

25 January 2021

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DECEMBER 2020 QUARTERLY ACTIVITIES REPORT

- Quarterly group production was 57,566 ounces gold and 410 tonnes copper (58,858 ounces gold equivalent¹) with sales of 59,824 ounces gold and 492 tonnes copper at a sales price of A\$2,336/oz and AISC of A\$1,592/oz
- First half group production of 119,828 ounces gold and 834 tonnes copper (122,455 ounces gold equivalent) with sales of 127,422 ounces gold and 931 tonnes copper at an average sales price of A\$2,400/oz and AISC of A\$1,502/oz has Silver Lake well placed to deliver FY21 guidance

Mount Monger

- Gold production of 33,776 ounces with sales of 32,400 ounces at an AISC of A\$1,807/oz for year to date production of 68,354 ounces and sales of 72,006 ounces at an AISC of A\$1,740/oz

Deflector

- Quarterly gold production of 23,790 ounces and 410 tonnes of copper (25,082 ounces gold equivalent) for year to date gold production of 51,474 ounces gold and 835 tonnes of copper (54,101 ounces gold equivalent)
- Gold sales of 27,424 ounces and 492 tonnes copper at an AISC of A\$1,337/oz, for year to date gold sales of 55,416 ounces gold and 931 tonnes copper at an AISC of A\$1,202/oz

Exploration & Projects

- \$28.1 million investment in exploration and capex as Deflector Region growth projects ramped up activity levels. Projects remain on time and budget with Deflector set to exit FY21 with an upgraded processing facility and significant opportunity to deliver production, mine life and cashflow growth
- Exploration drilling continued to target both the upgrading of Inferred Resources to higher confidence categories and discovery of new mineralisation within proven mineralised corridors and proximal to established infrastructure

Corporate and Finance

- Cash and bullion increased by \$12 million to \$315 million² at quarter end with no debt
- Stamp duty payment of \$6.8 million during the quarter relating to the acquisition of Doray Minerals Limited
- Agreement to divest of Andy Well and Gnaweeda projects for cash consideration of \$8 million with the transaction expected to close in February

Outlook

- FY21 group gold sales guidance is maintained at 240,000 to 250,000 ounces gold with copper sales guidance upgraded to 1,600 tonnes (previously 1,100 tonnes) at an AISC range of A\$1,400 to A\$1,500 per ounce

¹ Refer page 15 for Gold Equivalent Calculation Methodology and Assumptions

² Excludes gold in circuit and concentrate on hand of \$7.4 million (valued at cost) and listed investments of \$15.4 million

Overview

The December quarter delivered a steady production and sales result as activity and investment in transformational growth projects in the Deflector region began to ramp up. Group production was 58,858 ounces gold equivalent with sales of 59,824 ounces gold and 492 tonnes of copper at a realised gold price of A\$2,336/oz and an AISC of A\$1,592/oz. First half sales of 127,422 ounces gold and 931 tonnes of copper at a realised gold price of A\$2,400/oz and an AISC of A\$1,502/oz has Silver Lake well placed to deliver FY21 guidance.

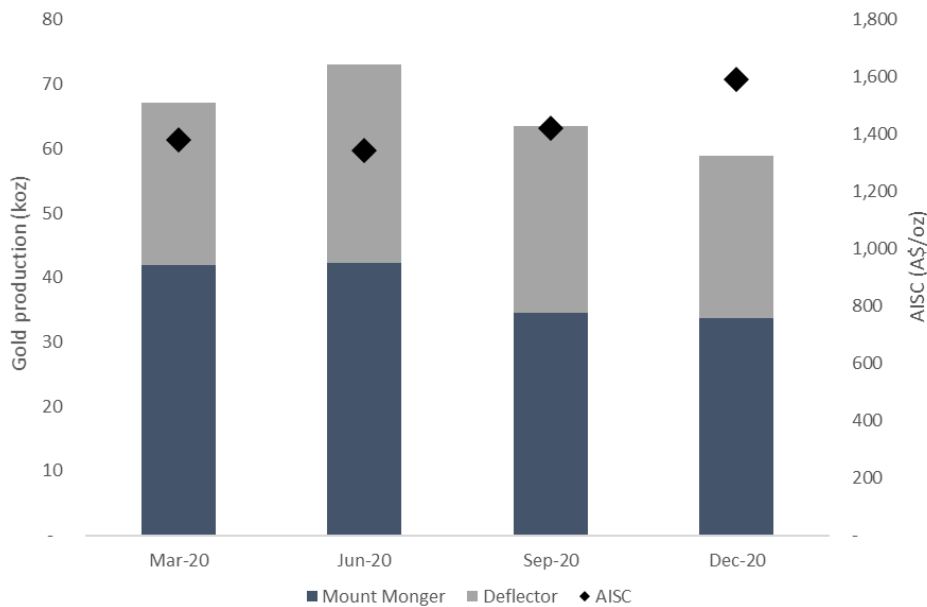


Chart 1: Rolling 12 month Group production and AISC (by quarter)

Growth projects in the Deflector region made significant progress during the quarter. Onsite activity for the Deflector plant upgrade project ramped up through the quarter with the Andy Well CIP infrastructure successfully relocated to site, earthworks completed and civil works and tank installation well underway. The project remains on schedule for integration with the existing gravity and flotation circuits in Q4 FY21. The portal to access the higher tenor Deflector South West lodes was established in December, with 50 metres of development advance now completed and on track for first ore development in Q1 FY22.

At Rothsay, underground development continued to focus on capital development and decline advance, with the first ore drives accessing the main Woodleys lode commenced in the latter part of the quarter. Site access was significantly advanced with the Rothsay airstrip re-commissioned and charter flights to site now established to support the increased activity in the second half.

All projects remain on schedule and in line with capital guidance. Activity levels and capital expenditure will increase in the second half as projects approach completion. The investment in FY21 will see Deflector exit FY21 with an upgraded processing facility and significant opportunity to deliver production, mine life and cashflow growth.



Figure 1: Aerial view of Deflector plant

Surface diamond and reverse circulation exploration drilling during the quarter included infill and extensional drilling at Deflector South West targeting the upper levels proximal to the recently commenced Deflector SW decline development, within the proposed open pit shell at Santa, and targeting the northern extensions to the Woodleys lode at Rothsay.

Resource definition and exploration diamond drilling from underground continued at Daisy targeting Easter Hollows and Daisy East, and at Maxwells and Cock-eyed Bob targeting lode infill and extensions proximal to current underground development.

Growth exploration continued to focus on discovery of new mineralisation within proven, prospective and inadequately tested mineralised corridors including Rocky Ridge to the north of the Woodleys lode at Rothsay, Thunder Ridge at Aldiss, and to west of the ultramafic contact at Deflector.

A large proportion of assays are awaited as turnaround times at laboratories have increased due to the elevated level of exploration drilling across the mining industry.

Despite the investment in growth projects, exploration and stamp duty payments during the quarter, Silver Lake continued to strengthen its balance sheet with cash and bullion increasing \$12 million to \$315 million at 31 December with no debt (30 September: \$303 million and no debt). Gold in circuit and concentrate on hand at quarter end totalled an additional \$7.4 million (valued at cost) and listed investments were valued at \$15.4 million (30 September: \$11.2 million and \$13.3 million respectively).

FY21 group gold sales guidance is maintained at 240,000 to 250,000 ounces gold with copper sales guidance upgraded to 1,600 tonnes (previously 1,100 tonnes) at an AISC range of A\$1,400 to A\$1,500 per ounce.

Mount Monger

Mount Monger produced 33,776 ounces for the quarter and sold 32,400 ounces at an AISC of A\$1,807/oz for year to date gold production of 68,354 ounces and sales of 72,006 ounces at an AISC of A\$1,740/oz.

Underground Mining

Mount Monger underground mine production was marginally higher quarter on quarter with production of 234,712 tonnes at 4.2 g/t for 31,631 ounces (205,847 tonnes at 4.6 g/t for 30,234 ounces). Higher mined tonnes were offset by quarter on quarter grade variability associated with scheduled production areas and the increased production contribution from Santa.

At the Daisy Complex, development continued to focus on establishing the Easter Hollows lodes and advancing the Haoma West decline, with stoping during the quarter predominantly within the Haoma West and Lower Prospect lodes.

Mount Belches ounce production was marginally higher quarter on quarter. Production was weighted to Cock-eyed Bob with an increased contribution from Santa as stoping fronts were progressively brought online. Mount Belches mine production accounted for 72% of Mount Monger’s underground tonnage.

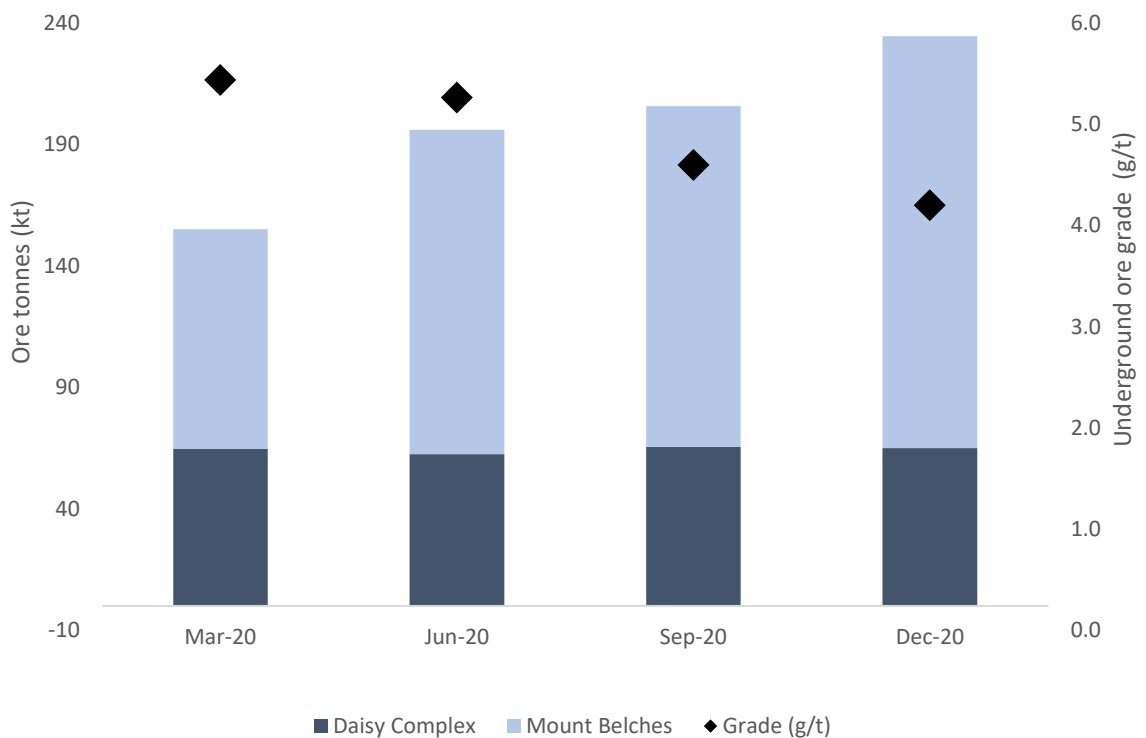


Chart 2: Mount Monger underground mine production

Open Pit Mining

Open pit mining activities continued to be focused at Karonie South during the quarter. Consistent with guidance, material movements were largely focused on waste stripping with a total of 996,253 bcm moved during the quarter for 315,754 tonnes at 1.3 g/t for 13,468 ounces (303,368 tonnes at 1.1 g/t for 11,195 ounces). Ore tonnes and grades will continue to increase in 2H FY21 (with a corresponding declining strip ratio) as waste stripping improves ore access.

Grade control drilling of the Tank and Atreides open pits was completed during the quarter with mining at the pits expected to commence in Q4 FY21. The Tank and Atreides open pits are estimated to contain ~24,000 ounces of gold and are outside of FY21 guidance. The Tank open pit is the first stage of an integrated open pit/underground operation with portal access to the Tank South underground located in the future open pit.

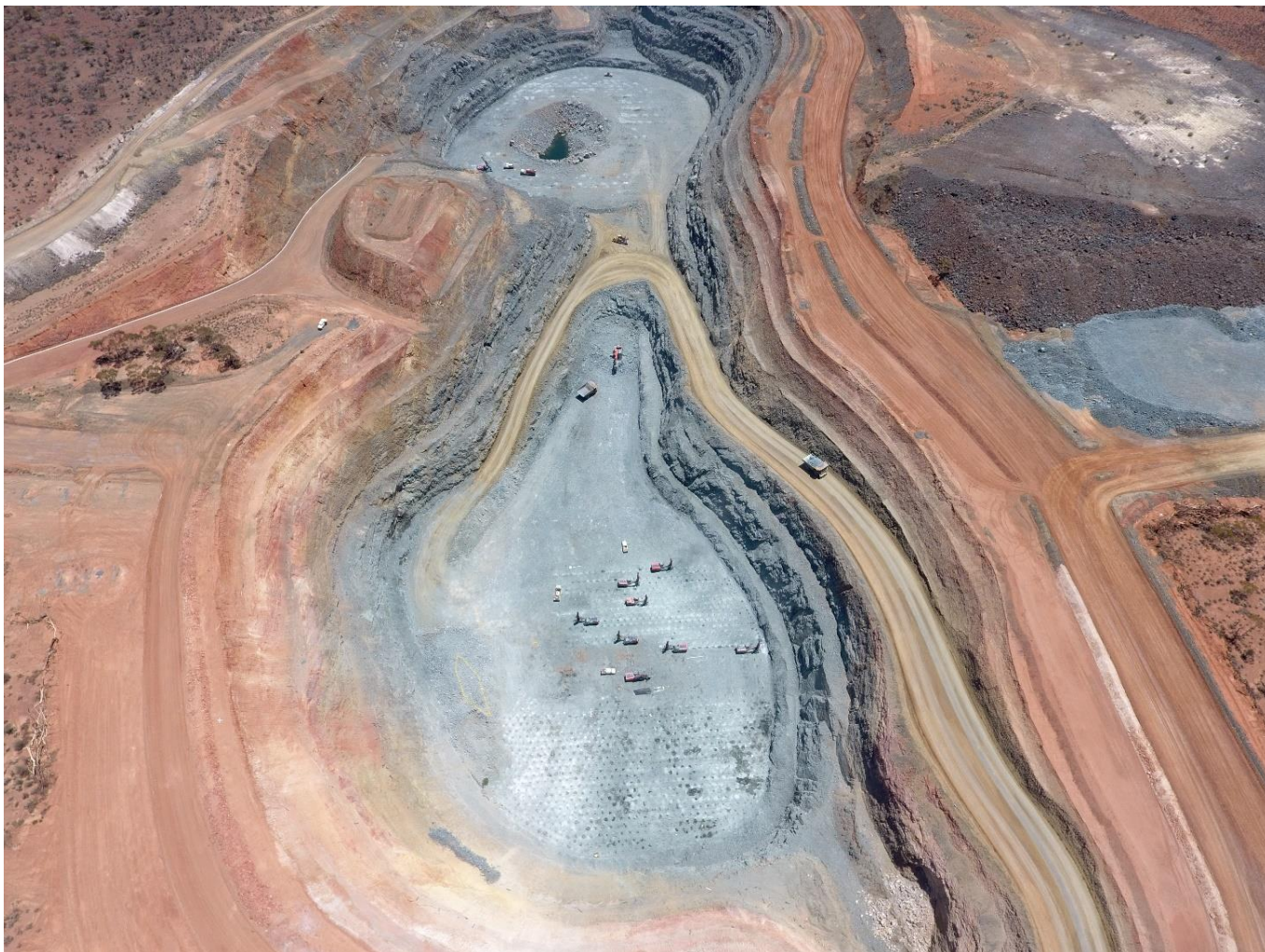


Figure 2: Open pit mining activities at Karonie South

Processing

Throughput, grade and recoveries were consistent quarter on quarter with 327,257 tonnes of ore milled at 3.4 g/t Au for 33,776 recovered ounces (*Chart 3*). Consistent with guidance, mill grades are expected to trend higher in the second half as higher grade underground stoping areas are established and access to higher grade ore within the Karonie South pit is accessed.

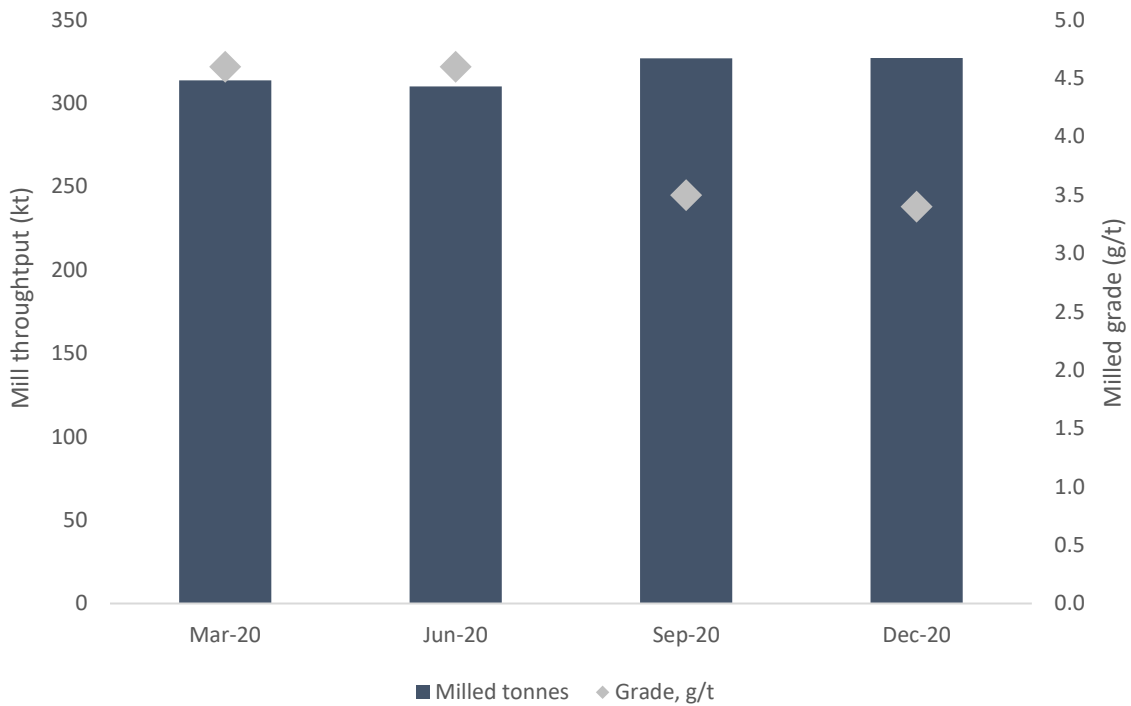


Chart 3: Mount Monger processing

Mount Monger stockpiles increased by ~10,700 ounces during the quarter reflecting increased open pit ore production from Aldiss. Stockpiles at 31 December 2020 were ~2.0 million tonnes containing 85,600 ounces (30 September 2020: ~1.81 million tonnes containing 74,900 ounces).

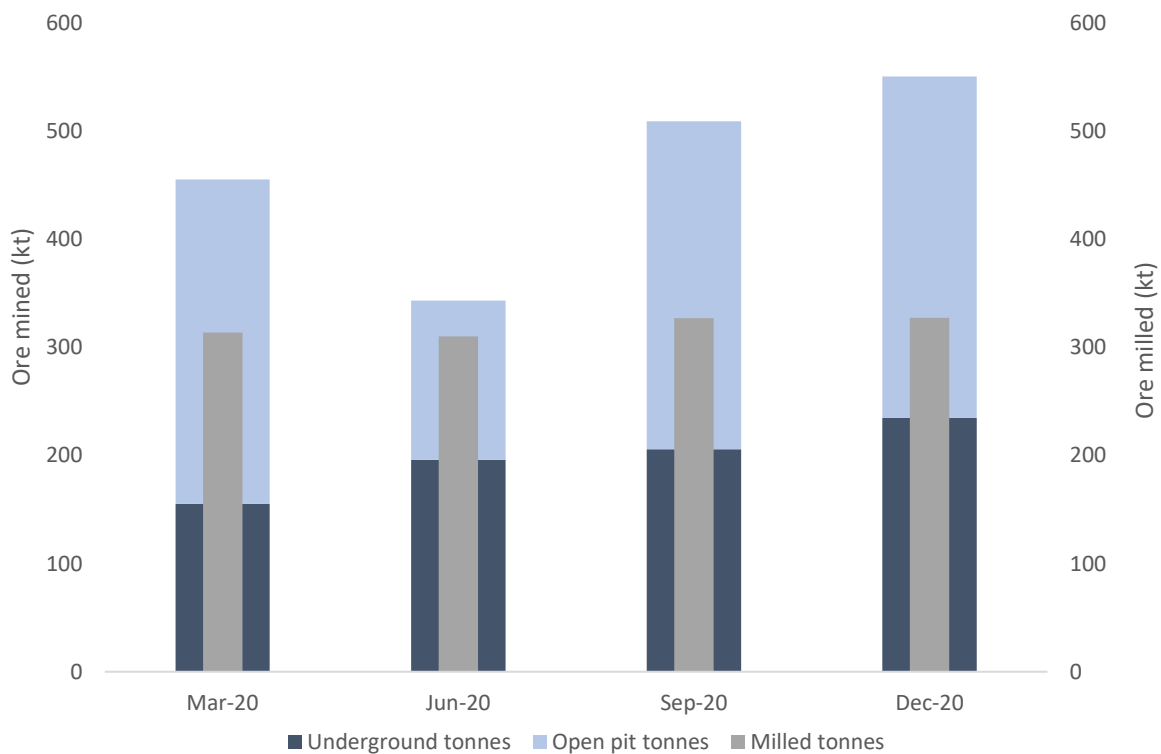


Chart 4: Mount Monger mined tonnes v milled tonnes

Mount Monger Camp - Mining	Units	Mar Qtr 2020	Jun Qtr 2020	Sep Qtr 2020	Dec Qtr 2020	YTD FY21	FY20
Underground							
Ore mined	Tonnes	155,147	196,156	205,847	234,712	440,559	668,037
Mined grade	g/t Au	5.2	4.8	4.6	4.2	4.4	5.5
Contained gold in ore	Oz	27,309	33,137	30,234	31,631	61,865	118,790
Open pit							
Ore mined	Tonnes	300,326	147,235	303,368	315,754	619,122	1,087,500
Mined grade	g/t Au	2.6	2.6	1.1	1.3	1.2	2.2
Contained gold in ore	Oz	25,150	12,189	11,195	13,468	24,663	78,360
Total ore mined	Tonnes	455,473	343,392	509,215	550,446	1,059,681	1,755,539
Mined grade	g/t Au	3.6	4.1	2.5	2.5	2.5	3.5
Total contained gold in ore	Oz	52,459	45,333	41,429	45,099	86,528	197,150

Table 1: Mount Monger Camp - mine production statistics

Mount Monger Camp - Processing	Units	Mar Qtr 2020	Jun Qtr 2020	Sep Qtr 2020	Dec Qtr 2020	YTD FY21	FY20
Ore milled	Tonnes	318,372	313,670	327,031	327,257	654,288	1,233,922
Head grade	g/t Au	4.2	4.6	3.5	3.4	3.4	4.4
Contained gold in ore	Oz	42,676	46,413	36,684	35,933	72,617	173,462
Recovery	%	93	91	94	94	94	92
Gold produced	Oz	39,854	41,971	34,578	33,776	68,354	160,214
Gold sold	Oz	38,702	43,912	39,606	32,400	72,006	154,900

Table 2: Mount Monger Camp - processing statistics

Costs

Mount Monger's AISC was higher quarter on quarter (*Table 3*) at A\$1,807/oz. The increase in AISC reflects lower quarter on quarter gold sales due to the timing of gold pours at quarter end. The Q2 increase in mining costs reflects the introduction of Santa Underground costs for the first time in the AISC calculation.

Mount Monger Camp	Notes	Unit	Mar-20 Qtr	Jun-20 Qtr	Sep-20 Qtr	Dec-20 Qtr	FY21 YTD	FY20
Mining costs	1	A\$M	29.6	26.3	33.4	38.0	71.3	120.2
General and administration costs		A\$M	2.1	2.8	2.7	2.5	5.2	9.6
Royalties		A\$M	3.0	3.4	2.5	2.4	4.9	10.9
By-product credits		A\$M	(0.3)	(0.3)	(0.2)	(0.2)	(0.4)	(0.9)
Processing costs	2	A\$M	12.6	11.8	10.9	12.0	22.9	48.1
Corporate overheads		A\$M	1.5	1.9	1.3	1.4	2.7	7.2
Mine exploration (sustaining)	3	A\$M	2.7	0.7	0.9	0.6	1.5	7.7
Capital expenditure and underground mine development (sustaining)	4	A\$M	7.6	9.2	12.6	14.5	27.1	31.0
All-in Sustaining Cash Costs (Before non-cash items)		A\$M	58.8	55.7	64.0	71.2	135.3	233.7
Inventory movements	5	A\$M	5.5	(1.5)	(1.3)	(12.7)	(13.9)	(16.4)
All-in Sustaining Costs		A\$M	64.2	54.2	62.8	58.6	121.3	217.3

Gold sales for AISC purposes	oz	43,912	36,825	37,333	32,400	69,733	153,708
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	Notes	Unit	Mar-20	Jun-20	Sep-20	Dec-20	FY21	FY20
Mining costs	1	A\$/oz	674	714	893	1,172	1,023	782
General and administration costs		A\$/oz	48	76	73	77	75	63
Royalties		A\$/oz	68	93	67	74	70	71
By-product credits		A\$/oz	(7)	(9)	(5)	(6)	(6)	(6)
Processing costs	2	A\$/oz	287	319	293	370	329	313
Corporate overheads		A\$/oz	33	52	34	43	38	47
Mine exploration (sustaining)	3	A\$/oz	62	19	23	20	21	50
Capital expenditure and underground mine development (sustaining)	4	A\$/oz	172	249	337	449	389	202
All-in Sustaining Cash Costs (before non-cash items)		A\$/oz	1,338	1,513	1,715	2,198	1,940	1,521
Inventory movements	5	A\$/oz	125	(42)	(34)	(391)	(200)	(107)
All-in Sustaining Costs		A\$/oz	1,463	1,471	1,682	1,807	1,740	1,414

Table 3: Mount Monger Camp AISC

- 1 Costs for underground & open pit operating activities (including infill and grade control drilling). Costs allocated upon mines reaching commercial production status.
- 2 Processing costs include costs of haulage from mine to mill.
- 3 Costs relating to regional exploration are excluded from the calculation (amounting to \$3.1m for Q2 FY21).
- 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.

Deflector

Deflector produced 23,790 ounces gold and 410 tonnes copper (25,082 ounces gold equivalent) for the quarter with gold sales of 27,424 ounces gold and 492 tonnes copper at an AISC of A\$1,337/oz.

Mining

Deflector mine production for the quarter was 143,139 tonnes at 5.0 g/t gold and 0.3% copper. Tonnes and grade were lower quarter on quarter reflecting an increase in capital development intensity with the commencement of decline development to access the Deflector South West lodges and the resulting reduction in ore drive development.

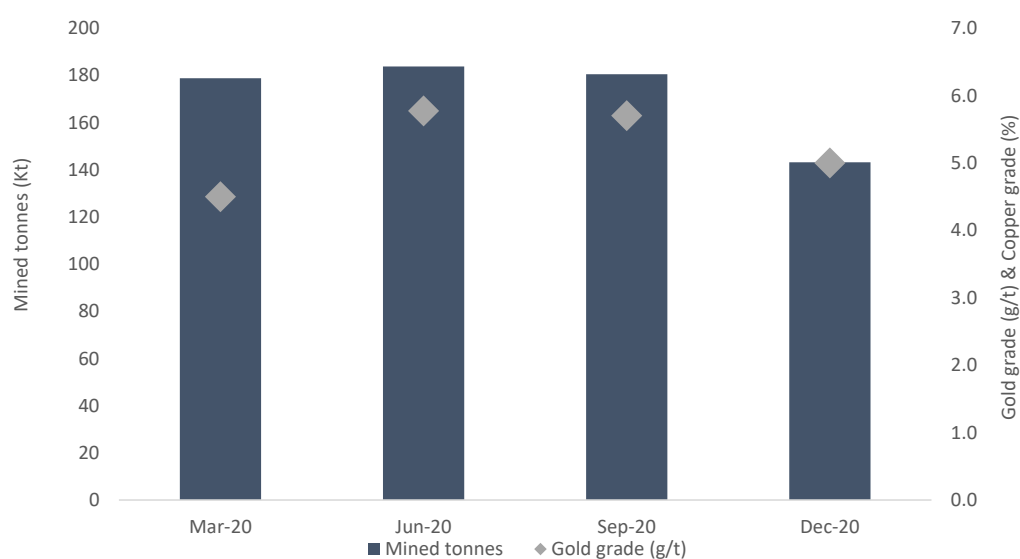


Chart 5: Deflector mined tonnes and grade



Figure 3: Deflector South West portal

Processing

Deflector mill throughput of 166,097 tonnes was consistent quarter on quarter at a lower mill grade of 5.1 g/t gold and 0.3% copper, reflecting lower mined grades. Gold and copper recoveries were consistent at 87% and 89% respectively.

Gold production for the quarter was 23,790 ounces with copper production of 410 tonnes or 25,082 ounces gold equivalent.

At 31 December 2020 Deflector had ore stocks of 85,300 tonnes at 2.2 g/t gold (30 September 2020: 109,000 tonnes at 3.1 g/t gold).

Concentrate production was consistent quarter on quarter at 2,576 tonnes, with average gold grades of 83 g/t and copper grades of 16%.

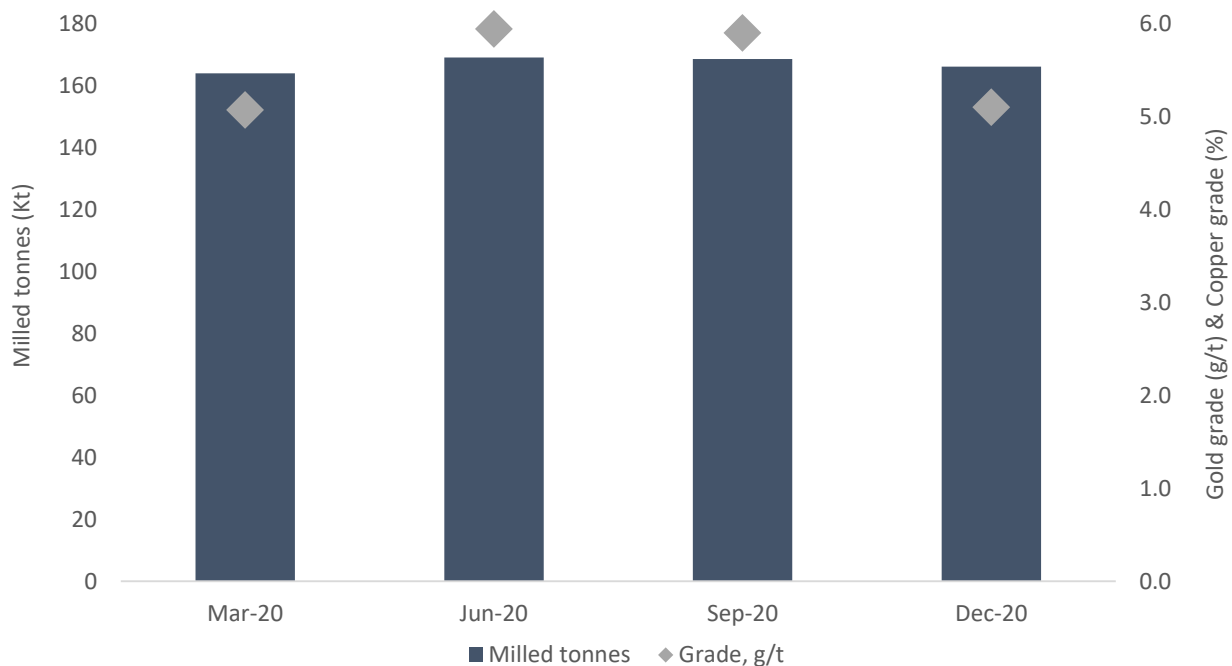


Chart 6: Deflector milled tonnes and grade

Rothsay

Underground development continued to ramp up at Rothsay with 1,179 metres of underground development completed and first development ore from the Woodleys lode mined in the quarter. Underground development will continue to focus on capital development and decline advance throughout the remainder of FY21 to provide access to the northern section of the mine to provide multiple working areas in FY22 and beyond. Guidance to exit FY21 with 10,000 ounces on the ROM pad for haulage to Deflector is maintained.

Site access was significantly improved with the Rothsay airstrip re-commissioned and charter flights to site now established to support the increased activity in the second half.

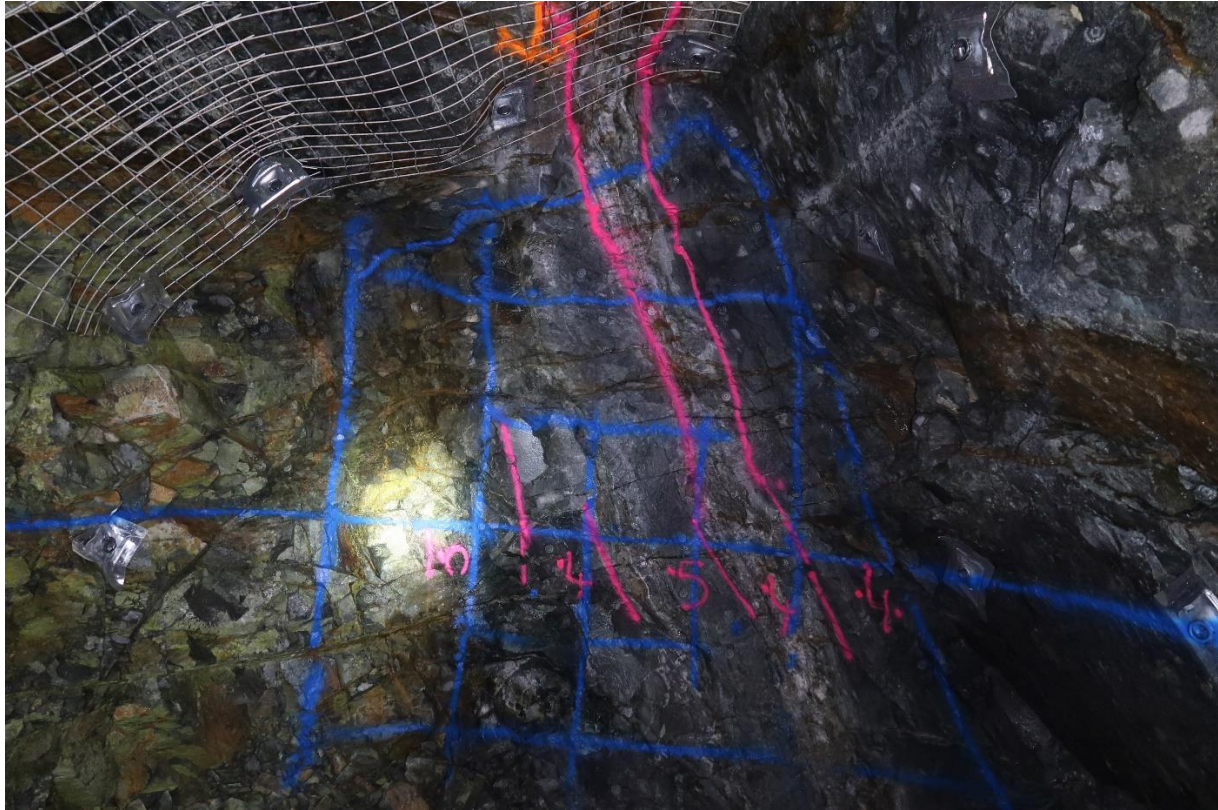


Figure 4: Rothsay development ore drive face (vein grade 59 g/t with average face grade 8.7 g/t)



Figure 5: Rothsay boxcut with airstrip in the background

Deflector		Units	Mar Qtr 2020	Jun Qtr 2020	Sep Qtr 2020	Dec Qtr 2020	YTD FY21	FY20
Ore mined		Tonnes	178,830	183,791	180,543	143,139	323,682	707,899
Mined grade	Gold	g/t Au	4.5	5.8	5.7	5.0	5.4	5.4
	Copper	% Cu	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%
Contained gold in ore		Oz	26,041	34,095	33,324	22,856	56,180	122,243
Contained copper in ore		Tonnes	452	554	472	374	846	2,595
Ore milled		Tonnes	163,911	168,962	168,555	166,097	334,652	659,353
Milled grade	Gold	g/t Au	5.1	5.9	5.9	5.1	5.5	5.5
	Copper	% Cu	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%
Recovery	Gold	%	88.3%	89.7%	86.7%	86.9%	86.8%	89.33%
	Copper	%	91.1%	92.4%	89.4%	89.1%	88.3%	92.66%
Gold bullion produced		Oz	16,854	20,961	19,353	17,033	36,386	74,246
Concentrate produced		Tonnes	2,529	2,795	2,639	2,576	5,215	13,062
Contained metal in concentrate	Gold	Oz	6,723	7,999	8,331	6,757	15,088	30,131
	Copper	Tonnes	438	493	424	410	834	2,356
Total gold produced		Oz	23,577	28,960	27,684	23,790	51,474	104,376
Gold equivalent production		Oz	25,154	30,737	29,019	25,082	54,101	112,857
Gold bullion sales		Oz	17,700	19,475	19,582	18,983	38,565	72,810
Concentrate sold (dmt)		Tonnes	2,603	2,548	2,702	3,361	6,063	12,774
Payable metal in concentrate sold	Gold	Oz	6,571	7,101	8,410	8,441	16,850	27,823
	Copper	Tonnes	452	416	439	492	931	2,175

Table 4: Deflector mine and processing statistics

Costs

Deflector's AISC (Table 5) was higher quarter on quarter at A\$1,337/oz, reflecting the drawdown of stockpiles in the period.

Deflector Camp	Notes	Unit	Mar-20 Qtr	Jun-20 Qtr	Sep-20 Qtr	Dec-20 Qtr	FY21 YTD	FY20
Mining costs	1	A\$M	14.2	16.2	16.0	14.5	30.6	59.3
General and administration costs		A\$M	2.4	3.0	2.9	2.9	5.8	10.3
Royalties		A\$M	2.3	2.7	2.7	2.6	5.3	9.0
By-product credits	2	A\$M	(2.7)	(1.9)	(4.4)	(3.7)	(8.0)	(13.2)
Processing costs		A\$M	5.8	6.4	5.5	6.3	11.8	24.6
Corporate overheads		A\$M	1.5	1.9	1.3	1.4	2.7	6.7
Mine exploration (sustaining)	3	A\$M	1.7	2.3	1.2	1.9	3.2	6.6
Capital expenditure and underground mine development (sustaining)	4	A\$M	5.9	4.9	4.6	5.6	10.2	17.9
All-in Sustaining Cash Costs (Before non-cash items)		A\$M	31.0	35.5	29.8	31.7	61.5	121.1
Inventory movements	5	A\$M	(1.1)	(4.5)	0.1	5.0	5.1	(8.9)
All-in Sustaining Costs		A\$M	29.9	31.0	30.0	37.7	66.6	112.2

Gold sales for AISC purposes	oz	24,272	26,576	27,992	27,424	55,416	100,633
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Mining costs	1	A\$/oz	584	611	572	530	552	589
General and administration costs		A\$/oz	99	111	105	105	105	103
Royalties		A\$/oz	93	103	95	96	96	89
By-product credits	2	A\$/oz	(112)	(72)	(156)	(134)	(145)	(132)
Processing costs		A\$/oz	241	240	196	231	213	244
Corporate overheads		A\$/oz	60	72	46	50	48	67
Mine exploration (sustaining)	3	A\$/oz	70	87	45	70	57	66
Capital expenditure and underground mine development (sustaining)	4	A\$/oz	243	183	163	206	184	178
All-in Sustaining Cash Costs (Before non-cash items)		A\$/oz	1,276	1,336	1,066	1,155	1,110	1,204
Inventory movements	5	A\$/oz	(44)	(169)	5	182	93	(89)
All-in Sustaining Costs		A\$/oz	1,232	1,167	1,071	1,337	1,202	1,115

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 \$0.9m for Q2 FY21).

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 increased \$12 million during the quarter to \$315 million at 31 December 2020 with no debt. The cash and bullion position at 31 December excludes gold in circuit and concentrate on hand totalling \$7.4 million (valued at cost) and listed investments valued at \$15.4 million.

Key cash flow movements in the quarter included:

- Net cash inflow from Mount Monger of \$8.0 million
- Net cash inflow from Deflector of \$42.8 million
- Stamp duty payment of \$6.8 million associated with the acquisition of Doray Minerals Limited
- Exploration spend of \$6.8 million
- Capital spend of \$21.3 million, including \$10.6 million in capital associated with the Deflector plant upgrade and \$7.0 million in Rothsay site establishment and development capital works

Cash flow for the quarter is summarised in *Chart 7* below:

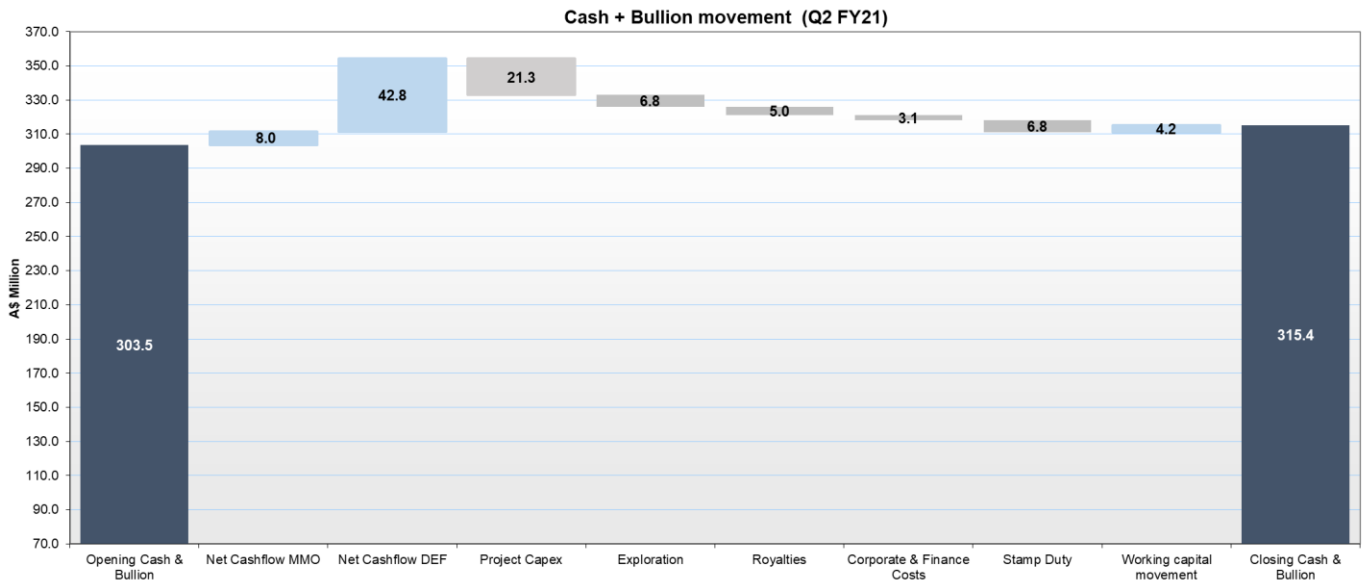


Chart 7: Group cash & bullion movement for the quarter

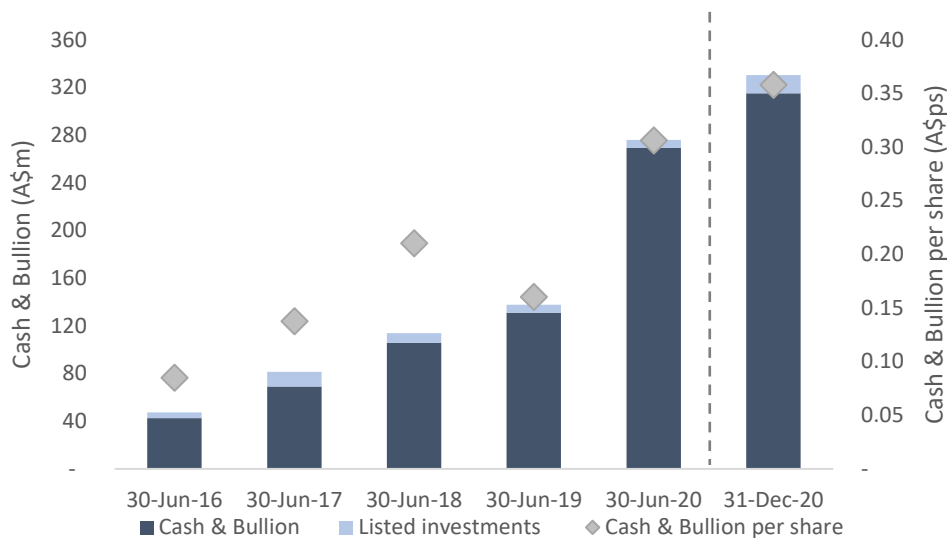


Chart 8: Demonstrated ability to convert operating performance to cash through an invest and yield strategy

Hedging

As at 31 December 2020, Silver Lake's forward gold hedging program totalled 117,500 ounces, to be delivered over the next 18 months at an average forward price of A\$2,233/oz. No additional gold hedge lines were established during the quarter.

	Total	Jun-21 HY	Dec-21 HY	Jun-22 HY
Ounces	117,500	30,000	42,000	45,500
Hedged gold price (A\$/oz)	2,233	1,928	2,333	2,341

Table 6: Silver Lake hedge book as at 31 December 2020

Exploration

Overview

Silver Lake invested \$6.8 million in exploration during the quarter to advance high-grade projects within established and proven mineralised corridors proximal to established infrastructure.

During the quarter ongoing underground drilling focused on Mineral Resource definition and extensions at established underground mines.

Surface exploration drilling during the quarter included infill and extensional drilling of Inferred Mineral Resources at Deflector South West, targeting the upper levels proximal to designed decline development, within the proposed open pit shell at Santa and in the northern section of the Woodleys lode at Rothsay.

Discovery exploration continued to focus on delineation of new mineralisation within proven, prospective and inadequately tested mineralised corridors including Rocky Ridge to the north of the Woodleys Lode at Rothsay, Thunder Ridge at Aldiss and to west of the ultra-mafic contact at Deflector.

A large proportion of assays are awaited as turnaround times at laboratories have increased due to the elevated level of exploration drilling across the mining industry.

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.

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Competent Person's Statement

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

All information on Mount Monger, Deflector and Rothsay Mineral Resources and Ore Reserves has been extracted from the ASX announcement entitled "2020 Mineral Resource and Ore Reserve Statement" dated 19 August 2020 which is available to view at www.silverlakeresources.com.au. Silver Lake confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements and that all material assumptions and technical parameters underpinning the estimates in the ASX announcements continue to apply and have not materially changed. Silver Lake confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcements.

Deflector Gold Equivalent Calculation Methodology and Parameters

All gold equivalency calculations assume a Au price of A\$2,100/oz, Cu price of A\$8,400/t and a 10% payability reduction for treatment and refining charges. The gold equivalent formula is $Au\ Eq\ koz = Au\ koz + (Cu\ kt * 4)$, based on the commodity price assumptions outlined above.