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## MARCH 2020 QUARTERLY ACTIVITIES REPORT

- Quarterly group production was 65,548 ounces gold and 438 tonnes copper (67,125 ounces gold equivalent<sup>1</sup>), and record sales of 68,183 ounces gold and 452 tonnes copper at an average gold sale price of A\$2,170/oz and AISC of A\$1,380/oz

### Mount Monger

- Record mine production of 52,459 ounces and 41,971 recovered ounces
- Gold in ore stockpiled increased by ~7,600 ounces to ~76,000 ounces
- 43,912 ounces sold at an AISC of A\$1,463/oz for the quarter
- Santa portal fired and underground development commenced, further diversifying high grade underground ore sources

### Deflector

- Gold production of 23,577 ounces and 438 tonnes of copper, with gold sales of 24,271 ounces and copper sales of 452 tonnes at an AISC of A\$1,232/oz for the quarter
- Maiden Deflector South West Mineral Resource<sup>2</sup> of 634kt @ 14.9g/t gold and 0.6% copper for 304,000 ounces gold declared. A development drive commenced in January with results outperforming the Mineral Resource model
- Drill platforms have been established along the development drive and drilling commenced to both infill mineralisation to the west and test for extensions beyond the Deflector South West Mineral Resource limits

### Exploration & Projects

- \$6.1 million investment in exploration focused on advanced high-grade projects within established mineralised corridors and mining leases
- \$10.1 million investment in capex including establishment of Santa underground, Karonie South mobilisation and pre-strip and Rothsay pre-development

### Corporate and Finance

- Cash and bullion increased by \$41 million or 22% to \$227 million<sup>3</sup> at quarter end with no debt

### Outlook

- Following strong 3Q group sales, Silver Lake has further upgraded FY20 sales guidance to 250,000 to 260,000 ounces gold equivalent (240,000 to 250,000) with group AISC guidance remaining at unchanged at A\$1,300-1,350/oz. The upgrade to guidance is subject to continued mine and processing operations and no material production disruption caused by COVID-19

<sup>1</sup> Refer page 22 for Gold Equivalent Calculation Methodology and Assumptions

<sup>2</sup> Refer ASX release 10 March 2020 "Maiden Mineral Resource at Deflector South West"

<sup>3</sup> Excludes gold in circuit and concentrate on hand of \$8.9 million (31 December \$10.3 million)

## Overview

Silver Lake produced 67,125 ounces gold equivalent for the quarter and delivered record sales of 68,183 ounces gold and 452 tonnes copper at a realised gold price of A\$2,170/oz and an AISC of A\$1,380/oz. Year to date production is 200,004 ounces gold equivalent with gold sales of 190,940 ounces and 1,758 tonnes of copper at a realised price of A\$2,070/oz and an AISC of A\$1,279/oz.

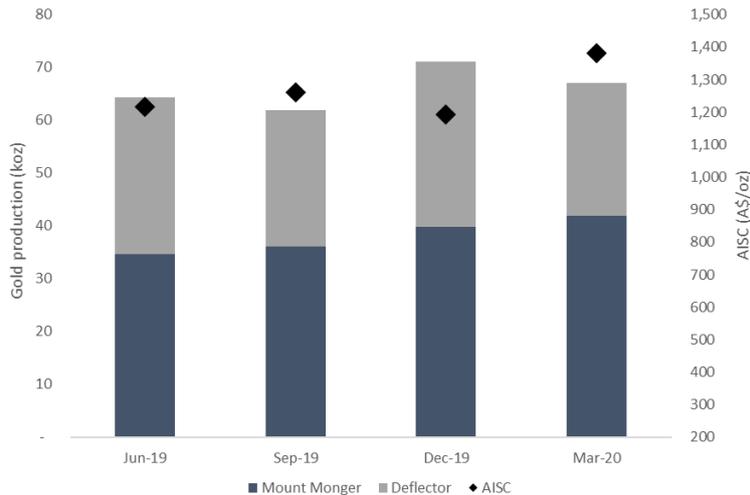


Chart 1: Rolling 12 months Silver Lake group production and AISC by quarter

Silver Lake continues to build and maintain a strong balance sheet with cash and bullion increasing by \$41 million to \$227 million at 31 March and no debt (31 December: \$186 million and no debt). Gold in circuit and concentrate on hand totalled \$8.9 million (31 December: \$10.3 million).

During the quarter, Silver Lake's investment in exploration at Deflector delivered significant Resource growth with a maiden Mineral Resource Estimate of 634,000 tonnes @ 14.9 g/t gold and 0.6% copper for 304,000 ounces gold and 3,600 tonnes copper declared at Deflector South West. The Deflector South West Mineral Resource Estimate is located adjacent to the 2019 Deflector Mineral Resource of 2.25mt @ 11.4 g/t gold and 0.6% copper for 826,000 ounces gold and 14,100 tonnes copper<sup>4</sup>. The discovery cost of <\$10 per ounce highlights the compelling value of Silver Lake's exploration strategy of targeting proven mineralised corridors proximal to established mine, processing and service infrastructure.

A development drive commenced in January to access the Deflector South West zone with results outperforming the Mineral Resource model. Drill platforms have now been established at two positions along the development drive and drilling commenced to both infill mineralisation to the west and test for extensions beyond the Deflector South West Mineral Resource limits.

Growth projects continued to be advanced during the quarter. In late February, Santa underground development commenced with ore production beginning in April. Santa is the third, shallow, high-grade underground mine at Mount Belches and will provide an additional source of high-grade feed to the Randalls mill in FY21 and beyond.

At Deflector, the scope of work for the plant upgrade (addition of CIP circuit) was finalised and flowsheet engineering is underway. Pre-development activities continued at Rothsay, including the commencement of the tendering process for key construction and operational contracts. The schedule remains on track for Rothsay ore to form part of the Deflector feed from Q1 FY22, in parallel with the Deflector plant upgrade.

4. Refer ASX release August 2019 "Reserve growth reshapes Silver Lake's portfolio"

COVID-19 has disrupted the Silver Lake business, however the combined collaborative support of Government, representative industry bodies, employees, contractors, suppliers and our host communities has allowed the Company to adapt and mitigate, as far as practicable, the risks this infectious disease presents. Given the industry framework in which Silver Lake operates and the Company’s strong debt free balance sheet, Silver Lake will continue to actively pursue exploration, production and growth objectives, subject to the evolving and unforeseen impacts of COVID-19.

Notwithstanding an elevated level of industry uncertainty associated with COVID-19 and following strong 3Q Group sales, Silver Lake has further upgraded FY20 sales guidance to 250,000 to 260,000 ounces gold equivalent (240,000 to 250,000 ounces gold equivalent) with group AISC guidance remaining unchanged at A\$1,300-1,350/oz. The upgrade to guidance is subject to continued mine and processing operations and no material production disruption caused by COVID-19. Silver Lake will update the market should there be a further material change to guidance.

### Mount Monger

Mount Monger produced 41,971 ounces for the quarter and gold sales of 43,912 ounces at an AISC of A\$1,463/oz. YTD gold sales are 116,883 ounces at an AISC of A\$1,396/oz.

#### Underground Mining

Mount Monger underground mine production for the quarter totalled 155,147 tonnes at 5.5 g/t for 27,309 ounces.

The Daisy Complex produced 64,742 tonnes at 6.4 g/t for 13,415 contained ounces, consistent quarter on quarter. Ore continues to be sourced from the Haoma West, Lower Prospect and remnant mining areas.

Development to access the Easter Hollows lodes located ~350 metres to the west of existing underground workings commenced during the quarter and is on schedule to reach the target area in 1Q FY21.

The Mount Belches Mining Centre produced 90,405 tonnes at 4.8 g/t for 13,894 contained ounces, representing 51% of the underground mine ounces at Mount Monger for the quarter. Mount Belches ore and ounce production was evenly split across Cock-eyed Bob and Maxwells. Surface and underground infrastructure was established at Santa during the quarter, and underground mine development commenced.

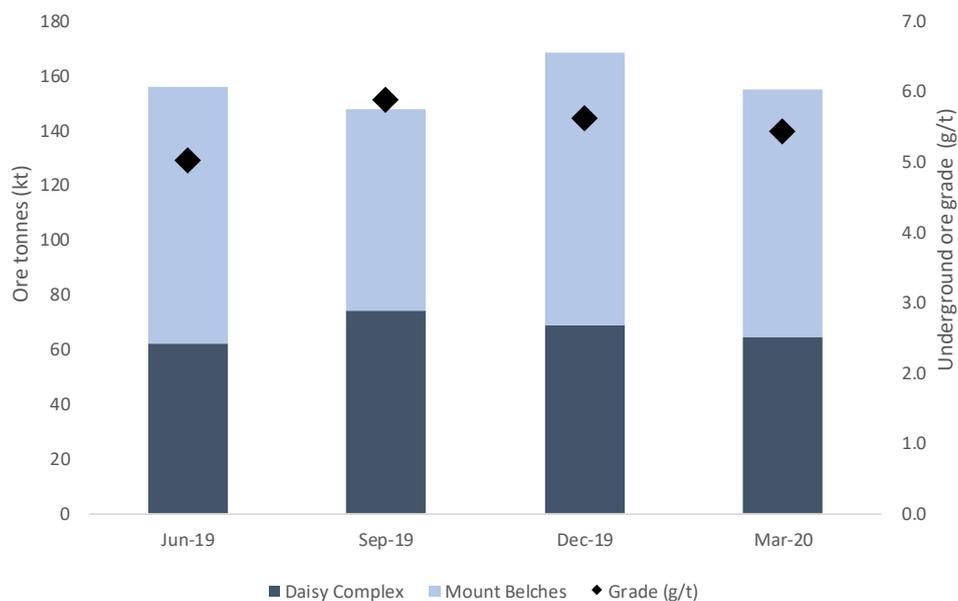


Chart 2: Mount Monger Underground mine production

### *Open Pit Mining*

#### Aldiss Mining Centre

Strong performance in the quarter from both Harrys Hill and French Kiss pits benefited from lower strip ratios and higher grades.

The Harrys Hill strip ratio continued to decline and averaged 0.9:1 for the quarter, with a corresponding reduction in total material movement to 132,657 bcm (Q2: 226,866 bcm), for production of 198,408 tonnes at 2.0 g/t and 12,745 ounces. Mining at Harrys Hill is expected to be completed in April.

Material movements from French Kiss open pit were 45% lower quarter on quarter at 221,230 bcm for 97,451 ore tonnes (+14%) and average grades were up 51% to 3.89 g/t for a 72% increase in ounce production of 12,186 ounces. The French Kiss pit design has been modified following the completion of an updated grade control model incorporating further drilling. Mine production to date has exceeded the 2019 Ore Reserve, with an additional -9,000 ounces relative to the initial pit design expected to be mined. French Kiss will be completed in late April.

A significant ore stockpile has been established at Aldiss totalling approximately 1,278,000 tonnes @ 1.5 g/t containing 61,300 ounces gold (31 December 2019: 1,149,000 tonnes @ 1.5 g/t containing 54,600 ounces gold).

Following the completion of mining at Harrys Hill and French Kiss the mine fleet will be fully transitioned to the Karonie South open pit.

The Karonie South pit is located ~350 m to the north of the Harrys Hill pit and is expected to produce ~86,000 ounces over a 18 month period with a life of mine strip ratio of ~8:1. Similar to Harrys Hill and French Kiss, the strip ratio will be above the life of mine average for the first half of the life of mine before reducing to below the life of mine average. Mining of Karonie South was not included in Silver Lake's original FY20 guidance and given Karonie South ore will not be processed in FY20, pre-production stripping is not included in FY20 AISC guidance.



*Figure 1: Commencement of mining at Karonie South during the quarter*

### Processing

Ore milled for the quarter totalled 313,671 tonnes at 4.6 g/t Au for 41,971 recovered ounces (Chart 3). Mill throughput grades were 10% higher quarter on quarter, benefiting from the treatment of higher grade open pit material from French Kiss. Throughput rates were consistent quarter on quarter with recoveries marginally lower at 91%.

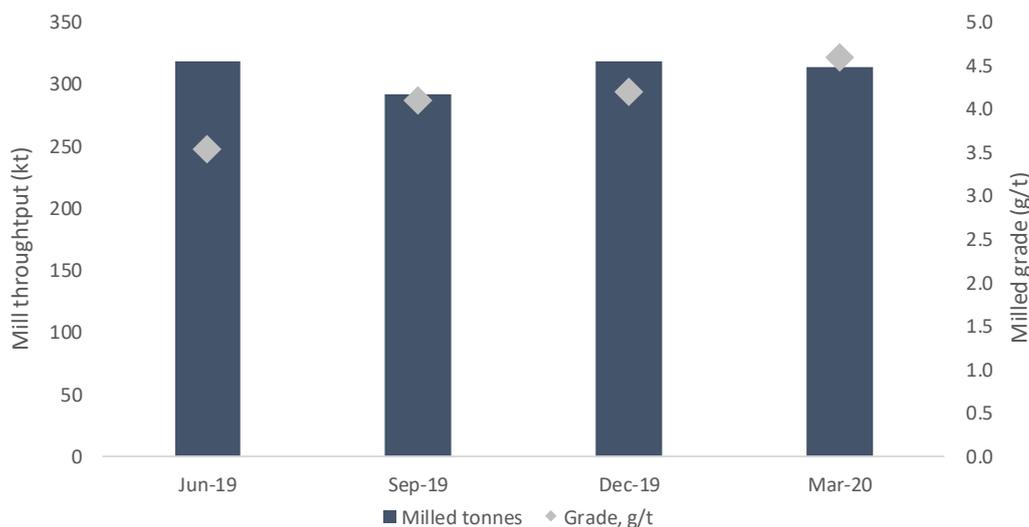


Chart 3: Mount Monger processing

The Mount Monger stockpile balance at 31 March was ~1.63 million tonnes containing 75,900 ounces (31 December 2019: ~1.49 million tonnes containing 68,400 ounces).

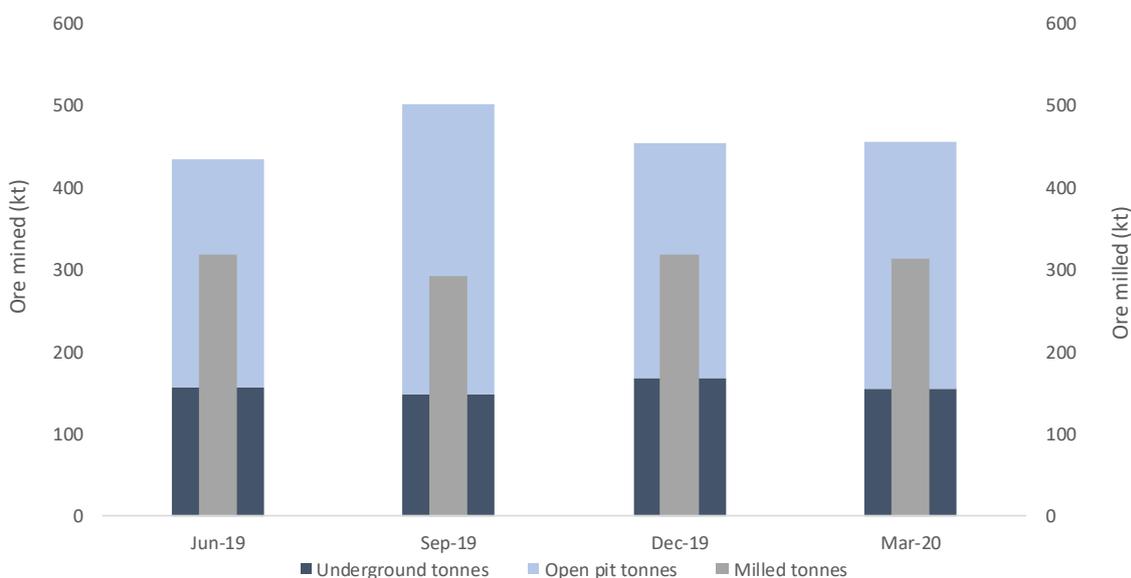


Chart 4: Mount Monger mined tonnes v milled tonnes

| Mount Monger Camp - Mining              | Units         | Jun Qtr 2019   | Sep Qtr 2019   | Dec Qtr 2019   | Mar Qtr 2020   | FY20 (YTD)       | FY19             |
|---|---------------|----------------|----------------|----------------|----------------|------------------|------------------|
| <b>Daisy Mining Centre - UG</b>         |               |                |                |                |                |                  |                  |
| Ore mined                               | Tonnes        | 62,379         | 74,235         | 69,078         | 64,742         | 208,055          | 298,357          |
| Mined grade                             | g/t Au        | 5.7            | 5.9            | 6.3            | 6.4            | 6.2              | 5.7              |
| Contained gold in ore                   | Oz            | 11,402         | 14,039         | 13,912         | 13,415         | 41,366           | 54,706           |
| <b>Mount Belches Mining Centre - UG</b> |               |                |                |                |                |                  |                  |
| Ore mined                               | Tonnes        | 93,635         | 73,765         | 99,657         | 90,405         | 263,827          | 376,153          |
| Mined grade                             | g/t Au        | 4.6            | 5.9            | 5.1            | 4.8            | 5.2              | 4.7              |
| Contained gold in ore                   | Oz            | 13,851         | 13,996         | 16,390         | 13,894         | 44,280           | 57,170           |
| <b>Aldiss Mining Centre - OP</b>        |               |                |                |                |                |                  |                  |
| Ore mined                               | Tonnes        | 279,324        | 353,523        | 286,416        | 300,326        | 940,265          | 744,590          |
| Mined grade                             | g/t Au        | 1.9            | 1.8            | 2.3            | 2.6            | 2.2              | 2.0              |
| Contained gold in ore                   | Oz            | 17,414         | 20,127         | 20,894         | 25,150         | 66,171           | 46,673           |
| <b>Total ore mined</b>                  | <b>Tonnes</b> | <b>435,698</b> | <b>501,523</b> | <b>455,151</b> | <b>455,473</b> | <b>1,412,147</b> | <b>1,419,100</b> |
| <b>Mined grade</b>                      | <b>g/t Au</b> | <b>3.0</b>     | <b>3.0</b>     | <b>3.5</b>     | <b>3.6</b>     | <b>3.3</b>       | <b>3.5</b>       |
| <b>Total contained gold in ore</b>      | <b>Oz</b>     | <b>42,667</b>  | <b>48,162</b>  | <b>51,196</b>  | <b>52,459</b>  | <b>151,817</b>   | <b>158,549</b>   |

Table 1: Mount Monger Camp - mine production statistics

| Mount Monger Camp - Processing | Units  | Jun Qtr 2019 | Sep Qtr 2019 | Dec Qtr 2019 | Mar Qtr 2020 | FY20 (YTD) | FY19      |
|--------------------------------|--------|--------------|--------------|--------------|--------------|------------|-----------|
| Ore milled                     | Tonnes | 318,767      | 291,795      | 318,372      | 313,670      | 923,838    | 1,229,195 |
| Head grade                     | g/t Au | 3.5          | 4.1          | 4.2          | 4.6          | 4.3        | 3.7       |
| Contained gold in ore          | Oz     | 36,325       | 38,136       | 42,676       | 46,413       | 127,420    | 144,948   |
| Recovery                       | %      | 95           | 95           | 93           | 91           | 93         | 95        |
| Gold produced                  | Oz     | 34,629       | 36,058       | 39,854       | 41,971       | 117,883    | 136,767   |
| Gold sold                      | Oz     | 33,004       | 34,269       | 38,702       | 43,912       | 116,883    | 141,006   |

Table 2: Mount Monger Camp - processing statistics

## Costs

Mount Monger's AISC for the quarter (Table 3) was A\$1,463/oz.

| Mount Monger Camp   | Notes | Unit        | Jun-19<br>Quarter | Sep-19<br>Quarter | Dec-19<br>Quarter | Mar-20<br>Quarter | FY20         | FY19         |
|---|-------|-------------|-------------------|-------------------|-------------------|-------------------|--------------|--------------|
| Mining costs  | 1     | A\$M        | 32.4              | 28.4              | 35.9              | 29.6              | 93.9         | 109.8        |
| General and administration costs                                  |       | A\$M        | 2.4               | 2.5               | 2.2               | 2.1               | 6.8          | 10.7         |
| Royalties   |       | A\$M        | 1.9               | 2.2               | 2.3               | 3.0               | 7.5          | 7.2          |
| By-product credits  |       | A\$M        | (0.1)             | (0.1)             | (0.2)             | (0.3)             | (0.6)        | (0.4)        |
| Processing costs  | 2     | A\$M        | 12.2              | 11.5              | 12.3              | 12.6              | 36.3         | 40.7         |
| Corporate overheads   |       | A\$M        | 0.7               | 1.7               | 2.1               | 1.5               | 5.3          | 2.9          |
| Mine exploration (sustaining)                                     | 3     | A\$M        | 0.8               | 1.7               | 2.6               | 2.7               | 7.0          | 3.4          |
| Capital expenditure and underground mine development (sustaining) | 4     | A\$M        | 6.3               | 7.6               | 6.6               | 7.6               | 21.8         | 24.0         |
| <b>All-in Sustaining Cash Costs (Before non-cash items)</b>       |       | <b>A\$M</b> | <b>56.6</b>       | <b>55.5</b>       | <b>63.8</b>       | <b>58.8</b>       | <b>178.0</b> | <b>198.3</b> |
| Inventory movements   | 5     | A\$M        | (11.7)            | (9.7)             | (10.7)            | 5.5               | (14.9)       | (5.9)        |
| Rehabilitation - accretion & amortisation                         | 5     | A\$M        | -                 | -                 | -                 | -                 | -            | -            |
| <b>All-in Sustaining Costs</b>                                    |       | <b>A\$M</b> | <b>44.8</b>       | <b>45.8</b>       | <b>53.0</b>       | <b>64.2</b>       | <b>163.1</b> | <b>192.4</b> |

| Gold sales for AISC purposes | oz | 33,004 | 34,269 | 38,702 | 43,912 | 116,883 | 134,189 |
|------------------------------|----|--------|--------|--------|--------|---------|---------|
|------------------------------|----|--------|--------|--------|--------|---------|---------|

|   |               |              |              |              |              |              |              |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Mining costs  | A\$/oz        | 980          | 829          | 927          | 674          | 803          | 818          |
| General and administration costs                                  | A\$/oz        | 72           | 73           | 57           | 48           | 58           | 80           |
| Royalties   | A\$/oz        | 57           | 65           | 59           | 68           | 64           | 53           |
| By-product credits  | A\$/oz        | (2)          | (3)          | (5)          | (7)          | (5)          | (3)          |
| Processing costs  | A\$/oz        | 370          | 335          | 317          | 287          | 311          | 303          |
| Corporate overheads   | A\$/oz        | 22           | 49           | 55           | 33           | 45           | 22           |
| Mine exploration (sustaining)                                     | A\$/oz        | 25           | 49           | 67           | 62           | 60           | 26           |
| Capital expenditure and underground mine development (sustaining) | A\$/oz        | 191          | 223          | 171          | 172          | 187          | 179          |
| <b>All-in Sustaining Cash Costs (before non-cash items)</b>       | <b>A\$/oz</b> | <b>1,714</b> | <b>1,620</b> | <b>1,647</b> | <b>1,338</b> | <b>1,523</b> | <b>1,478</b> |
| Inventory movements   | A\$/oz        | (356)        | (282)        | (277)        | 125          | (128)        | (44)         |
| Rehabilitation - accretion & amortisation                         | A\$/oz        | -            | -            | -            | -            | -            | -            |
| <b>All-in Sustaining Costs</b>                                    | <b>A\$/oz</b> | <b>1,358</b> | <b>1,338</b> | <b>1,371</b> | <b>1,463</b> | <b>1,396</b> | <b>1,434</b> |

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 \$1.8m for Q3 FY20).
- 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

### Mining

Deflector mine production for the quarter was 178,830 tonnes at 4.5 g/t gold and 0.3% copper. Mine tonnage remained consistent with Q2 despite an increase in development associated with accessing the Deflector South West Mineral Resource.

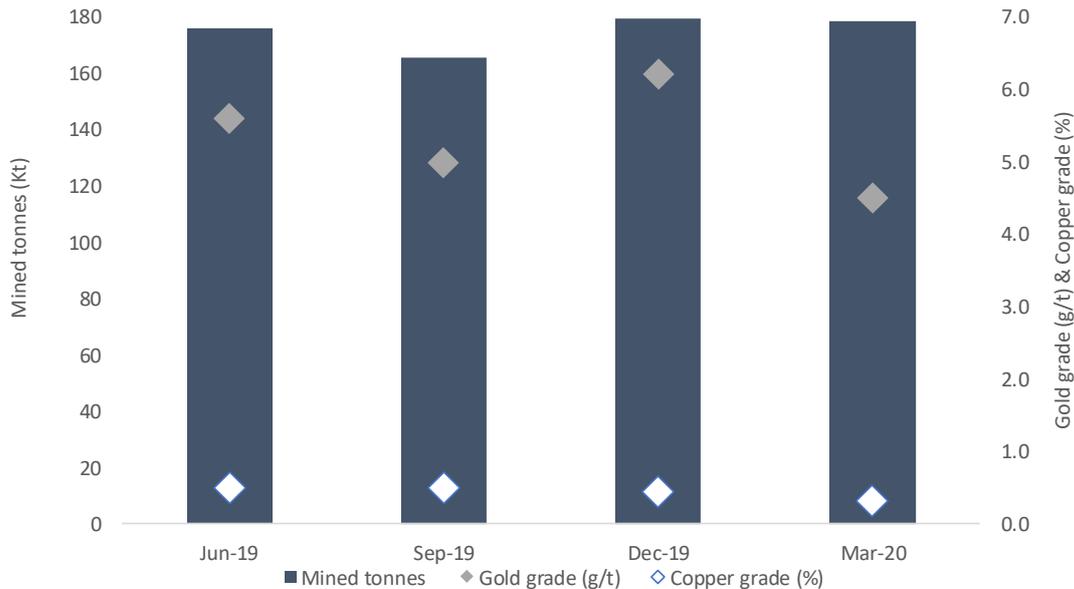


Chart 5: Deflector mined tonnes and grade

### Processing

Deflector mill throughput of 163,911 tonnes was marginally higher quarter on quarter and set a new quarterly record. Average mill grades for the quarter were 5.1 g/t gold and 0.29% copper. Total gold recovery was 88% and copper recovery was 91%.

Gold production for the quarter was 23,577 ounces with copper production of 438 tonnes or 25,154 ounces gold equivalent.

At 31 March 2020 Deflector had ore stocks of 86,500 tonnes at 2.7 g/t gold (31 December 2019: 73,000 tonnes at 3.5 g/t gold).

Concentrate production was lower quarter on quarter at 2,529 tonnes, with a significant increase in average gold grades to 88 g/t (2Q: 67 g/t) and consistent copper grades of 18%.

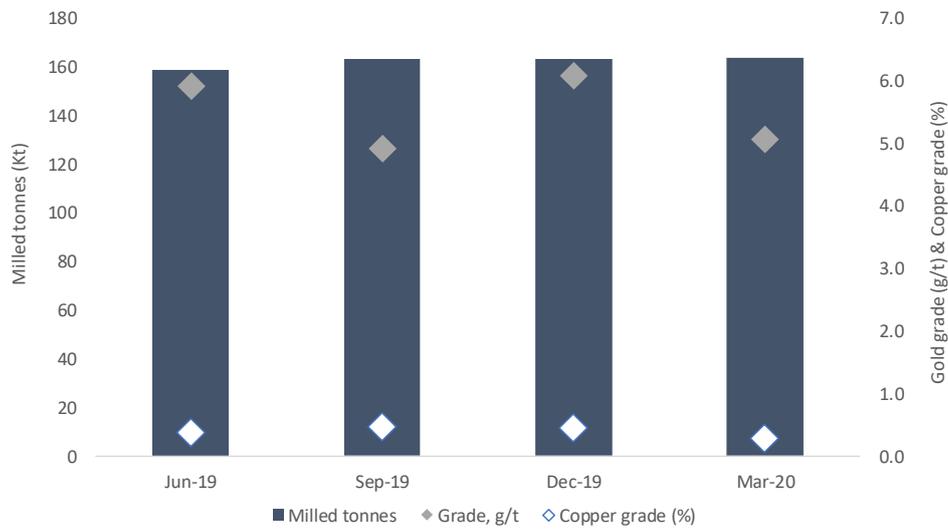


Chart 6: Deflector milled tonnes and grade

| Deflector                                |               | Units         | Jun Qtr 2019  | Sep Qtr 2019  | Dec Qtr 2019  | Mar Qtr 2020  | FY20 (YTD)    | FY19          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Ore mined                                |               | Tonnes        | 175,647       | 165,787       | 179,491       | 178,830       | 524,108       | 633,896       |
| Mined grade                              | Gold          | g/t Au        | 5.7           | 5.0           | 6.2           | 4.5           | 5.2           | 4.8           |
|  | Copper        | % Cu          | 0.5%          | 0.5%          | 0.4%          | 0.3%          | 0.4%          | 0.5%          |
| Contained gold in ore                    |               | Oz            | 31,902        | 26,569        | 35,538        | 26,041        | 88,148        | 97,725        |
| Contained copper in ore                  |               | Tonnes        | 864           | 796           | 793           | 452           | 2,041         | 2,881         |
| Ore milled                               |               | Tonnes        | 158,467       | 163,240       | 163,240       | 163,911       | 490,390       | 607,116       |
| Milled grade                             | Gold          | g/t Au        | 5.9           | 4.9           | 6.1           | 5.1           | 5.4           | 5.0           |
|  | Copper        | % Cu          | 0.4%          | 0.5%          | 0.5%          | 0.3%          | 0.4%          | 0.5%          |
| Recovery                                 | Gold          | %             | 91.32%        | 89.63%        | 89.51%        | 88.26%        | 89.17%        | 89.69%        |
|  | Copper        | %             | 92.43%        | 93.00%        | 93.48%        | 91.14%        | 92.74%        | 91.05%        |
| Gold bullion produced                    |               | Oz            | 20,254        | 15,828        | 20,603        | 16,854        | 53,285        | 64,632        |
| Concentrate produced                     |               | Tonnes        | 3,429         | 3,978         | 3,758         | 2,529         | 10,266        | 13,822        |
| Contained metal in concentrate           | Gold          | Oz            | 7,260         | 7,346         | 8,063         | 6,723         | 22,132        | 22,470        |
|  | Copper        | Tonnes        | 621           | 733           | 691           | 438           | 1,862         | 2,767         |
| <b>Total gold produced</b>               |               | <b>Oz</b>     | <b>27,514</b> | <b>23,174</b> | <b>28,665</b> | <b>23,577</b> | <b>75,416</b> | <b>87,102</b> |
| <b>Gold equivalent production</b>        |               | <b>Oz</b>     | <b>29,928</b> | <b>25,813</b> | <b>31,154</b> | <b>25,154</b> | <b>82,121</b> | <b>97,063</b> |
| <b>Gold bullion sales</b>                |               | <b>Oz</b>     | <b>20,305</b> | <b>15,749</b> | <b>19,886</b> | <b>17,700</b> | <b>53,335</b> | <b>63,511</b> |
| <b>Concentrate sold (dmt)</b>            |               | <b>Tonnes</b> | <b>4,156</b>  | <b>3,469</b>  | <b>4,153</b>  | <b>2,603</b>  | <b>10,226</b> | <b>15,002</b> |
| <b>Payable metal in concentrate sold</b> | <b>Gold</b>   | <b>Oz</b>     | <b>7,533</b>  | <b>6,664</b>  | <b>7,486</b>  | <b>6,571</b>  | <b>20,722</b> | <b>21,576</b> |
|  | <b>Copper</b> | <b>Tonnes</b> | <b>590</b>    | <b>613</b>    | <b>694</b>    | <b>452</b>    | <b>1,758</b>  | <b>2,544</b>  |

Table 4: Deflector mine and processing statistics

## Costs

Deflector's AISC for the quarter (Table 5) was A\$1,232/oz.

| Deflector Camp  | Notes | Unit          | Jun-19<br>Quarter | Sep-19<br>Quarter | Dec-19<br>Quarter | Mar-20<br>Quarter | FY20          | FY19          |
|---|-------|---------------|-------------------|-------------------|-------------------|-------------------|---------------|---------------|
| Mining costs  | 1     | A\$M          | 18.9              | 14.8              | 14.0              | 14.2              | 43.0          | 18.9          |
| General and administration costs                                  |       | A\$M          | 2.2               | 2.5               | 2.5               | 2.4               | 7.4           | 2.2           |
| Royalties   |       | A\$M          | 2.1               | 1.4               | 2.6               | 2.3               | 6.2           | 2.1           |
| By-product credits  | 2     | A\$M          | (3.4)             | (4.0)             | (4.6)             | (2.7)             | (11.3)        | (3.4)         |
| Processing costs  |       | A\$M          | 6.7               | 6.0               | 6.3               | 5.8               | 18.2          | 6.7           |
| Corporate overheads   |       | A\$M          | 2.3               | 1.2               | 2.1               | 1.5               | 4.8           | 2.3           |
| Mine exploration (sustaining)                                     | 3     | A\$M          | 0.6               | 1.0               | 1.7               | 1.7               | 4.3           | 0.6           |
| Capital expenditure and underground mine development (sustaining) | 4     | A\$M          | 2.6               | 3.9               | 3.3               | 5.9               | 13.1          | 2.6           |
| <b>All-in Sustaining Cash Costs (Before non-cash items)</b>       |       | <b>A\$M</b>   | <b>32.0</b>       | <b>26.7</b>       | <b>28.0</b>       | <b>31.0</b>       | <b>85.6</b>   | <b>32.0</b>   |
| Inventory movements   | 5     | A\$M          | (2.9)             | (1.1)             | (2.3)             | (1.1)             | (4.4)         | (2.9)         |
| Rehabilitation - accretion & amortisation                         |       | A\$M          | 0.1               | -                 | -                 | -                 | -             | 0.1           |
| <b>All-in Sustaining Costs</b>                                    |       | <b>A\$M</b>   | <b>29.2</b>       | <b>25.6</b>       | <b>25.7</b>       | <b>29.9</b>       | <b>81.2</b>   | <b>29.2</b>   |
| <b>Gold sales for AISC purposes</b>                               |       | <b>oz</b>     | <b>27,837</b>     | <b>22,414</b>     | <b>27,371</b>     | <b>24,272</b>     | <b>74,057</b> | <b>27,837</b> |
| Mining costs  |       | A\$/oz        | 680               | 660               | 513               | 584               | 581           | 680           |
| General and administration costs                                  |       | A\$/oz        | 78                | 110               | 92                | 99                | 99            | 78            |
| Royalties   |       | A\$/oz        | 76                | 63                | 94                | 93                | 84            | 76            |
| By-product credits  |       | A\$/oz        | (123)             | (180)             | (167)             | (112)             | (153)         | (123)         |
| Processing costs  |       | A\$/oz        | 241               | 268               | 231               | 241               | 245           | 241           |
| Corporate overheads   |       | A\$/oz        | 82                | 54                | 77                | 60                | 64            | 82            |
| Mine exploration (sustaining)                                     |       | A\$/oz        | 20                | 44                | 61                | 70                | 59            | 20            |
| Capital expenditure and underground mine development (sustaining) |       | A\$/oz        | 93                | 172               | 121               | 243               | 177           | 93            |
| <b>All-in Sustaining Cash Costs (Before non-cash items)</b>       |       | <b>A\$/oz</b> | <b>1,148</b>      | <b>1,190</b>      | <b>1,022</b>      | <b>1,276</b>      | <b>1,156</b>  | <b>1,148</b>  |
| Inventory movements   |       | A\$/oz        | (105)             | (48)              | (83)              | (44)              | (60)          | (105)         |
| Rehabilitation - accretion & amortisation                         |       | A\$/oz        | 5                 | -                 | -                 | -                 | -             | 5             |
| <b>All-in Sustaining Costs</b>                                    |       | <b>A\$/oz</b> | <b>1,048</b>      | <b>1,142</b>      | <b>939</b>        | <b>1,232</b>      | <b>1,096</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 (amounting to \$1.0m for Q3 FY20).
- 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 \$41 million during the quarter to \$227 million at 31 March 2020 with no debt. The cash and bullion position at 31 March excludes gold in circuit and concentrate on hand totalling \$8.9 million.

Key cash flow movements included:

- Net cash inflow from Mount Monger of \$42.0 million
- Net cash inflow from Deflector of \$29.8 million
- Exploration spend of \$6.1 million
- Capital spend of \$12.9 million, including \$10.1 million in capital associated with establishing Santa underground infrastructure (\$2.6 million), Karonie South pre strip and mobilisation (\$5.4 million) and Rothsay pre development work (\$2.1 million)

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

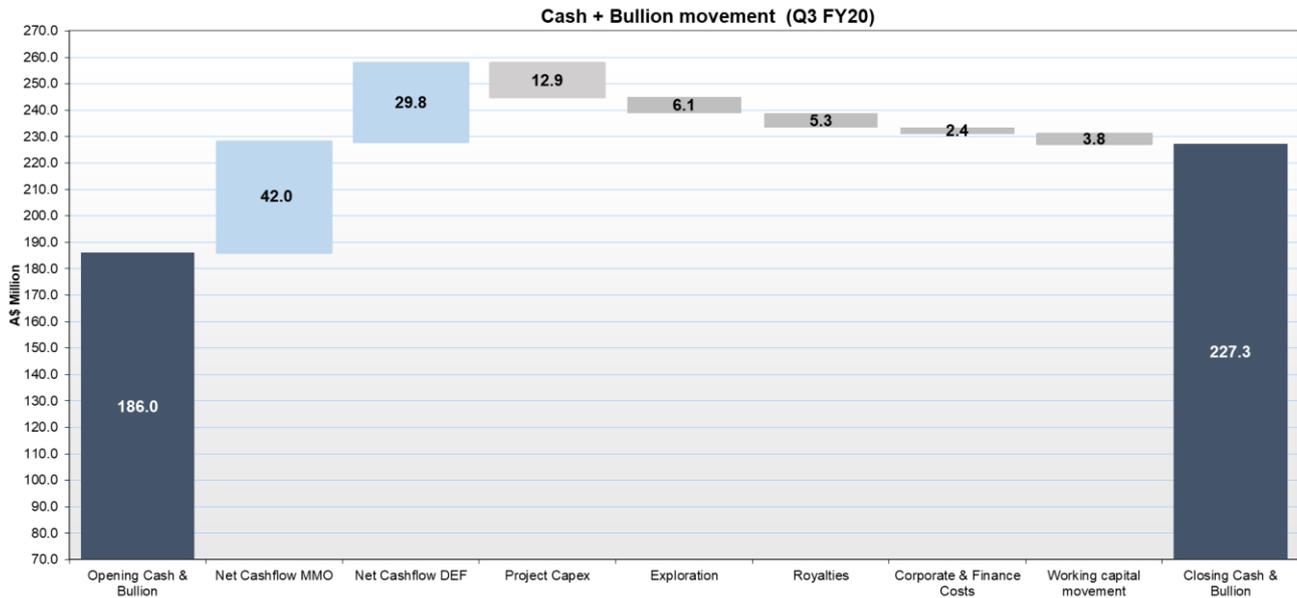


Chart 7: Group cash & bullion movement for the quarter

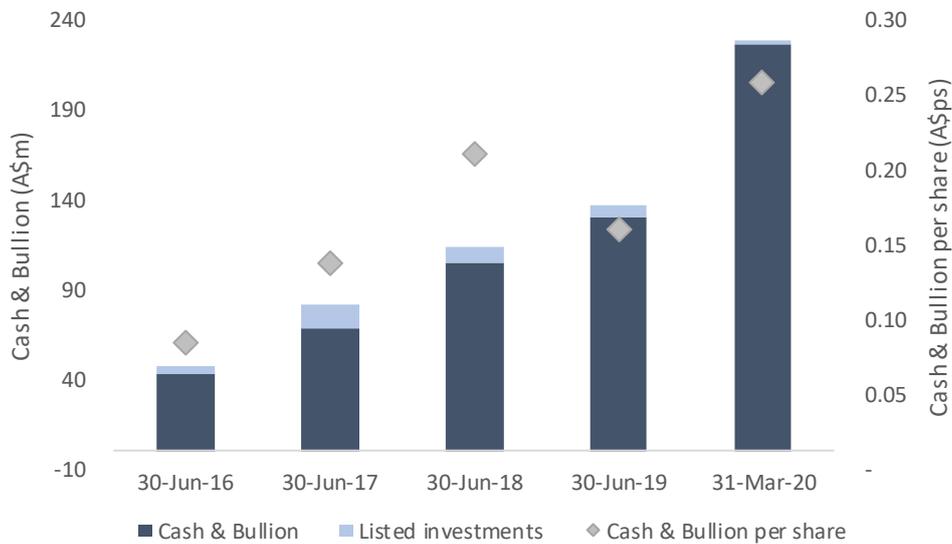


Chart 8: Demonstrated ability to convert operating performance to cash

## Hedging

As at 31 March 2020, Silver Lake's forward gold hedging program totalled 184,000 ounces, to be delivered over the next 2¼ years at an average forward price of A\$2,100/oz.

|                            | Total   | Jun-20<br>HY | Dec-20<br>HY | Jun-21<br>HY | Dec-21<br>HY | Jun-22<br>HY |
|----------------------------|---------|--------------|--------------|--------------|--------------|--------------|
| Ounces (koz)               | 184,000 | 28,432       | 38,068       | 30,000       | 42,000       | 45,500       |
| Hedged gold price (A\$/oz) | 2,100   | 1,845        | 1,884        | 1,928        | 2,333        | 2,341        |

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

## Exploration

### Overview

Silver Lake invested \$6.0 million in exploration during the quarter to advance high-grade projects within established and proven mineralised corridors proximal to established infrastructure.

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

### Deflector

#### Maiden Deflector South West Mineral Resource delivers significant increase in Mineral Resources at Deflector

During the quarter Silver Lake’s investment in exploration at Deflector delivered significant Resource growth with a maiden Mineral Resource Estimate declared for Deflector South West (adjacent to the 2019 Deflector Mineral Resource and existing underground mine development). The Mineral Resource Estimate of 634,000 tonnes @ 14.9 g/t gold and 0.6% copper for 304,000 ounces gold and 3,600 tonnes copper comprises high grade gold/copper mineralisation with “Deflector style” quartz veining and massive sulphides to the south and south west over 500 metres of strike.

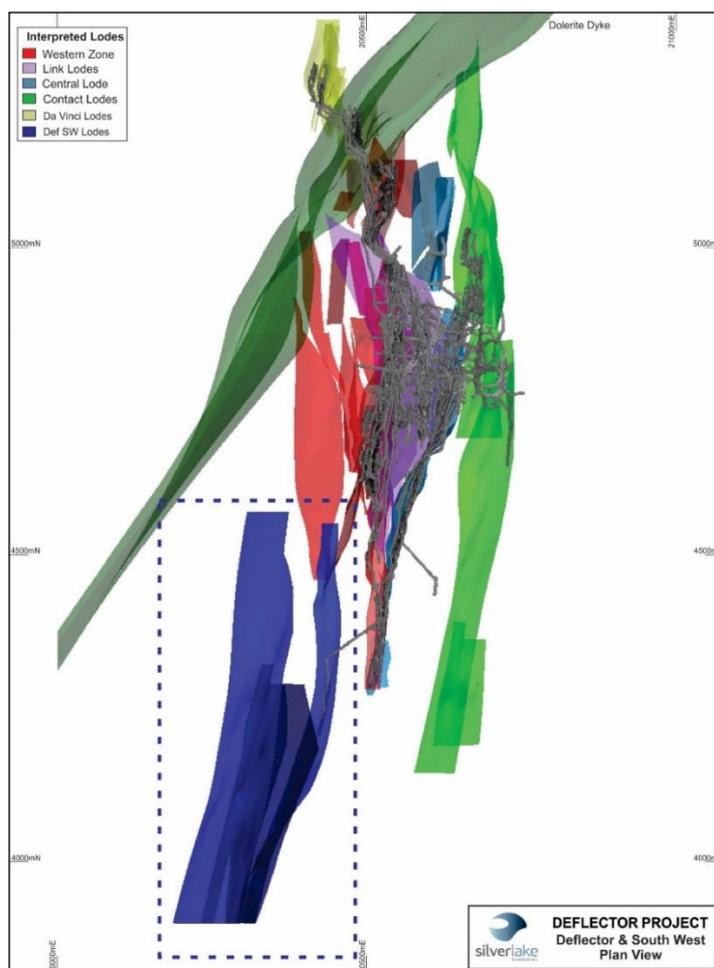


Figure 2: Plan view of Deflector South West MRE relative to the 2019 Deflector MRE

The maiden Mineral Resources Estimate for the Deflector South West mineralisation is set out in Table 7 below.

|              | Tonnes         | Gold Grade<br>g/t | Copper Grade<br>(%) | Ounces<br>(Au) | Tonnes<br>(Cu) |
|--------------|----------------|-------------------|---------------------|----------------|----------------|
| Indicated    | 104,000        | 19.2              | 1.2                 | 64,000         | 1,200          |
| Inferred     | 530,000        | 14.1              | 0.5                 | 240,000        | 2,400          |
| <b>Total</b> | <b>634,000</b> | <b>14.9</b>       | <b>0.6</b>          | <b>304,000</b> | <b>3,600</b>   |

Table 7: Deflector South West Mineral Resource Estimate reported at a gold cut-off of 2.0 g/t Au

The Deflector South West Mineral Resource will be subject to further infill and extensional drilling as the currently advancing exploration development drive reaches suitable drilling positions. The exploration drive will also provide valuable information for mining studies assessing the optimal mine plan for the area.

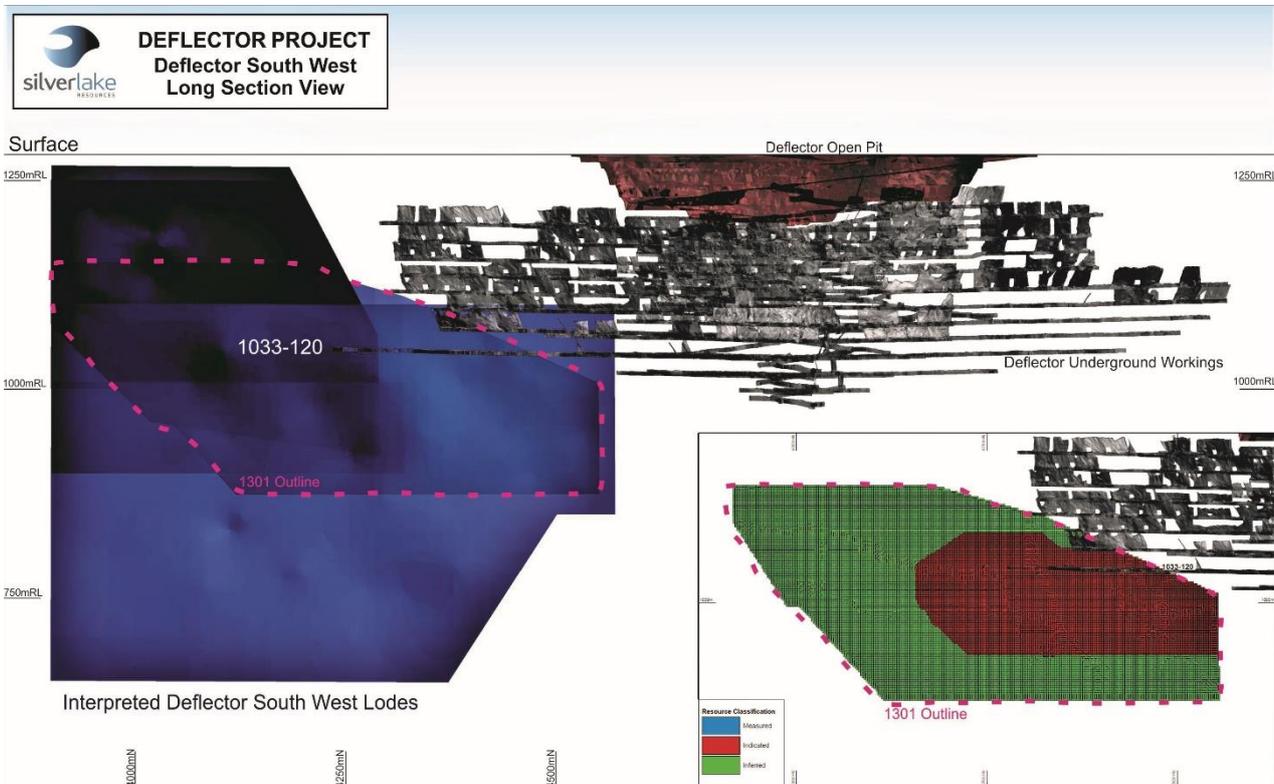


Figure 3: Long section of the Deflector South West area relative to current Deflector underground workings

The current Deflector Mineral Resource is as set out below.

|              | Tonnes           | Gold Grade<br>g/t | Copper Grade<br>(%) | Ounces<br>(Au) | Tonnes<br>(Cu) |
|--------------|------------------|-------------------|---------------------|----------------|----------------|
| Measured     | 452,000          | 13.4              | 1.3                 | 195,000        | 5,900          |
| Indicated    | 1,132,000        | 12.1              | 0.5                 | 440,000        | 6,100          |
| Inferred     | 662,000          | 9.0               | 0.3                 | 191,000        | 2,100          |
| <b>Total</b> | <b>2,246,000</b> | <b>11.4</b>       | <b>0.6</b>          | <b>826,000</b> | <b>14,100</b>  |

Table 8: Deflector Mineral Resource Estimate at 1.0g/t cut-off above 100m RL, and 2.0g.t below 100m RL, as at 30th June 2019

*Mount Monger*

**Ongoing Easter Hollows drilling returns further outstanding high-grade assays and development commenced**

The exploration strategy at Easter Hollows to deliver a new, shallower mining area proximal to established mine infrastructure at the Daisy Complex was initiated 2 years ago<sup>5</sup> and has progressively been ramped up, with sufficient data now available to provide confidence to commence development to access the identified lodes.

The recently completed 25 hole drill program designed to infill and extend the Easter Hollows lodes, representing 155,000 ounces of the broader 599,000 ounce Inferred Resource at the Daisy Complex, returned a number of spectacular intersections which will be incorporated into the 2020 Daisy Complex Mineral Resource. Highlights include<sup>6</sup>:

| Hole #                             | From (m) | To (m) | Interval (m) | Gold (g/t) |
|------------------------------------|----------|--------|--------------|------------|
| EH266004                           | 160.9    | 164.1  | 3.25         | 13.0       |
| EH266006                           | 132.9    | 133.3  | 0.45         | 122        |
|                                    | 219.1    | 222.2  | 3.15         | 5.76       |
| EH266007                           | 168.2    | 168.5  | 0.30         | 58.5       |
|                                    | 214.0    | 215.7  | 1.70         | 6.68       |
|                                    | 262.0    | 262.2  | 0.20         | 90.3       |
| EH266009                           | 121.2    | 122.2  | 1.03         | 40.2       |
| EH266010<br><i>Including &amp;</i> | 237.9    | 242.8  | 4.96         | 4.31       |
|                                    | 239.7    | 242.8  | 3.08         | 6.48       |
|                                    | 252.2    | 252.4  | 0.24         | 54.1       |
| EH266013<br><i>Including</i>       | 291.7    | 294.4  | 2.70         | 29.6       |
|                                    | 292.5    | 292.7  | 0.25         | 161        |
|                                    | 294.2    | 294.4  | 0.20         | 159        |
| EH266014                           | 3.65     | 4.05   | 0.40         | 77.4       |
| EH266015                           | 11.2     | 11.5   | 0.32         | 71.0       |
|                                    | 272.1    | 272.3  | 0.20         | 330        |
| EH266018<br><i>Including</i>       | 231.2    | 240.0  | 8.77         | 11.6       |
|                                    | 235.1    | 240.0  | 4.94         | 20.2       |
|                                    | 236.5    | 238.7  | 2.25         | 39.7       |
| EH266022                           | 209.7    | 212.7  | 3.02         | 5.39       |
| EH266023<br><i>Including</i>       | 263.8    | 268.0  | 4.23         | 4.53       |
|                                    | 265.5    | 268.0  | 2.83         | 6.40       |
| EH266027<br><i>Including</i>       | 228.4    | 235.4  | 6.95         | 8.87       |
|                                    | 232.8    | 233.1  | 0.35         | 47.5       |
|                                    | 234.4    | 234.9  | 0.46         | 83.6       |
| EH266028<br><i>Including</i>       | 306.0    | 307.0  | 1.00         | 39.0       |
|                                    | 306.8    | 307.0  | 0.20         | 190        |

Table 9: Significant assays from latest round of Easter Hollows drilling

The recent exploration results supported the decision to commence development to access the Easter Hollows lodes between the 520RL and 660RL. The target area is located ~350m to the west of current underground infrastructure and is expected to be reached towards the end of Q4 FY20. All underground development costs are included in Silver Lake's FY20 AISC guidance for Mount Monger.

6. Refer ASX releases 12 February 2020 "Exploration advances Mount Monger organic growth strategy"

Development into Easter Hollows serves a dual purpose by providing access to the Easter Hollows lodes currently in Mineral Resources to deliver near term production whilst also providing the necessary drill platforms for Resource definition and extensional drilling to target the broader Easter Hollows system which has a plunge extent of 1,000m.

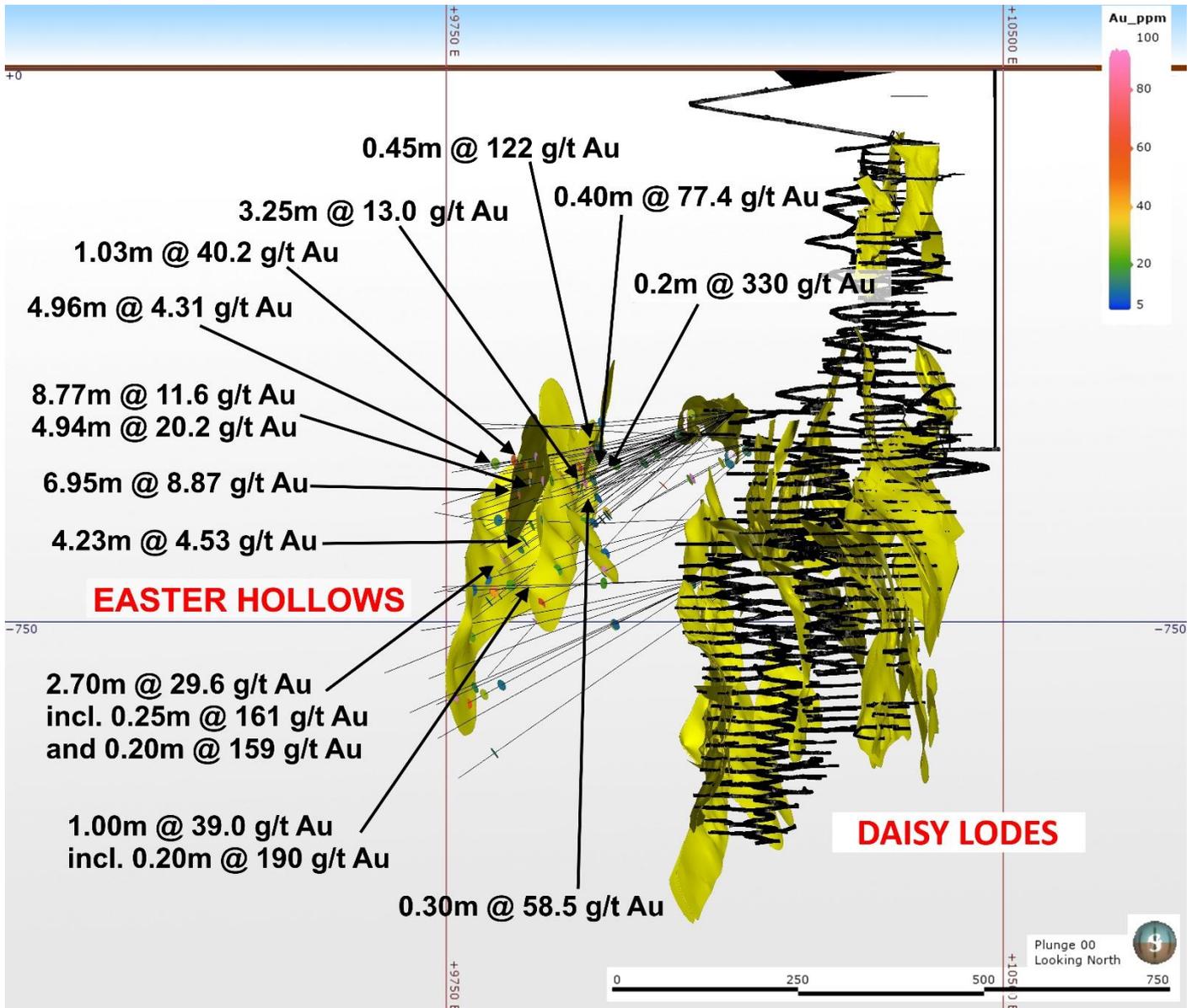


Figure 4: Oblique 3D view looking north highlighting the Easter Hollows target area and showing the modelled lode wireframes, recent drilling and existing underground development

### Santa drilling extends West Limb and identifies a new zone of high-grade mineralisation

The Santa exploration strategy has centred on defining shallow, high-grade mineralisation beneath the Santa North Open Pit (West Limb) to provide a development path accessing the large Santa Resource which is predominantly located on the eastern limb. The eastern limb was the focus of historical exploration programs prior to the discovery of high-grade mineralisation on the western limb beneath the Santa North open pit in June 2018.

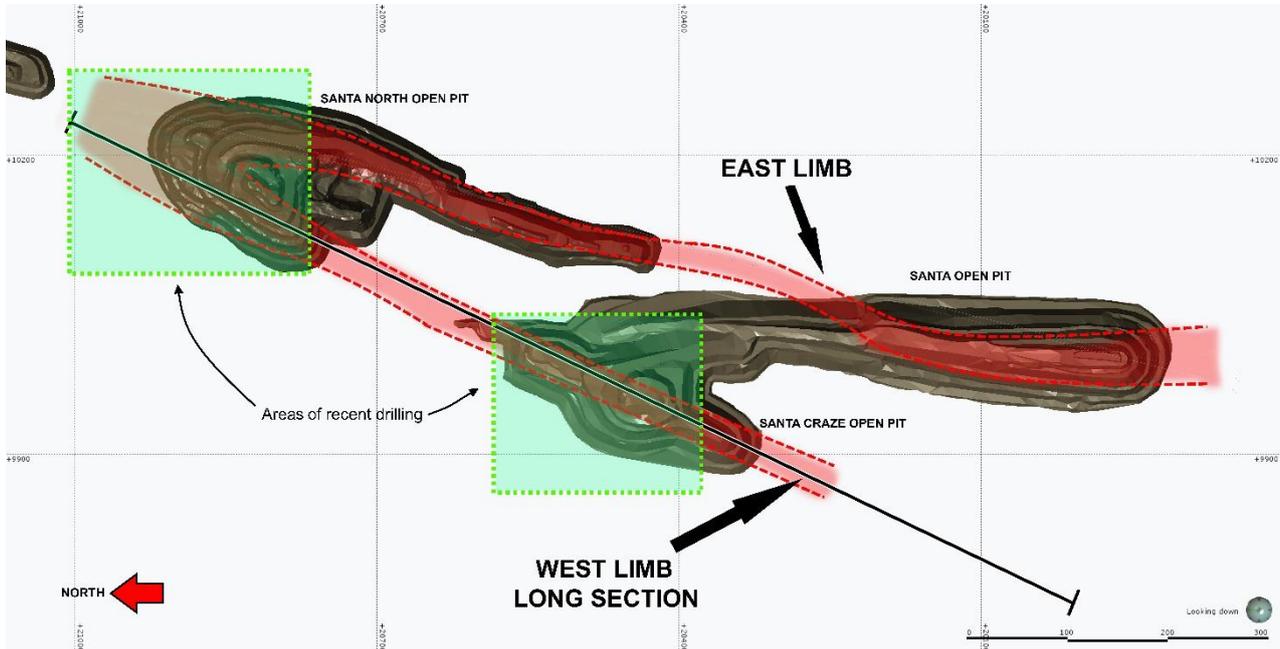


Figure 5: Plan view of the Santa area showing historical open pits and location of western and eastern limbs

Following the delineation of a maiden Santa Ore Reserve in August 2019, the development of the shallow, high-grade Santa underground mine was subsequently approved in October 2019 with underground development to commence in Q4 FY20.

Surface exploration drilling has been ongoing targeting infill and further extensions to the north of the Ore Reserve and to the south, immediately beneath the Santa Craze open pit. Drilling has successfully intersected mineralisation in these target areas and provides further support for mine extensions beyond the current Santa Ore Reserve.

The drill program also intersected a new, high-grade zone on the eastern limb in several drill holes which were targeting the western limb. This discovery is particularly encouraging given the majority of the Santa Resource resides on the eastern limb. Highlights include<sup>7</sup>:

7. Refer ASX releases 12 February 2020 “Exploration advances Mount Monger organic growth strategy”

| Hole #    | From (m) | To (m) | Interval (m) | Gold (g/t) |
|-----------|----------|--------|--------------|------------|
| 19SADD012 | 289.1    | 291.2  | 2.09         | 13.2       |
|           | 295.9    | 302.9  | 7.05         | 2.62       |
| 19SADD016 | 240.8    | 243.4  | 2.53         | 7.95       |
| 19SADD019 | 96.2     | 96.5   | 0.27         | 135        |
|           | 118.0    | 120.2  | 2.24         | 7.71       |
| 19SADD020 | 115.9    | 116.1  | 0.23         | 56.0       |
|           | 160.9    | 163.1  | 2.13         | 31.4       |
| 19SADD021 | 128.7    | 130.8  | 2.06         | 9.03       |
|           | 257.9    | 259.2  | 1.29         | 15.6       |
| 19SADD022 | 208.1    | 212.8  | 4.72         | 3.88       |
|           | 252.3    | 255.3  | 2.99         | 4.85       |
| 19SADD023 | 105.5    | 106.6  | 1.13         | 34.2       |
| 19SADD024 | 93.0     | 96.4   | 3.34         | 3.57       |
|           | 100.4    | 102.5  | 2.08         | 7.26       |
|           | 110.7    | 115.0  | 4.27         | 4.66       |
| 19SADD027 | 114.0    | 120.0  | 6.01         | 4.33       |

Table 10: Significant assays from latest round of Santa drilling

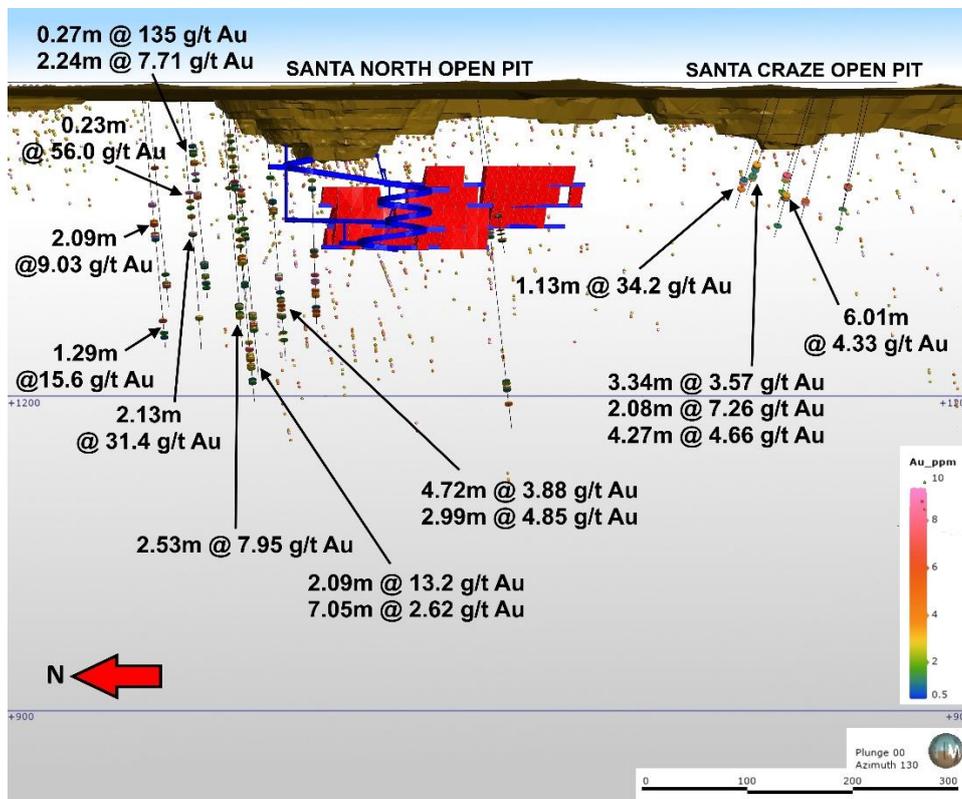


Figure 6: Santa West Limb long section, highlighting planned development for the 2019 Santa Underground Ore Reserve and recent intersections outside of the Ore Reserve

The established BIF hosted Mount Belches mines, Maxwells and Cock-eyed Bob have an established track record of Reserve replacement and Resource conversion, and the drilling results released today provide further support for life of mine extensions at Santa in excess of the current Ore Reserve.



Figure 7: Mount Belches Mining Centre underground Ore Reserves and cumulative production

### Tank Area drilling enhances the development path for the shallow, wide, high-grade Tank South deposit

Silver Lake announced the discovery of the high-grade Tank South deposit in June 2019 with a maiden Inferred Mineral Resource subsequently reported in August 2019<sup>8</sup>.

Infill drilling has confirmed the continuity and geometry of high-grade mineralisation over the 120m strike length of the 2019 Mineral Resource. The 120m strike is drilled on 20m x 20m spacing and the information will be used to convert the Tank South Inferred Resource to the higher confidence Indicated Resource status. Highlights include<sup>9</sup>:

8. Refer ASX release August 2019 “Reserve growth reshapes Silver Lake’s portfolio

9. Refer ASX releases 12 February 2020 “Exploration advances Mount Monger organic growth strategy”

| Hole #     | From (m) | To (m) | Interval (m) | Gold (g/t) |
|------------|----------|--------|--------------|------------|
| 19STRC016  | 116      | 124    | 8.00         | 5.23       |
|            | 127      | 146    | 19.0         | 4.45       |
| 19STRC020  | 132      | 154    | 22.0         | 5.15       |
| 19STRC022D | 139      | 152    | 13.0         | 11.0       |
| 19STRC023D | 152.5    | 165.0  | 12.5         | 5.41       |
|            | 193.0    | 202.0  | 9.00         | 10.4       |
| 19STDD024  | 163.0    | 172.8  | 9.88         | 3.89       |
|            | 180.1    | 195.0  | 14.9         | 10.6       |
| 19STDD025  | 119.0    | 137.5  | 18.5         | 6.51       |
| 19STDD028  | 130.1    | 135.7  | 5.6          | 4.15       |
|            | 141.0    | 147.9  | 6.88         | 8.32       |
| 19STDD031  | 135.0    | 144.2  | 9.23         | 15.4       |
| 19STDD039  | 189.0    | 201.0  | 12.0         | 7.65       |
| 19STDD045  | 208.0    | 214.0  | 6.00         | 8.54       |
| 19STDD046  | 131.4    | 142    | 10.6         | 6.12       |

Table 11: Significant assays from latest round of Tank South drilling

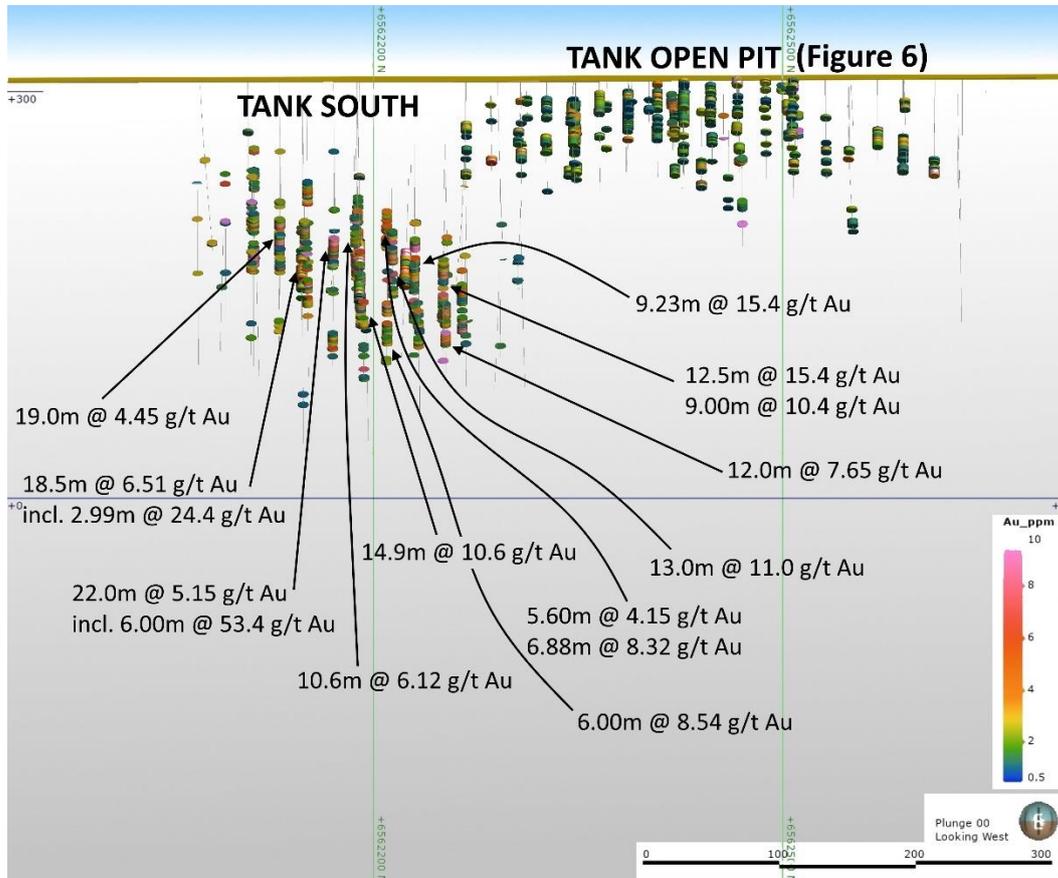


Figure 8: Significant assays from latest round of Tank South drilling, highlighting proximity to Tank open pit Resource

### Tank Open Pit

The historical Tank Open Pit Resource on the SAT trend was elevated in exploration priority following the discovery of the Tank South deposit and subsequent delineation of the maiden Mineral Resource in August 2019. The pit's proximity presents an opportunity to mine ounces from the Tank Open Pit as part of an integrated open pit/underground development strategy, with the Tank South portal to be located within the potential open pit.

A 25 hole RC drill program was commenced in October 2019 to validate and convert the historical Tank Open Pit Inferred Resource to Indicated status and test for continuity of mineralisation beyond the Mineral Resource limit to the north.

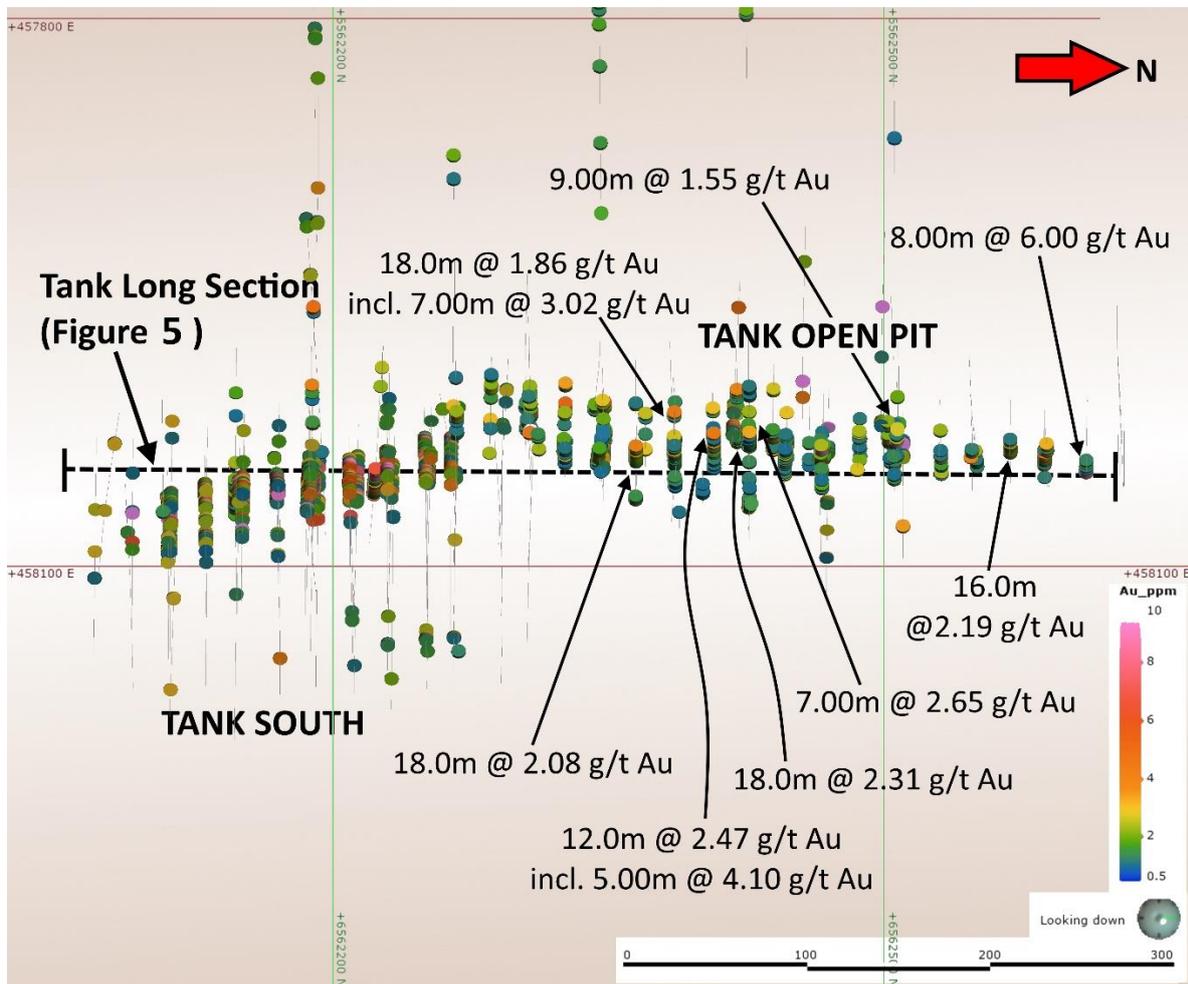


Figure 9: Plan view of Tank area, highlighting significant assays from Tank open pit drilling

The infill component of the program was designed to infill historical drill spacing to 20m x 20m, with the step out program to the north designed to validate a significant historical intercept and subject to success, test for further continuity to the north. Hole 19TKRC002 which returned 8m @ 6.00 g/t is located 65m to the north of the historical Mineral Resource. Highlights include<sup>10</sup>:

10. Refer ASX releases 12 February 2020 "Exploration advances Mount Monger organic growth strategy"

| Hole #    | From (m) | To (m) | Interval (m) | Gold (g/t) |
|-----------|----------|--------|--------------|------------|
| 19TKRC002 | 74       | 82     | 8.00         | 6.00       |
| 19TKRC004 | 42       | 58     | 16.0         | 2.19       |
| 19TKRC007 | 19       | 28     | 9.00         | 1.55       |
| 19TKRC011 | 71       | 78     | 7.00         | 2.65       |
| 19TKRC012 | 11       | 29     | 18.0         | 2.31       |
| 19TKRC014 | 38       | 50     | 12.0         | 2.47       |
| 19TKRC015 | 25       | 43     | 18.0         | 1.86       |
| 19TKRC017 | 9        | 27     | 18.0         | 2.08       |

Table 12: Significant assays from latest round of Tank South drilling

Mine optimisation studies will now be progressed, with the open pit drilling results highlighting the potential to mine significant economic ounces as part of an integrated open pit and underground development to access the thick, high-grade Tank South deposit.

Further exploration at Tank South will focus on identifying lode extensions with mineralisation presently constrained to the north and south by sharp post mineralised faults.

The successful infill drilling at Tank South increases confidence in the potential for a medium term underground development, highlighting the emerging underground potential at the broader Aldiss Mining Centre. Silver Lake has previously highlighted the potential for gold lodes at Karonie to remain open down plunge beneath the existing Karonie open pit and proposed Karonie South cut back, which will be subject to further drilling.

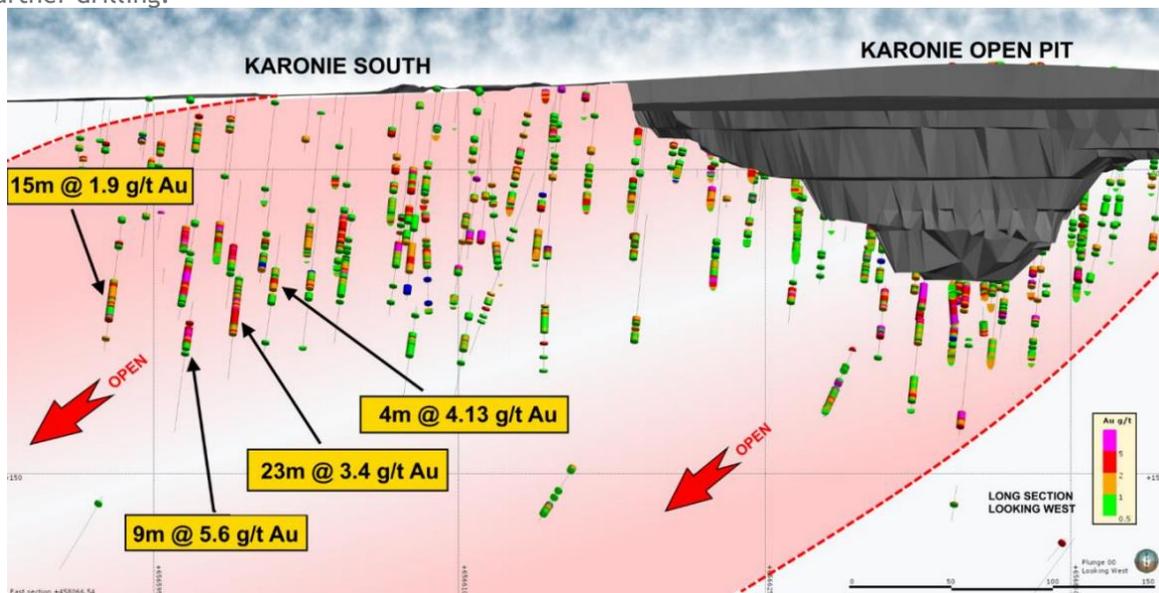


Figure 10: Karonie long section highlighting potential down plunge extension of mineralised lodes

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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### **Competent Person's Statement**

The information in this announcement that relates to Exploration Targets and Exploration Results at Mount Monger 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 fulltime 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 in this announcement that relates to Exploration Targets and Exploration Results at Deflector is based on information compiled by Ms Karen Wellman, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Ms Wellman is a fulltime 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'. Ms Wellman 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 in this announcement relating to the Deflector Mineral Resources and Ore Reserves (other than the Deflector South West Resource) has been extracted from the ASX announcement entitled "Reserve growth reshapes Silver Lake's portfolio" dated 27 August 2019 which is available to view at [www.silverlakeresources.com.au](http://www.silverlakeresources.com.au). The information in this announcement relating The information in this announcement relating the Deflector South West Mineral Resource has been extracted from the ASX announcement entitled "Maiden Deflector South West Mineral Resource delivers significant increase in Mineral Resources at Deflector" dated 10 March 2020. 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 original 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.