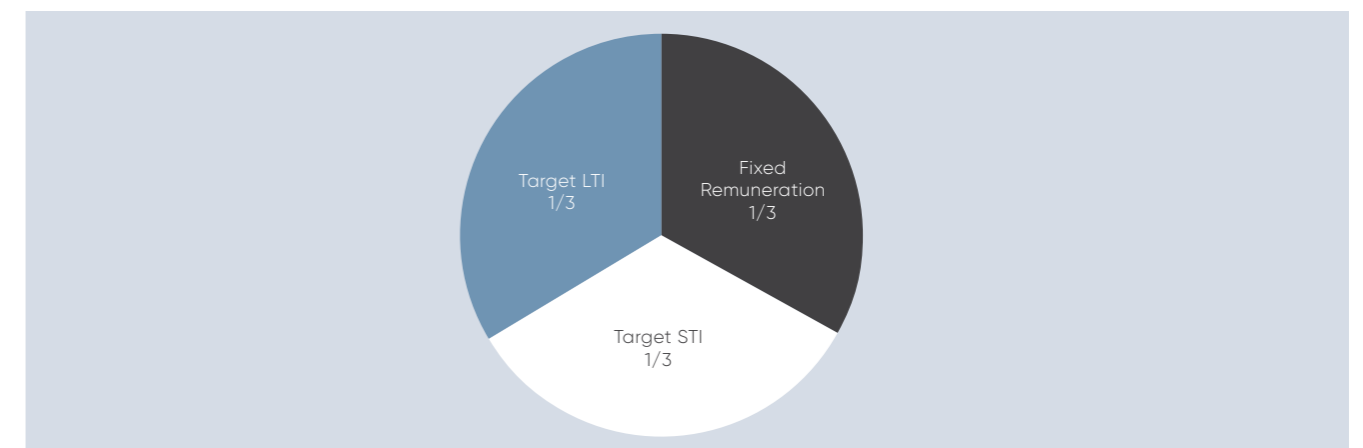


Figure: FY22 Target remuneration mix

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 approximately the 62.5 percentile of the industry benchmark AON McDonald Report (an independent, industry recognised report on the gold and mining industry). 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 gold mining sector.

Executives' base salaries for the 2022 financial year were:

Executive	Base Salary FY22 ¹	Base Salary FY21 ¹	Movement
Luke Tonkin	\$780,000	\$750,000	4%
David Berg	\$337,500	\$324,500	4%
Diniz Cardoso	\$363,600	\$349,600	4%
Steven Harvey	\$331,700	\$318,900	4%
Antony Shepherd	\$287,400	\$276,300	4%
David Vemer	\$325,100	\$312,600	4%

¹ Base Salary as at 30 June of each respective year

C. SHORT-TERM INCENTIVE (STI) ARRANGEMENTS

The purpose of the STI plan is to link the achievement of key short term 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 and non-financial 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. The target opportunity for KMP in FY22 was 100% of total fixed remuneration (TFR).

Each year the Nomination & Remuneration Committee, in conjunction with the Board, sets KPI targets for Executives. For FY22 the KPIs included non-discretionary targets for safety and environment, production and processing and costs, each of which was measured relative to budget, and a relative TSR target versus a comparator peer group of companies. The Nomination & Remuneration Committee also considered and evaluated the Executives' ongoing review, response and modification of safety, environment, production and cost plans during the year, and the execution and success of the operating, business development and growth strategies.

FY22 PERFORMANCE AGAINST STI MEASURES

A summary of the KPI targets set for FY22 and their respective weightings are as follows:

KPI *	Weighting	Measure	% of KPI achieved
1. Safety/Environment	9%	<ul style="list-style-type: none"> Lagging EH&S indicators Environmental management effectiveness Safety management effectiveness 	81%
2. Mine production & processing	45%	Production and processing from each operating site relative to FY22 budget	52%
3. Costs	18%	Costs for each cost centre relative to FY22 budget	63%
4. Operating strategy & execution	9%	Execution and success of Operating Strategy	100%
5. Business development & growth	9%	Implementation and execution of Corporate Strategy	100%
6. Company performance	10%	TSR performance against comparator group	60%

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

In assessing discretionary components of the KPI, the Committee considered the following achievements against objectives set at the start of the year:

- achieving OH&S objectives;
- achieving environmental objectives;
- achieving original FY22 sales guidance despite the challenges presented by the evolving response to COVID-19 and labour and supply chain constraints;
- execution and success of operating strategy;
- implementation and execution of the Company's corporate strategy;
- exceeding the targeted end of year cash and bullion balance (excluding M&A activity);
- successful execution of the Harte Gold acquisition; and
- delivery of positive exploration results from infill and extensional resource definition drilling to allow further mines to enter production in future periods.

Based on the above assessment, STI payments for FY22 to Executives were as follows:

Executive	Maximum STI opportunity	% STI awarded	STI awarded
Luke Tonkin	100% of TFR	66%	\$577,000
David Berg	100% of TFR	66%	\$245,000
Diniz Cardoso	100% of TFR	66%	\$264,000
Steven Harvey	100% of TFR	54%	\$198,000
Antony Shepherd	100% of TFR	66%	\$209,000
David Vemer	100% of TFR	65%	\$233,000

D. LONG-TERM INCENTIVE (LTI) ARRANGEMENTS

The Board has established the Employee Incentive Plan (Incentive Plan) as a means for motivating senior employees to pursue the long term growth and success of the Company. The Incentive Plan provides the Company with the flexibility to issue incentives in the form of either options or performance rights which may ultimately vest and be converted into shares on exercise, subject to satisfaction of any relevant vesting conditions. The Incentive Plan was most recently approved by shareholders at the 2021 AGM.

KEY FEATURES OF THE INCENTIVE PLAN

Under the terms of the Incentive Plan, the Board may determine which employees are eligible to participate. In FY22, all Executives were eligible and were invited to participate. The number of Performance Rights awarded to each Executive was determined by dividing the Executives' maximum LTI opportunity by the 20 day VWAP of the Company shares as traded on the ASX up to 30 June 2021. Performance Rights which were granted will not vest (and therefore will lapse) 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 dividends paid. The NRC believes that a single hurdle is appropriate as it is transparent, simple to administer and directly links Executive remuneration to the Company's share price relative to its peers.

Relative TSR will be measured by comparing the Company's TSR with that of a comparator group of companies over the respective 3 year vesting period. The TSR metric measures the share price movement and dividends over this period for both the Company and the comparator group. The Performance Rights will vest based on the Company's relative TSR ranking on the relevant vesting date as follows, expiring 15 years from date of vesting:

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

Relative TSR performance is calculated at a single point in time and is not subject to re-testing. The comparator group of companies for Performance Rights on issue is listed in the table on page 25.

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

Performance rights granted under the Incentive Plan will have no exercise price.

Unless the Board in its absolute discretion determines otherwise, all unvested performance rights will lapse 30 days following the cessation of employment. The Board will take into account the circumstances surrounding the cessation of employment before deciding whether to make any such determination.

FY22 LTI OUTCOMES

During the year the Company issued 1,553,717 Performance Rights to Executives in respect of the LTI component of their FY22 remuneration. The quantum of Performance Rights issued was determined by reference to the 20 day VWAP to 30 June 2021 of \$1.73 per share.

Executive	Maximum LTI opportunity	20 Day VWAP	Number of Performance Rights granted during FY22	Fair value per Performance Right*
Luke Tonkin	100% of TFR	\$1.73	505,819	\$1.205
David Berg	100% of TFR	\$1.73	214,955	\$1.205
Diniz Cardoso	100% of TFR	\$1.73	231,578	\$1.205
Steven Harvey	100% of TFR	\$1.73	211,261	\$1.205
Antony Shepherd	100% of TFR	\$1.73	183,046	\$1.205
David Vemer	100% of TFR	\$1.73	207,058	\$1.205

* Independently valued using a hybrid share option pricing model

PERFORMANCE RIGHTS

During the year the Company issued 4,598,672 Performance Rights to employees (including 1,553,717 Performance Rights to Executives) in respect of the LTI component of their FY22 remuneration.

Executive	Balance at 1 July 2021	Granted in FY22	Converted	Lapsed	Balance at 30 June 2022	Vested & exercisable at 30 June 2022
Luke Tonkin	2,353,318	505,819	(1,233,645)	(83,527)	1,541,965	612,525
David Berg	1,046,542	214,955	(548,968)	(38,206)	674,323	280,172
Diniz Cardoso	1,100,921	231,578	(573,844)	(40,083)	718,572	293,938
Steven Harvey	577,534	211,261	(88,574)	(37,543)	662,678	275,314
Antony Shepherd	905,043	183,046	(478,204)	(32,913)	576,972	241,349
David Vemer	562,004	207,058	(82,657)	(36,807)	649,598	269,916
Total	6,545,362	1,553,717	(3,005,892)	(269,079)	4,824,108	1,973,214

The total expense recognised in the Statement of Profit or Loss for all KMP Performance Rights for the period ended 30 June 2022 was \$1,631,230.

Details of the performance rights on issue at 30 June 2022 are summarised in the following table:

	FY20 Award ¹	FY21 Award	FY22 Award
Number of performance rights	2,963,795	1,798,937	4,598,672
Exercise price	\$0.00	\$0.00	\$0.00
Grant date	1 July 2019	1 July 2020	1 July 2021
Vesting period	1 July 2019 – 30 June 2022	1 July 2020 – 30 June 2023	1 July 2021 – 30 June 2024
Expiry period	15 years	15 years	15 years
ASX Comparator Group	AQG; DCN; EVN; GOR; MOY; NCM; NST; OGC; PRU; RMS; RRL; RSG; SAR; SBM; WGX; X64	DCN; EVN; GOR; NCM; NST; OGC; PRU; RMS; RRL; RSG; SBM; WGX; X64	DCN; EVN; GOR; NCM; NST; OGC; PRU; RMS; RRL; RSG; SBM; WGX; X64
Valuation at grant date	\$0.817	\$0.917	\$1.205
Underlying 20 day VWAP	\$1.071	\$1.98	\$1.73
Volatility	65%	65%	60%
Risk free rate	0.98%	0.98%	0.20%
Expected dividends	-	-	-

Note 1: On completion of the vesting period 88% of the FY20 Performance Rights had vested in accordance with the relative TSR hurdle attached to them. This included 1,973,214 rights awarded to Executives.

The fair value of the performance rights was measured using a hybrid employee share option pricing model (correlation simulation and Monte Carlo model) and was calculated by independent consultants.

E. SERVICE AGREEMENTS

A summary of the key terms of service agreements for Executives in FY22 is set out below. There is no fixed term for Executive service agreements and all Executives are entitled to participate in the Company's STI and LTI plans. 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.

Name	Term of Agreement	Notice Period by Executive	Notice Period by Silver Lake	Termination Payment
Luke Tonkin	Open	6 months	6 months	12 months TFR
David Berg	Open	6 months	6 months	6 months TFR
Diniz Cardoso	Open	6 months	6 months	6 months TFR
Steven Harvey	Open	9 weeks	9 weeks	as per Legislation
Antony Shepherd	Open	6 months	6 months	6 months TFR
David Vemer	Open	9 weeks	9 weeks	as per Legislation

F. EXECUTIVE REMUNERATION PAID

Executive	Year	Fixed Remuneration			Variable Remuneration		Total	Performance Related Remuneration %
		Salary & Fees \$	Other Benefits ¹ \$	Superannuation \$	STI Cash Payments \$	Rights ² \$		
Luke Tonkin	2022	846,100	87,672	27,500	577,000	522,216	2,060,488	53
	2021	815,000	89,766	25,000	504,000	499,568	1,933,334	52
David Berg	2022	343,750	25,962	27,500	245,000	227,819	870,031	54
	2021	330,328	24,962	25,000	214,000	221,812	816,101	53
Diniz Cardoso	2022	372,460	27,969	27,500	264,000	242,993	934,922	54
	2021	357,812	26,892	25,000	230,000	233,948	873,652	53
Steve Harvey	2022	337,370	25,515	27,500	198,000	223,887	812,272	52
	2021	324,196	24,531	25,000	175,000	151,992	700,718	47
David Vemer	2022	330,110	25,008	27,500	233,000	219,465	835,083	54
	2021	317,297	24,046	25,000	206,000	148,392	720,735	49
Antony Shepherd	2022	288,640	22,108	27,500	209,000	194,852	742,100	54
	2021	277,549	21,254	25,000	182,000	191,306	697,108	54
Total	2022	2,518,430	214,234	165,000	1,726,000	1,631,232	6,254,896	54
	2021	2,422,181	211,451	150,000	1,511,000	1,447,018	5,741,649	52

¹ Represents contractual entitlements (including termination and retirement benefits), annual leave and long service leave entitlements, measured on an accrual basis

² These are valuations required under accounting standards and have not actually been paid during the year

G. 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 cashflows, 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 metrics in respect of the current and previous financial years.

	2022	2021	2020	2019	2018
EBITDA	267.6	290.8	260.1	80.2	87.9
Profit after tax (\$m)	77.7	98.2	256.9	6.5	16.2
Cash and bullion (\$m)	313.8 ¹	330.2	269.4	130.7	105.7
Cash from operating activities (\$m)	249.2	268.8	252.3	71.8	80.8
Closing share price at 30 June	\$1.21	\$1.66	\$2.13	\$1.26	\$0.60

¹ Pro forma 30 June 2022 Cash and bullion excluding the Harte Gold transaction amounted to \$441.3m

The Company's remuneration practices reflect the achievement of certain of the Company's and Executive's performance objectives. The Company's overall objective has been to maximise cash flow, increase operating margins and create new opportunities that compete for capital.

6. FY22 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.

It is ensured that:

- fees paid to NEDs are within the aggregate amount approved by shareholders at the Company's Annual General Meeting;
- NEDs are remunerated by way of fees (in the form of cash and superannuation benefits);
- NEDs are not provided with retirement benefits other than statutory superannuation entitlements; and
- 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.

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.

NED	Fees FY22 ¹	Fees FY21 ¹	Movement
David Quinlivan	\$247,300	\$220,000	12%
Kelvin Flynn	\$142,800	\$120,000	20%
Rebecca Prain ²	\$123,193	-	n/a
Peter Alexander ³	\$20,127	\$120,000	n/a

¹ Fees excluding superannuation as at 30 June of each respective year

² Appointed 17 August 2021

³ Resigned 17 August 2021

C. NED FEES PAID

Details of the remuneration of each NED for the year ended 30 June 2022 is set out in the following table:

Non executive Director	Year	Short Term Base Fee \$	Superannuation benefits \$	Total \$
David Quinlivan	2022	247,300	24,730	272,030
	2021	220,000	20,900	240,900
Kelvin Flynn	2022	142,800	14,280	157,080
	2021	120,000	11,400	131,400
Rebecca Prain ¹	2022	123,193	12,319	135,512
	2021	-	-	-
Peter Alexander ²	2022	20,127	2,013	22,140
	2021	120,000	11,400	131,400
Total	2022	533,420	53,342	586,762
	2021	460,000	43,700	503,700

¹ Appointed 17 August 2021

² Resigned 17 August 2021

7. KMP SHAREHOLDINGS

KMP	Balance at 1 July 2021	Acquired	Conversion of Performance Rights	Other ¹	Sold	Balance at 30 June 2022
David Quinlivan	-	-	-	-	-	-
Luke Tonkin	528,016	-	1,233,645	-	(580,000)	1,181,661
Kelvin Flynn	-	-	-	-	-	-
Rebecca Prain ²	-	-	-	-	-	-
Peter Alexander ³	18,165	-	-	(18,165)	-	-
David Berg	-	-	548,968	-	(278,968)	270,000
Diniz Cardoso	187,203	100,000	573,844	-	(661,047)	200,000
Steven Harvey	-	-	88,574	-	(40,000)	48,574
Antony Shepherd	-	-	478,204	-	(478,204)	-
David Vemer	79,627	-	82,657	-	(58,127)	104,157
Total	813,011	100,000	3,005,892	(18,165)	(2,096,346)	1,804,392

¹ Denotes closing shareholding on the day of resignation

² Appointed 17 August 2021

³ Resigned 17 August 2021

AUDITOR'S INDEPENDENCE

Section 307C of the Corporations Act 2001 requires Silver Lake's auditors, KPMG, to provide the Directors with an Independence Declaration in relation to the audit of the financial report for the year ended 30 June 2022. 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, for audit and non-audit services provided during the year are set out below:

	2022 \$	2021 \$
Audit services		
Audit and review of financial statements – KPMG Perth	328,000	225,500
Audit and review of financial statements – KPMG Toronto	163,067	-
Other audit services	-	3,848
Non-audit services		
Taxation services	85,388	59,160
Total paid	576,455	288,508

ROUNDING OFF

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, all financial information has been rounded off to the nearest thousand dollars, unless otherwise stated.

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



Luke Tonkin
Managing Director
26 August 2022

DIRECTORS' DECLARATION

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 2022 and of its performance for the year then ended; and
 - ii. Complying with Australian Accounting Standards and Corporations Regulations 2001;
- b. the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1;
- 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 35 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 Corporations (wholly owned companies) Instruments 2016/785.

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 2022.

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



Luke Tonkin
Managing Director
26 August 2022

AUDITOR'S INDEPENDENCE DECLARATION

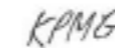


Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Silver Lake Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Silver Lake Resources Limited for the financial year ended 30 June 2022 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



Derek Meates
Partner

Perth
26 August 2022

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INDEPENDENT AUDIT REPORT



Independent Auditor's Report

To the shareholders of Silver Lake Resources Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Silver Lake Resources Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated balance sheet as at 30 June 2022.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- Notes including a summary of significant accounting policies.
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Acquisition of Subsidiary (Silver Lake Ontario Inc – formerly Harte Gold Corp.);
- Recoverability of Deferred Tax Assets in relation to Tax Losses; and
- Valuation of Goodwill.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Acquisition of Subsidiary (Silver Lake Ontario Inc – formerly Harte Gold Corp.)

Refer to Note 3 to the Financial Report

The key audit matter

On 18 February 2022, the Group acquired 100% of Harte Gold Corp and accounted for the acquisition as a Business Combination in accordance with AASB 3, *Business Combinations*. The acquisition resulted primarily in the recognition of property, plant and equipment and exploration, evaluation and development expenditure at fair value. A gain on bargain purchase of \$28 million arose on the transaction.

The transaction is considered to be a key audit matter due to the:

- Size of the acquisition having a significant impact on the Group's financial statements.
- The judgement and complexity relating to the purchase price allocation process and determination of the fair values of assets and liabilities acquired in the transaction requiring significant audit effort. The Group engaged an external expert to assess the fair value of assets including property, plant and equipment and exploration, evaluation and development expenditure.

For exploration, evaluation and development expenditure significant assumptions applied in the determination of fair value including:

- Forecast sales, production output, production costs and capital expenditure
- Forecast gold prices
- Discount rate
- Life of mine plan
- Resource multiples applied

For property, plant and equipment the significant assumptions included the methodology applied to each class of assets and the useful lives of assets acquired.

- The Group's determination of the consideration and acquisition date in accordance with AASB 3 given the acquisition of Harte Gold occurred through a court approved Companies Creditors Arrangements Act (CCAA) process.

These conditions and associated complex acquisition accounting required significant audit effort and greater involvement by senior team members and our valuation specialists.

How the matter was addressed in our audit

Working with our valuation specialists our procedures included:

- We read the underlying transaction agreements to understand the terms of the acquisition and nature of the assets and liabilities acquired. Using these agreements, we evaluated the acquisition accounting, including the acquisition date and the accounting treatment of the purchase consideration specifically for each separate transaction through the CCAA process, and assessed it against the criteria in the accounting standards;
- We assessed the accuracy of the Group's calculation and treatment of consideration to acquire Harte Gold based on the underlying transaction agreement;
- We assessed the Group's external expert report and considered the objectivity, competence and scope of the Group's external valuation experts;
- We evaluated the valuation methodology used to determine the fair value of assets and liabilities acquired, considering accounting standard requirements and observed industry practices;
- We challenged the gain on bargain purchase recognised by the Group in the consolidated statement of profit or loss and other comprehensive income by checking the completeness of the fair value of assets acquired and liabilities assumed at the acquisition date in accordance with AASB 3;
- We assessed the adequacy of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard;

Valuation of exploration, evaluation and development expenditure

- We assessed the Group's key assumptions in the valuation of exploration, evaluation and development expenditure (including forecast sales, production output, production costs and capital expenditure) using Harte Gold's past performance, their underlying mine plans, the Group's budget and our industry experience;



	<ul style="list-style-type: none"> We compared forecast gold prices to published views of market commentators on future trends; We independently developed a discount rate range considered comparable, using publicly available market data for comparable entities; We assessed the scope, competence and objectivity of the Group's internal expert involved in the estimation process of mineral reserves; We compared the life of mine plan and production assumptions adopted in the Group's valuation of exploration, evaluation and development expenditure for consistency to the Group's reserves statement; We assessed the resource multiples applied by the Group in the valuation of mineral reserves to recent transactions of comparable entities; <p><i>Valuation of property, plant, and equipment</i></p> <ul style="list-style-type: none"> We assessed the valuation methodologies applied to each class of property, plant and equipment, and assessed the useful lives of a sample of assets acquired, against Harte Gold's underlying mine plan and using our industry experience; and We assessed the completeness of acquired property, plant and equipment to underlying fixed asset schedules of Harte Gold.
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Recoverability of Deferred Tax Assets in relation to Tax Losses (\$96.8m)	
Refer to Note 9 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The Group has net deferred tax assets of \$43.1 million as at 30 June 2022. This includes gross carry forward losses of \$96.8 million (\$79.8 million in Australia and \$17.0 million in Canada) which are partially offset by net deferred tax liabilities for temporary differences.</p> <p>The recoverability of deferred tax assets in relation to tax losses was a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of these assets recognised by the Group. The significant judgement required by us to evaluate the Group's assessment of their probability of generating sufficient taxable profits, in light of the tax losses recorded in previous financial years. The risk of the Group incorrectly applying the requirements of the accounting standards and Australian or Canadian tax law to recognise deferred tax assets for tax losses, which could result in a substantial effect on the Group's statement of profit or loss and other comprehensive income. <p>We involved tax specialists to supplement our senior team members in assessing this key audit matter.</p>	<p>Working with our tax specialists, our procedures included:</p> <ul style="list-style-type: none"> Examining the documentation prepared by the Group underlying the availability of tax losses and annual utilisation allowances for consistency with Australian or Canadian tax law as applicable; Comparing the forecasts included in the Group's estimate of future taxable profits used in their deferred tax asset recoverability assessment to those used in the Group's assessment of the valuation of goodwill and Harte Gold acquisition model. Our approach to testing these forecasts was consistent with the approach detailed in relation to the valuation of goodwill and Harte Gold acquisition. <p>We challenged the differences between forecast cash flows and taxable profits by evaluating the adjustment of cash flows, for differences between accounting profits, as presented in the Group's forecasts, to taxable profits, against Australian tax law and Canadian tax law;</p> <ul style="list-style-type: none"> Understanding the timing of future taxable profits and considering the consistency of the timeframes of expected recovery to our knowledge of the business and its plans. We placed increased scepticism where there was a longer timeframe of expected recovery; Recalculating the amount of previously recognised tax losses utilised against the recorded amount disclosed by the Group in accordance with Australian tax law, Canadian tax law and the accounting standards; and We assessed the disclosures in the financial report using the results from our testing and against the requirements of the accounting standards.



Valuation of Goodwill (\$90.7 million)

Refer to Note 18 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>The Group made a significant acquisition of Doray Minerals Limited (Doray) on 5 April 2019 which resulted in the recognition of \$90.7 million of goodwill.</p> <p>A key audit matter for us was the Group's impairment testing of goodwill, given the size of the balance. We focused on the significant and judgemental forward-looking assumptions the Group applied in their fair value less costs of disposal (FVLCO) models, including:</p> <ul style="list-style-type: none"> Forecast cashflows including forecast sales, production output, production costs and capital expenditure Forecast gold prices and AUD/USD exchange rate - fluctuating gold prices and exchange rates increase the risk of future fluctuations and inaccurate forecasting. Discount rate - these are complicated in nature and vary according to the conditions and environment the specific Cash Generating Unit (CGU) is subject to from time to time. Life of mineral reserves and resources - inherent estimation uncertainty related to life of mine reserves and resources increases the range of forecasting outcomes to consider, and Resources multiples. <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> We considered the appropriateness of the fair value less costs of disposal method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards; We checked the mathematical accuracy of the calculation of the FVLCO models; We evaluated the sensitivity of the FVLCO models by considering reasonably possible changes to the key assumptions such as forecast gold price, discount rate and inflation rate; We assessed the key assumptions used in the FVLCO models, specifically forecast sales, production output, production costs and capital expenditure, using our knowledge of the Group, their past performance, and our industry experience; We compared the forecast cash flows and capital expenditure in the model to Board approved forecast; We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the FVLCO models; We compared expected forecast gold prices and foreign exchange rates to published views of the market commentator on future trends; We compared resource multiples to publicly available market data for comparable entities; We compared the life of mineral reserves and resources in the FVLCO models to the reserves and resources statement commissioned by the Group for consistency with cash flow forecasts; We assessed the scope, competence and objectivity of the Group's external expert in relation to the resources statement; Working with our valuation specialists, we independently developed a discount rate considered comparable, using publicly available market data for comparable entities; and We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.



Other Information

Other Information is financial and non-financial information in Silver Lake Resources Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report. The Chairman and Managing Director's Report, Project Report, Exploration Report, Reserves & Resources report and ASX additional information are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf This description forms part of our Auditor's Report.



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Silver Lake Resources Limited for the year ended 30 June 2022, complies with Section 300A of the Corporations Act 2001.

Directors' responsibilities

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 responsibilities

We have audited the Remuneration Report included in pages 17 to 28 of the Directors' report for the year ended 30 June 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

KPMG

Derek Meates
Partner

Perth

26 August 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30 June 2022 \$'000	30 June 2021 \$'000
Revenue	4	634,566	598,293
Cost of sales	5	(518,525)	(435,954)
Gross profit		116,041	162,339
Other income		252	252
Exploration expensed/impaired		(3,187)	(3,639)
(Loss)/profit on sale of assets		(1,008)	3,818
Gain on bargain purchase	3	28,827	-
Administration expenses	6	(17,515)	(15,879)
Results from operating activities		123,410	146,891
Finance income		676	978
Finance expenses		(8,751)	(6,669)
Net finance costs	8	(8,075)	(5,691)
Profit before income tax		115,335	141,200
Income tax expense	9	(37,654)	(42,995)
Profit for the year		77,681	98,205
Net income for the year		77,681	98,205
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Exchange differences arising on translating foreign operations		7,690	-
Total comprehensive income for the year		85,371	98,205
		Cents Per Share	Cents Per Share
Basic earnings per share	10	8.60	11.14
Diluted earnings per share	10	8.52	11.06

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.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	30 June 2022 \$'000	30 June 2021 \$'000
Current assets			
Cash and cash equivalents	11	304,298	328,890
Trade and other receivables	13	15,078	6,767
Inventories	14	83,887	69,584
Prepayments		1,230	235
Total current assets		404,493	405,476
Non-current assets			
Inventories	14	63,356	52,568
Exploration, evaluation and development expenditure	15	402,146	268,160
Property, plant and equipment	16	247,604	181,831
Investments	17	7,968	11,391
Deferred tax assets	9	65,112	80,745
Goodwill	18	90,695	90,695
Total non-current assets		876,881	685,390
Total assets		1,281,374	1,090,866
Current liabilities			
Trade and other payables	19	83,317	73,831
Lease liabilities	21	22,382	30,294
Employee benefits	22	7,617	6,303
Deferred revenue	20	20,467	-
Rehabilitation and restoration provision	24	90	250
Total current liabilities		133,873	110,678
Non-current liabilities			
Lease liabilities	21	24,465	39,731
Rehabilitation and restoration provision	24	46,833	44,679
Deferred tax liabilities	9	22,020	-
Total non-current liabilities		93,318	84,410
Total liabilities		227,191	195,088
Net assets		1,054,183	895,778
Equity			
Share capital	25	1,096,268	1,023,106
Reserves	26	13,486	5,924
Accumulated losses		(55,571)	(133,252)
Total equity		1,054,183	895,778

The Consolidated Balance Sheet should be read in conjunction with the accompanying notes to these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Share Capital \$'000	Option Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings / (Accumulated Losses) \$'000	Total Equity \$'000
Balance at 1 July 2020	1,023,106	3,978	-	(231,457)	795,627
Total comprehensive income for the period	-	-	-	98,205	98,205
Transactions with owners, recorded directly in equity					
Equity settled share based payment	-	1,946	-	-	1,946
Balance at 30 June 2021	1,023,106	5,924	-	(133,252)	895,778
Balance at 1 July 2021	1,023,106	5,924	-	(133,252)	895,778
Total comprehensive income for the period	-	-	-	77,681	77,681
Transactions with owners, recorded directly in equity					
Equity settled share based payment	-	3,195	-	-	3,195
Transfer from reserves to share capital (Note 25)	3,323	(3,323)	-	-	-
Share buyback (Note 25)	(1,064)	-	-	-	(1,064)
Issue of shares	70,903	-	-	-	70,903
Exchange differences on translation of foreign operations	-	-	7,690	-	7,690
Balance at 30 June 2022	1,096,268	5,796	7,690	(55,571)	1,054,183

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30 June 2022 \$'000	30 June 2021 \$'000
Cash flows from operating activities			
Receipts from sales		632,852	589,650
Payments to suppliers and employees		(383,690)	(320,809)
Net cash from operating activities	12	249,162	268,841
Cash flow from investing activities			
Interest received		676	976
Acquisition of plant and equipment		(14,904)	(60,123)
Proceeds from disposal of subsidiary		-	8,098
Acquisition of investments		(1,722)	(1,493)
Proceeds from divestments		375	-
Payments for exploration, evaluation and development		(112,084)	(107,351)
Cash acquired in a business combination		7,165	-
Harte Gold transaction	3	(134,720)	-
Net cash used in investing activities		(255,214)	(159,893)
Cash flows from financing activities			
Share buy back	25	(1,064)	-
Repayment of finance leases		(33,025)	(27,327)
Payment of stamp duty		(3,316)	(6,830)
Return of insurance bond		1,444	-
Proceeds from gold pre-pay arrangement	20	30,572	-
Repayment of gold pre-pay arrangement		(10,223)	-
Interest paid		(2,928)	(2,894)
Net cash used in financing activities		(18,540)	(37,051)
Net (decrease)/increase in cash and cash equivalents		(24,592)	71,897
Cash and cash equivalents at 1 July		328,890	256,993
Cash and cash equivalents at 30 June	11	304,298	328,890

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

Silver Lake Resources Limited ("Silver Lake" or "the Company") is a for-profit entity domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "Group Entities").

The consolidated financial statements were approved by the Board of Directors on 26 August 2022. The financial report is a general purpose financial report which:

- has 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;
- complies with International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board ("IASB");
- has been presented on the historical cost basis except for the following items in the balance sheet:
 - 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 where impairments have been recognised

Other than the adoption of new standards, there have been no material changes to accounting policies for the periods presented in these consolidated financial statements. Significant accounting policies specific to one note are included in that note. Accounting policies determined non-significant are not included in the financial statements.

The accounting policies have been applied consistently to all periods presented and by all Group entities.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, all financial information has been rounded off to the nearest thousand dollars, unless otherwise stated.

A. FOREIGN CURRENCY TRANSLATION

i. Functional and Presentation Currency

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

ii. Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. The subsequent payment or receipt of funds related to a transaction is translated at the rate applicable on the date of payment or receipt.

Monetary assets and liabilities which are denominated in foreign currencies are re-translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

All exchange differences in the consolidated financial statements are taken to the Statement of Other Comprehensive Income and accumulated in a reserve.

iii. Translation

The assets and liabilities of subsidiaries with functional currency other than Australian dollars (being the presentation currency of the Group) are translated into Australian dollars at the exchange rate at the reporting date and the Statement of Profit

or Loss is translated at the average exchange rate for the period. On consolidation, exchange differences arising from the translation of these subsidiaries are recognised in Other Comprehensive Income and accumulated in the foreign currency translation reserve.

B. 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.

Judgements and estimates which are material to the financial report are found in the following notes:

- Note 3 Acquisition of Subsidiary – fair value of the consideration transferred, and fair value of the assets acquired and liabilities assumed, measured on a provisional basis
- Note 9 Income Tax – recognition of deferred tax assets
- Note 15 Exploration, evaluation and development expenditure carried forward – consideration of impairment triggers and recognition of impairment losses
- Note 15 Amortisation of development expenditure – estimation of future mineable inventory and future development expenditure when calculating units of production amortisation
- Note 15 Reserves and Resources – estimating reserves and resources
- Note 18 Impairment testing of goodwill – key assumptions underlying recoverable amounts
- Note 24 Closure and rehabilitation – measurement of provision based on key assumptions

C. BASIS FOR CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year end is disclosed in Note 30.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

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

D. MEASUREMENT 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 value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. 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.

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 of the reporting period during which the change has occurred.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2021.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are not expected to have a significant impact on the Group.

3. ACQUISITION OF SUBSIDIARY (SILVER LAKE ONTARIO INC – FORMERLY HARTE GOLD CORP.)

On 28 January 2022, the Ontario Superior Court of Justice approved Silver Lake's bid to acquire Harte Gold Corp. ('Harte Gold') under Canada's Companies' Creditors Arrangement Act ('CCAA proceedings'). Harte Gold was a TSX-listed gold mining company which owned and operated the Sugar Zone mine in Ontario, Canada, with an associated 81,287 hectare land package.

Closing of the transaction occurred on 18 February 2022 ('Closing Date') which was the acquisition date for accounting purposes.

The acquisition of Harte Gold involved the execution of multiple transactions including:

TRANSACTIONS THROUGH THE CCAA PROCESS

i. Acquisition of BNP Paribas (BNP) credit facilities

On 19 November 2021, Silver Lake acquired credit facilities provided by BNP to Harte Gold. Total cash consideration paid to BNP amounted to US\$65.3 million.

At Closing Date, the balance became an intercompany amount between Harte Gold and Silver Lake.

ii. Debtor in possession (DIP) loan

During the CCAA proceedings, Silver Lake entered into a DIP Loan agreement to provide Harte Gold a non-revolving multiple draw credit facility of up to C\$10.8 million. The loan allowed Harte Gold to maintain the liquidity required to continue operations until closing of the transaction.

At Closing Date, Harte Gold had drawn down C\$1.9 million of the facility, with the balance subsequently transferred to Harte Gold to fund ongoing working capital.

iii. Settlement of Appian debt facilities

In January and February 2022, Silver Lake settled all debt facility obligations owed by Harte Gold to Appian Capital Advisory LLP ('Appian') through the issuance of 27.0 million Silver Lake shares to Appian (at a fair value of \$39.4 million) and payment of \$8.0 million in cash.

OTHER TRANSACTIONS

iv. Settlement of hedge book

At Closing Date, Silver Lake elected to settle Harte Gold's out of the money hedge book with BNP. Total consideration amounted to US\$24.8 million which was settled in cash.

v. Acquisition of royalty

At Closing Date, Silver Lake elected to acquire a net smelter royalty ("NSR") from Appian. The 2.0% NSR was payable on production from the Sugar Zone mine and on the entire Sugar Zone property. The consideration for the acquisition totalled US\$22.0 million and was settled through the issuance of 17.66 million Silver Lake shares to Appian at a fair value of A\$31.5 million.

At the Closing Date, the settlement value across all transactions related to the CCAA process amounted to A\$139.5 million (Table 1):

CCAA Transactions	Transaction Amount	Basis of settlement	A\$'000
i. Acquisition of BNP credit facilities	US\$65,328,290	Cash	89,844
ii. Debtor in Possession Loan	C\$1,900,000	Cash	2,196
iii. Settlement of Appian debt facilities	C\$43,134,100	Equity	39,378
		Cash	8,030
Total			139,448

Table 1

The settlement value across the other transactions amounted to A\$66.1 million (Table 2):

Other Transactions	Transaction Amount	Basis of settlement	A\$'000
iv. Settlement of hedge book	US\$24,849,204	Cash	34,531
v. Acquisition of royalty	US\$22,000,000	Equity	31,525
Total			66,056

Table 2

Note: balances in tables are converted to Australian Dollars using the applicable foreign currency rate at the date of the transaction

Following completion of the above transactions and final court approval, all previous equity in Harte Gold was written off and new equity issued to Silver Lake as sole shareholder.

Accounting treatment

As the acquisition of Harte Gold occurred through a Court approved CCAA process and resulted in no payments to previous equity holders, the consideration amount for accounts purposes under AASB 3 *Business Combinations*, is deemed to be nil. Instead, each individual transaction tabled above is treated separately for accounts purposes.

Net identifiable assets at fair value as at the date of acquisition are tabled below:

	\$'000
Cash and cash equivalents	7,165
Trade and other receivables	7,069
Inventory	11,113
Prepayments	3,150
Property, plant and equipment	104,468
Right-of-use lease assets	9,469
Exploration, evaluation and development expenditure	95,928
Deferred tax assets	16,986
Trade and other payables	(21,289)
Employee provisions	(1,580)
Interest bearing liabilities	(180,888)
Rehabilitation provision	(5,778)
Deferred tax liabilities	(16,986)
Total net identifiable assets	28,827

As the consideration for accounting purposes was deemed to be nil, to initially recognise the net assets tabled above, a gain on bargain purchase of \$28.8 million has been recognised in the statement of profit and loss as the excess of fair value of net assets acquired over consideration paid. The value of assets acquired, and liabilities assumed, have been measured on a provisional basis. If new information is obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Accounting Policies

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

4. REVENUE

	30 June 2022 \$'000	30 June 2021 \$'000
Gold sales	621,264	575,997
Copper	12,116	21,297
Silver sales	1,186	999
Total	634,566	598,293

Included in current year gold sales is 91,476 ounces of gold sold (at an average price of A\$2,348/ounce) under various hedge programs. At 30 June 2022, the Company has a total of 40,000 ounces of gold left to be delivered under these programs over the next 12 months at an average price of A\$2,505/ounce (FY21: 87,500 ounces at A\$2,337/ounce).

Accounting Policies

Gold bullion sales

Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control requires judgement. With the sale of gold bullion, this occurs when physical bullion, from a contracted sale, is transferred from the Company's account into the account of the buyer.

Concentrate Sales

Under AASB 15, revenue is recognised upon receipt of the bill of lading when the concentrate is delivered for shipment. Contract terms for concentrate sales allow for a final price adjustment after the date of sale, based on average market prices and final assays in the period after the concentrate is sold. Average market prices are derived from independently published data with material adjustments between the provisional and final price separately disclosed as other revenue. This typically occurs between 60-80 days after the initial date of sale.

Gold forward contracts

The Group uses derivative financial instruments such as 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 9 *Financial Instruments* and as such all hedge revenue is recognised in the Statement of Profit or Loss and no fair value adjustments are subsequently made to sales yet to be delivered under the hedging program.

5. COST OF SALES

	Notes	30 June 2022 \$'000	30 June 2021 \$'000
Mining and processing costs		266,119	220,083
Amortisation	15	100,062	97,556
Depreciation	16	67,818	46,552
Salaries and on-costs		63,528	52,154
Royalties		20,998	19,609
Total		518,525	435,954

Accounting Policies

Mining and processing costs

This includes all costs related to mining, milling and site administration, net of costs capitalised to mine development and production stripping. This category also includes movements in the cost of inventory and any net realisable value write downs.

Amortisation

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 and changes to these estimates and assumptions may impact the amortisation charge in the Statement of Profit or Loss and asset carrying values.

The Group uses ounces mined over mineable inventory as its basis for depletion of mine properties. In the absence of reserves, the Group believes this is the best measure as evidenced by historical conversion of resources to reserves. The Group applies applicable factoring rates when adopting the units of production method to reflect the risk of conversion from the inferred and indicated categories to mineable inventory.

Depreciation

Depreciation 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 while processing plants are depreciated on the life of the mine basis. Capital work in progress is not depreciated until it is ready for use. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

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

	Period
Buildings	7-10 Years
Haul roads	3-5 Years
Plant and equipment	3-10 Years
Office furniture and equipment	3-15 Years
Motor vehicles	3-5 Years

6. ADMINISTRATION EXPENSES

	30 June 2022 \$'000	30 June 2021 \$'000
Salaries and on-costs	9,458	9,103
Consultants and contractors	1,299	1,562
Rental expense	595	241
Business combination expenses	299	128
Share based payments	3,195	1,946
Other corporate costs	2,669	2,899
Total	17,515	15,879

7. GROUP PERSONNEL EXPENSES

	30 June 2022 \$'000	30 June 2021 \$'000
Wages and salaries	62,424	55,429
Other associated personnel expenses	6,206	1,134
Superannuation and pension contributions	5,267	4,695
Total	73,897	61,258

8. FINANCE INCOME AND EXPENSES

	30 June 2022 \$'000	30 June 2021 \$'000
Interest income	676	978
Finance income	676	978
Interest expense	-	(16)
Change in fair value of listed investments (Note 17)	(4,741)	(3,914)
Interest expense on lease liabilities	(2,735)	(2,739)
Rehabilitation accretion and gold prepay	(1,257)	-
Foreign exchange	(18)	-
Finance costs	(8,751)	(6,669)
Net finance costs	(8,075)	(5,691)

Accounting Policies

Interest income comprises bank interest on funds invested and is recognised as it accrues, using the effective interest method. Finance expenses comprise interest expense on borrowings, leases, unwinding of the discount on provisions and change in the value of investments measured at fair value through the profit and loss. All borrowing costs are recognised in the Statement of Profit or 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 qualifying asset.

9. TAXES

A. INCOME TAX

	30 June 2022 \$'000	30 June 2021 \$'000
Current tax expense		
Current income tax	5,701	28,969
Adjustment for prior years	146	1,350
	5,847	30,319
Deferred income tax expense		
Derecognition of previously recognised DTA	11,296	-
Movement in temporary differences	20,511	12,676
Income tax expense reported in profit or loss	37,654	42,995
Numerical reconciliation between tax expenses and pre-tax profit		
Profit before tax	115,335	141,200
Income tax using the Australian corporation tax rate of 30%	34,601	42,360
Adjustment for prior years	146	1,350
Movement due to non-deductible items	2,466	700
Derecognition of previously recognised DTA	11,296	-
Non-assessable gain on bargain purchase	(8,648)	-
Adjustment for difference between (AUD/CAD) tax rates	(1,376)	-
Other movements	(831)	(1,415)
Income tax expense reported in profit or loss	37,654	42,995

B. DEFERRED TAX ASSETS AND LIABILITIES

	30 June 2022 \$'000	30 June 2021 \$'000
Receivables	-	2,017
Inventories	(4,722)	(4,364)
Exploration, evaluation and mining assets	(71,088)	(42,511)
Property, plant and equipment	9,538	13,250
Accrued expenses	1,626	1,518
Provisions	14,131	13,835
Share issue costs	1,797	-
Plant, equipment and mine assets - Ontario	(5,034)	-
Tax losses	108,140	97,000
	54,388	80,745
Derecognition of previously recognised DTA	(11,296)	-
Net deferred tax assets	43,092	80,745
Australian entities:		
Deferred tax assets	79,857	80,745
Deferred tax liabilities	(31,731)	-
Canadian entities:		
Deferred tax assets	16,986	-
Deferred tax liabilities	(22,020)	-
Net deferred tax assets	43,092	80,745

Accounting Policies

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 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.

Tax consolidation

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

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.

Tax losses

The Group utilised \$19,002,000 of tax losses in Australia during the current year by offsetting them against taxable income. At 30 June 2022 the Company has \$303,846,000 (FY21: \$323,848,000) of tax losses remaining that are available for offset against future taxable profits in Australia. The Company has not recognised \$37,654,000 of these losses on the balance sheet which would equate to a deferred tax asset of \$11,296,000.

At 30 June 2022, the Group's Canadian subsidiary has \$130,255,000 of tax losses remaining that are available for offset against future taxable profits in Canada. The Canadian subsidiary has not recognised \$62,311,000 of these losses on the balance sheet which would equate to a deferred tax asset of \$15,577,000.

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:

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

10. EARNINGS PER SHARE

	30 June 2022 \$'000	30 June 2021 \$'000
Profit used in calculating basic and diluted EPS	77,681	98,205
Number of Shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	902,770,152	881,285,990
Effect of dilution in respect of unvested performance rights granted to employees	9,361,404	6,874,745
Weighted average number of ordinary shares used in calculating diluted earnings per share	912,131,556	888,160,735

Accounting Policies

Basic EPS is calculated as profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares.

Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, including performance rights granted to employees.

11. CASH AND CASH EQUIVALENTS

	30 June 2022 \$'000	30 June 2021 \$'000
Cash at bank	304,298	328,890

Accounting Policies

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less. The Group ensures that as far as possible it maintains excess cash and cash equivalents in short-term high interest bearing deposits. The Group's exposure to interest rate risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 27.

12. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	30 June 2022 \$'000	30 June 2021 \$'000
Cash flow from operating activities		
Profit after tax	77,681	98,205
Adjustments for:		
Depreciation	67,818	46,552
Amortisation	100,062	97,556
Exploration expenditure & impairment	3,187	7,326
Share based payments	3,195	1,946
Change in fair value of investments	4,741	3,844
Net finance costs	1,257	(961)
Profit/(loss) from the sale of non-current assets	5	(8,374)
Gain on bargain purchase	(28,827)	-
Operating profit before changes in working capital and provisions	229,119	246,094
Change in trade and other receivables	(1,242)	(115)
Change in inventories	(13,983)	(38,577)
Change in prepayments and other assets	2,155	41
Change in net deferred tax assets	37,653	42,996
Change in trade and other payables	(11,803)	5,428
Change in other liabilities	7,263	12,974
Total	249,162	268,841

13. TRADE AND OTHER RECEIVABLES

	30 June 2022 \$'000	30 June 2021 \$'000
Current		
Trade and other receivables	6,961	9,466
Sales tax receivable	8,117	4,024
Provision for doubtful debts	-	(6,723)
Total	15,078	6,767

The Group's exposure to interest rate risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 27.

Accounting Policies

Trade receivables are recognised initially at the value of the invoice sent to the counterparty and subsequently at the amounts considered recoverable (amortised cost). Where there is evidence that the receivable is not recoverable, it is impaired with a corresponding change to the profit or loss statement. The Group's exposure to credit risk in relation to its receivables is not material.

14. INVENTORIES

	30 June 2022 \$'000	30 June 2021 \$'000
Current		
Materials and supplies	20,329	15,171
Ore stocks	41,188	42,019
Gold in circuit	8,260	9,648
Concentrate on hand	4,593	1,438
Bullion on hand	9,517	1,308
	83,887	69,584
Non-Current		
Ore stocks	63,356	52,568
Total	147,243	122,152

During the year the Company added 0.5 million tonnes of ore to its inventory balance. Stockpiles that are not forecast to be processed over the next 12 months are classified as non-current inventory. 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.

Accounting Policies

Inventory

Ore stockpiles, concentrate on hand, gold in circuit and gold bullion 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.

Bullion on Hand

Bullion on hand comprises gold that has been delivered to an independent gold refinery prior to period end but which has not yet been delivered into a sale contract.

15. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

During the year ended 30 June 2022 the Group incurred and capitalised the following on exploration, evaluation and development expenditure:

	30 June 2022 \$'000	30 June 2021 \$'000
Exploration and evaluation phase		
Cost brought forward	11,772	36,791
Expenditure during the year	8,307	8,126
Divested during the year	-	(11,862)
Impaired during the year	-	(593)
Transferred to development phase	(1,026)	(18,380)
Expensed during year	(2,203)	(2,310)
Balance at 30 June	16,850	11,772

	30 June 2022	30 June 2021
	\$'000	\$'000
Development phase		
Cost brought forward	96,452	66,726
Transfer from exploration and evaluation phase	1,026	18,380
Expenditure during the year	-	30,217
Expensed during the year	-	(1,329)
Rehabilitation provision adjustment	-	838
Transferred to production phase	(97,478)	(18,380)
Balance at 30 June	-	96,452
Production phase		
Cost brought forward	159,936	165,338
Acquired in a business combination (Note 3)	95,928	-
Transfer from development phase	97,478	18,380
Divested during the year	-	(5,529)
Expenditure during the year	131,565	72,511
Foreign currency translation adjustment	3,872	-
Rehabilitation provision adjustment	(3,421)	6,792
Amortisation expense	(100,062)	(97,556)
Balance at 30 June	385,296	159,936
Total	402,146	268,160

Accounting Policies

Exploration and evaluation expenditure

Exploration and evaluation expenditures are those expenditures incurred 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. 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. 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. 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.

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. If costs do not meet the criteria noted above, they are written off in full against the profit and loss statement.

Exploration and evaluation assets are transferred to Development Phase 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 licence 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 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 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 cash generating unit which is no larger than the area of interest.

Impairment testing of assets in the development or production phase

The carrying amounts of assets in the development or production phase 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 of disposal (FVLCD). In assessing FVLCD, 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 the Statement of Profit or 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.

Long term development and production phase assets that relate to unmined resources are 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 where an indicator of impairment exists 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.

Exploration expenditure commitments

Exploration expenditure commitments represent tenement rentals and minimum spend requirements that are required to be met under the relevant legislation should the Group wish to retain tenure on all its current tenements.

Mine properties and mining assets

Mine properties represent 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.

Underground development expenditure incurred in respect of 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 expensed as incurred.

Deferred Stripping Costs

Stripping is the process of removing overburden and waste materials from surface mining operations to access the ore. Stripping costs are capitalised during the development of a mine and are subsequently amortised over the life of mine on a units of production basis, where the unit of account is ounces of gold mined. Stripping costs capitalised at year end are included in the Production phase in Note 15.

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 Statement of Profit or Loss 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
- recognition of deferred tax assets, including tax losses.

16. PROPERTY, PLANT AND EQUIPMENT

	Note	Land & Buildings \$'000	Plant & Equipment \$'000	Capital Work In Progress \$'000	Total \$'000
Balance 1 July 2020		9,600	105,343	16,196	131,139
Additions		28	79	58,303	58,410
Disposal of subsidiary		-	(783)	-	(783)
Transfers		825	9,382	(14,517)	(4,310)
Right-of-use lease assets	16(a)	-	44,114	-	44,114
Depreciation expense	5	(2,963)	(43,589)	-	(46,552)
Disposals		(81)	(106)	-	(187)
At 30 June 2021		7,409	114,440	59,982	181,831
Balance 1 July 2021		7,409	114,440	59,982	181,831
Additions		-	38	15,074	15,112
Acquired in a business combination	3	54,550	45,617	4,301	104,468
Transfers		6,716	60,099	(66,815)	-
Right-of-use lease assets	16(a)	-	18,197	-	18,197
Depreciation expense	5	(5,884)	(61,934)	-	(67,818)
Foreign currency translation adjustment		805	804	276	1,885
Disposals		-	(5,331)	(740)	(6,071)
At 30 June 2022		63,596	171,930	12,078	247,604

16(A). RIGHT-OF-USE ASSETS

The Group leases mining equipment for the purposes of production and exploration activities. These leases run for a period of approximately 1-3 years, with an option to renew the lease after that date. Leases that contain extension options are exercisable by the Group and not the lessor. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group has estimated that exercising of the extension options would result in an increase in lease liabilities and right-of-use assets of \$2.4 million.

Some leases provide for additional rent payments that are based on changes in local price indices. These are factored into the calculation of minimum lease payments in determining the value of the right-of-use assets only when these changes become effective.

Information about leases for which the Group is a lessee is presented below:

	30 June 2022 \$'000	30 June 2021 \$'000
Property, plant and equipment		
Balance 1 July	68,278	52,274
Additions to right-of-use assets	18,197	44,114
Derecognition of right-of-use assets	(5,331)	-
Depreciation charge for the year	(31,026)	(28,110)
Balance 30 June	50,118	68,278

Accounting Policies

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.

17. INVESTMENTS

	30 June 2022 \$'000	30 June 2021 \$'000
Investments in listed entities – at fair value	7,968	11,391
Movements as follows:		
Balance at 1 July	11,391	6,352
Acquisitions	1,722	8,953
Disposals	(404)	-
Change in fair value	(4,741)	(3,914)
Balance at 30 June	7,968	11,391

Accounting Policies

Financial assets designated at fair value through profit or loss comprise investments in equity securities.

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

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

18. GOODWILL

Goodwill of \$90.7 million was recorded following the Company's merger with Doray Minerals Limited on 5 April 2019. The goodwill was attributable to both financial synergies (as a result of the creation of a mid-tier gold company with two complementary gold camps increasing market presence and liquidity) and operating synergies (expected to be achieved from integrating Doray into the Group's existing mining operations).

Impairment testing

As goodwill does not generate cash flows independently of other assets, its carrying value was apportioned to two of the Group's operating CGUs as part of the 30 June impairment testing review. The allocation was made based on the relative market values of the Silver Lake and Doray entities at the date of the merger as follows:

- Mount Monger Operation 67% (\$60.8 million)
- Deflector Operation 33% (\$29.9 million)

In assessing whether each CGU (including its share of goodwill) has been impaired, its carrying amount 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 of disposal (FVLCD) and value in use. The Group has adopted FVLCD in its assessment, using discounted cash flows.

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\$1,730–US\$1,850/oz. with a forecast exchange rate of US\$0.70 to US\$0.75 per A\$1.00, based on broker consensus forecasts over the life of the mines. A discount rate of 6% 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 2022 using these assumptions resulted in a nil impairment charge.

Significant changes to either the forecast A\$ gold price or future costs may have an impact on the carrying value of a CGU in future periods. For example, a 6% increase in life of mine costs would result in a \$9.4 million impairment to the Mount Monger CGU. Similarly a 10% decrease in forecast AUD gold prices would result in a \$5 million impairment, assuming all other assumptions remain constant. A 10% increase in costs or a 10% decrease in AUD gold price would not result in any impairment to the Deflector CGU.

Accounting Policies

Goodwill arising on acquisition of subsidiaries is measured at cost less accumulated impairment losses. At each reporting date, the Group tests goodwill for impairment. Where the asset does not generate cash inflows independent from other assets and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the cash generating unit (CGU) to which it belongs.

The Group considers each of its operating segments to be a separate CGU. If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss recognised in the Statement of Profit or Loss. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal or value in use.

19. TRADE AND OTHER PAYABLES

	30 June 2022 \$'000	30 June 2021 \$'000
Trade payables	65,972	54,605
Other accruals	17,345	19,226
Total	83,317	73,831

The Group's exposure to liquidity risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 27.

Accounting Policies

Trade payables are recognised at the value of the invoice received from a supplier. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and generally paid between 30–45 days of recognition.

20. DEFERRED REVENUE

	30 June 2022 \$'000	30 June 2021 \$'000
Gold prepay facility – Current	20,467	-

On 15 February 2022 the Company entered into a secured Gold Prepay Facility ("Facility") with the Commonwealth Bank of Australia ("CBA"), raising \$30,572,000. Under the Facility, Silver Lake will deliver a total of 11,928 ounces of gold to CBA between March 2022 and February 2023 (994 ounces per month).

The Facility is secured by way of mining mortgages over the Mount Monger Operation and a general security interest over all assets of Silver Lake and its wholly owned subsidiary Silver Lake (Integra) Pty Ltd. As at 30 June 2022, a total of 7,952 oz of gold still needs to be delivered to settle this facility.

Accounting Policies

Deferred revenue is recorded as a liability when the Company has received payment for goods (in this case bullion) not yet delivered to the buyer. The upfront payment received is initially recognised as a liability and is then transferred to profit and loss as revenue in line with the physical delivery of bullion to the customer.

21. LEASE LIABILITIES

	30 June 2022 \$'000	30 June 2021 \$'000
Current		
Lease liabilities	22,382	30,294
Non-current		
Lease liabilities	24,465	39,731
Total	46,847	70,025

Payments made during the year under lease arrangements qualifying under AASB 16 but were variable by nature and therefore not included in the minimum lease payments used to calculate lease liabilities, totalled \$152.3 million (FY21: \$105.7 million). These include payments for services, including labour charges, under those contracts that contained payments for the right-of-use of assets.

For the period ended 30 June 2022, the Group recognised \$32.8 million (2021: \$27.3 million) of lease liability repayments, \$31.0 million (2021: \$28.1 million) of depreciation charges and \$2.7 million (2021: \$2.7 million) of interest costs in relation to these leases. Total cash outflows for leases recognised under AASB 16 totalled \$33.0 million for the year (2021: \$29.8 million).

Accounting Policies

The Group leases assets including properties and equipment. As a lessee, the Group previously classified leases as operating or financial leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Group recognises right of use assets and lease liabilities for some of these leases – i.e. they are on-Balance Sheet. The Group presents right-of-use assets in 'Property, plant and equipment' together with assets that it owns. The Group presents lease liabilities separately in the Balance Sheet.

In accordance with AASB 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The Group recognises right-of-use assets at the commencement date of the lease and is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for any changes to lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date. The consolidated entity has elected not to recognise a right-of-use

asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The carrying amount of lease liabilities is remeasured if there is a modification to an index or rate, a change in the residual value guarantee, or changes in the assessment of whether a purchase, extension or termination option will be exercised.

The lease payments include fixed monthly payments, variable lease payments and amounts expected to be paid under residual value guarantees less any incentives received. Variable lease payments that do not depend on an index or rate are recognised as an expense in the period it was incurred. The lease payment also includes the exercise price, or termination price, of a purchase option in the event the lease is likely to be extended, or terminated, by the Group. The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of these options will impact the lease term and therefore affects the amount of lease liabilities and right-of-use assets recognised.

22. EMPLOYEE BENEFITS

	30 June 2022 \$'000	30 June 2021 \$'000
Current		
Liability for annual leave	5,825	4,750
Liability for long service leave	1,792	1,553
Total	7,617	6,303

Accounting Policies

i. Defined Contribution Superannuation Funds

Obligations for contributions to defined contribution superannuation funds and pension plans 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. The benefit is discounted to determine its present value using a discount rate that equals 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.

23. SHARE BASED PAYMENTS

PERFORMANCE RIGHTS (EQUITY SETTLED)

Performance rights have been issued to the Managing Director and other eligible employees in accordance with long term incentive plans approved by shareholders. Movements in Performance Rights are summarised as follows:

	Balance at 1 July 2021	Granted in FY22	Converted	Lapsed	Balance at 30 June 2022	Vested & exercisable at 30 June 2022
Total	8,769,823	4,598,672	(3,911,969)	(524,275)	8,932,251	2,641,872

These performance rights are subject to vesting conditions as outlined in Section 5.3(c) of the Remuneration Report. Details of the performance rights currently on issue are summarised in the following table:

	FY20 Award ¹	FY21 Award	FY22 Award
Number of performance rights	2,963,795	1,798,937	4,598,672
Exercise price	\$0.00	\$0.00	\$0.00
Grant date	1 July 2019	1 July 2020	1 July 2021
Vesting period	1 July 2019 – 30 June 2022	1 July 2020 – 30 June 2023	1 July 2021 – 30 June 2024
Expiry period	15 years	15 years	15 years
ASX Comparator Group	AQG; DCN; EVN; GOR; MOY; NCM; NST; OGC; PRU; RMS; RRL; RSG; SAR; SBM; WGX; X64	DCN; EVN; GOR; NCM; NST; OGC; PRU; RMS; RRL; RSG; SBM; WGX; X64	DCN; EVN; GOR; NCM; NST; OGC; PRU; RMS; RRL; RSG; SBM; WGX; X64
Valuation at grant date	\$0.817	\$0.917	\$1.205
Underlying 20 day VWAP	\$1.071	\$1.98	\$1.727
Volatility	65%	65%	60%
Risk free rate	0.98%	0.13%	0.2%
Expected dividends	-	-	-

Note 1: On completion of the vesting period 88% of the FY20 Performance Rights had vested in accordance with the relative TSR hurdle attached to them. This included 1,973,214 rights awarded to KMP's.

The fair value of the performance rights was measured using a hybrid employee share option pricing model (correlation simulation and Monte Carlo model) and was calculated by independent consultants.

The total expense recognised in the Statement of Profit or Loss for all performance rights for the period ended 30 June 2022 was \$3,195,000 (FY21: \$1,946,000).

Accounting Policies

Share-Based Payment Transactions

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

24. PROVISIONS

	30 June 2022 \$'000	30 June 2021 \$'000
Closure and rehabilitation		
Opening balance at 1 July	44,929	43,623
Divestment of asset	-	(6,276)
Acquired through a business combination	5,778	-
Accretion expense	1,016	-
Adjustment to provisions during the year	(3,243)	7,630
Rehabilitation spend	(1,557)	(48)
Closing balance at 30 June	46,923	44,929
Current provision	90	250
Non-current provision	46,833	44,679
Closing balance at 30 June	46,923	44,929

At year end a review of the Group's closure and rehabilitation provision was undertaken using updated cost assumptions and updated rehabilitation plans. As a result of this review the provision was decreased by \$3,243,000 (FY21: \$7,630,000 increase).

Accounting Policies

Provisions

A provision is recognised in the Balance Sheet when the Group 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.

Closure and Rehabilitation

The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or 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.

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. 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 is 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 unamortised 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 Statement of Profit or Loss.

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.

25. SHARE CAPITAL

	Number	\$'000
Movements in issued capital		
Balance as at 1 July 2020	879,844,109	1,023,106
Exercise of performance rights	1,731,206	-
Balance as at 30 June 2021	881,575,315	1,023,106
Issue of shares – long term incentive plan	6,875,764	-
Transfer from reserves	-	3,323
Issues of shares – Harte Gold transaction (Note 3)	44,681,667	70,903
Buy back of share capital	(778,164)	(1,064)
Balance as at 30 June 2022	932,354,582	1,096,268

Accounting Policy

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.

26. RESERVES

	30 June 2022 \$'000	30 June 2021 \$'000
Equity settled share-based payment reserve	5,796	5,924
Foreign currency translation reserve	7,690	-
Balance as at 30 June	13,486	5,924
Equity settled share-based payment reserve		
Balance as at 1 July	5,924	3,978
Equity settled share-based payment expense	3,195	1,946
Transfer to share capital	(3,323)	-
Balance as at 30 June	5,796	5,924
Foreign currency translation reserve		
Balance as at 1 July	-	-
Exchange differences on translation of foreign operation	7,690	-
Balance as at 30 June	7,690	-

Accounting Policy

Equity settled share-based payment reserve

The equity settled share-based payment reserve is used to record the value of share-based payments and performance rights provided to employees (including KMP) as part of their remuneration.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial information of foreign operations.

27. 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 Board regularly reviews 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 in Australia and Canada. 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 with major Australian and Canadian financial institutions.

ii. Trade and other receivables

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

The provision for doubtful debts of \$6,723,000 was reduced to nil during the year (FY21: \$6,723,000) as a result of a debtor being placed in liquidation in a prior year. This receivable is therefore not reflected in the 2021 trade and other receivables balance in Note 27(b) (iii).

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 their obligations.

iii. 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:

	2022 \$'000	2021 \$'000
Trade and other receivables	15,078	6,767
Cash and cash equivalents	304,298	328,890
Total	319,376	335,657

C. 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 Group has entered into hedging programmes whereby future bullion sales are hedged at a predetermined AUD gold price. At 30 June 2022, the Company has a total of 40,000 ounces of gold left to be delivered under these programs over the next 12 months at an average price of A\$2,505/ounce. The sale of gold under these hedges is accounted for using the 'own use exemption' under AASB 9 *Financial Instruments* and as such all hedge revenue is recognised in the Statement of Profit or 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 2022	Carrying Amount \$'000	Contractual Cash Flows \$'000	12 Months or Less \$'000	1-2 years \$'000	2-5 years \$'000
Trade and other payables*	83,317	83,317	83,317	-	-
Gold prepay facility**	20,467	-	-	-	-
Lease liabilities	46,847	54,646	20,654	23,397	10,595
Total	150,631	137,963	103,971	23,397	10,595

30 June 2021	Carrying Amount \$'000	Contractual Cash Flows \$'000	12 Months or Less \$'000	1-2 years \$'000	2-5 years \$'000
Trade and other payables*	73,831	73,831	73,831	-	-
Lease liabilities	70,025	74,245	32,076	21,528	20,641
Total	143,856	148,076	105,907	21,528	20,641

* The carrying value at balance date approximates fair value

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

D. MARKET RISK

Market risk is the risk that changes in market prices, such as commodity prices, 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.

i. Commodity risk

The Group's exposure to commodity price risk arises largely from Australian dollar and Canadian dollar gold price fluctuations. The Group's exposure to movements in the gold price is managed through the use of Australian dollar gold forward contracts. The gold forward sale contracts do not meet the criteria of financial instruments for accounting purposes on the basis that they meet the normal purchase/sale exemption because physical gold will be delivered into the contract. Further information relating to these forward sale contracts is included in Note 4. No sensitivity analysis is provided for these contracts as they are outside the scope of AASB 9 *Financial Instruments*.

ii. 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.

Profile

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

	2022 \$'000	2021 \$'000
Fixed rate instruments		
Lease liabilities	46,847	70,025
Variable rate instruments		
Cash and cash equivalents	304,298	328,890

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.

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 \$3,043,000 (FY21: \$3,289,000). This analysis assumes that all other variables remain constant.

iii. Equity price risk

Equity investments are long-term investments that have been classified as financial assets at fair value through profit or loss.

iv. Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The Group generally does not hedge foreign exchange risks.

As at 30 June 2022, the Group held US\$1.6 million in US dollar currency bank accounts, C\$1.1 million in Canadian dollar currency bank accounts and had outstanding receivables of C\$4.6 million relating to Sugar Zone. An increase/decrease in AUD:USD and AUD:CAD foreign exchange rates of 10% will result in a \$2.1 million impact to net assets and pre-tax profit.

The Group is exposed to translation-related risks arising from the Sugar Zone Operation having a functional currency (CAD) different from the Group's presentation currency (AUD). An increase/decrease in AUD:CAD foreign exchange rates of 10% will result in \$10.5 million impact to net assets and equity reserves.

E. FAIR VALUES

The carrying value of cash and cash equivalents, trade and other receivables, trade and other payables and interest-bearing liabilities is considered to be a fair approximation of their fair values. The carrying amounts of equity investments are valued at year end at their quoted market price.

F. 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. 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.

28. COMMITMENTS

The Group has \$3,291,000 (FY21: \$3,332,000) of commitments relating to minimum exploration expenditure on its various tenements and \$6,701,000 (FY21: \$338,000) of capital commitments at 30 June 2022.

29. RELATED PARTIES

A. KEY MANAGEMENT PERSONNEL COMPENSATION

	30 June 2022 \$'000	30 June 2021 \$'000
Short-term employee benefits	4,992,084	4,616,031
Post-employment benefits	218,342	182,300
Other long-term benefits	1,631,232	1,447,018
Total	6,841,658	6,245,349

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.

During the current period 1,553,717 performance rights were awarded to key management personnel. See Note 23 and the Remuneration Report for further details of these related party transactions.

30. GROUP ENTITIES

The Company controlled the following subsidiaries:

Subsidiaries	Country of Incorporation	Ownership Interest	
		2022	2021
Backlode Pty Ltd	Australia	100%	100%
Brandy Hill Iron Pty Ltd	Australia	100%	100%
Brandy Hill Iron SPV Pty Ltd	Australia	100%	100%
Central Infrastructure Pty Ltd	Australia	100%	100%
Central Infrastructure SPV Pty Ltd	Australia	100%	100%
Cue Minerals Pty Ltd	Australia	100%	100%
Deflector Gold Pty Ltd	Australia	100%	100%
Deflector Gold SPV Pty Ltd	Australia	100%	100%
Doray Gold Operations Pty Ltd	Australia	100%	100%
Egan Street Victoria Bore Pty Ltd	Australia	100%	100%
Gullewa Gold Project Pty Ltd	Australia	100%	100%
Gullewa Gold Project SPV Pty Ltd	Australia	100%	100%
Loded Pty Ltd	Australia	100%	100%
Meehan Minerals Pty Ltd	Australia	100%	100%
Murchison Resources Pty Ltd	Australia	100%	100%
MYG Tenement Holdings Pty Ltd	Australia	100%	100%
MYG Tenement Holdings SPV Pty Ltd	Australia	100%	100%
Paylode Pty Ltd	Australia	100%	100%
Silver Lake (Deflector) Pty Ltd	Australia	100%	100%
Silver Lake (Doray) Pty Ltd	Australia	100%	100%
Silver Lake (Egan Street) Pty Ltd	Australia	100%	100%
Silver Lake (Integra) Pty Ltd	Australia	100%	100%
Silver Lake (Rothsay) Pty Ltd	Australia	100%	100%
Silver Lake Canada Inc	Canada	100%	0%
Silver Lake Ontario Inc	Canada	100%	0%

Accounting Policies

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.

31. JOINT OPERATIONS

As at 30 June 2022, the Group had no interest in any joint venture.

32. AUDITOR'S REMUNERATION

	30 June 2022	30 June 2021
	\$	\$
Audit services		
Audit and review of financial statements – KPMG Perth	328,000	225,500
Audit and review of financial statements – KPMG Toronto	163,067	-
Other audit services	-	3,848
Non-audit Services		
Taxation services	85,388	59,160
Total	576,455	288,508

33. PARENT ENTITY

As at, and throughout the financial year ended 30 June 2022, the parent company of the Group was Silver Lake Resources Limited.

	30 June 2022	30 June 2021
	\$'000	\$'000
Results of the parent entity		
Loss for the year	(58,357)	(45,560)
Total comprehensive loss for the year	(58,357)	(45,560)
Balance Sheet of parent entity at year end		
Current assets	33,644	152,785
Total assets	679,117	676,285
Current liabilities	68,802	68,706
Total liabilities	74,997	86,841
Total equity of the parent entity comprising of:		
Share capital	1,096,268	1,023,106
Reserves	5,795	5,924
Accumulated losses	(497,943)	(439,586)
Total equity	604,120	589,444

The parent entity has \$1,716,000 (FY21: \$1,738,000) of commitments relating to minimum exploration expenditure on its various tenements and \$778,000 (FY21: nil) capital commitments at financial year end.

34. SEGMENT REPORTING

The accounting policies used by the Company in reporting segments are in accordance with the measurement principles of applicable accounting standards. The Group has the following reportable segments:

- Mount Monger Operation
- Deflector Operation (including the Rothsay Project)
- Sugar Zone Operation

The Mount Monger and Deflector operations are both located in Western Australia, with the Sugar Zone Operation located in Ontario, Canada. The Mount Monger Operation produces gold bullion, the Deflector Operation produces gold bullion and gold-copper concentrate, and the Sugar Zone Operation produces gold bullion and gold concentrate.

Financial information for the reportable segments for the years ended 30 June 2022 and 30 June 2021 is as follows:

30 June 2022	Mount Monger	Deflector	Sugar Zone	Unallocated ²	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues	269,204	326,733	38,629	-	634,566
EBITDA (excluding significant items) ¹	93,209	189,757	2,109	(17,515)	267,560
Capital expenditure ³	47,816	77,864	21,456	-	147,136

30 June 2021	Mount Monger	Deflector	Sugar Zone	Unallocated ²	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues	322,488	275,805	-	-	598,293
EBITDA (excluding significant items) ¹	135,049	172,472	-	(16,701)	290,820
Capital expenditure	63,380	153,113	-	-	216,493

¹ A reconciliation between the statutory profit after tax and the Group's EBITDA (excluding significant items) is tabled on page 11

² Unallocated items primarily comprise administration expenses

³ FY22 Capital expenditure includes \$18.2 million of Right of Use asset additions as required under AASB 16 Leases (2021: \$44 million)

35. DEED OF CROSS GUARANTEE

The Company and its wholly owned subsidiary Silver Lake (Integra) Pty Ltd have 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 ASIC Corporations (wholly owned companies) Instrument 2016/785. The Consolidated Balance Sheet at 30 June 2022 for the members of the Deed of Cross Guarantee is disclosed in the table below:

	30 June 2022 \$'000	30 June 2021 \$'000
Current assets		
Cash and cash equivalents	30,947	154,215
Trade and other receivables	2,060	5,444
Inventories	44,066	52,879
Prepayments	306	234
Total current assets	77,379	212,772
Non-current assets		
Inventories	63,157	52,568
Exploration evaluation and development expenditure	77,791	79,971
Property, plant and equipment	29,355	59,517
Investments	406,166	333,267
Intercompany receivables	123,186	-
Deferred tax asset	48,126	80,746
Total non-current assets	747,781	606,069
Total assets	825,160	818,841
Current liabilities		
Trade and other payables	36,918	55,268
Lease liabilities	6,700	17,747
Interest bearing liability	20,467	-
Employee benefits	4,187	4,073
Rehabilitation and restoration provision	90	250
Total current liabilities	68,362	77,338
Non-current liabilities		
Lease liabilities	1,131	11,939
Rehabilitation and restoration provision	17,492	20,683
Total non-current liabilities	18,623	32,622
Total liabilities	86,985	109,960
Net assets	738,175	708,881
Equity		
Share capital	1,096,268	1,023,106
Reserves	10,717	5,924
Accumulated losses	(368,810)	(320,149)
Total equity	738,175	708,881

The Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022 for the members of the Deed of Cross Guarantee is disclosed in the table below:

	30 June 2022 \$'000	30 June 2021 \$'000
Revenue	269,204	322,488
Cost of sales	(252,130)	(268,133)
Gross profit	17,074	54,355
Other income	247	7,918
Business combinations expenses	(7,866)	-
Exploration expensed	(1,809)	(2,080)
Administration expenses	(16,994)	(19,805)
Results from operating activities	(9,348)	40,388
Finance income	77	467
Finance expenses	(6,769)	(5,708)
Net finance costs	(6,692)	(5,241)
Profit/(loss) before income tax	(16,040)	35,147
Income tax expense	(32,621)	(42,996)
Loss profit for the year	(48,661)	(7,849)

36. SUBSEQUENT EVENTS

No events have arisen in the interval between the end of the financial year and the date of this report 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.

ASX ADDITIONAL INFORMATION

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement can be located on its website www.slrld.com.

SECURITIES

At 28 September 2022 the Company had on issue:

- 932,354,582 fully paid ordinary shares (16,170 holders); and
- 6,369,462 performance rights (201 holders).

DISTRIBUTION OF HOLDERS

		No. of Ordinary Shares	% Ordinary Shares	
1	-	1,000	3,945	0.23
1,001	-	5,000	6,131	1.77
5,001	-	10,000	2,478	2.05
10,001	-	100,000	3,274	10.21
100,001	-	and over	342	85.74
Total Holders			16,170	100.00

1,638 holders held less than a marketable parcel (<\$500) of fully paid shares.

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:

- each Shareholder is entitled to vote in person or by proxy, attorney or representative;
- 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
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder, in respect of each Share held by that person or in respect of which that person is appointed a proxy, attorney or representative, has 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 28 September 2022 the substantial holders disclosed to the Company were:

Registered Holder	Beneficial Owner	Number of Shares	Percentage of Issued Shares
Bank of New York Mellon	Van Eck Vectors Gold Miners ETF (GDX) Van Eck Vectors Junior Gold Miners ETF (GDXJ) Van Eck Vectors Global Mining UCITS ETF (UCTGDIG) Van Eck Vectors Gold Miners UCITS ETF (UCTGDX) and Van Eck Vectors Junior Gold Miners UCITS ETF (UCTGDXJ)	98,625,834	10.58%
HSBC Nominees Aus Ltd; Citicorp Nominees Ltd; National Nominees Ltd; JP Morgan Nominees Aust Ltd	Paradice Investment Management Pty Ltd	52,313,574	5.91%
Various entities as set out in Annexure D to a Notice of Substantial Holder given to ASX on 29 September 2022	Dimensional Fund Advisors LP (and various of its subsidiaries) Dimensional Holdings Inc Dimensional Holdings LLC David Booth Rex Siquefield	46,659,345	5.00%

TOP 20 HOLDERS OF QUOTED SECURITIES

	Holder Name	Number Held	Percentage
1.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	303,420,442	32.54
2.	CITICORP NOMINEES PTY LIMITED	131,539,139	14.11
3.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	92,776,948	9.95
4.	BNP PARIBAS NOMS PTY LTD <DRP>	58,620,168	6.29
5.	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	34,634,883	3.71
6.	NATIONAL NOMINEES LIMITED	33,946,111	3.64
7.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	13,667,064	1.47
8.	MCCUSKER HOLDINGS PTY LTD	12,000,000	1.29
9.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,441,515	0.58
10.	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	4,507,277	0.48
11.	BRIKEN NOMINEES PTY LTD <BRIKEN A/C>	4,000,000	0.43
12.	SILVER LAKE RESOURCES LIMITED <BUY BACK A/C>	2,118,749	0.23
13.	GARRETT SMYTHE LTD	1,999,000	0.21
14.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,562,774	0.17
15.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	1,514,840	0.16
16.	CYNTHTON PTY LTD <CYNTHTON FAMILY A/C>	1,504,186	0.16
17.	HATHOR INVESTMENTS PTY LTD <JOHNSTON SUPER FUND A/C>	1,500,000	0.16
18.	FERNBERG ROAD PTY LTD <FERNBERG SUPER A/C>	1,300,000	0.14
19.	BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	1,273,885	0.14
20.	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	1,269,320	0.14
		708,596,301	76.00

ON-MARKET BUY-BACK

The Board has approved an on-market share buy-back for up to 10% of Silver Lake's ordinary shares over the 12 month period ending on 23 February 2023. As such, there is a current on-market buy-back at the date of this report.

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