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Board of Directors:

David Quinlivan
Luke Tonkin
Les Davis
Kelvin Flynn
Brian Kennedy

ASX Code: SLR

Issued Capital:

503.7m Shares
2.0m Options
5.7m Performance Rights

All financial figures quoted in this report are in Australian dollars and are unaudited

ASX ANNOUNCEMENT **23 August 2016**

2016 Financial Year Results

Silver Lake Resources Limited ("Silver Lake" or "Group") reports its results for the financial year ended 30 June 2016 (FY2016).

All figures quoted in this announcement are in Australian dollars.

Key Financial Points

- Revenue up 13% to $209.5 million (2015: $186.0 million)
- Net profit after tax of $4.4m (2015: loss of $94.0 million)
- EBITDA (excluding significant items[1]) up 49% to $56.7 million (2015: $38.0 million)
- Cash flow from operations up 68% to $55.0 million (2015: $32.7 million)
- Cash and bullion at 30 June 2016 of $42.6 million (2015: $29.0 million)
- All bank debt repaid
- Hedge book at 30 June 2016 totals 76,327 ounces at an average forward price of A$1,655/oz

Key Operational Points

- Gold sales up 7% to 132,400 ounces (2015: 124,209 ounces)
- Production focussed on core Mount Monger ore sources including Daisy Complex, Cock-eyed Bob, Lucky Bay, Santa Area and stockpiles
- A 4% decrease in the all in sustaining cost (A$1,281/oz compared with A$1,331/oz)
- Investment in exploration of $15.0 million (2015: $13.2 million)
- Successful exploration and development program has resulted in bringing new, lower cost ore sources into the FY2017 production schedule including:
    - Imperial/Majestic Project – commenced Q4 FY2016
    - Maxwells Underground – commenced Q1 FY2017
- Key transactions agreed as part of the Company's non-core asset divestment strategy:
    - Comet tenement package sale
    - Farm-In and JV arrangement for Cue Project in the Murchison
    - Sale of Great Southern Project for $5 million

Commenting on the financial results, Silver Lake Managing Director Luke Tonkin said:

"The strong results achieved across the business in the past 12 months have been extremely satisfying and a credit to the Silver Lake team. The strategy to focus on increasing cash flow from our core Mount Monger Operation to both strengthen our balance sheet and self-fund future projects has delivered tangible success and significant returns for our shareholders in FY2016.

"We intend to maintain our operational discipline in FY2017 with a strong focus on cash margins at a time of significant strength in the Australian Dollar gold price. This will enable us to make further significant investments in exploration over the next 12 months to bring more low cost ounces into our development pipeline, as we did in FY2016 and continue to deliver strong returns for all our shareholders."

[1] Refer to glossary on page 3

Summarised Financial Results

The Group recorded revenue for the year of $209.5 million (2015: $186.0 million) and generated operating cash flow of $55.0 million (2015: $32.7 million).

Profit after tax for the year was $4.4 million compared with a $94.0 million loss in 2015. EBITDA (before significant items)[1] increased by 49% to $56.7 million (2015: $38.0 million) with the increase attributable to:

- an 8% increase in gold production from the Mount Monger Operation primarily due to an increase in open pit production following commencement of the Lucky Bay and Santa Area open pit mines in FY2016 which together contributed 54,907 ounces of gold in the period. Production from these mines replaced lower grade stockpiles milled in FY2015, resulting in a 6% increase in recovered head grade (3.5 g/t compared with 3.3 g/t);
- a 6% increase in the average realised gold price (A$1,580/oz compared with A$1,497/oz);
- a 4% decrease in the all in sustaining cost (A$1,281/oz compared with A$1,331/oz). This was primarily as a result of introduction of ore from the Lucky Bay and Santa Area open pits replacing lower grade stockpiled ore in the mill feed.

The strategy of focusing production and exploration activity on the Company's core Mount Monger Operation, together with a strong gold price and reducing cost base resulted in a 68% increase in operating cash flows of $55.0 million (2015: $32.7 million).

The settlement of $3.4 million of non-core asset sales during the year also contributed to an increased cash and bullion balance at year-end of $42.6 million (2015: $29.0 million). The increase in cash flow generation from Mount Monger allowed the Company to fund:

- the FY2016 exploration program of $15.0 million;
- all bank debt repayments of $6.7 million; and
- development expenditure relating to the Imperial/Majestic and Maxwells projects totalling $5.9 million.

Outlook

The Group's short to medium term strategy is to maximise cash flow and increase operating margins from the Mount Monger Operation. This will be achieved by:

- relentless drive to reduce costs and increase productivity;
- introduction of new, lower cost ore sources into the production schedule, including the Imperial/Majestic open pits and the Maxwells underground in FY2017;
- executing the exploration strategy by directing expenditure to highly prospective priority targets in the Mount Monger area; and
- continue to crystalise value from non-core assets.

The strong cash position will continue to fund the development of the Imperial/Majestic and Maxwells projects which combined are forecast to have a maximum cash drawdown of ≈$15 million. This drawdown will result in a decreasing cash balance over the remainder of the 2016 calendar year, after which both projects commence generating strong cash flows.

[1] Refer to glossary on page 3

Sales guidance for FY2017 gold sales is 135,000 to 145,000 oz. The Randalls processing facility has capacity of 1.2mtpa and in FY2017 will be predominantly fed with ore sourced from the Daisy Complex, Cock-eyed Bob and Maxwells underground mines and the Imperial/Majestic & Santa Area open pit mines. Surface stockpiles from Santa are expected to contribute approximately 25% of the mill feed in the first quarter of the year prior to the ramp up of Imperial/Majestic and Maxwells in the second quarter.

The success of the FY2016 exploration program has warranted Board approval of a $14 million exploration budget for FY2017. Exploration will focus on highly prospective, gold targets at Mount Monger, proximate to existing mine and processing infrastructure. Of the FY2017 budget, 35% will be directed to resource definition to sustain current operations and is concentrated at Daisy Complex, Cock-eyed Bob and Maxwells. The remaining 65% will be directed to multiple growth exploration targets in the Mount Belches BIF units, Salt Creek area and structural corridor to the north and west of Daisy Complex.

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Glossary

EBITDA (before significant items) is a non-IFRS measure and comprises net profit after tax, adjusted to exclude significant items such as tax expense, finance costs, interest income, asset impairments and depreciation and amortisation. An unaudited reconciliation between the net profit after tax and EBITDA (excluding significant items) is set out on page 11 of the Company's 2016 Annual Financial Report released to the ASX contemporaneously with this announcement. The directors consider it useful as it enables readers to obtain an understanding of results from operations.