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ASX Code: SLR

Issued Capital:

505.7m Shares
6.1m Performance Rights

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

JUNE 2018 QUARTERLY ACTIVITIES REPORT

FY18 sales exceed upgraded guidance, cash and bullion of A\$106m

Mount Monger Operations

- Quarterly gold production of 42,258 ounces
- FY18 gold production of 157,936 ounces, a 16% increase on FY17
- Quarterly AISC of A\$1,252/oz with FY18 ASIC of A\$1,289/oz, ~5% below FY18 guidance and FY17
- Aldiss Mining Centre is operational with overburden removal commenced and infrastructure projects on track to deliver first ore to the mill in 2Q FY19

Exploration

- Maiden JORC 2012 Karonie Ore Reserve (1.4mt @ 2.0g.t for 87,000oz) increased Aldiss Mining Centre Ore Reserves¹ by 75% to 203,000oz
- Santa diamond drilling demonstrates potential for a third shallow, high grade underground mine at Mount Belches²

Corporate and Finance

- Cash and bullion of A\$105.7 million, a \$18.3 million increase on 31 March, despite investment of A\$6.8 million in exploration and capital (largely associated with growth capital establishing the Aldiss Mining Centre)
- Quarterly gold sales of 37,340 ounces at an average price of A\$1,714/oz
- FY18 gold sales of 151,250 ounces, ahead of upgraded guidance at an average price of A\$1,684/oz
- Hedge book of 129,000 ounces at an average hedge price of A\$1,726/oz

FY19 Outlook

- Gold sales guidance 140,000-150,000 ounces
- Average FY19 AISC range of A\$1,350-A\$1,390/oz, reflecting impact of non-cash stock movement expense associated with stockpile treatment in 1H FY19 and the relative low grade of stockpiles prior to the introduction of Harry's Hill ore in 2Q FY19
- Exploration spend of A\$12m to build on the success of FY18, with significant drilling campaigns planned across the three Mining Centres at Mount Monger

¹ Refer ASX Announcement dated 27 June 2018

² Refer ASX Announcement dated 7 June 2018

Production

Underground Mining

The Daisy Complex produced 85,375 tonnes at 6.4 g/t for 17,585 contained ounces, continuing the strong track record of consistent baseload supply to the Randalls Mill. Mining at the Daisy Complex in FY19 will focus on the Lower Prospect and Haoma West zones.

Cock-eyed Bob produced 24,019 tonnes at 7.7 g/t for 5,975 ounces (+5% on the March quarter). The increase in the ounces was the result of a significant grade increase (7.7g/t v 5.8g/t or +32% on the March quarter) and came despite lower stope tonnes as a result of a focus on ore drive development. Encouragingly, Cock-eyed Bob has demonstrated a significant overcall on grade to date and an updated model is being prepared to incorporate data generated from mining to date.

Maxwells production for the quarter was 51,973 tonnes at 5.3 g/t for 8,861 ounces. The lower quarter on quarter mine tonnage was due to deferral of select stopes to accommodate drilling targeting the untested section between the Albion and Flag declines, which was partially offset by higher grade material.

Mining - A diverse source of high grade underground feed sources at Mount Monger

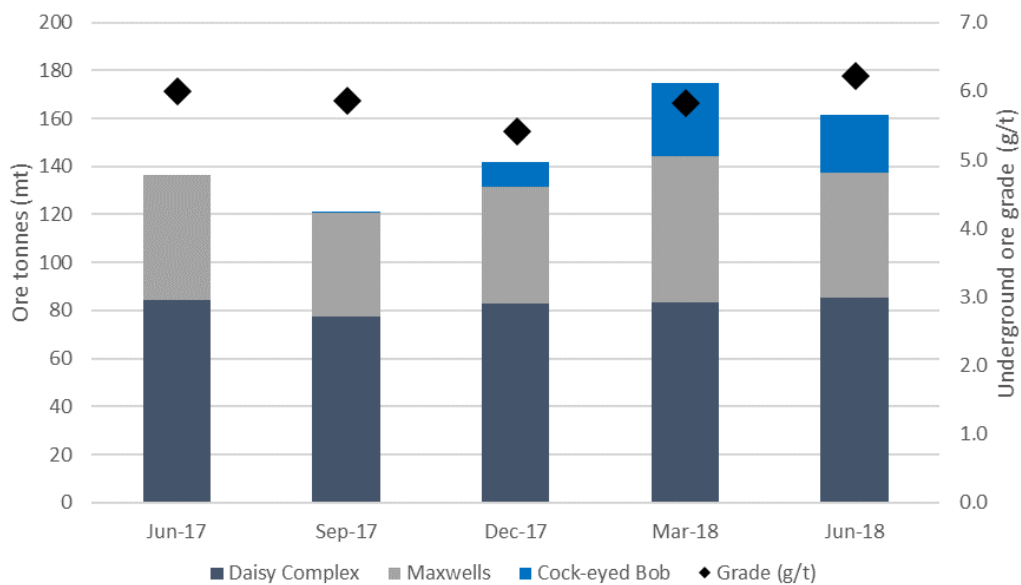


Chart 1: Underground Production

Open Pit Mining

Production totalled 20,025 tonnes at 6.6 g/t Au for 4,281 contained ounces from the Imperial pit during the quarter. The Imperial Pit was completed in April with the final benches delivering particularly strong grades. Following the completion of mining activities at Imperial, open pit operational resources were reallocated to the Aldiss Mining Centre.

Overall mine production from the Imperial / Majestic open pits totalled 113,000 ounces of gold over a 22-month period, exceeding forecast by 5%.

Mine Development

Aldiss Mining Centre

During the quarter, topsoil and overburden removal commenced at the first of the Aldiss Mining Centre deposits, Harry's Hill. The Aldiss Mining Centre comprises the Harry's Hill, Karonie and French Kiss deposits, which have an aggregate Ore Reserve of 2.87mt at 2.2g/t for 203,000 ounces.

	Probable Ore Reserves	Tonnes	Gold grade (g/t)	Contained (Gold (oz))
Open pit	Karonie	1,382,000	2.0	87,000
	Harry's Hill	1,263,000	2.2	90,000
	French Kiss	228,000	3.5	26,000
	Total	2,873,000	2.2	203,000

Table 1: Aldiss Mining Centre Ore Reserve

Infrastructure works including construction of a 36km haul road, administration offices, 80-man camp, power and communications infrastructure are well advanced and on track for first ore delivery to the mill in 2Q FY19, which dovetails with the drawdown of stockpiles following completion of the Imperial open pit.

A hybrid owner operator mine model is being adopted at Aldiss whereby all major earthmoving equipment has been dry hired with Silver Lake providing all operating labour. The adoption of this model (as opposed to engaging a mining contractor) results in an accelerated mine plan and an improvement in project margins and NPV.

Once the Aldiss Mining Centre infrastructure is established and target mining rates achieved, focus in 2H FY19 will broaden to several near surface exploration targets along the north-trending shear zones that host the Aldiss gold deposits known as the "SAT" trend.



Figure 1: Overburden and stripping underway at Aldiss



Figure 2: Accommodation camp construction at the Aldiss Mining Centre

Processing - Delivering consistent throughput at the Randalls Mill

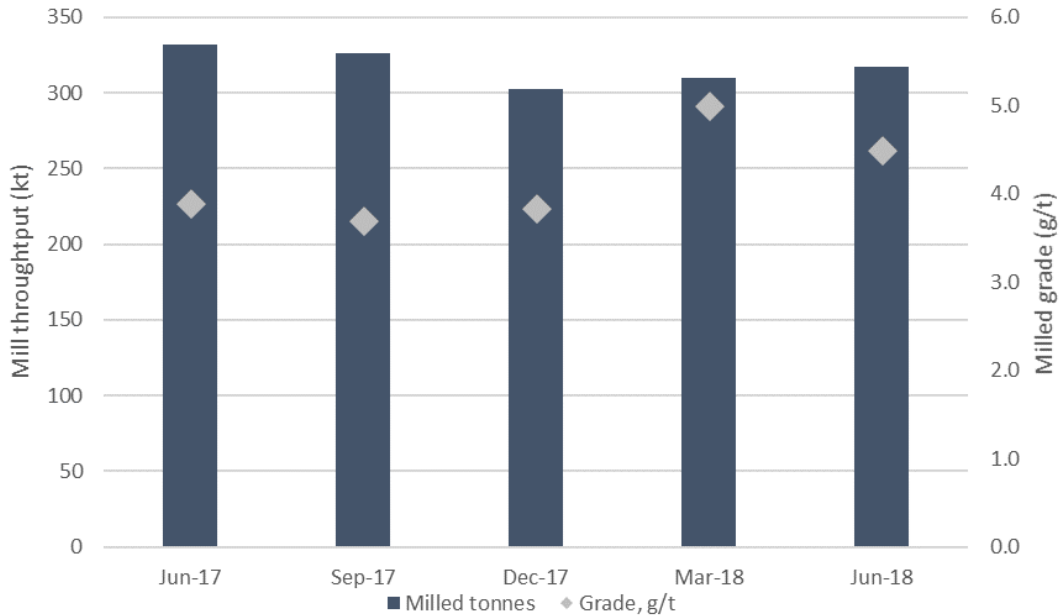


Chart 2: Processing

Ore milled for the quarter totalled 317,391 tonnes at 4.5 g/t Au for 42,258 recovered ounces (Chart 2). The lower quarter on quarter production reflects the completion of mining at Imperial (consistent with guidance in the March quarterly report) and subsequent reduction in higher grade open pit feed.

FY18 gold production of 157,936 ounces was 16% above FY17. Mill tonnes and recoveries were broadly consistent year on year with the higher feed grade driving the strong production growth.

Stockpiles at 30 June were ~422,000 tonnes containing 17,000 ounces (31 March 2018: 558,000 for 24,500 ounces) as stockpiles were introduced in the mill feed following the completion of mining at Imperial. Stockpiles are expected to be drawn down over the next quarter prior to the introduction of Aldiss feed to the mill scheduled for 2Q FY19.

Gold sales for the quarter totalled 37,340 ounces whilst FY18 sales totalled 151,250 ounces, which exceeds the upgraded guidance provided in the March quarterly report and is a 10% increase on FY17.

Mount Monger Camp - Mining	Units	Sep Qtr 2017	Dec Qtr 2017	Mar Qtr 2018	Jun Qtr 2018	FY18	FY17
<u>Underground - Daisy Complex</u>							
Ore mined	Tonnes	77,347	82,708	83,511	85,375	328,941	300,201
Mined grade	g/t Au	6.8	6.1	6.4	6.4	6.4	7.0
Contained gold in ore	Oz	16,890	16,283	17,275	17,585	68,033	67,106
<u>Underground - Cock-eyed Bob</u>							
Ore mined	Tonnes	785	10,294	30,407	24,019	65,505	23,677
Mined grade	g/t Au	2.7	3.6	5.8	7.7	6.1	4.1
Contained gold in ore	Oz	69	1,192	5,704	5,975	12,940	3,114
<u>Underground - Maxwells</u>							
Ore mined	Tonnes	43,189	48,842	60,667	51,973	204,671	88,858
Mined grade	g/t Au	4.3	4.6	5.0	5.3	4.8	4.9
Contained gold in ore	Oz	5,914	7,267	9,814	8,861	31,856	13,914
<u>Open Pit - Imperial/Majestic</u>							
Ore mined	Tonnes	268,927	247,483	134,170	20,025	670,605	768,296
Mined grade	g/t Au	2.3	2.3	3.8	6.6	2.7	2.2
Contained gold in ore	Oz	19,924	18,296	16,286	4,281	58,787	54,606
<u>Open Pit - Santa Area</u>							
Ore mined	Tonnes	-	-	-	-	-	125,476
Mined grade	g/t Au	-	-	-	-	-	2.4
Contained gold in ore	Oz	-	-	-	-	-	9,504
Total ore mined	Tonnes	390,248	389,327	308,755	181,392	1,269,722	1,306,508
Mined grade	g/t Au	3.4	3.4	4.9	6.3	4.2	3.5
Total contained gold in ore	Oz	42,797	43,038	49,079	36,702	171,616	148,244

Table 2: Mount Monger Camp - mine production statistics

Mount Monger Camp - Processing	Units	Sep Qtr 2017	Dec Qtr 2017	Mar Qtr 2018	Jun Qtr 2018	FY18	FY17
Ore milled	Tonnes	326,286	302,242	310,201	317,391	1,256,120	1,300,152
Head grade	g/t Au	3.7	3.8	5.0	4.5	4.2	3.5
Contained gold in ore	Oz	38,595	37,366	49,928	45,465	171,355	145,661
Recovery	%	90	92	94	93	92	93
Gold produced	Oz	34,692	34,206	46,780	42,258	157,936	135,837
Gold sold	Oz	34,322	34,382	45,206	37,340	151,250	137,000

Table 3: Mount Monger Camp - processing statistics

Costs

The Unaudited All-in Sustaining Cost (AISC) for the quarter (Table 4) was A\$1,252/oz (Q3 FY18: A\$1,168/oz). FY18 AISC was A\$1,289/oz, which is 5% below guidance and FY17 AISC of A\$1,359/oz. Specific cost impacts for the quarter relative to the March quarter were:

- Treatment of stockpiles post completion of open pit mining at Imperial, which translated to a 11% decrease in quarter on quarter mill feed grade
- Increase in processing costs due to scheduled maintenance shut downs.

AISC for the quarter in absolute dollar terms reduced \$3.7m to \$46.8 million and excludes \$1.7 million incurred on regional exploration.

Mount Monger Camp	Notes	Unit	Sep-17 Quarter	Dec-17 Quarter	Mar-18 Quarter	Jun-18 Quarter	FY18	FY17
Mining costs	1	A\$M	26.8	27.3	29.4	26.4	109.9	95.5
General and administration costs	2	A\$M	2.8	2.9	3.0	3.2	11.9	11.1
Royalties		A\$M	1.9	2.0	2.4	2.4	8.6	7.3
By-product credits		A\$M	(0.3)	(0.2)	(0.1)	(0.1)	(0.7)	(0.8)
Processing costs	3	A\$M	10.2	10.6	10.3	10.9	42.1	43.7
Corporate overheads	4	A\$M	1.4	1.6	1.1	2.2	6.3	6.3
Mine exploration (sustaining)	5	A\$M	0.8	1.0	0.8	0.9	3.5	4.4
Capital expenditure and underground mine development (sustaining)	6	A\$M	6.6	4.9	3.4	2.9	17.7	16.7
All-in Sustaining Cash Costs (Before non-cash items)		A\$M	50.2	50.2	50.1	48.9	199.4	184.2
Inventory movements	7	A\$M	(4.1)	(2.1)	0.4	(2.1)	(7.9)	1.9
Rehabilitation - accretion & amortisation	7	A\$M	-	-	-	-	-	-
All-in Sustaining Costs		A\$M	46.1	48.1	50.5	46.8	191.5	186.2

Gold sales	8	oz	34,322	33,637	43,234	37,340	148,533	137,000
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Mining costs		A\$/oz	782	812	680	706	740	697
General and administration costs		A\$/oz	82	88	68	86	80	81
Royalties		A\$/oz	54	58	55	65	58	54
By-product credits		A\$/oz	(8)	(5)	(3)	(4)	(5)	(6)
Processing costs		A\$/oz	297	316	239	293	283	319
Corporate overheads		A\$/oz	42	49	25	59	43	46
Mine exploration (sustaining)		A\$/oz	24	29	18	25	23	32
Capital expenditure and underground mine development (sustaining)		A\$/oz	191	145	78	78	119	122
All-in Sustaining Cash Costs (Before non-cash items)		A\$/oz	1,463	1,492	1,159	1,308	1,342	1,345
Inventory movements		A\$/oz	(119)	(62)	9	(56)	(53)	14
Rehabilitation - accretion & amortisation		A\$/oz	-	-	-	-	-	-
All-in Sustaining Costs		A\$/oz	1,344	1,430	1,168	1,252	1,289	1,359

Table 4: Unaudited all-in sustaining costs for Mount Monger Camp

- Costs for underground & open pit operating activities (including infill and grade control drilling). Costs allocated upon mines achieving commercial production.
- Costs for site administration including corporate recharges.
- Processing costs include costs of haulage from mine to mill.
- Corporate overheads are post recharges to sites.
- Costs relating to regional exploration are excluded from the calculation (amounting to \$1.7m for Q4 FY18).
- Costs include underground decline development and sustaining capital works, but exclude site infrastructure/set up costs for new projects.
- These costs are included in the calculation of all-in sustaining cost based on World Gold Council guidelines.
- FY18 Gold sales exclude 2,716 ounces sourced from CEB prior to the mine declaring commercial production in March 18.

Group Finance

Cash and bullion increased \$18.3 million during the quarter to \$105.7 million at 30 June 2018 and included \$7.6 million in bullion awaiting settlement. Key cash flow movements included:

- Net cash flow from the Mount Monger Camp of \$22.8 million
- Exploration spend of \$2.7 million
- Aldiss capital expenditure of \$3.8 million
- Working capital movements of \$7.3 million.

Cash flow for the June quarter is summarised in Chart 3 below:

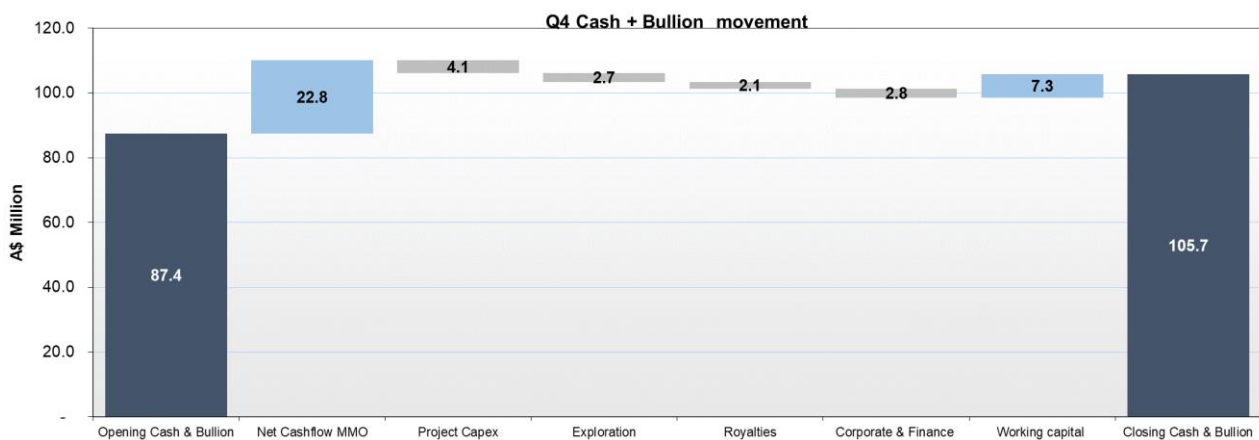


Chart 3: Q4 Cash & Bullion movement

FY19 Outlook

FY19 gold sales guidance is 140,000-150,000oz with AISC expected to average A\$1,350-1,390/oz for the full year.

The guided AISC range is an average for the full year and Silver Lake expects costs to be elevated in 1H FY19, before falling to below the average in 2H FY19. The split of the costs through the year is a result of:

- Stockpiled material treated prior to the introduction of Harry's Hill ore, expected in 2Q FY19. There is no cash outflow associated with the mining of the stockpiled material, however, the mining cost attributed to the stockpile draw will be included in the AISC as a non-cash stock movement expense
- Treatment of lower grade stockpiles (average grade 1.3 g/t) through 1H FY19 prior to the introduction of higher grade Harry's Hill material into the mill feed from 2Q FY19.

Growth capital expenditure for FY19 is expected to be in the order of A\$5 million and largely associated with the completion of infrastructure at the Aldiss Mining Centre, which is expected to be incurred in 1H FY19. All other development and sustaining capital is included in the forecast AISC range.

The completion of the investment cycle at Aldiss during 1H FY19 is expected to have Silver Lake well positioned to continue to build on the strong cash flow generation seen in FY18 in 2H FY19 and into FY20.

The increased visibility on mill feed in FY19 and beyond is a result of Silver Lake's investment in exploration and development of three self-sufficient Mining Centres at Mount Monger. At the Aldiss Mining Centre,

which is exclusively open pit for the base case three year Ore Reserve backed LOM, Silver Lake has elected to pursue a hybrid owner operator model (as noted earlier). The optimal mining schedule results in a stockpile build in FY19 which will be drawn down over FY20 and FY21. The optimal mining schedule delivers a significant NPV benefit over a contractor mining scenario for the 3 year base case LOM at Aldiss. A high level summary of FY19 mill feed is set out below in Chart 4.

The exploration budget for FY19 is -A\$12 million and is designed to pursue numerous high value targets proximal to Silver Lake’s existing infrastructure with at least two thirds of the total exploration budget allocated to direct “in ground” drilling programs. These targets have the dual purpose of “extend and replenish” and “margin enhancement” across all three mining centres at Mount Monger and have demonstrable pathways to potential Mineral Resource conversion and extensions which would see Silver Lake producing from Mount Monger for many years to come.

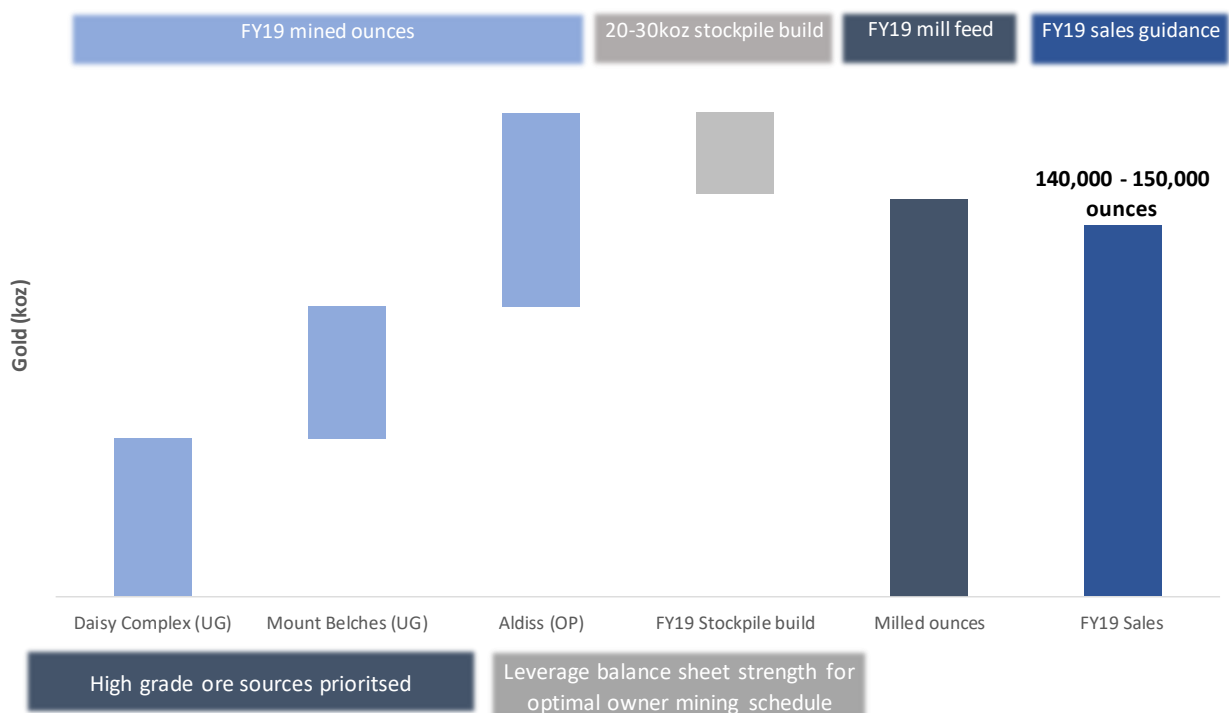


Chart 4: FY19 mill feed and sales guidance waterfall

Hedging

As at 30 June 2018, the Company’s forward gold hedging program totals 129,000 ounces, to be delivered over the next 2 years at an average forward price of A\$1,726/oz.

	Sep-18 Quarter	Dec-18 Quarter	Mar-19 Quarter	Jun-19 Quarter	Sep-19 Quarter	Dec-19 Quarter	Mar-20 Quarter	Jun-20 Quarter
Ounces (koz)	24.9	18.3	15.9	15.9	13.5	13.5	13.5	13.5
Hedged gold price (A\$/oz)	1,728	1,722	1,726	1,728	1,723	1,724	1,724	1,734

Table 5: Hedge book profile

Exploration

Mount Monger Camp

Exploration activities at Mount Monger during the quarter were focused on drilling programs at the Santa underground project in the Mount Belches Mining Centre and drilling at Karonie which culminated in the delineation of a maiden JORC 2012 Ore Reserve.

Santa - drilling highlights potential for a third high-grade, shallow, underground mine at Mount Belches

A nine hole drilling program for 1,565m was completed targeting the largely untested and prospective Western BIF unit below the Santa North open pit. Drilling by previous owners focused on the Eastern BIF unit below the Santa open pit, which currently has a JORC 2012 compliant 425koz Mineral Resource (for full details see ASX release “Santa drilling highlights growth potential at Mount Belches” dated 7 June 2018).

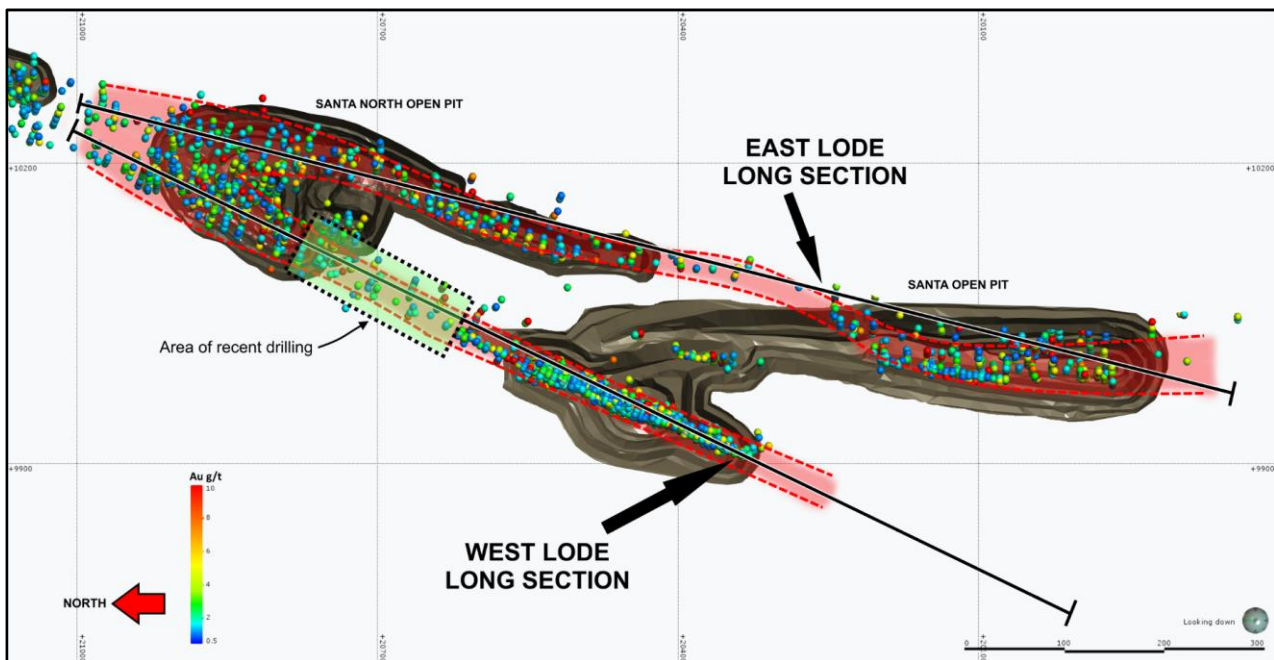


Figure 3: Plan view of the Santa mine area showing the historical open pit, previous drilling intersections projected to surface

Highly encouraging results with numerous +50 gram-metre intervals returned over a 250m strike length from the base of the Santa North open pit to a depth of 250 vertical metres and mineralisation remains open down-plunge. Highlights include:

- 4.72m @ 9.16 g/t Au
- 3.26m @ 22.3 g/t Au
- 3.20m @ 14.5 g/t Au
- 0.59m @ 133 g/t Au
- 0.30m @ 84.4 g/t Au
- 6.15m @ 9.37 g/t Au, including 0.84m @ 35.6 g/t Au
- 5.27m @ 5.63 g/t Au, including 0.54m @ 41.7 g/t Au

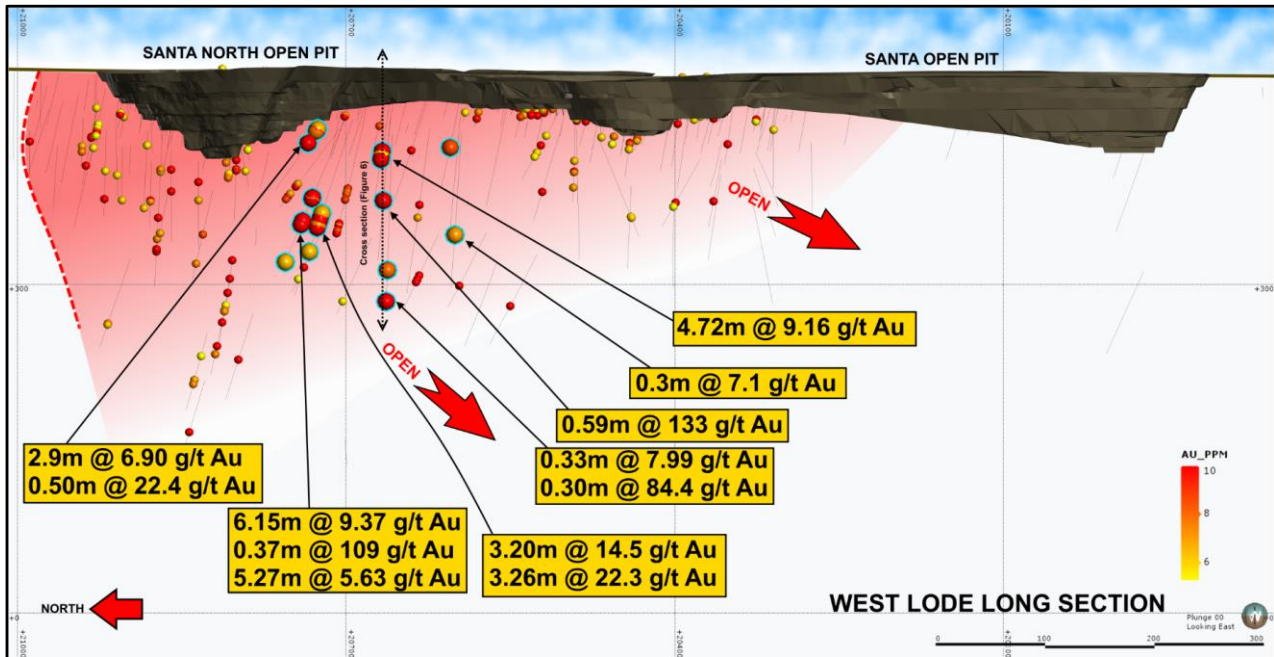


Figure 4: Santa West Lode long section showing recent assay results highlights and historical drilling intersections >5.0 g/t Au

Aldiss - Maiden JORC 2012 Ore Reserve at Karonie increased Aldiss Mining Centre Ore Reserve to ~203,000 ounces

A maiden JORC 2012 Ore Reserve of 1.4mt at 2 g/t for 87,000 ounces was declared during the quarter at Karonie (for full details see ASX release “75% increase in Aldiss Mining Centre Ore Reserves” dated 27 June 2018).

Historical open pit mining at Aldiss in the 1990’s was focused on the “Karonie Main Zone” deposit located in the northern part of the Karonie area which produced 1.6Mt at 3.6g/t Au. Silver Lake’s reinterpretation of the geology led to a revised geological model and a subsequent exploration program which successfully confirmed the high grade gold lodes remain open down plunge to the south, extending from below the floor of the historical open pit area and the strongly mineralised shear zones along strike to the south of the historical mine area (see Figure 6).

The Karonie Ore Reserve has been estimated to a maximum open pit depth of 145 metres. Gold lodes are interpreted to remain open down plunge and future drilling will be planned at the appropriate time to test the potential for underground mining at Karonie (see Figure 5)

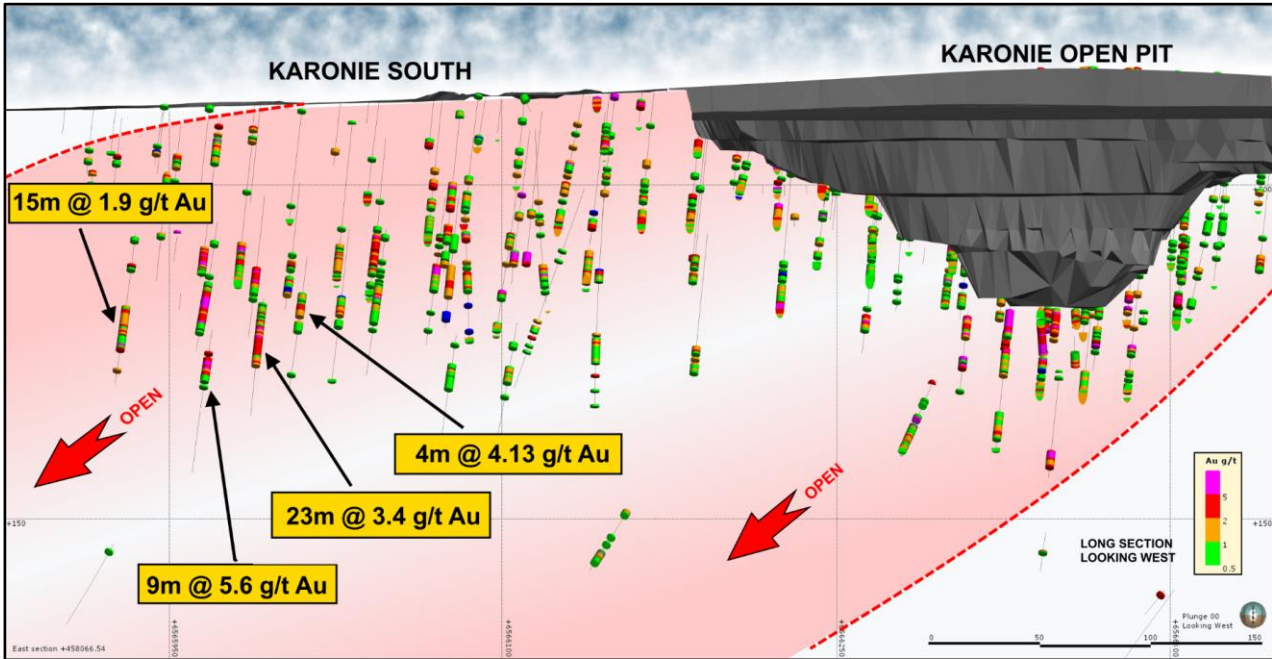


Figure 5: Karonie long section highlighting current drilling intersections and potential down plunge extension of mineralised lodes.

The success of the Karonie exploration program has led the Silver Lake exploration team to develop a FY19 exploration work program to the south of Karonie and Harry's Hill along strike of the strongly mineralised Aldiss trend (Figure 6).

Following the expected ramp up to steady state mining rates at Aldiss during 1H FY19, Silver Lake will focus on the ~10km regional shear zone which has several well-defined gold prospects, to target the discovery of additional Mineral Resources to leverage from established infrastructure.

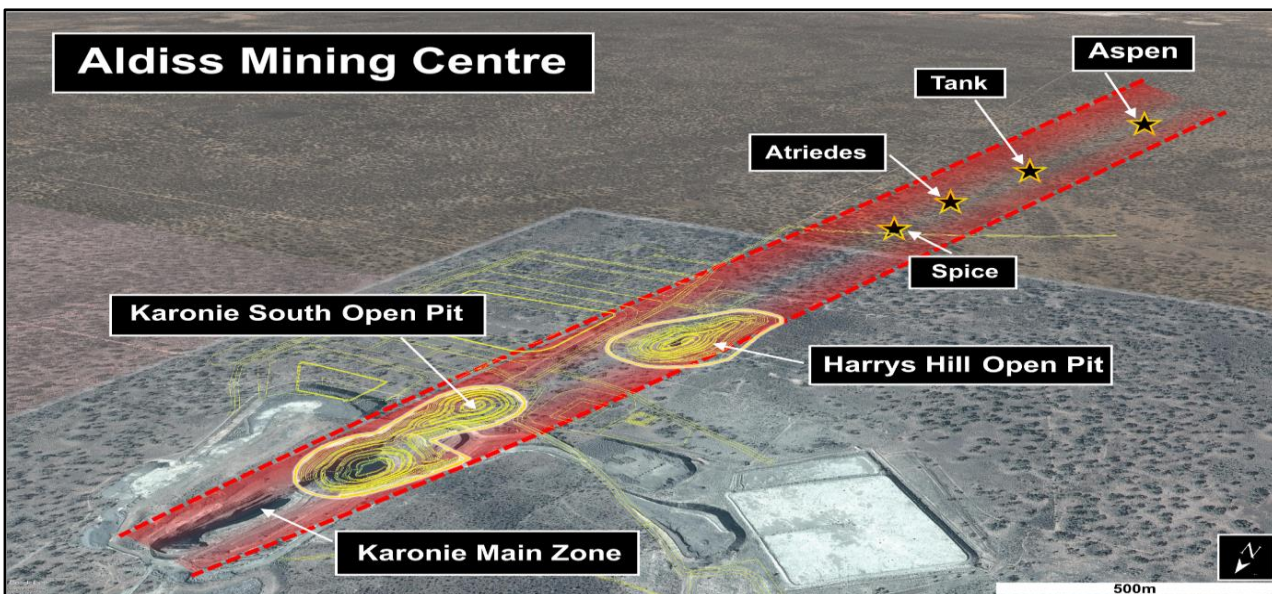


Figure 6: Oblique plan view looking south-east of the Karonie-Harry's Hill mineralised trend showing the primary exploration target zone and current deposits with Mineral Resources (starred) directly along strike to the south of Harry's Hill.

For more information about Silver Lake and its projects please visit our web site at www.silverlakeresources.com.au.

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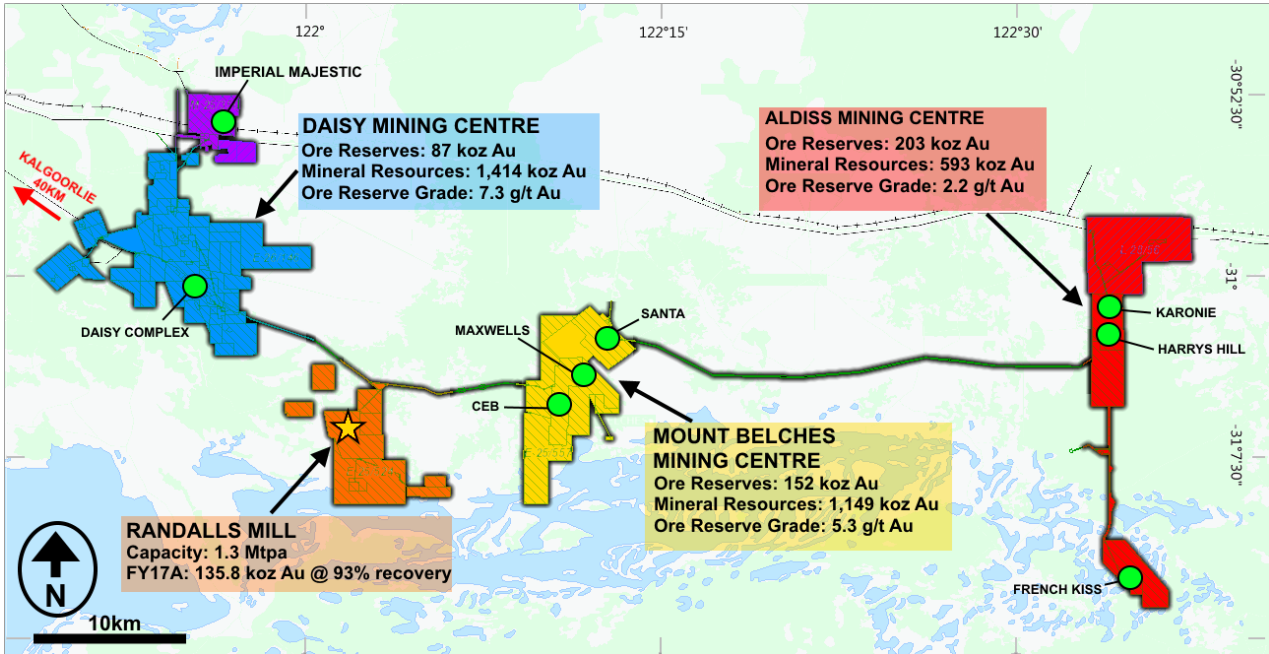
Competent Person's Statement

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 his information in the form and context in which it appears.

The information on Ore Reserves for the Karonie, Harry's Hill and French Kiss deposits has been extracted from the ASX Announcement entitled "75% increase in Aldiss Mining Centre Ore Reserves" dated 27 June 2018 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 announcement and that all material assumptions and technical parameters underpinning the estimates in the ASX announcement 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 announcement.

All other information on Mineral Resources and Ore Reserves has been extracted from the ASX Announcement entitled "Mineral Resources and Ore Reserves Statement" dated 4 August 2017 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 announcement and that all material assumptions and technical parameters underpinning the estimates in the ASX announcement 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 announcement.

Appendix 1: Mount Monger Camp



Location of Mount Monger Camp Mining Centres and the centralised Randalls Mill.

Refer to ASX announcement "Mineral Resource and Ore Reserve Statement - MMO" dated 4 August 2017 and "75% increase in Aldiss Mining Centre Ore Reserves" dated 27 June 2018 for further information relating to Resources and Reserves