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## DECEMBER 2021 QUARTERLY ACTIVITIES REPORT

- Quarterly Group production of 64,009 ounces gold and 243 tonnes copper (65,148 ounces gold equivalent<sup>1</sup>) with sales of 62,549 ounces gold and 239 tonnes copper at a sales price of A\$2,436/oz and AISC of A\$1,633/oz
- First half group production of 128,956 ounces gold (+8% pcp) and 494 tonnes copper (131,274 ounces gold equivalent) with sales of 124,600 ounces gold and 451 tonnes copper at an average sales price of A\$2,418/oz and AISC of A\$1,597/oz has Silver Lake well placed to deliver FY22 guidance

### Deflector

- Record quarterly gold production of 31,838 ounces and 243 tonnes of copper (32,977 ounces gold equivalent) for year to date production of 62,871 ounces and 494 tonnes copper (65,189 ounces gold equivalent)
- Quarterly gold sales of 32,313 ounces and 239 tonnes copper at an AISC of A\$1,332/oz for year to date sales of 60,388 ounces gold and 451 tonnes copper at an AISC of A\$1,293/oz

### Mount Monger

- Gold production of 32,171 ounces with sales of 30,235 ounces at an AISC of A\$1,953/oz for year to date production of 66,085 ounces and sales of 64,212 ounces at an AISC of A\$1,883/oz

### Harte Gold acquisition

- Acquisition of Harte Gold credit facilities and subsequent execution of transaction to acquire Harte Gold through the Canadian CCAA process for ~US\$128 million, subject to final court approval
- Upon completion of the transaction, Silver Lake intends initiating a strategic review covering operations, exploration and growth potential at the Sugar Zone mine and the extensive regional land package

### Exploration

- \$5.5 million investment in exploration targeting infill, extension and discovery within proven mineralised corridors proximal to infrastructure

### Corporate and Finance

- Cash and bullion of \$274 million at quarter end (which excludes \$17.5 million of gold in circuit and concentrate on hand, at net realisable value) reflects an underlying<sup>2</sup> \$17 million cash build during the quarter and \$101.9 million in outflows associated with the acquisition of Harte Gold

### Outlook

- Well positioned to deliver FY22 group gold sales guidance of 235,000 to 255,000 ounces gold with copper sales of 600 - 1,000 tonnes at an AISC range of A\$1,550 to A\$1,650 per ounce

<sup>1</sup> Refer page 13 for Gold Equivalent Calculation Methodology and Assumptions

<sup>2</sup> Underlying represents the cash and bullion movement excluding cash outflows associated with the acquisition of Harte Gold

## Overview

Silver Lake delivered a solid quarterly production result across the Group, with the second consecutive quarter of record production at Deflector and a significant increase (21,000 ounces) in ore stockpiles at Mount Monger. The strong first half performance at Deflector demonstrates the returns expected to be generated over the coming years from the significant capital investment in FY21 which delivered an upgraded processing facility and a secondary high grade ore source at Rothsay. The increase in ore stockpiles at Mount Monger enhances the scheduling optionality, which is becoming increasingly valuable in the prevailing operating climate, providing a bridge to more normalised operating conditions.

Group production for the quarter was 65,148 ounces gold equivalent, with sales of 62,549 ounces gold and 239 tonnes copper at a gold sales price of A\$2,436/oz and AISC of A\$1,633/oz for first half group production of 131,274 ounces gold equivalent with sales of 124,600 ounces gold and 451 tonnes copper at a gold sales price of A\$2,418/oz and AISC of A\$1,597/oz.

The first half operating performance has Silver Lake well positioned to continue its track record of delivering on its guidance to the market. As outlined in the FY22 guidance provided in July 2021, the restricted mobility of skilled labour is resulting in lower productivity and higher costs. In addition, community and industry uncertainty exists in relation to COVID-19 related definitions and treatment protocols for COVID-19 cases in Western Australia, once the Western Australian government provides an updated and definitive “roadmap” to reopening the border to the rest of the Nation. As detailed in Mount Monger FY22 guidance, the prevailing restrictions and uncertainty have resulted in a modified operating strategy at Mount Monger for H2 FY22.

Silver Lake has made a significant investment in stockpile generation at Mount Monger over the past 3 years which underpins a mill constrained operating strategy and now provides a bridge to more normalised future conditions. Accordingly, as outlined in the FY22 guidance, Silver Lake will cease open pit mining at Aldiss for H2 FY22 and utilise stockpiles to supplement underground mining throughout H2 FY22.

Silver Lake will continue to prioritise its highest returning projects in the prevailing operating environment, whilst retaining project scheduling flexibility should prevailing uncertainty and restricted labour market return to more normalised conditions. The two most advanced projects which will be considered for approval in H2 FY22 are the Tank South underground mine and the Santa project area (which includes open pit and underground production opportunities).

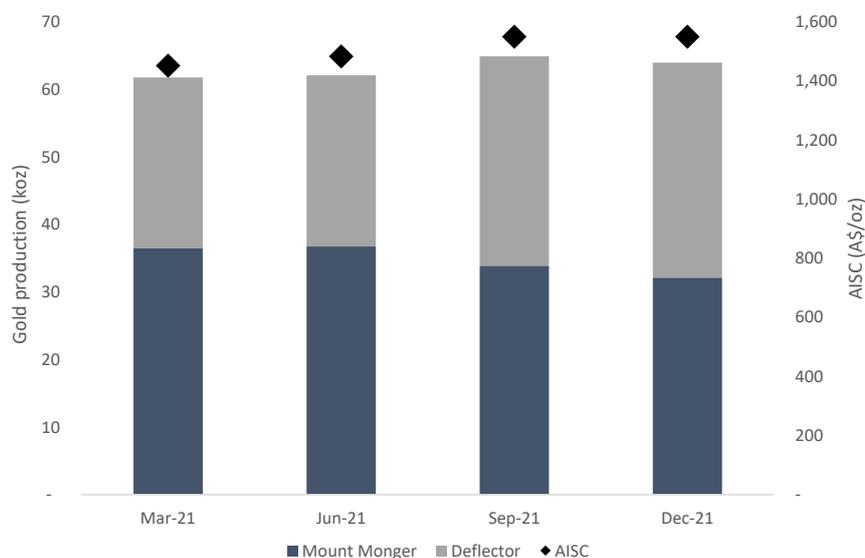


Chart 1: Rolling 12 month Group production and AISC (by quarter)

The quarter was important in Silver Lake’s growth strategy, with the execution of multiple transactions to advance the acquisition of Harte Gold Corp (“Harte Gold”), which owns and operates the Sugar Zone mine in Ontario, Canada, with an associated 81,287 hectare land package for -US\$128 million. In parallel to and contingent on the completion of the acquisition of Harte Gold, Silver Lake reached agreement to purchase an existing aggregate 2% NSR royalty over the Sugar Zone mine and entire Sugar Zone property for US\$22 million, payable in Silver Lake shares.

Silver Lake’s strong balance sheet allowed it to execute and progress the opportunity in a short timeframe. Silver Lake acquired the senior credit facilities on 19 November, promptly moved through to the Canadian CCAA process and was announced the successful bidder in the Sale and Investment Solicitation Process on 20 January 2022. The acquisition is subject to court approval and is expected to close in mid to late February 2022.

Further details regarding the acquisition of Harte Gold are set out in Silver Lake’s ASX releases dated 8 December 2021 “*Execution of Subscription Agreement to Acquire Harte Gold*”, 21 December 2021 “*Court Approval for Agreement to Acquire Harte Gold*” and 21 January 2022 “*Silver Lake Declared Successful Bidder for Harte Gold*”.

The acquisition of Harte Gold and the Sugar Zone operation with the associated land package 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.

Silver Lake will initiate a strategic review covering operations, exploration and growth potential at the Sugar Zone mine and the extensive regional land package on completion of the transaction.

Further information in relation to Harte Gold and the Sugar Zone mine can be found on Harte Gold’s website [www.hartegold.com](http://www.hartegold.com)



Figure 1: Sugar Zone mine and land package location

## Mount Monger

Mount Monger produced 32,171 ounces for the quarter and sold 30,235 ounces at an AISC of A\$1,953/oz for year to date gold production of 66,085 ounces, sales of 64,212 ounces at AISC of A\$1,883/oz.

### Underground Mining

Mount Monger underground ore production of 163,288 tonnes was lower quarter on quarter at a higher grade of 4.6 g/t, for production of 24,087 ounces (Q1 FY22: 224,827 tonnes at 3.7 g/t for 26,390 ounces). The quarter-on-quarter change in production physicals (lower tonnes at a higher grade) largely reflects the completion of underground mining at Santa during the quarter as detailed in the FY22 guidance.

Daisy Complex ore production and grades were higher quarter on quarter with ounce production 8% higher quarter on quarter.

Ore production from the Cock-eyed Bob and Maxwells mines accounted for 94% of Mount Belches ounces with mining completed at Santa in November. Mining operations continue to be impacted by mobile fleet and skilled labour availability resulting in lower quarter on quarter ore tonnes from Cock-eyed Bob and Maxwells, as mining focused on stoping and prioritising capital underground development to establish mining fronts for H2 FY22 at the expense of ore development.

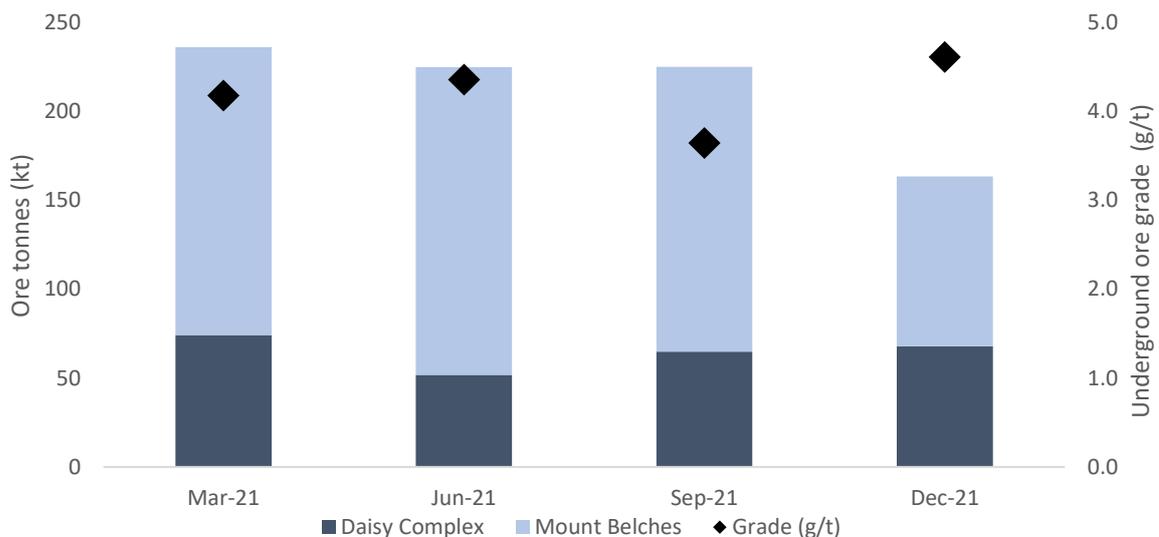


Chart 2: Mount Monger underground mine production

### Open Pit Mining

Open pit ore production returned to Karonie South during the quarter and accounted for 41% of the 423,277 bcm moved and 56% of the ounces mined at the Aldiss Mining Centre during the quarter. The balance of open pit production was split between Tank and Atreides pits.

Lower strip ratios from all pits reflected the tail end of open pit life at Tank, Atreides and Karonie South whilst higher grades from Karonie South delivered a significant quarter on quarter increase in ore production and ounces of 652,177 tonnes at 1.5 g/t for 31,752 ounces (Q1: 380,389 tonnes at 1.3 g/t for 16,311 ounces).

Consistent with FY22 guidance, open pit mining of the current scheduled pits at Aldiss has ceased as Silver Lake prioritises its highest returning projects in the prevailing operating environment and maintains optionality over future open pit mining at Aldiss in a normalised operating environment.

### Processing

Ore milled tonnes for the quarter were consistent quarter on quarter with 324,042 tonnes milled offset by a lower milled grade of 3.3 g/t for 32,171 recovered ounces (Q1: 325,794 tonnes @ 3.5 g/t for 33,914 oz).

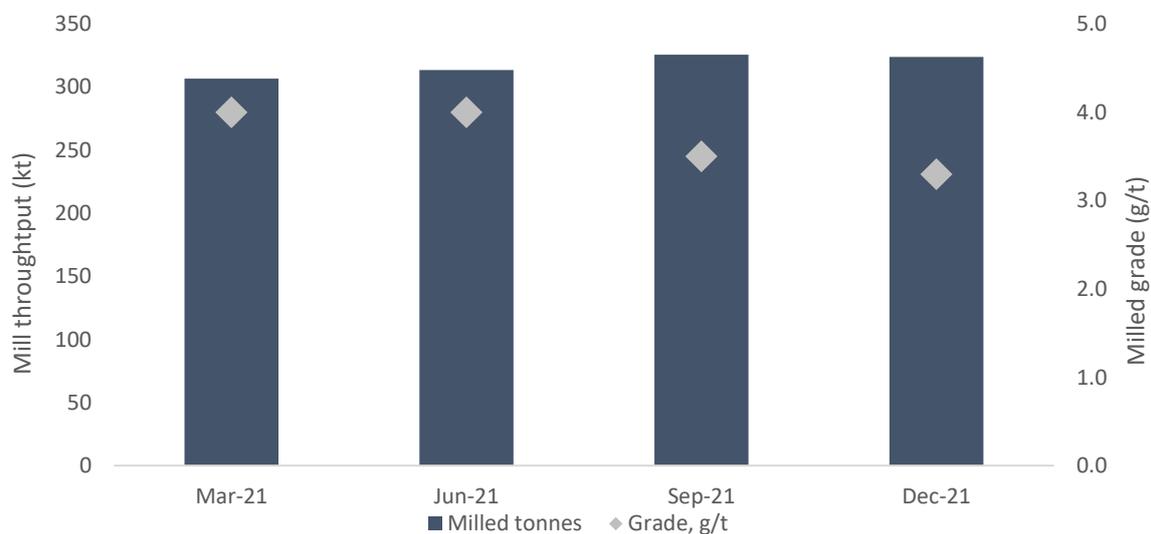


Chart 3: Mount Monger processing

Mount Monger stockpiles increased by ~21,000 ounces during the quarter. Stockpiles at 31 December 2021 were ~3.5 million tonnes containing ~143,000 ounces (30 September 2021: ~3.0 million tonnes containing 122,000 ounces).

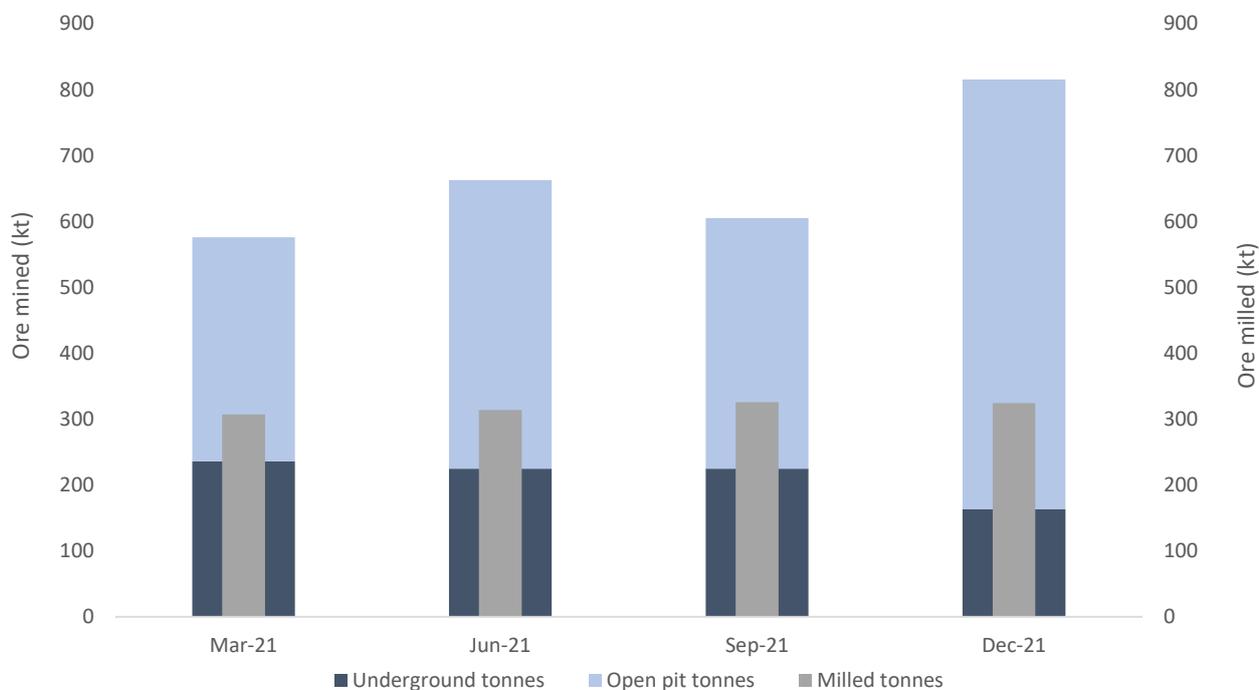


Chart 4: Mount Monger mined tonnes v milled tonnes

Mount Monger Camp - Mining	Units	Mar Qtr 2021	Jun Qtr 2021	Sep Qtr 2021	Dec Qtr 2021	YTD FY22	FY21
<b>Underground</b>							
Ore mined	Tonnes	235,981	224,753	224,827	163,288	388,115	901,293
Mined grade	g/t Au	4.2	4.4	3.7	4.6	4.05	4.3
Contained gold in ore	Oz	31,596	31,539	26,390	24,087	50,477	125,000
<b>Open pit</b>							
Ore mined	Tonnes	340,254	438,056	380,389	652,177	1,032,566	1,397,432
Mined grade	g/t Au	1.8	1.8	1.3	1.5	1.4	1.6
Contained gold in ore	Oz	20,062	25,230	16,311	31,752	48,063	69,955
<b>Total ore mined</b>	<b>Tonnes</b>	<b>576,235</b>	<b>662,809</b>	<b>605,216</b>	<b>815,465</b>	<b>1,420,681</b>	<b>2,298,725</b>
<b>Mined grade</b>	<b>g/t Au</b>	<b>2.8</b>	<b>2.7</b>	<b>2.2</b>	<b>2.1</b>	<b>2.2</b>	<b>2.6</b>
<b>Total contained gold in ore</b>	<b>Oz</b>	<b>51,658</b>	<b>56,769</b>	<b>42,701</b>	<b>55,839</b>	<b>98,540</b>	<b>194,955</b>

Table 1: Mount Monger Camp - mine production statistics

Mount Monger Camp - Processing	Units	Mar Qtr 2021	Jun Qtr 2021	Sep Qtr 2021	Dec Qtr 2021	YTD FY22	FY21
Ore milled	Tonnes	306,788	313,629	325,794	324,042	649,836	1,274,659
Head grade	g/t Au	4.0	4.0	3.5	3.3	3.4	3.7
Contained gold in ore	Oz	39,114	40,141	36,748	34,879	71,672	152,046
Recovery	%	93	92	92	92	92	93
Gold produced	Oz	36,469	36,757	33,914	32,171	66,085	141,602
Gold sold	Oz	38,387	35,229	33,977	30,235	64,212	145,623

Table 2: Mount Monger Camp - processing statistics

## Costs

Mount Monger's AISC was higher quarter on quarter (*Table 3*) at A\$1,953/oz with H1 FY22 AISC of A\$1,883/oz. The quarter on quarter increase in AISC reflects a combination of broader industry cost pressures and lower productivity, and the impact of movements in quarter on quarter underlying physicals.

The major quarter on quarter movements at Mount Monger which impacted costs included lower sales due to the timing of bullion sales, the increased contribution of open pit material to the mill blend following the completion of Santa underground mining and the prioritisation of underground capital development at Mount Belches to establish mining fronts for H2 FY22 (all underground development at established mines is included in the AISC).

Mount Monger Camp	Notes	Unit	Mar-21 Qtr	Jun-21 Qtr	Sep-21 Qtr	Dec-21 Qtr	FY22 YTD	FY21
Mining costs	1	A\$M	41.5	41.1	40.5	36.4	76.8	153.9
General and administration costs		A\$M	2.5	2.8	3.1	3.4	6.5	10.6
Royalties		A\$M	2.4	2.4	2.2	2.3	4.5	9.7
By-product credits		A\$M	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.8)
Processing costs	2	A\$M	12.8	11.3	11.2	11.9	23.2	47.0
Corporate overheads		A\$M	1.4	1.9	2.0	1.7	3.6	5.9
Mine exploration (sustaining)	3	A\$M	1.1	1.5	2.1	1.5	3.5	4.1
Capital expenditure and underground mine development (sustaining)	4	A\$M	12.9	14.5	9.5	8.2	17.7	54.5
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>		<b>A\$M</b>	<b>74.4</b>	<b>75.3</b>	<b>70.3</b>	<b>65.2</b>	<b>135.5</b>	<b>285.0</b>
Inventory movements	5	A\$M	(13.8)	(17.5)	(8.5)	(6.1)	(14.6)	(45.2)
<b>All-in Sustaining Costs</b>		<b>A\$M</b>	<b>60.7</b>	<b>57.7</b>	<b>61.9</b>	<b>59.1</b>	<b>120.9</b>	<b>239.7</b>

Gold sales for AISC purposes		oz	38,387	35,229	33,977	30,235	64,212	143,349
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Mining costs	1	A\$/oz	1,080	1,168	1,191	1,203	1,197	1,074
General and administration costs		A\$/oz	66	81	90	113	101	74
Royalties		A\$/oz	63	68	66	76	71	68
By-product credits		A\$/oz	(5)	(5)	(5)	(6)	(5)	(5)
Processing costs	2	A\$/oz	333	320	330	395	361	328
Corporate overheads		A\$/oz	36	53	58	55	56	41
Mine exploration (sustaining)	3	A\$/oz	29	43	61	49	55	29
Capital expenditure and underground mine development (sustaining)	4	A\$/oz	337	411	279	271	275	380
<b>All-in Sustaining Cash Costs (before non-cash items)</b>		<b>A\$/oz</b>	<b>1,939</b>	<b>2,137</b>	<b>2,070</b>	<b>2,155</b>	<b>2,110</b>	<b>1,988</b>
Inventory movements	5	A\$/oz	(358)	(498)	(249)	(202)	(227)	(316)
<b>All-in Sustaining Costs</b>		<b>A\$/oz</b>	<b>1,580</b>	<b>1,639</b>	<b>1,821</b>	<b>1,953</b>	<b>1,883</b>	<b>1,672</b>

Table 3: Mount Monger Camp AISC

- Costs for UG & open pit operating activities (including infill and grade control drilling). Costs allocated upon mines reaching commercial production status.
- Processing costs include costs of haulage from mine to mill.
- Costs relating to regional exploration are excluded from the calculation (amounting to \$1.7m for Q2 FY22).
- Costs include underground decline development and sustaining capital works, but exclude site infrastructure/set up costs of new projects.
- Included in the calculation of all-in sustaining cost based on World Gold Council guidelines.

## *Deflector*

Deflector delivered a second consecutive quarter of record gold production. Production for the quarter was 31,838 ounces gold and 243 tonnes copper (32,977 ounces gold equivalent) with gold sales of 32,313 ounces gold and 239 tonnes copper at an AISC of A\$1,332/oz, for year to date production of 62,871 ounces gold and 494 tonnes copper (65,189 ounces gold equivalent) with sales of 60,388 ounces and at an AISC of A\$1,293/oz.

### *Mining*

Total mined tonnes for the Deflector region increased 7% quarter on quarter reflecting the ramp up and increased contribution from Rothsay. Half on half mined tonnes from the Deflector region have increased 21% demonstrating the increased flexibility now evident from the Deflector operation following the introduction of the secondary high grade ore source at Rothsay.

Deflector mine tonnes and gold grades were marginally higher for the quarter at 156,419 tonnes with grades consistent at 5.5 g/t gold and 0.2% copper (Q1: 151,286 tonnes at 5.5 g/t gold and 0.2% copper). Capital underground development continues to focus on the Deflector South West decline, with ore drive development commenced during the quarter.



*Figure 1: Deflector South West ore drive face (1133 level)*

Rothsay mined tonnes continued to ramp up during the quarter with mine production of 58,550 tonnes at 4.0 g/t (Q1: 50,178 tonnes at 4.5 g/t). Ore haulage delivered a further step up for the quarter, with 56,535 tonnes hauled to Deflector and is now approximating target levels (15,000 to 20,000 tonnes per month).

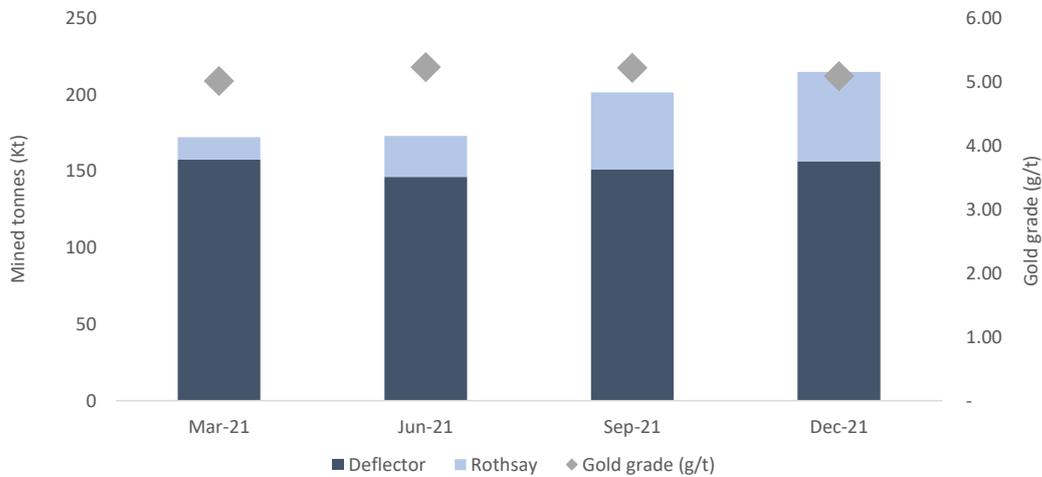


Chart 5: Deflector region mined tonnes and grade

### Processing

Mill throughput of 185,835 tonnes set a second consecutive quarterly record with average mill gold grades marginal lower at 5.5 g/t and gold recovery marginally higher at 96.2% delivering record gold quarterly gold production of 31,838 ounces. Milled copper grades and recoveries were consistent quarter on quarter.

Half on half mill throughput is 11% higher, grades 6% higher and gold recovery 9% higher, following the successful addition and integration of the new Deflector CIP circuit. The combination of higher throughput, gold grades and recoveries has delivered a 27% half on half increase in gold production.

At 31 December 2021 Deflector regional ore stocks were 159,000 tonnes at 2.5 g/t gold (30 September 2021: 136,290 tonnes at 2.5 g/t gold).

Concentrate production was lower quarter on quarter at 1,578 tonnes, with higher average gold grades of 168 g/t and copper concentrate grades of 15%.

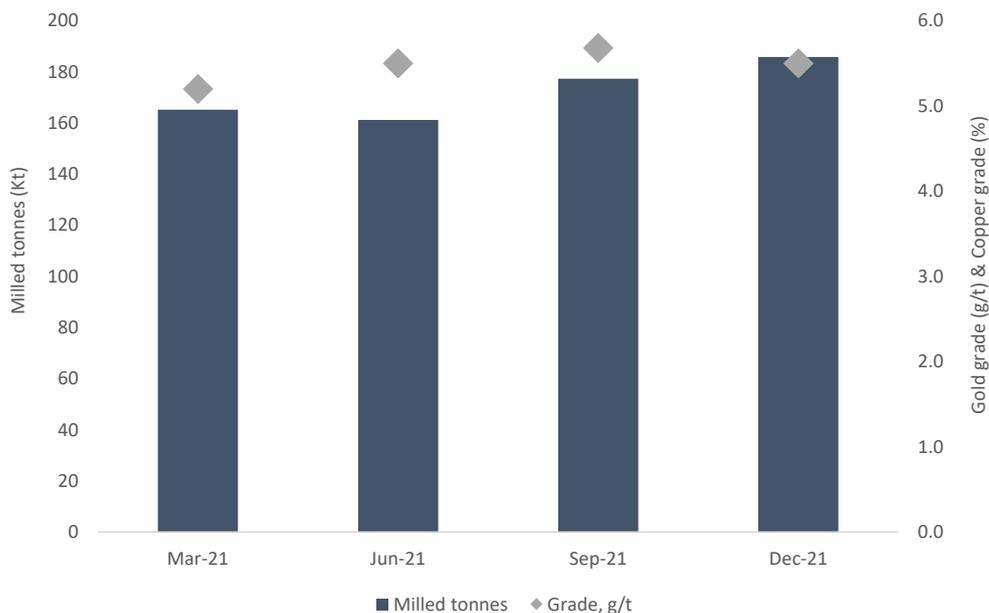


Chart 6: Deflector milled tonnes and grade

Deflector		Units	Mar Qtr 2021	Jun Qtr 2021	Sept Qtr 2021	Dec Qtr 2021	YTD FY22	FY21
<b>Deflector</b>								
Ore mined		Tonnes	157,615	146,282	151,286	156,419	307,706	627,579
Mined grade	Gold	g/t Au	5.2	5.4	5.5	5.5	5.5	5.4
	Copper	% Cu	0.3%	0.3%	0.2%	0.2%	0.2%	0.3%
Contained gold in ore		Oz	26,491	25,581	26,614	27,500	54,116	108,249
Contained copper in ore		Tonnes	454	449	255	288	545	1,752
<b>Rothsay</b>								
Ore mined		Tonnes	14,595	26,801	50,178	58,550	108,728	26,801
Mined grade		g/t Au	3.0	4.3	4.5	4.0	4.2	4.3
Contained gold in ore		Oz	1,428	3,731	7,234	7,612	14,846	3,731
Total ore mined		Tonnes	172,210	173,083	201,464	214,969	416,434	173,083
Mined grade		g/t Au	5.0	5.2	5.2	5.1	5.2	5.3
Total contained gold in ore		Oz	27,919	29,312	33,850	35,112	68,962	29,312
Total contained copper in ore		Tonnes	454	449	255	288	545	449
Ore milled		Tonnes	165,180	161,162	177,305	185,835	363,141	660,994
Milled grade	Gold	g/t Au	5.2	5.5	5.7	5.5	5.6	5.4
	Copper	% Cu	0.3%	0.3%	0.2%	0.2%	0.2%	0.3%
Recovery	Gold	%	87.5%	89.6%	95.8%	96.2%	96.0%	87.7%
	Copper	%	90.3%	89.1%	80.8%	82.0%	81.8%	89.4%
Gold bullion produced		Oz	17,168	18,357	22,119	23,419	45,538	71,911
Concentrate produced		Tonnes	2,447	2,483	1,631	1,578	3,209	10,145
Contained metal in concentrate	Gold	Oz	6,865	7,012	8,914	8,419	17,333	28,965
	Copper	Tonnes	411	445	251	243	494	1,690
Total gold produced		Oz	24,033	25,369	31,033	31,838	62,871	100,875
Gold equivalent production		Oz	25,828	27,545	32,212	32,977	65,189	107,575
Gold bullion sales		Oz	16,858	17,372	20,606	23,259	43,866	72,795
Concentrate sold (dmt)		Tonnes	1,884	3,098	1,560	1,540	3,100	11,045
Payable metal in concentrate sold	Gold	Oz	5,495	8,017	7,467	9,054	16,522	30,363
	Copper	Tonnes	278	516	212	239	451	1,724

Table 4: Deflector mine and processing statistics

## Costs

Deflector's AISC (Table 5) for the December quarter was A\$1,332/oz (YTD: A\$1,293/oz) and includes costs from both the Deflector and Rothsay mine operations. Consistent with guidance, the AISC excludes \$8.0 million in underground capital development associated with access to the Deflector South West lodes and at Rothsay, the link drive and initial development of the northern decline.

Deflector Camp	Notes	Unit	Mar-21 Qtr	Jun-21 Qtr	Sep-21 Qtr	Dec-21 Qtr	FY22 YTD	FY21
Mining costs	1	A\$M	13.9	9.2	17.1	20.1	37.2	53.6
General and administration costs		A\$M	2.7	3.8	4.4	4.4	8.8	12.3
Royalties		A\$M	2.0	2.6	2.5	3.0	5.5	9.9
By-product credits	2	A\$M	(3.1)	(6.4)	(2.5)	(3.5)	(6.0)	(17.5)
Processing costs		A\$M	6.2	6.9	9.1	9.1	18.3	25.0
Corporate overheads		A\$M	1.4	1.9	3.0	1.6	4.6	5.9
Mine exploration (sustaining)	3	A\$M	1.6	2.7	2.2	2.4	4.6	7.4
Capital expenditure and underground mine development (sustaining)	4	A\$M	2.6	8.4	11.9	6.7	18.5	21.2
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>		<b>A\$M</b>	<b>27.2</b>	<b>29.0</b>	<b>47.6</b>	<b>43.8</b>	<b>91.4</b>	<b>117.8</b>
Inventory movements	5	A\$M	0.3	2.8	(12.5)	(0.7)	(13.3)	8.2
<b>All-in Sustaining Costs</b>		<b>A\$M</b>	<b>27.5</b>	<b>31.8</b>	<b>35.1</b>	<b>43.1</b>	<b>78.1</b>	<b>126.0</b>

Gold sales for AISC purposes		oz	22,353	25,388	28,074	32,313	60,387	103,157
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Mining costs	1	A\$/oz	623	361	609	621	616	520
General and administration costs		A\$/oz	120	149	156	136	145	119
Royalties		A\$/oz	90	102	89	92	91	96
By-product credits	2	A\$/oz	(139)	(251)	(90)	(108)	(100)	(170)
Processing costs		A\$/oz	278	273	326	283	303	242
Corporate overheads		A\$/oz	62	73	105	50	76	57
Mine exploration (sustaining)	3	A\$/oz	70	104	78	74	76	72
Capital expenditure and underground mine development (sustaining)	4	A\$/oz	115	332	422	206	306	205
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>		<b>A\$/oz</b>	<b>1,219</b>	<b>1,143</b>	<b>1,696</b>	<b>1,354</b>	<b>1,513</b>	<b>1,142</b>
Inventory movements	5	A\$/oz	11	111	(447)	(22)	(220)	79
<b>All-in Sustaining Costs</b>		<b>A\$/oz</b>	<b>1,230</b>	<b>1,254</b>	<b>1,249</b>	<b>1,332</b>	<b>1,293</b>	<b>1,221</b>

Table 5: Deflector Camp AISC

1 Costs for underground operating activities (including infill and grade control drilling).

2 By product credits comprise net revenue from copper and silver sales.

3 Costs relating to regional exploration are excluded from the calculation (amounting to \$1.8m for Q2 FY22).

4 Costs include underground decline development and sustaining capital works, but exclude site infrastructure/set up costs of new projects.

5 Included in the calculation of all-in sustaining cost based on World Gold Council guidelines.

## Group Finance

Silver Lake's cash and bullion was \$273.8 million at 31 December 2021 with no debt. Cash and bullion at 31 December excludes gold in circuit and concentrate on hand of \$17.5 million (valued at net realisable value) and listed investments valued at \$11.6 million. The quarter on quarter cash movement reflects an underlying \$17.0 million build during the quarter and \$101.9 million in outflows associated with the acquisition of Harte Gold.

Key cash flow movements in the quarter included:

- Net cash inflow from the Mount Monger Operation of \$11.9 million
- Net cash inflow from the Deflector Operation of \$34.8 million (including all underground capital development)
- Capital and exploration spend of \$7.4 million and
- Cash outflows of \$101.9 million relating to the Harte Gold Corp. transaction (including acquisition of BNP Paribas credit facilities, a debtor-in-possession loan to Harte Gold Corp. and transaction costs to date)

Cash flow for the quarter is summarised in *Chart 7*.

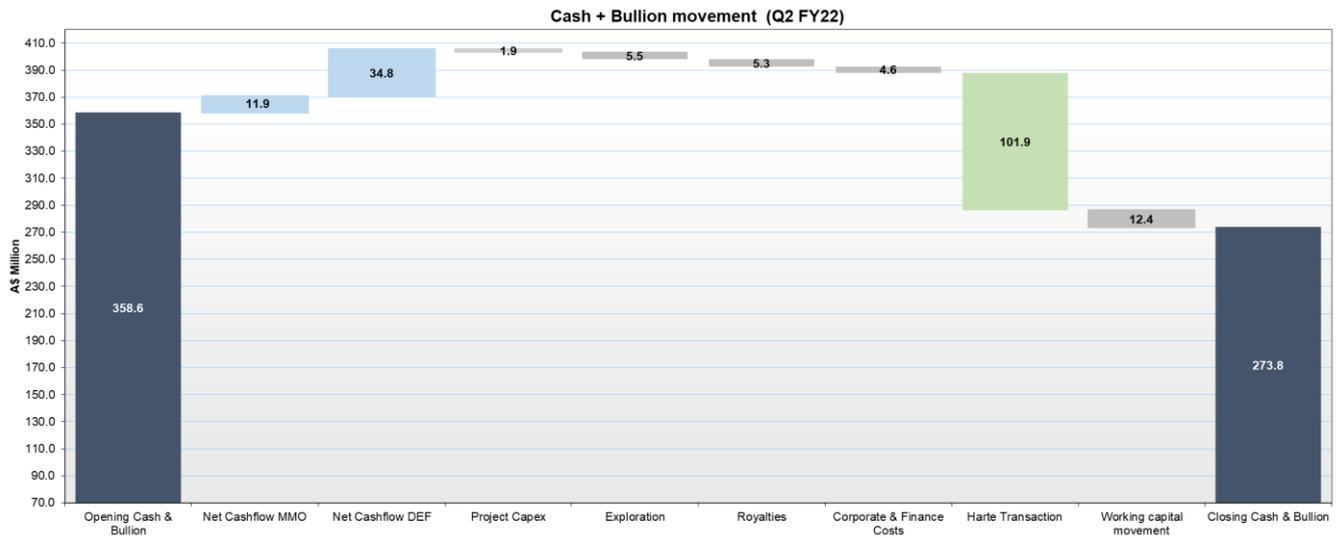


Chart 7: Group cash & bullion movement for the quarter

## Hedging

As at 31 December 2021, Silver Lake's forward gold hedging program totalled 75,500 ounces, to be delivered over the next 12 months at an average forward price of A\$2,378/oz.

	Total	Jun-22 HY	Dec-22 HY
Ounces	75,500	45,500	30,000
Hedged gold price (A\$/oz)	2,378	2,341	2,435

Table 6: Silver Lake hedge book at quarter end

## Exploration

Silver Lake invested \$5.5 million in exploration during the quarter as part of a record \$25 million investment in exploration budgeted in FY22. Ongoing drilling during the quarter focused on Mineral Resource definition and extensions at established underground mines. Regional exploration work continued at all mining centres with multiple programs underway to target the discovery of new deposits within Silver Lake's tenements.

Surface and underground exploration drilling continued at the Deflector and Rothsay mines, following on from recent transformational growth of the western and south west lodes at Deflector. With baseload feed secured, exploration at Deflector is now transitioning to advanced near mine targets to leverage the CIP plant upgrade. At Mount Monger, drilling continues to focus on infill and extensions to Mineral Resources to replace mine depletion, and to explore proven mineralised corridors proximal to existing infrastructure.

This announcement was authorised for release to ASX by Luke Tonkin, Managing Director.

For more information about Silver Lake and its projects please visit our web site at [www.silverlakeresources.com.au](http://www.silverlakeresources.com.au).

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#### **Deflector Gold Equivalent Calculation Methodology and Parameters**

FY22 gold equivalency calculations assume a Au price of A\$2,300/oz, Cu price of A\$12,000/t and a 10% payability reduction for treatment and refining charges. The gold equivalent formula is  $Au\ Eq\ koz = Au\ koz + (Cu\ kt * 4.7)$ , based on the commodity price assumptions outlined above.