

19 June 2019

ASX Limited
Level 40, Central Park
152 – 158 St George's Terrace
PERTH WA 6000
By email: ListingsCompliancePerth@asx.com.au

Attention: Wade Baggott, Principal Adviser, Listings Compliance (Perth)

Dear Sir

SILVER LAKE RESOURCES LIMITED ('SLR'): AWARE QUERY

We refer to your letter dated 18 June 2019, a copy of which is attached to this letter. Our responses to the questions in your letter are set out below.

For convenience, we have used the same defined terms as set out in your letter.

Your letter refers to the recent increase in the price of SLR's securities and the significant increase in volumes traded over the period 17 and 18 June 2019. As discussed with you on the morning of 18 June, the VanEck Vectors Junior Gold Miners ETF (**GDXJ**) Q2 quarterly re-weighting took place with effect on and from 17 June. We understand that SLR's weighting within the US\$3.92 billion GDXJ increased from 0.40% to 0.74%, an increase of approximately 85%. We note that this was by far the biggest re-weighting (by percentage movement) within the GDXJ for Q2. As indicated to you, we believe that the re-weighting is likely to have accounted for a significant proportion of the increased trading volume and price increase in SLR shares observed on 17 June and which continued on 18 June due to the nature of index based trading.

1. Does SLR consider the Exploration Results to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

2. If the answer to question 1 is "no", please advise the basis for that view.

- (a) Whilst the Announcement highlights some promising drill intersections at Tank South and Easter Hollows, the full set of intersections which are set out in Appendix 2 to the Announcement show variable gold intersections. No reasonable investor could conclude or infer from these intersections (and earlier results released to ASX) that SLR has identified new material, economic resources.
- (b) The information contained in the Exploration Results is provided by way of update to ongoing

exploration at Tank South and Easter Hollows and further exploration work is planned over the next 12 months. Exploration programs at both targets remain ongoing and as such the Exploration Results are incomplete.

- (c) Exploration activities at the SAT Trend (including Tank South) and Easter Hollows are at an early stage and have not, to date, resulted in SLR identifying economic mineralisation which can at this time be incorporated into SLR's future mining plans.
- (d) Given the above, a reasonable person would not expect the Exploration Results to have a material effect on the price or value of securities in a mining producing entity currently producing in excess of 200,000 ounces of gold per annum.
- (e) In respect of the Tank South Exploration Results, the Announcement noted:

"Detailed geological interpretation and analysis is underway to understand the structural and stratigraphic controls on the mineralisation to guide further exploration drill targeting of potential extensions and offsets." [at page 3]

"Further drilling will be planned to target extensions to the high-grade mineralisation whilst at the same time providing data to better understand the geometry of adjacent fault structures and their impact on the continuity of the high-grade zone. Immediate follow up exploration work will include structural, geophysical and litho-geochemical analysis to develop robust targeting criteria for potential extensions and offsets. This work will continue through the remainder of FY19 and into FY20." [at page 4]

The Announcement explicitly sets out the further exploration activities that will be undertaken at Tank South and the likely timing of such activities. This follows two previous announcements to ASX on 24 August 2018 ("Mineral Resource & Ore Reserve Statement" and 31 January 2019 ("Quarterly Activities Report") which provide updates on earlier exploration at SAT (which includes Tank South). Both earlier announcements were cross-referenced in the Announcement.

- (f) In respect of the Easter Hollows Exploration Results, the Announcement noted:

"Recent underground diamond drilling at Easter Hollows continues to build on previous drilling programs targeting continuity and extensions to lode wireframes and has successfully intersected high grade "Daisy style" mineralisation." [at page 6]

"Silver Lake is aiming to delineate a maiden Mineral Resource for the Easter Hollows area in the 2019 Annual Mineral Resource update." [at page 6]

"Mineralisation identified in intersections (including EH246011, 3.79m @ 12.4 g/t Au), located between the Haoma West and Easter Hollows area, highlight the potential for additional lodes between the Daisy mineralised system and Easter Hollows. Follow up assessment of this mineralisation is a near term opportunity as the area has the potential

to be readily accessed as part of the development into the broader Easter Hollows area, should a positive investment decision be made to commence development.” [emphasis added] [at page 7]

The Announcement explicitly stated that the aim of the exploration program at Easter Hollows is to delineate a maiden Mineral Resource. No exploration target was (or has previously been) provided. As at the date of this letter, no such Mineral Resource has been declared or is capable of being declared. Further, as noted in the Announcement, no decision has been made to commence development. Any such decision would necessarily include an assessment of the cost, risk and benefits of doing so, and there is insufficient information available to SLR (and investors) at this time to perform this assessment. A reasonable investor would understand this.

- (g) It is clear from the above that further drilling and exploration activity is required to understand and interpret the mineralisations at Tank South and Easter Hollows, to ascertain their likely size, determine whether they can be economically extracted and assess the cost, risk and benefits of doing so. A reasonable person would understand this and form the view that whilst the results were interesting, no inherent value could be ascribed to the Exploration Results or the underlying price or value of SLR securities at this point in time.

3. When did SLR first become aware of the Exploration Results?

The Exploration Results for Tank South relate to a 24-hole drilling program that was progressively undertaken between December 2018 and June 2019. Assay results for the first drill hole were received on 27 January 2019 and results for the last drill hole were received on 14 June 2019, with drill hole assays received incrementally each month during that intervening time period. Upon receipt of the last drill hole results, data compilation and analysis were carried out and the information prepared for inclusion in the Announcement which was released on 18 June 2019.

The Exploration Results for Easter Hollows relate to a 5-hole drilling program undertaken as part of incremental ongoing drilling programs progressively underway across the Daisy Complex mining area. The five-hole drilling program was completed between March and April 2019, with drill hole assay results progressively received during April and May 2019. The drilling results for the last hole were received on 24 May 2019, after which data compilation and initial analysis was carried out.

- 4. If the answer to question 1 is “yes” and SLR first became aware of the Exploration Results before 18 June 2019, did SLR make any announcement prior to 18 June 2019 which disclosed the Exploration Results? If so, please provide details. If not, please explain why the Exploration Results was not released to the market at an earlier time, commenting specifically on when you believe SLR was obliged to release the Exploration Results under Listing Rules 3.1 and 3.1A and what steps SLR took to ensure that the Exploration Results was released promptly and without delay.**

Not Applicable

5. Please confirm that SLR is complying with the Listing Rules and, in particular, Listing Rule 3.1.

SLR confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that SLR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SLR with delegated authority from the board to respond to ASX on disclosure matters.

SLR confirms its responses to the questions above have been authorised and approved by its Board.

Yours faithfully



SILVER LAKE RESOURCES LIMITED
David Berg
Company Secretary



18 June 2019

Mr David Berg
Company Secretary
Silver Lake Resources Limited

By email

Dear Mr Berg

Silver Lake Resources Limited ('SLR'): Aware Query

ASX refers to the following:

- A. The change in the price of SLR's securities from a low of \$0.85 to a high of \$0.995 on Monday 17 June 2019.
- B. SLR's announcement entitled "Spectacular Gold Intersections at Tank South" lodged on the ASX Market Announcements Platform and released at 7:31am (WST) on 18 June 2019 (the 'Announcement'), disclosing exploration results from a recent drilling program at Tank South ('Exploration Results').
- C. The change in the price of SLR's securities from a low of \$0.97 to an intra-day high of \$1.025 at the time of writing on Tuesday 18 June 2019.
- D. We also note the significant increase in the volume of SLR's securities traded from 17 June 2019 to 18 June 2019.
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- H. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for Information

Having regard to the above, ASX asks SLR to respond separately to each of the following questions and requests for information:

1. Does SLR consider the Exploration Results to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did SLR first become aware of the Exploration Results?
4. If the answer to question 1 is “yes” and SLR first became aware of the Exploration Results before 18 June 2019, did SLR make any announcement prior to 18 June 2019 which disclosed the Exploration Results? If so, please provide details. If not, please explain why the Exploration Results was not released to the market at an earlier time, commenting specifically on when you believe SLR was obliged to release the Exploration Results under Listing Rules 3.1 and 3.1A and what steps SLR took to ensure that the Exploration Results was released promptly and without delay.
5. Please confirm that SLR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that SLR’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SLR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **7:30am (WST) Thursday, 20 June 2019**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SLR’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require SLR to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to SLR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that SLR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in SLR's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Wade Baggott
Principal Adviser, Listings Compliance (Perth)