

11 October 2019

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**Board of Directors:**

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ASX Code: SLR

**Issued Capital:**

818.9m Shares  
6.4m Performance Rights

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

## SEPTEMBER 2019 QUARTERLY ACTIVITIES REPORT

### STRONG PRODUCTION DELIVERS CONTINUED CASH GROWTH

- Group production of 59,288 ounces gold and 734 tonnes copper (61,929 ounces gold equivalent<sup>1</sup>) for the quarter, with sales of 56,683 ounces gold and 613 tonnes copper at an average price of A\$1,995/oz and AISC of A\$1,260/oz

#### Mount Monger

- Gold production of 36,058 ounces with higher mined grades across all underground mines driving an increased mill grade for the quarter
- Ore stockpiled increased by 10,274 ounces to 59,308 ounces
- 34,269 ounces sold at an AISC of A\$1,338/oz for the quarter

#### Deflector

- Solid production of 25,871 ounces gold equivalent, with record monthly mine production in September and a new quarterly mill throughput record set following record production reported in the June quarter
- Gold sales of 22,414 ounces and copper sales of 613 tonnes at an AISC of A\$1,142/oz for the quarter

#### Exploration

- \$5.4 million investment in group exploration
- Continued to demonstrate significant exploration success at Deflector with underground drilling further extending the high grade copper-gold mineralisation immediately to the south and south west of the Deflector mine
- Exploration work at Mount Monger continued to advance the three priority high grade projects proximal to established infrastructure which have the potential to be introduced into the mill feed over the next 2 years

#### Corporate and Finance

- Silver Lake continued to build its financial strength with cash and bullion increasing by \$24.1 million or 18% to \$155.2 million<sup>2</sup> at quarter end with listed investments of \$5.1 million
- \$3.9 million of growth capital, including infrastructure associated with the commencement of French Kiss
- Recommended off-market takeover offer for Egan Street Resources extended until 1 November 2019. The Directors of Egan Street continue to maintain a unanimous recommendation that Egan Street shareholders accept the offer in the absence of a superior proposal

#### FY20 Outlook

- Operations positioned to deliver into the upper end of sales guidance of 215,000 to 230,000 ounces gold equivalent at an average AISC range of A\$1,375/oz to A\$1,450/oz

<sup>1</sup> Refer page 16 for Gold Equivalent Calculation Methodology and Assumptions

<sup>2</sup> Excludes gold in circuit and concentrate on hand of \$8.8 million (30 June \$5.8 million)

## Quarter overview

In the first quarter of FY20 Silver Lake continued to deliver on its invest and yield strategy, whilst continuing to advance the pipeline of organic options within established operations.

Silver Lake produced 61,929 ounces gold equivalent for the quarter with sales of 56,683 ounces gold and 613 tonnes copper at a realised gold price of A\$1,995/ounce and an AISC of A\$1,260/ounce.

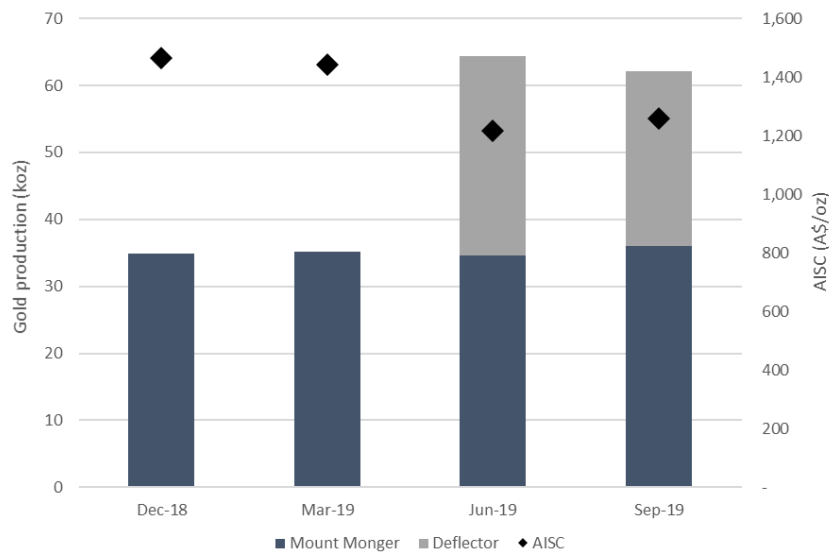


Chart 1: Rolling 12 months Silver Lake group production and AISC by quarter

Exploration success was reported at Deflector during the quarter, with ongoing diamond drilling targeting near mine Mineral Resource extensions intersecting further high-grade gold and copper mineralisation in the new area of focus immediately to the south and south west of the Deflector mine.

Exploration work at Mount Monger was focused on advancing the three priority high-grade projects, Santa, Easter Hollows and Tank South which have the potential to be introduced into the mill feed over the next two years. As the current phase of drill programs are completed during Q2 FY20, the project status will be reviewed with the aim of continuing to advance these projects through to an investment decision.

Silver Lake continues to build and maintain a strong balance sheet with cash and bullion of A\$155.2 million at 30 September with no debt (30 June: A\$131.1 million). Listed investments at 30 September totalled A\$5.1 million and gold in circuit and concentrate on hand totalled A\$8.8 million.

## Mount Monger

### Underground Mining

Mount Monger underground mine production for the quarter totalled 148,000 tonnes at 5.9 g/t for 28,035 ounces.

The Daisy Complex produced 74,235 tonnes at 5.9 g/t for 14,039 contained ounces, with production sourced from the Haoma West and Lower Prospect areas. Ore tonnes were 18% higher quarter on quarter, while grades were marginally higher quarter on quarter.

The focus at the Daisy Complex is the introduction of a new mining front higher in the mine elevation to supplement and replace mining from Haoma West and Lower Prospect. An exploration drive was developed

from the existing mine infrastructure approximately 500 metres below surface with infill drilling commencing in Q1 FY20. Infill drilling is designed to further define the Easter Hollows lodes to allow an investment decision to be considered in 2H FY20. Silver Lake’s guidance has only included gold production from the Daisy Complex for first half of FY20 however this will be reassessed following infill drilling at Easter Hollows and subsequent mining evaluation.

The Mount Belches Mining Centre produced 73,765 tonnes at 5.9 g/t for 13,996 ounces from the Maxwells and Cock-eyed Bob underground mines, representing 50% of the underground mine ounces at Mount Monger for the quarter. Mount Belches ore production during the quarter was weighted towards Maxwells, with 59% of tonnes and 55% of ounces sourced from Maxwells.

During the quarter a maiden Ore Reserve was declared at Santa which has the potential to be a third, shallow, high-grade underground mine at Mount Belches. Mine design work is approaching completion and an investment decision is expected to be made in Q2 FY20. The proximity of Santa to established infrastructure and a shallow mine Reserve results in a low capital investment and short production lead time with the potential for Santa ore to be included in the mill feed blend in FY21.

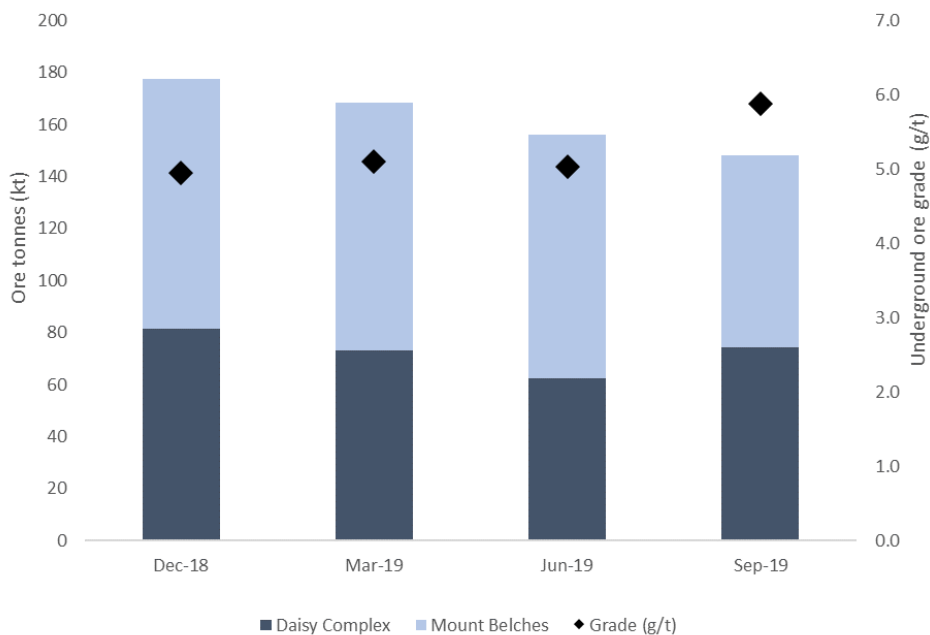


Chart 2: Mount Monger Underground mine production

### Open Pit Mining

#### Aldiss Mining Centre

During the quarter overburden removal and pre-stripping commenced at the French Kiss open pit as material movements at Harrys Hill reduced in line with the falling strip ratio as the pit nears completion.

The Harrys Hill strip ratio declined to 3.6:1 for the quarter, with a corresponding reduction in total material movements to 458,626 bcm (Q4: 655,112 bcm), for 296,586 tonnes at 1.88 g/t and 17,882 ounces. Mining at Harrys Hill is expected to be completed during Q3 FY20.

At French Kiss, mining was focused on overburden removal and waste stripping with a total of 542,371 bcm mined. Ore tonnages and grades will progressively increase from Q2 FY20, with the French Kiss pit hosting the highest grades of the Aldiss open pit Ore Reserves at 3.6 g/t.

A significant ore stockpile has been established at Aldiss totalling approximately 990,000 tonnes @ 1.4 g/t containing 44,500 ounces gold.

### Processing

Ore milled for the quarter totalled 291,795 tonnes at 4.1 g/t Au for 36,058 recovered ounces (*Chart 3*). The higher grade feed for the quarter reflects the 18% quarter on quarter increase in underground mined grades. Recoveries for the quarter were maintained at 95% which is consistent with the prior year average. Mill feed was lower quarter on quarter, reflecting reduced mill availability due to the combination of an unplanned power outage and scheduled maintenance activities. Mill throughput is expected to return to nameplate rates for the remainder of FY20.

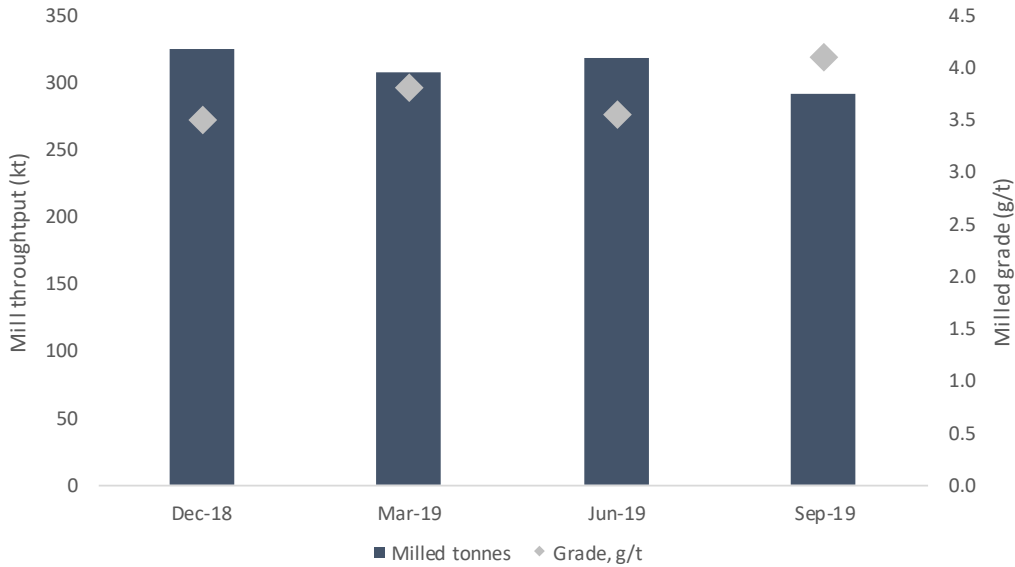


Chart 3: Mount Monger processing

The Mount Monger stockpile balance at 30 September was ~1.34 million tonnes containing 59,300 ounces (30 June 2019: ~1.1 million tonnes containing 49,000 ounces).

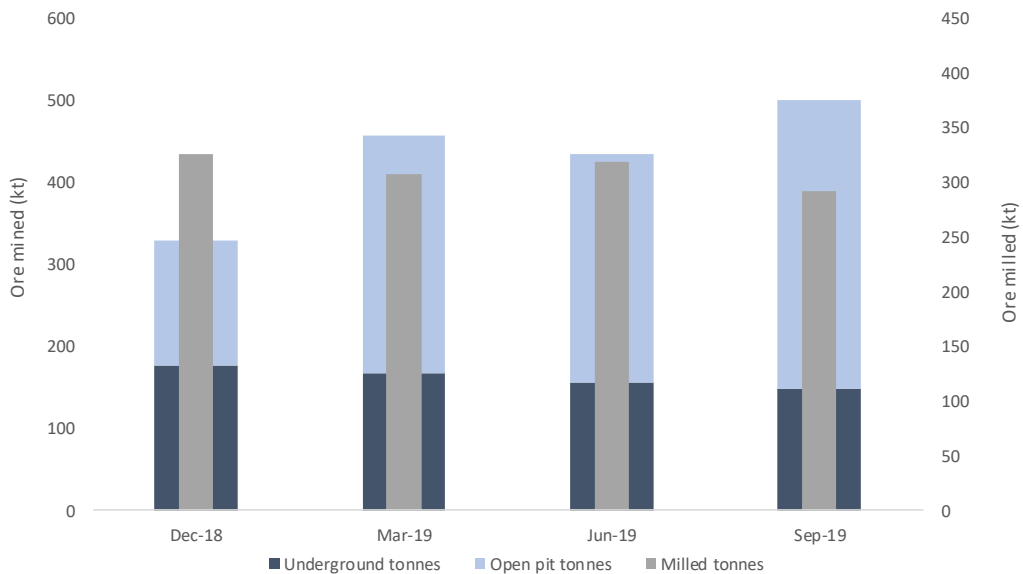


Chart 4: Mount Monger mined tonnes v milled tonnes

Mount Monger Camp - Mining	Units	Dec Qtr 2018	Mar Qtr 2019	Jun Qtr 2019	Sep Qtr 2019	FY20 (YTD)	FY19
<u>Daisy Mining Centre - Underground</u>							
Ore mined	Tonnes	81,318	73,231	62,379	74,235	74,235	298,357
Mined grade	g/t Au	5.7	5.3	5.7	5.9	5.9	5.7
Contained gold in ore	Oz	14,815	12,477	11,402	14,039	14,039	54,706
<u>Mount Belches Mining Centre - Underground</u>							
Ore mined	Tonnes	96,232	95,160	93,635	73,765	73,765	376,153
Mined grade	g/t Au	4.3	4.9	4.6	5.9	5.9	4.7
Contained gold in ore	Oz	13,377	15,016	13,851	13,996	13,996	57,170
<u>Aldiss Mining Centre - Open Pit</u>							
Ore mined	Tonnes	151,805	288,837	279,324	353,523	353,523	744,590
Mined grade	g/t Au	1.9	2.0	1.9	1.8	1.8	2.0
Contained gold in ore	Oz	9,357	18,301	17,414	20,127	20,127	46,673
<b>Total ore mined</b>	<b>Tonnes</b>	<b>329,355</b>	<b>457,228</b>	<b>435,698</b>	<b>501,523</b>	<b>501,523</b>	<b>1,419,100</b>
<b>Mined grade</b>	<b>g/t Au</b>	<b>3.5</b>	<b>3.1</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.5</b>
<b>Total contained gold in ore</b>	<b>Oz</b>	<b>37,549</b>	<b>45,794</b>	<b>42,667</b>	<b>48,162</b>	<b>48,162</b>	<b>158,549</b>

Table 1: Mount Monger Camp - mine production statistics

Mount Monger Camp - Processing	Units	Dec Qtr 2018	Mar Qtr 2019	Jun Qtr 2019	Sep Qtr 2019	FY20 (YTD)	FY19
Ore milled	Tonnes	325,991	308,689	318,767	291,795	291,795	1,229,195
Head grade	g/t Au	3.5	3.8	3.5	4.1	4.1	3.7
Contained gold in ore	Oz	36,912	37,439	36,325	38,136	38,136	144,948
Recovery	%	95	94	95	95	95	95
<b>Gold produced</b>	<b>Oz</b>	<b>34,871</b>	<b>35,172</b>	<b>34,629</b>	<b>36,058</b>	<b>36,058</b>	<b>136,767</b>
<b>Gold sold</b>	<b>Oz</b>	<b>31,447</b>	<b>38,055</b>	<b>33,004</b>	<b>34,269</b>	<b>34,269</b>	<b>141,006</b>

Table 2: Mount Monger Camp - processing statistics

## Costs

Mount Monger's AISC for the quarter (Table 3) was A\$1,338/oz.

Mount Monger Camp	Notes	Unit	Dec-18 Quarter	Mar-19 Quarter	Jun-19 Quarter	Sep-19 Quarter	FY20	FY19
Mining costs	1	A\$M	22.7	32.0	32.4	28.4	28.4	109.8
General and administration costs		A\$M	2.1	3.0	2.4	2.5	2.5	10.7
Royalties		A\$M	1.6	1.9	1.9	2.2	2.2	7.2
By-product credits		A\$M	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Processing costs	2	A\$M	5.9	11.6	12.2	11.5	11.5	40.7
Corporate overheads		A\$M	0.5	0.7	0.7	1.7	1.7	2.9
Mine exploration (sustaining)	3	A\$M	0.7	0.6	0.8	1.7	1.7	3.4
Capital expenditure and underground mine development (sustaining)	4	A\$M	5.6	7.7	6.3	7.6	7.6	24.0
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>		<b>A\$M</b>	<b>39.1</b>	<b>57.5</b>	<b>56.6</b>	<b>55.5</b>	<b>55.5</b>	<b>198.3</b>
Inventory movements	5	A\$M	(3.0)	(2.5)	(11.7)	(9.7)	(9.7)	(5.9)
Rehabilitation - accretion & amortisation	5	A\$M	-	-	-	-	-	-
<b>All-in Sustaining Costs</b>		<b>A\$M</b>	<b>36.1</b>	<b>54.9</b>	<b>44.8</b>	<b>45.8</b>	<b>45.8</b>	<b>192.4</b>

Gold sales for AISC purposes	oz	24,630	38,055	33,004	34,269	34,269	134,189
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Mining costs	A\$/oz	920	840	980	829	829	818
General and administration costs	A\$/oz	86	80	72	73	73	80
Royalties	A\$/oz	67	50	57	65	65	53
By-product credits	A\$/oz	(4)	(2)	(2)	(3)	(3)	(3)
Processing costs	A\$/oz	241	305	370	335	335	303
Corporate overheads	A\$/oz	18	18	22	49	49	22
Mine exploration (sustaining)	A\$/oz	30	17	25	49	49	26
Capital expenditure and underground mine development (sustaining)	A\$/oz	227	202	191	223	223	179
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>	<b>A\$/oz</b>	<b>1,586</b>	<b>1,510</b>	<b>1,714</b>	<b>1,620</b>	<b>1,620</b>	<b>1,478</b>
Inventory movements	A\$/oz	(122)	(67)	(356)	(282)	(282)	(44)
Rehabilitation - accretion & amortisation	A\$/oz	-	-	-	-	-	-
<b>All-in Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,464</b>	<b>1,444</b>	<b>1,358</b>	<b>1,338</b>	<b>1,338</b>	<b>1,434</b>

Table 3: Mount Monger Camp AISC

- Costs for underground & 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 \$2.2m for Q1 FY20).
- 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

### Mining

Deflector mine production for the quarter was 165,787 tonnes at 4.98 g/t gold and 0.5% copper, with a new monthly mine production record of 63,634 tonnes set in September (exceeding previous record of 60,022 tonnes set in May 2019). Mining rates are expected to be maintained at similar levels to the past two quarters throughout FY20.

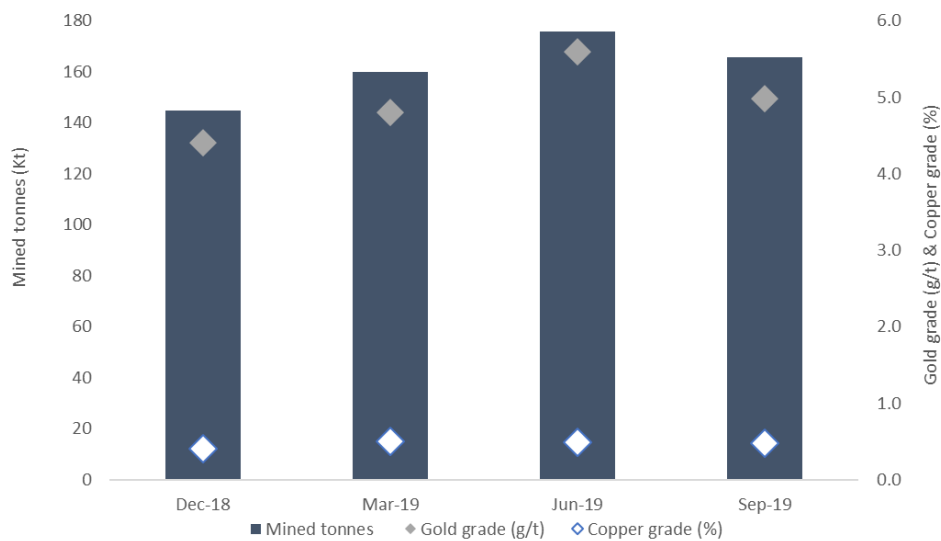


Chart 5: Deflector mined tonnes and grade

### Processing

Deflector mill throughput of 163,240 tonnes set a new quarterly record, with an average gold grade of 4.92 g/t and copper grade of 0.5%. Gold recovery to bullion was 61% with total gold recovery of 90% and copper recovery of 93%.

Gold production for the quarter was 23,230 ounces gold with copper production of 734 tonnes or 25,871 ounces gold equivalent (Q4 FY19: 27,514 ounces gold and 575 tonnes copper or 29,928 ounces gold equivalent).

At 30 September Deflector had ore stocks of 56,859 tonnes at 2.5 g/t gold and 0.7% copper (30 June 2019: 57,122 at 2.2 g/t gold and 0.3% copper).

Concentrate production was 16% higher relative to the June quarter at 3,978 tonnes with an average gold grade of 57 g/t gold and 18% copper.

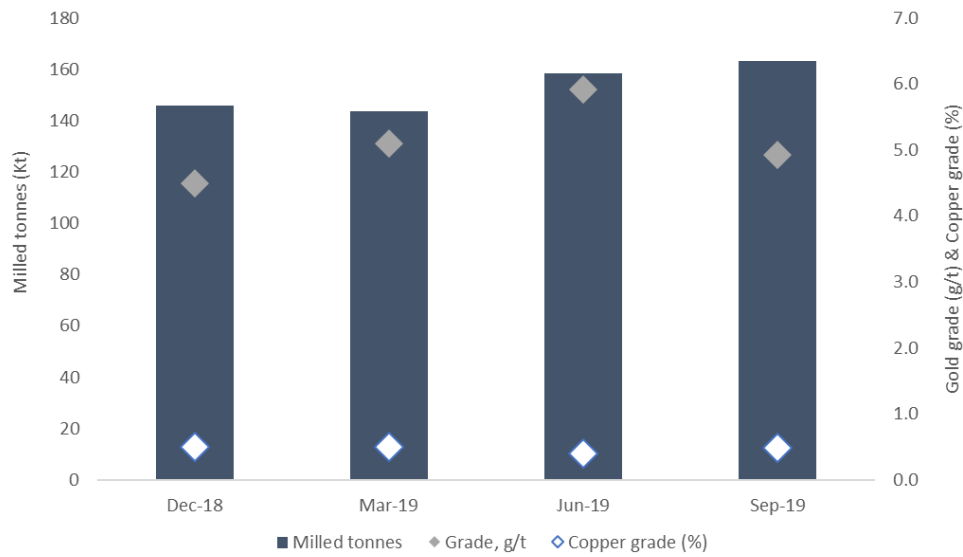


Chart 6: Deflector milled tonnes and grade

Deflector		Units	Dec Qtr 2019	Mar Qtr 2019	Jun Qtr 2019	Sep Qtr 2019	FY20 (YTD)	FY19
Ore mined		Tonnes	144,620	159,912	175,647	165,787	165,787	633,896
Mined grade	Gold	g/t Au	4.4	4.6	5.7	5.0	5.0	4.8
	Copper	% Cu	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
Contained gold in ore		Oz	20,486	24,586	31,902	26,568	26,568	97,725
Contained copper in ore		Tonnes	635	773	864	796	796	2,881
Ore milled		Tonnes	145,858	143,735	158,467	163,240	163,240	607,116
Milled grade	Gold	g/t Au	4.5	4.9	5.9	4.9	4.9	5.0
	Copper	% Cu	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%
Recovery	Gold	%	88.98%	89.41%	91.32%	89.87%	89.87%	89.69%
	Copper	%	91.52%	89.93%	92.43%	92.80%	92.80%	91.05%
Gold bullion produced		Oz	14,054	15,278	20,254	15,828	15,828	64,632
Concentrate produced		Tonnes	3,607	3,417	3,429	3,978	3,978	13,822
Contained metal in concentrate	Gold	Oz	4,890	5,683	7,260	7,276	7,276	22,470
	Copper	Tonnes	720	720	621	729	729	2,767
Total gold produced		Oz	18,944	20,961	27,514	23,230	23,230	87,102
Gold equivalent production		Oz	21,536	23,553	29,928	25,871	25,871	97,063
Gold bullion sales		Oz	15,274	13,567	20,305	15,749	15,749	63,511
Concentrate sales		Tonnes	3,321	3,282	4,156	3,469	3,469	15,002
Payable metal in concentrate sold	Gold	Oz	4,771	3,932	7,533	6,665	6,665	21,576
	Copper	Tonnes	559	609	590	613	613	2,544

Table 4: Deflector mine and processing statistics



## Costs

Deflector's AISC for the quarter (Table 5) was A\$1,142/oz.

Deflector Camp	Notes	Unit	Dec-18 Quarter	Mar-19 Quarter	Jun-19 Quarter	Sep-19 Quarter	FY20	FY19
Mining costs	1	A\$M	-	-	18.9	14.8	14.8	18.9
General and administration costs		A\$M	-	-	2.2	2.5	2.5	2.2
Royalties		A\$M	-	-	2.1	1.4	1.4	2.1
By-product credits	2	A\$M	-	-	(3.4)	(4.0)	(4.0)	(3.4)
Processing costs		A\$M	-	-	6.7	6.0	6.0	6.7
Corporate overheads		A\$M	-	-	2.3	1.2	1.2	2.3
Mine exploration (sustaining)	3	A\$M	-	-	0.6	1.0	1.0	0.6
Capital expenditure and underground mine development (sustaining)	4	A\$M	-	-	2.6	3.9	3.9	2.6
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>		<b>A\$M</b>	<b>-</b>	<b>-</b>	<b>32.0</b>	<b>26.7</b>	<b>26.7</b>	<b>32.0</b>
Inventory movements	5	A\$M	-	-	(2.9)	(1.1)	(1.1)	(2.9)
Rehabilitation - accretion & amortisation	5	A\$M	-	-	0.1	-	-	0.1
<b>All-in Sustaining Costs</b>		<b>A\$M</b>	<b>-</b>	<b>-</b>	<b>29.2</b>	<b>25.6</b>	<b>25.6</b>	<b>29.2</b>

Gold sales for AISC purposes	oz							
		-	-	27,837	22,414	22,414	27,837	

		Unit	Dec-18 Quarter	Mar-19 Quarter	Jun-19 Quarter	Sep-19 Quarter	FY20	FY19
Mining costs		A\$/oz	-	-	680	660	660	680
General and administration costs		A\$/oz	-	-	78	110	110	78
Royalties		A\$/oz	-	-	76	63	63	76
By-product credits		A\$/oz	-	-	(123)	(180)	(180)	(123)
Processing costs		A\$/oz	-	-	241	268	268	241
Corporate overheads		A\$/oz	-	-	82	54	54	82
Mine exploration (sustaining)		A\$/oz	-	-	20	44	44	20
Capital expenditure and underground mine development (sustaining)		A\$/oz	-	-	93	172	172	93
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>		<b>A\$/oz</b>	<b>-</b>	<b>-</b>	<b>1,148</b>	<b>1,190</b>	<b>1,190</b>	<b>1,148</b>
Inventory movements		A\$/oz	-	-	(105)	(48)	(48)	(105)
Rehabilitation - accretion & amortisation		A\$/oz	-	-	5	-	-	5
<b>All-in Sustaining Costs</b>		<b>A\$/oz</b>	<b>-</b>	<b>-</b>	<b>1,048</b>	<b>1,142</b>	<b>1,142</b>	<b>1,048</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.
- 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 \$24.1 million during the quarter to \$155.2 million at 30 September 2019 with no debt. The cash and bullion position at 30 September excludes gold in circuit and concentrate on hand totalling A\$8.8 million, and listed investments of \$5.1 million.

Key cash flow movements included:

- Net cash inflow from Mount Monger of \$13.6 million
- Net cash inflow from Deflector of \$24.2 million
- Exploration and capital spend of \$9.3 million

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

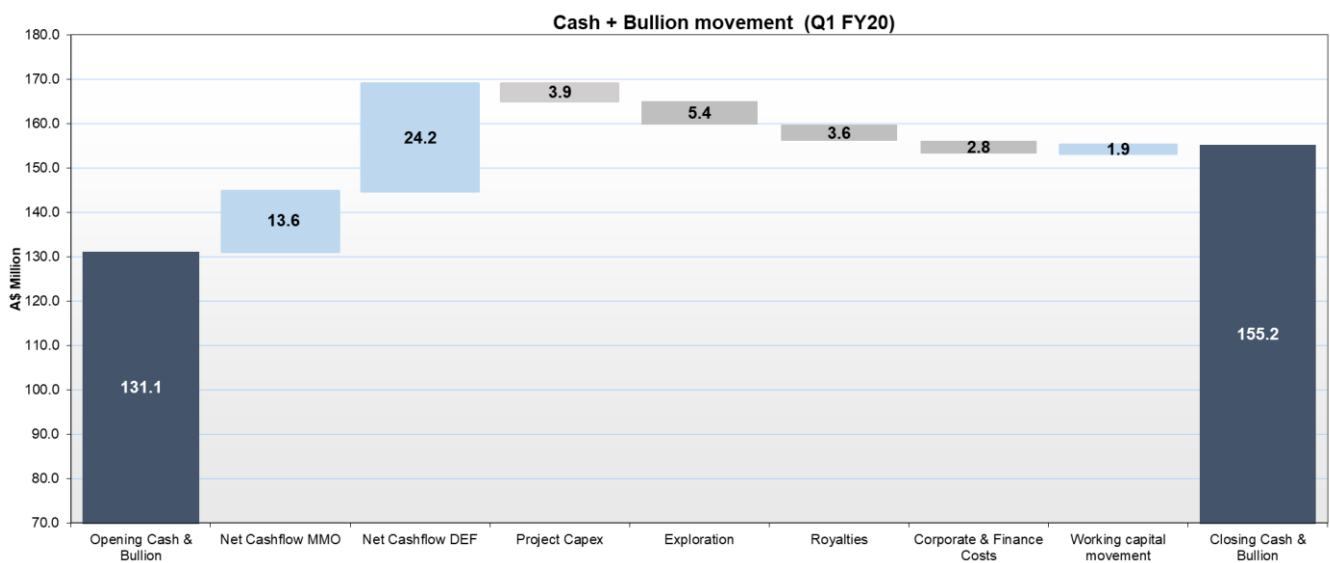


Chart 7: Group cash & bullion movement for the quarter

## Hedging

As at 30 September 2019, Silver Lake's forward gold hedging program totalled 177,484 ounces, to be delivered over the next 3 years at an average forward price of A\$1,879/oz.

	Dec-19 HY	Jun-20 HY	Dec-20 HY	Jun-21 HY	Dec-21 HY	Jun-22 HY
Ounces (koz)	22,952	48,964	38,068	30,000	18,000	19,500
Hedged gold price (A\$/oz)	1,755	1,763	1,884	1,928	2,055	2,070

## Exploration

Significant exploration success was reported at Deflector during the quarter, with ongoing diamond drilling targeting near mine Mineral Resource extensions intersecting further high-grade gold and copper mineralisation in the new area of focus immediately to the south and south west of the Deflector mine.

Exploration work at Mount Monger was focused on advancing three core high-grade projects with the potential to be introduced into the mill feed over the next two years.

- The Easter Hollows lodes (350 metres to the west of the Daisy Complex) were included in the Mineral Resource estimate for the first time in 2019. Infill drilling between the 520RL and 660 RL commenced during the quarter and is ongoing. In parallel to infill drilling, Silver Lake is assessing optimal access options which is expected to allow an investment decision to be considered in FY20.
- A maiden Ore Reserve was declared for the Santa Underground in the 2019 Ore Reserve Statement. The maiden Ore Reserve comprises levels immediately beneath the open pit floor with drilling ongoing and further conversion to Reserves and mine life extensions considered likely given the broader Santa Mineral Resource base and the experience with the existing BIF hosted mines at Mount Belches. An investment decision on commencing development at Santa Underground is expected to be considered during Q2 FY20.
- Following the maiden Inferred Mineral Resource Estimate at Tank South, an infill drilling program was undertaken during the quarter with the aim of upgrading the Inferred Mineral Resource to a higher confidence category, over the 120 metre strike length delineated to date. Once the review of the infill program is completed work will shift to targeting extensions of the high-grade structures at Tank South (incorporating updated geological information of post mineralisation faults) and applying the increased data from the Tank South discovery into targeting programs along the 7km Aldiss mineralised corridor, which is inadequately tested.

The results continue to enhance the embedded options at our two operations to leverage our mineralised corridors proximal to established mine and process infrastructure which have the potential to deliver production, cash margin growth and mine life extensions.

All drilling results referred to in this section have previously been released to the ASX.

## High-grade gold and copper mineralisation intersected outside of Mineral Resources and Ore Reserves at Deflector

### Background

Broad spaced surface RC and diamond drilling reported in June 2019 extended the strike of high-grade Deflector style mineralisation at established mining widths and ore grades over 300m immediately to the south of the 2019 Deflector Mineral Resource Estimate. The intersections reported were consistent with the structure and controls on high-grade lodes within the Deflector deposit.

The significant mineralisation intersected and reported in June 2019 highlights the potential for a 300m southern strike extension to the Deflector Western Zone beyond the limits of current Mineral Resource interpretation. This Deflector South West target area is a primary near-mine exploration program with the potential to deliver significant Mineral Resource and Ore Reserve growth immediately beyond the Deflector mine footprint.

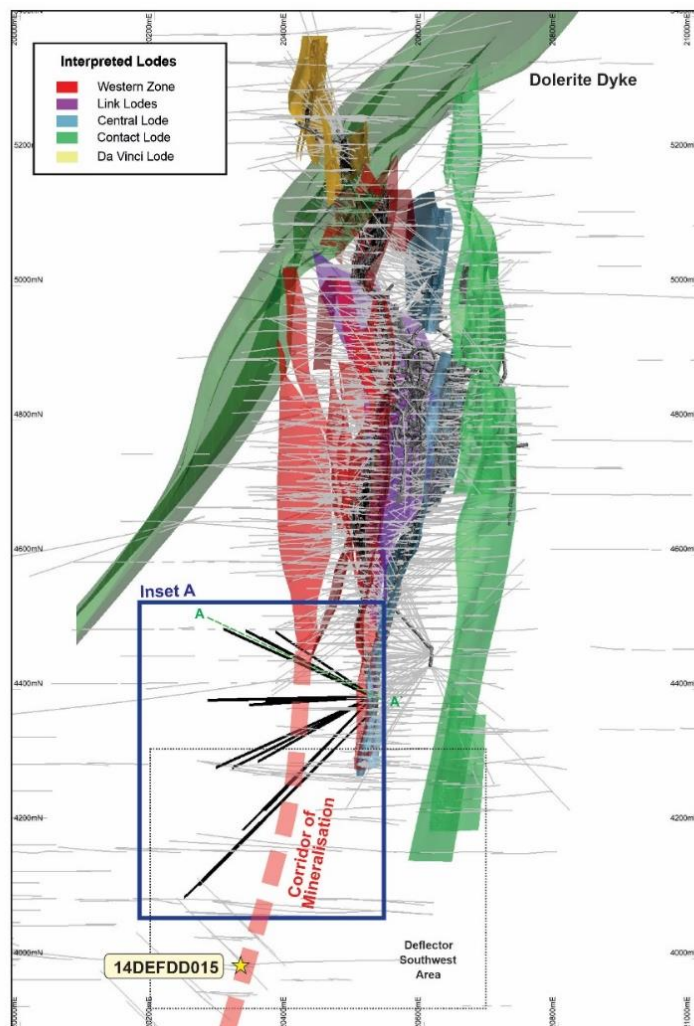


Figure 1: Plan view of Deflector South West relative to Deflector with current lode interpretations and underground development. Recent exploration drilling is highlighted in black.

### Recent drilling results

A program of underground diamond drilling was designed to follow up the results reported in June 2019, and it returned further intersections of Deflector style high-grade gold and copper mineralisation, extending mineralisation directly to the south west of existing Mineral Resources. Significant results included<sup>1</sup>:

Hole #	Interval (m)	Gold (g/t)	Copper (%)
DFUG120	0.3	35.6	0.2
DFUG121	0.5	51.3	0.1
DFUG122	0.7	35.3	0.6
DFUG126	0.7	126	3.0
DFUG127	1.6	15.3	0.1
DFUG130	2.9	17.8	4.8
DFUG131	1.1	84.7	3.0
DFUG135	0.3	95.7	7.4
DFUG136	0.3	177	3.1
	0.9	75.5	3.0
	1.8	53.1	0.7
	0.8	61.6	2.1

Table 1: Significant assays from surface drilling targeting south western extensions to Deflector

All holes reported were drilled from an exploration drive at the southern limits of mine development. Holes DFUG120 to DFUG136 shown in Table 1 extend mineralisation to the south west of the Western Zone, beyond the drilling released in June 2019.

DFUG136 is significant as it is the most southern and westerly intersection drilled from underground at Deflector to date. The intersections support the continuity of mineralisation from the limits of previous underground drilling and provide strike continuity of the Deflector lode system 80m immediately beyond the southernmost boundary of 2019 Deflector Mineral Resource. Mineralisation has defined over a 300m strike extent beyond the 2019 Deflector Mineral Resource and will be progressively infilled.

The intersections reported are consistent with the structure and controls on high-grade lodes within the Deflector deposit. Gold and copper are hosted by quartz veining and associated with alteration and sulphides within the same basalt host rock as the Western, Link and Central lodes in the Deflector mine.

<sup>1</sup> Refer ASX announcement dated 16 September 2019 entitled “Further High-grade Drill Results Extend Deflector South West”



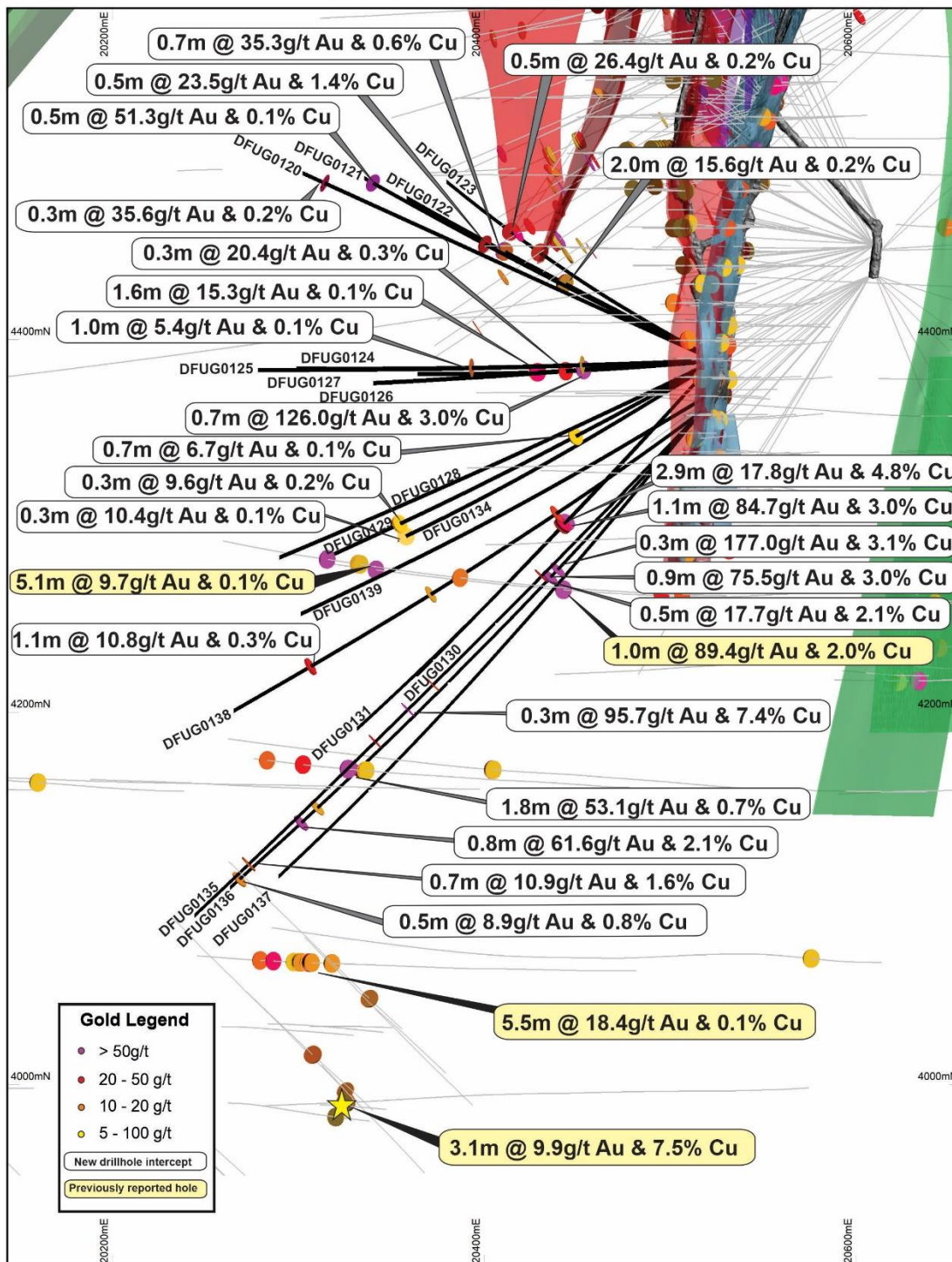


Figure 2. Plan view of recent exploration drilling results from the south end of the Deflector Deposit with drill intercepts  $\geq 5$ g/t Au reported (Inset A of Figure 1)



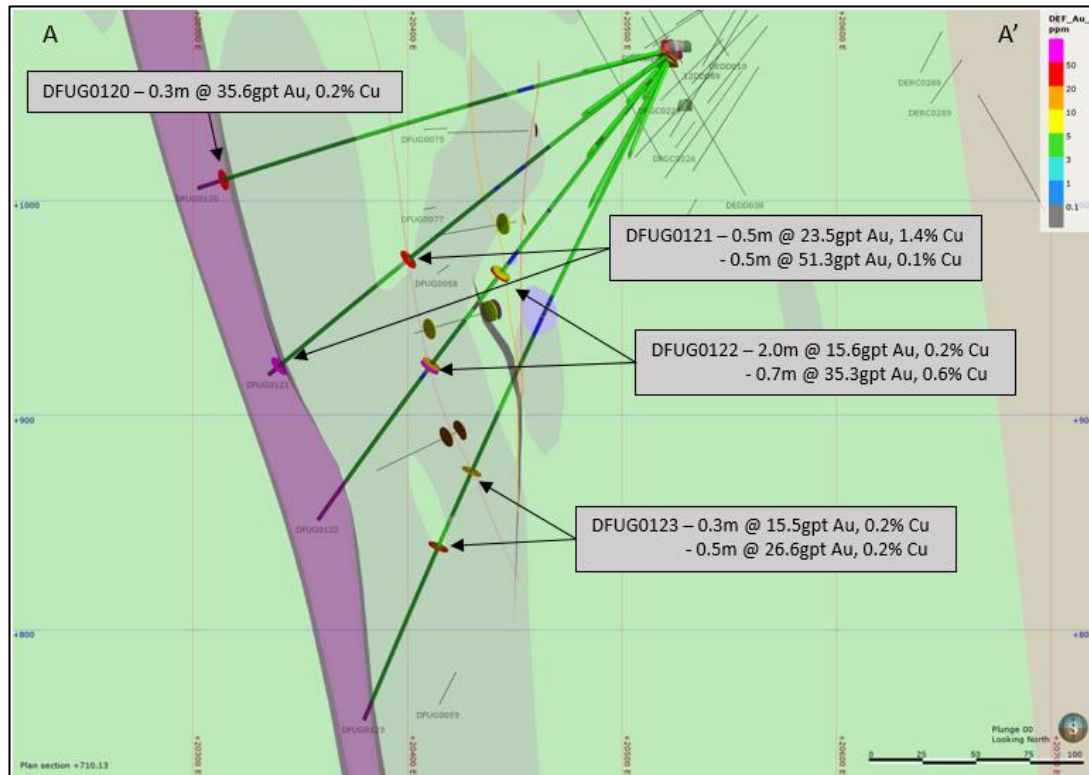


Figure 3. Section A-A' facing north +/-25m window showing DFUG0120-DFUG0123 significant intercepts against the simplified Deflector stratigraphy (dark green = spinifex basalt, light Green = pillow basalt, purple = ultramafic, brown = sediments, blue = lamprophyre intrusive)

### Work program

Underground drilling will be ongoing throughout FY20 to both extend and infill the south west target area with the aim of extending the limits of the Deflector Mineral Resources.

Further underground drilling targeting the direct southern extensions will be undertaken once suitable drilling positions are established to infill the current spacing between the holes reported in September and the closest surface drill line reported in June 2019 (DEDD076: 1.0m @ 89.4 g/t & 2.0% Cu and DEDD077: 1.1m @ 69.6 g/t Au and 0.7% Cu)<sup>2</sup>.

Beyond the defined strike of mineralisation surface drilling in FY20 will be undertaken to target strike extensions to the Deflector lode system beyond the identified 300m target zone, into the inadequately tested areas containing the highly prospective basalt host stratigraphy in the broader Deflector South West corridor.

<sup>2</sup> Refer ASX announcement dated 16 September 2019 entitled "Further High-grade Drill Results Extend Deflector South West"

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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### **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.

### **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.