

30 July 2019

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Issued Capital:

818.4m Shares
7.2m Performance Rights

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

JUNE 2019 QUARTERLY ACTIVITIES REPORT

- Significant increase in Group sales with 60,841 ounces gold and 590 tonnes copper (63,319 ounces gold equivalent*) sold at an average of A\$1,790/oz and AISC of A\$1,216/oz for the quarter, following completion of the Doray Minerals Limited acquisition and contribution from Deflector

Mount Monger

- Gold production of 34,629 ounces with FY19 production of 136,767 ounces
- 33,004 ounces sold with an AISC of A\$1,358/oz for the quarter. FY19 sales of 141,006 ounces within guidance range and AISC of A\$1,434/oz

Deflector

- Record mine production underpinned record quarterly gold production of 27,514 ounces and copper production of 575 tonnes (29,928 ounces gold equivalent*) for the quarter, up 30% on 3Q FY19
- Gold sales of 27,837 ounces and copper sales of 590 tonnes at an AISC of A\$1,048/oz for the quarter

Exploration

- Spectacular gold intersections (including 17.0m @ 24.7 g/t Au) highlighted a new discovery at Tank South located on a granted Mining Lease at Aldiss
- Drilling at Easter Hollows continued to intersect “Daisy Style” mineralisation and is expected to be included in the Daisy Complex Mineral Resource Estimate for 2019 with a potential investment decision in 1H FY20
- Drilling at Deflector extended the high-grade mineralisation footprint outside the current Mineral Resource areas (including 5.5m @ 18.4 g/t Au & 0.1% Cu, 1.0m @ 89.4 g/t Au & 2.0% Cu, 0.3m @ 239 g/t & 2.4% Cu)
- Deflector in-mine drilling increased the confidence in continuity of mineralisation within Inferred Mineral Resource blocks with the potential to upgrade the confidence classification of these areas in the 2019 Mineral Resource Statement

Corporate and Finance

- Cash and bullion of A\$131.1 million with no debt
- Investment of \$2.7m in TSX listed Sarama Resources Ltd
- Hedge book of 141,000 ounces at an average price of A\$1,768/oz

FY20 Outlook

- Group sales guidance range of 215,000 to 230,000 gold equivalent* ounces at an average AISC range of A\$1,375/oz to A\$1,450/oz
- Several high value embedded options across both assets to compete for capital and deliver organic production and margin growth
- Exploration spend of A\$18m to support ongoing success at both operations and leverage the Mineral Resource upside within Silver Lake’s mineralised corridors

* Refer page 26 for Gold Equivalent Calculation Methodology and Assumptions

Quarter overview

Silver Lake produced 64,557 ounces gold equivalent for the quarter, an increase of 85% over the March quarter reflecting the inclusion of Deflector production from 5 April 2019. Sales for the quarter were 63,319 ounces gold equivalent at a realised price of A\$1,790/ounce and an AISC of A\$1,216/ounce.

FY19 Group sales were 171,322 ounces gold equivalent¹ at an average sale price of A\$1,754/ounce and an AISC of A\$1,367/ounce (FY18: sales of 148,533 ounces at AISC of A\$1,289/ounce).

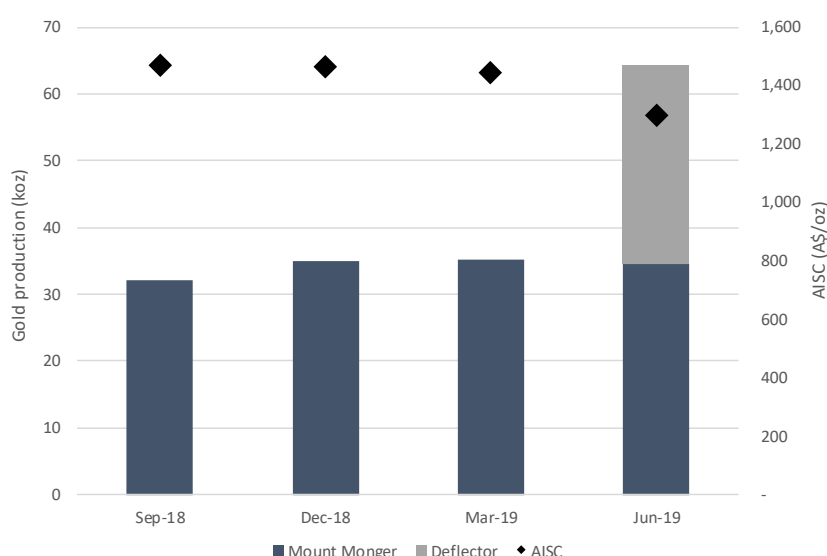


Chart 1: FY19 Silver Lake group production and AISC by quarter

Significant exploration success was reported at both operations during the quarter. The results continue to enhance the embedded options at Silver Lake's two operations to leverage proven mineralised corridors proximal to established mine and process infrastructure which have the potential to deliver production, cash margin growth and mine life extensions.

Silver Lake continues to build and maintain a strong balance sheet with cash and bullion of A\$131.1million at 30 June with no debt. The cash and bullion position at 30 June exclude \$5.8m of gold in circuit and concentrate on hand, and listed investments of \$6.7 million.

Mount Monger

Underground Mining

Mount Monger underground mine production for the quarter totalled 156,374 tonnes at 5.0 g/t for 25,253 ounces.

The Daisy Complex produced 62,739 tonnes at 5.7 g/t for 11,402 contained ounces, with production sourced from the Haoma West and Lower Prospect areas. Ore tonnes were lower quarter on quarter reflecting increased development at Haoma West, while grades were marginally higher quarter on quarter and consistent with the FY19 average.

The Mount Belches Mining Centre produced 93,635 tonnes at 4.6 g/t for 13,851 ounces from the Maxwells and Cock-eyed Bob underground mines, representing 55% of the underground mine ounces for the quarter.

¹ Refer page 26 for Gold Equivalent Calculation Methodology and Assumptions

Ore production during the quarter was weighted towards Cock-eyed Bob with tonnes and ounces up 15% quarter on quarter at 43,574 tonnes at 5.6 g/t for 7,865 ounces. Production at Maxwells was 50,061 tonnes at 3.7 g/t for 5,986 ounces reflecting a focus on development advancing the Albion and Flag declines to support FY20 production.

Mining - A diverse source of high grade underground feed has been established at Mount Monger

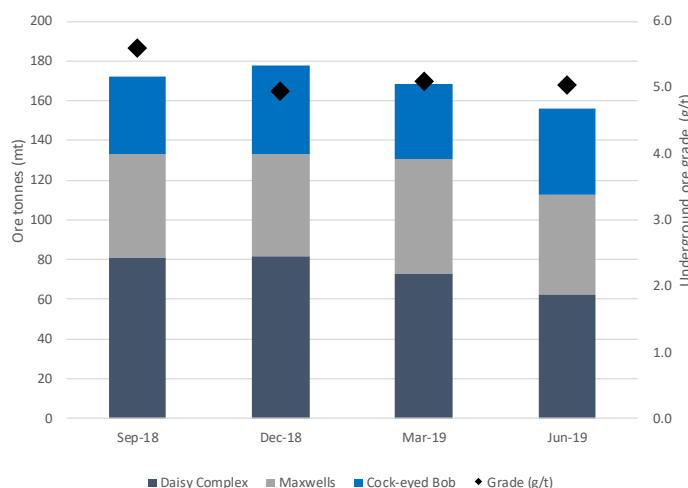


Chart 2: Mount Monger underground mine production

Open Pit Mining

Aldiss Mining Centre

For the quarter a total of 655,112 bcm's were mined (3Q: 864,478 bcm's) for 279,324 tonnes at 1.94 g/t and 17,414 ounces (3Q: 288,837 tonnes of ore at 2.0 g/t for 18,301 ounces). The marginal reduction in ore tonnes and ounces quarter on quarter reflects restricted access to higher grade ore blocks in May due to inclement weather. Despite this, the average strip ratio was consistent with guidance, declining to 5.2:1 (3Q 8.5:1).

Consistent with FY19 guidance a significant ore stockpile has been established at Harrys Hill during 2H FY19 (totalling 318,791 tonnes at ~1.6 g/t Au containing 16,000 ounces gold) which is expected to be processed in FY20 and FY21.

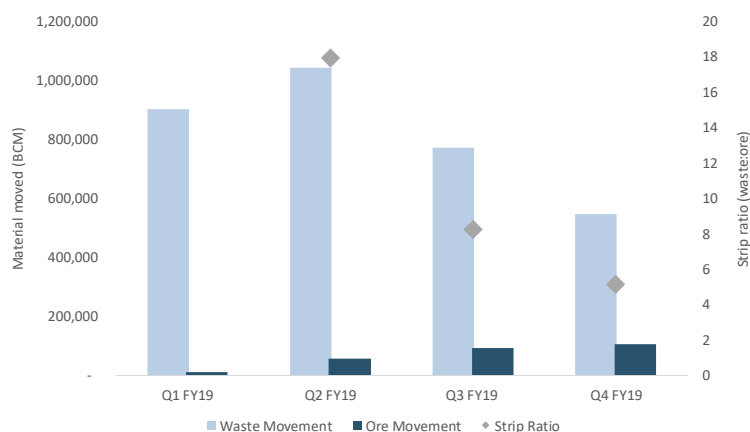


Chart 3: YTD Aldiss material movements

Processing

Ore milled for the quarter totalled 318,767 tonnes at 3.5 g/t Au for 34,629 recovered ounces (*Chart 4*). The high grade underground mines provided ~50% of the mill feed, with the balance sourced from Harrys Hill open pit. Mill throughput continues to track at nameplate levels and recoveries for the quarter were marginally higher at 95.3%.

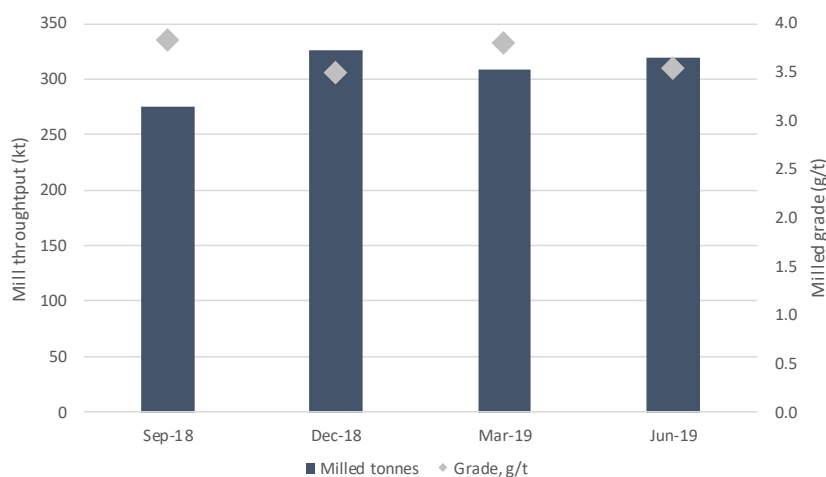


Chart 4: Mount Monger processing

The Mount Monger stockpile balance at 30 June was ~1,127,000 tonnes containing 49,000 ounces (31 March 2019: ~1,015,000 tonnes containing 43,000 ounces).

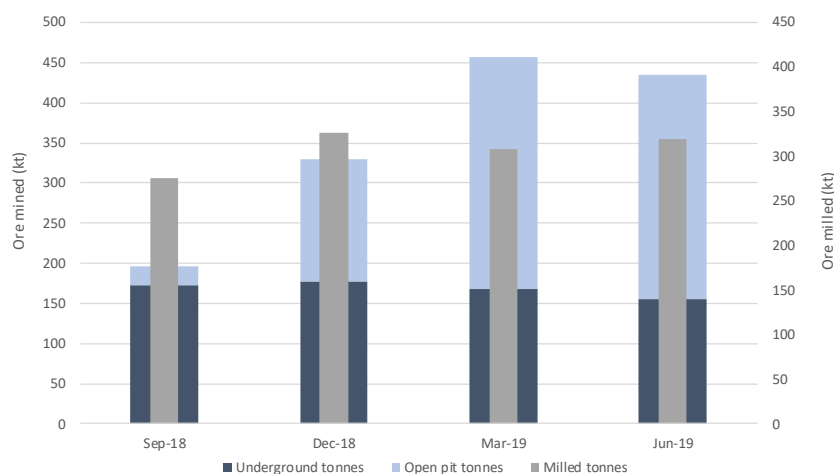


Chart 5: Mount Monger mined tonnes v milled tonnes

Mount Monger Camp - Mining	Units	Sep Qtr 2018	Dec Qtr 2018	Mar Qtr 2019	Jun Qtr 2019	FY19	FY18
<u>Underground - Daisy Complex</u>							
Ore mined	Tonnes	81,069	81,318	73,231	62,379	298,357	328,941
Mined grade	g/t Au	6.1	5.7	5.3	5.7	5.7	6.4
Contained gold in ore	Oz	16,012	14,815	12,477	11,402	54,706	68,033
<u>Underground - Cock-eyed Bob</u>							
Ore mined	Tonnes	39,270	44,349	37,997	43,574	165,190	65,505
Mined grade	g/t Au	5.3	4.3	5.6	5.6	5.2	6.1
Contained gold in ore	Oz	6,645	6,139	6,784	7,865	27,433	12,940
<u>Underground - Maxwells</u>							
Ore mined	Tonnes	51,856	51,883	57,163	50,061	210,963	204,671
Mined grade	g/t Au	5.0	4.3	4.5	3.7	4.4	4.8
Contained gold in ore	Oz	8,281	7,238	8,232	5,986	29,737	31,856
<u>Open Pit - Imperial/Majestic</u>							
Ore mined	Tonnes	-	-	-	-	-	670,605
Mined grade	g/t Au	-	-	-	-	-	2.7
Contained gold in ore	Oz	-	-	-	-	-	58,787
<u>Open Pit - Harrys Hill</u>							
Ore mined	Tonnes	24,624	151,805	288,837	279,324	744,590	-
Mined grade	g/t Au	2.0	1.9	2.0	1.9	2.0	-
Contained gold in ore	Oz	1,601	9,357	18,301	17,414	46,673	-
Total ore mined	Tonnes	196,819	329,355	457,228	435,698	1,419,100	1,269,722
Mined grade	g/t Au	5.1	3.5	3.1	3.0	3.5	4.2
Total contained gold in ore	Oz	32,539	37,549	45,794	42,667	158,549	171,616

Table 1: Mount Monger Camp - mine statistics

Mount Monger Camp - Processing	Units	Sep Qtr 2018	Dec Qtr 2018	Mar Qtr 2019	Jun Qtr 2019	FY19	FY18
Ore milled	Tonnes	275,748	325,991	308,689	318,767	1,229,195	1,256,120
Head grade	g/t Au	3.8	3.5	3.8	3.5	3.7	4.2
Contained gold in ore	Oz	33,951	36,912	37,439	36,325	144,948	171,355
Recovery	%	94	95	94	95	95	92
Gold produced	Oz	32,095	34,871	35,172	34,629	136,767	157,936
Gold sold	Oz	38,500	31,447	38,055	33,004	141,006	151,250

Table 2: Mount Monger Camp - processing statistics

Costs

Mount Monger's AISC for the quarter (*Table 3*) was 6% lower relative to the March quarter at A\$1,358/oz.

FY19 AISC was A\$1,434/oz, marginally above guidance reflecting gold sales being at the lower end of guidance.

Mount Monger Camp	Notes	Unit	Sep-18 Quarter	Dec-18 Quarter	Mar-19 Quarter	Jun-19 Quarter	FY19	FY18
Mining costs	1	A\$M	22.8	22.7	32.0	32.4	109.8	109.9
General and administration costs		A\$M	3.2	2.1	3.0	2.4	10.7	11.9
Royalties		A\$M	1.7	1.6	1.9	1.9	7.2	8.6
By-product credits		A\$M	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.7)
Processing costs	2	A\$M	10.9	5.9	11.6	12.2	40.7	42.1
Corporate overheads		A\$M	1.1	0.5	0.7	0.7	2.9	6.3
Mine exploration (sustaining)	3	A\$M	1.2	0.7	0.6	0.8	3.4	3.5
Capital expenditure and underground mine development (sustaining)	4	A\$M	4.4	5.6	7.7	6.3	24.0	17.7
All-in Sustaining Cash Costs (Before non-cash items)		A\$M	45.2	39.1	57.5	56.6	198.3	199.4
Inventory movements	5	A\$M	11.4	(3.0)	(2.5)	(11.7)	(5.9)	(7.9)
Rehabilitation - accretion & amortisation	5	A\$M	-	-	-	-	-	-
All-in Sustaining Costs		A\$M	56.5	36.1	54.9	44.8	192.4	191.5

Gold sales for AISC purposes	6	oz	38,500	24,630	38,055	33,004	134,189	148,533
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Mining costs		A\$/oz	592	920	840	980	818	740
General and administration costs		A\$/oz	82	86	80	72	80	80
Royalties		A\$/oz	44	67	50	57	53	58
By-product credits		A\$/oz	(4)	(4)	(2)	(2)	(3)	(5)
Processing costs		A\$/oz	284	241	305	370	303	283
Corporate overheads		A\$/oz	27	18	18	22	22	43
Mine exploration (sustaining)		A\$/oz	32	30	17	25	26	23
Capital expenditure and underground mine development (sustaining)		A\$/oz	115	227	202	191	179	119
All-in Sustaining Cash Costs (Before non-cash items)		A\$/oz	1,173	1,586	1,510	1,714	1,478	1,342
Inventory movements		A\$/oz	295	(122)	(67)	(356)	(44)	(53)
Rehabilitation - accretion & amortisation		A\$/oz	-	-	-	-	-	-
All-in Sustaining Costs		A\$/oz	1,469	1,464	1,444	1,358	1,434	1,289

Table 3: Unaudited all-in sustaining costs for Mount Monger Camp

- Costs for underground & open pit operating activities (including infill and grade control drilling). Costs allocated upon mines 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 \$2.3m for Q4 FY19).
- 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.
- Gold sales from Harrys Hill pre *Commercial Production Status* are excluded from the AISC calculation.

Deflector

Mining

Deflector mine production for the quarter was a record 175,647 tonnes at 5.6 g/t gold and 0.49% copper. Both tonnes and grade were materially higher relative to the March quarter and reflect the contribution of high grade stoping from the Link, Central and Western Lodes, with ~54% of mined ore tonnes for the quarter sources from stoping. The rate of mine production (tonnes) reported in 4Q is expected to be broadly maintained throughout FY20.

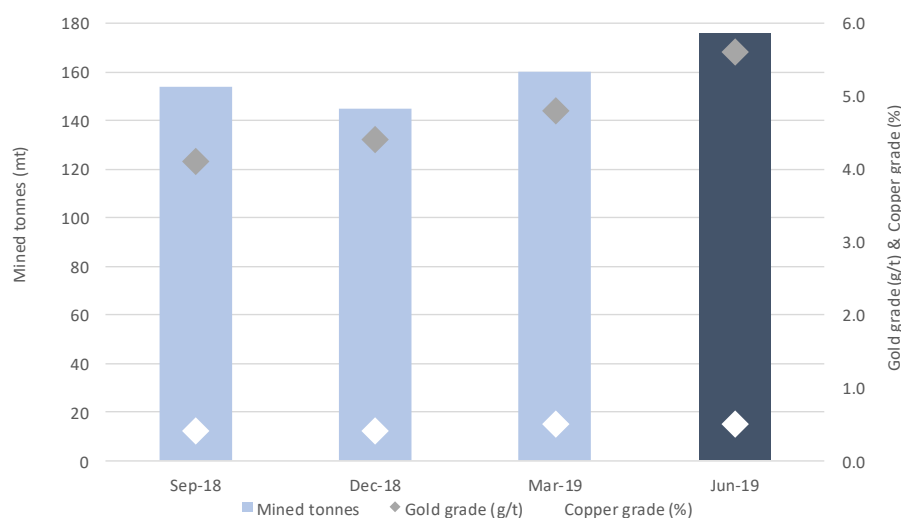


Chart 6: Deflector mined tonnes and grade

Processing

Deflector mill throughput was 10% higher quarter on quarter, with higher gold and copper grades reflecting the increase in stoped ore tonnes mined during the quarter. Mill throughput was 158,467 tonnes at an average gold grade of 5.9 g/t and copper grade of 0.4%. Gold recovery to bullion was 67% with total gold recovery of 91.3% and copper recovery of 92.5%, both marginally higher quarter on quarter.

Reflecting the higher throughput and grades, gold production for the quarter increased 32% on the March quarter to a record 27,514 ounces gold with copper production of 575 tonnes (3Q: 20,961 ounces gold and 650 tonnes copper).

At 30 June Deflector had ore stocks of 57,122 tonnes at 2.2 g/t gold and 0.3% copper.

Concentrate production was consistent with the March quarter at 3,429 tonnes with an average gold grade of 66 g/t gold and 18% copper.

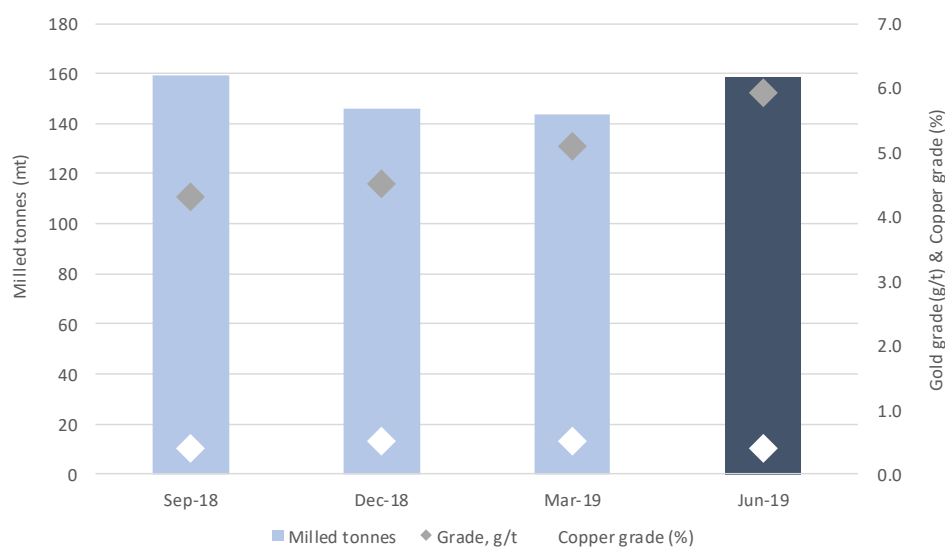


Chart 7: Deflector milled tonnes and grade

Deflector Camp		Units	Sep Qtr 2018	Dec Qtr 2018	Mar Qtr 2019	Jun Qtr 2019	YTD FY19
Ore mined		Tonnes	153,717	144,620	159,912	175,647	633,896
Mined grade	Gold	g/t Au	4.1	4.4	4.6	5.7	4.8
	Copper	% Cu	0.4%	0.4%	0.5%	0.5%	0.5%
Contained gold in ore		Oz	20,750	20,486	24,586	31,902	97,725
Contained copper in ore		Tonnes	609	635	773	864	2,881
Ore milled		Tonnes	159,056	145,858	143,735	158,467	607,116
Milled grade	Gold	g/t Au	4.3	4.5	4.9	5.9	5.0
	Copper	% Cu	0.4%	0.5%	0.5%	0.4%	0.5%
Recovery	Gold	%	88.46%	88.98%	89.41%	91.32%	89.69%
	Copper	%	89.63%	91.52%	89.93%	92.43%	91.05%
Gold bullion produced		Oz	15,045	14,054	15,278	20,254	64,632
Concentrate produced		Tonnes	3,370	3,607	3,417	3,429	13,822
Contained metal in concentrate	Gold	Oz	4,637	4,890	5,683	7,260	22,470
	Copper	Tonnes	706	720	720	621	2,767
Total gold produced		Oz	19,683	18,944	20,961	27,514	87,102
Gold bullion sales		Oz	14,365	15,274	13,567	20,305	63,511
Concentrate sold (dmt)		Tonnes	4,243	3,321	3,282	4,156	15,002
Payable metal in concentrate sold	Gold	Oz	5,340	4,771	3,932	7,533	21,576
	Copper	Tonnes	796	559	609	590	2,554

Table 4: Deflector mine and mill statistics

Costs

Deflector's AISC for the quarter was A\$1,048/oz. The June quarter AISC adopts Silver Lake's AISC methodology and includes all sustaining capital and exploration expenditure.

Deflector Camp	Unit	Sep-18 Quarter	Dec-18 Quarter	Mar-19 Quarter	Jun-19 Quarter	FY19
Mining costs	A\$M	-	-	-	18.9	18.9
General and administration costs	A\$M	-	-	-	2.2	2.2
Royalties	A\$M	-	-	-	2.1	2.1
By-product credits	A\$M	-	-	-	(3.4)	(3.4)
Processing costs	A\$M	-	-	-	6.7	6.7
Corporate overheads	A\$M	-	-	-	2.3	2.3
Mine exploration (sustaining)	A\$M	-	-	-	0.6	0.6
Capital expenditure and underground mine development (sustaining)	A\$M	-	-	-	2.6	2.6
All-in Sustaining Cash Costs (Before non-cash items)	A\$M	-	-	-	32.0	32.0
Inventory movements	A\$M	-	-	-	(2.9)	(2.9)
Rehabilitation - accretion & amortisation	A\$M	-	-	-	0.1	0.1
All-in Sustaining Costs	A\$M	-	-	-	29.2	29.2

Gold sales for AISC purposes	oz	-	-	-	27,837	27,837
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Mining costs	A\$/oz	-	-	-	680	680
General and administration costs	A\$/oz	-	-	-	78	78
Royalties	A\$/oz	-	-	-	76	76
By-product credits	A\$/oz	-	-	-	(123)	(123)
Processing costs	A\$/oz	-	-	-	241	241
Corporate overheads	A\$/oz	-	-	-	82	82
Mine exploration (sustaining)	A\$/oz	-	-	-	20	20
Capital expenditure and underground mine development (sustaining)	A\$/oz	-	-	-	93	93
All-in Sustaining Cash Costs (Before non-cash items)	A\$/oz	-	-	-	1,148	1,148
Inventory movements	A\$/oz	-	-	-	(105)	(105)
Rehabilitation - accretion & amortisation	A\$/oz	-	-	-	5	5
All-in Sustaining Costs	A\$/oz	-	-	-	1,048	1,048

Table 5: All-in-sustaining costs for Deflector

Group Finance

Silver Lake's cash and bullion increased \$14.8 million during the quarter to \$131.1 million at 30 June 2019 with no debt. The cash and bullion position at 30 June excludes \$5.8m of gold in circuit and concentrate on hand and listed investments of \$6.7 million.

Key cash flow movements included:

- Net cash inflow from Mount Monger of \$5.5 million
- Net cash inflow from Deflector of \$13.1 million
- Net cash acquired (post transaction costs) as part of the Doray transaction of \$9.9 million
- Exploration and capital spend of \$7.3 million
- Investment in TSX listed Sarama Resources Limited \$2.7 million

Cash flow for the June quarter is summarised in *Chart 8* below:

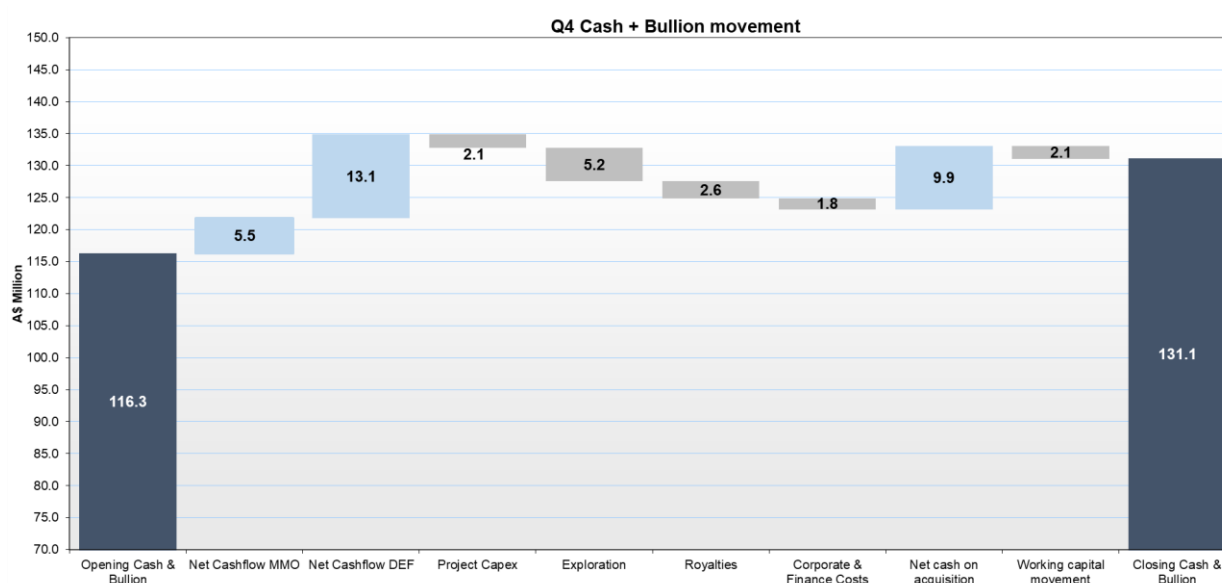


Chart 8: Group cash & bullion movement for the quarter

Hedging

As at 30 June 2019, the Silver Lake's forward gold hedging program totalled 141,350 ounces, to be delivered over the next 2 years at an average forward price of A\$1,758/oz.

	Dec-19 HY	Jun-20 HY	Dec-20 HY	Jun-21 HY
Ounces (koz)	41,818	48,964	27,568	18,000
Hedged gold price (A\$/oz)	1,721	1,763	1,813	1,833

Table 6: Silver Lake hedge book profile at 30 June

Outlook

FY20 guidance establishes a new platform for Silver Lake

- **Increased annual production:** Group FY20 production guidance of 215,000 to 230,000 ounces (gold equivalent²), reflecting the inclusion of Deflector production for the full year. Group FY20 AISC guidance range of A\$1,375/oz - A\$1,450/oz.
- **Growth capital to position operations for the next phase of growth and drive higher margins:** Capital of \$11.5 million not included in AISC. Investment reflects the upgrading of site and mine infrastructure to support the next phase of shallow, high-grade mine developments at Mount Monger and LOM extensions at both operations.
- **Appropriate and focused exploration expenditure:** Group exploration expenditure of \$18 million to support ongoing exploration success at both operations, with advanced targets providing Resource upside proximal to established infrastructure.
- **Robust, debt free balance sheet and cash flow to fund growth:** All exploration and base case growth capital will be funded through operating cashflow. With cash and bullion of \$131.1 million and no debt at 30 June 2019, Silver Lake is well positioned to efficiently fund the next generation of high-grade mines and new opportunities.

	FY 20 Guidance			FY 19
	Consolidated	Mount Monger	Deflector	Consolidated [#]
Gold sales (koz)	205 - 220	120 - 130	85 - 90	168,843
Copper sales (t)	2,000	-	2,000	590
Gold equivalent (koz) ²	215 - 230	120 - 130	95 - 100	171,539
All in sustaining costs (A\$/oz)	1,375 - 1,450	1,450 - 1,550	1,200 - 1,250	1,367
Capital expenditure (A\$m included in AISC)	29.2	16.2	13.0	22.2
Growth capital expenditure (A\$m, not included in AISC)	11.5	7.0	4.5	4.6
Exploration	18	10	8	14

[#] FY19 is based on attributable production to Silver Lake from Deflector post implementation date of 5 April 2019

Deflector

Gold sales at Deflector for FY20 are expected to be between 85,000 - 90,000 ounces. Copper sales are expected to be approximately 2,000t for gold equivalent production of 95,000 to 100,000 ounces. AISC is expected to be between A\$1,200 - A\$1,250/oz.

Mine production will increase by 15% in FY20 driven by increased underground mining rates with mined grades expected to remain similar to FY19. The increase in underground mining rates marks the first time the Deflector operation is expected to be mill constrained, which has resulted in Silver Lake assessing opportunities to optimise the mill circuit and minimise mine dilution introduced to the mill.

² Refer page 26 for Gold Equivalent Calculation Methodology and Assumptions

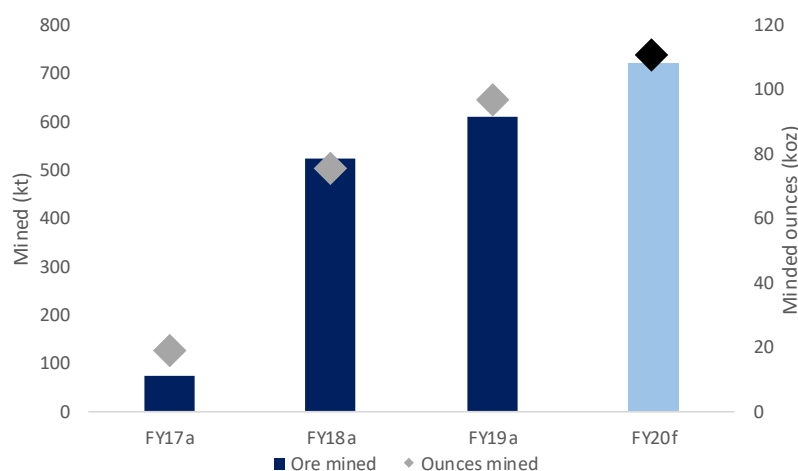


Chart 9: Scheduled increase in underground mining rates in FY20 guidance sees Deflector become mill constrained

Capital works expenditure at Deflector outside of AISC is expected to total \$4.5 million and is focused on establishing LOM pumping and dewatering infrastructure.

Exploration expenditure at Deflector of \$8 million includes both surface and underground exploration. The primary focus of FY20 drilling will be infilling and extending mineralisation identified by the successful FY19 exploration program which extended “Deflector” style mineralisation to the south and west beyond the current Mineral Resource envelope. The southern extent of Deflector (which remains open) has the potential to add to the current 4 year base case Deflector mining schedule which is supported by Measured and Indicated Mineral Resources.

Mount Monger

FY20 guidance for gold sales of 120,000 -130,000 ounces reflects a transitional year at Mount Monger as the operating strategy is focused towards the development of new and sustainable higher margin ore sources over the next 12 -24 months across Mount Monger’s three Mining Centres.

The near-term pipeline projects at Mount Monger include Easter Hollows, Santa and Tank, all which have the potential to produce sustainable higher margin ounces over the next 12-24 months.

The ability to consider multiple development options is the result of the deliberate operating and investment strategy over the past three years at Mount Monger. This strategy has established three independent Mining Centres and diversified the sources of high-grade feed to the Randalls mill, thereby progressively reducing the reliance on Daisy Complex. Importantly over that period of investment, Silver Lake has established an enviable track record of cash generation.

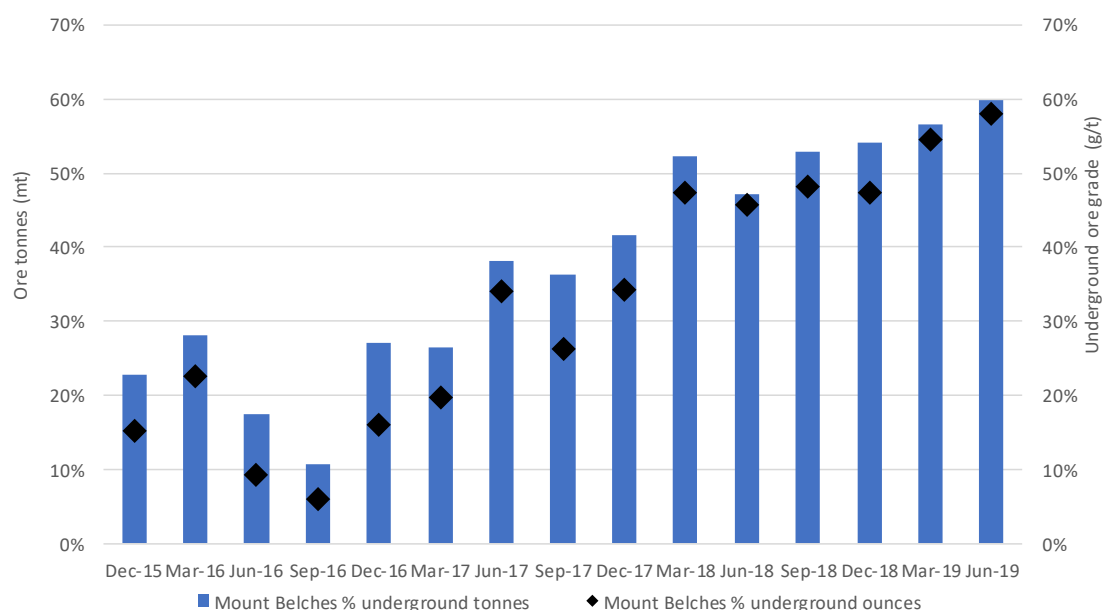


Chart 10: Mount Belches as a proportion of Mount Monger underground feed highlights the diversification of our strategy

1H FY20 underground mine production is expected to be relatively consistent with FY19 split across the two underground Mining Centres with ~60% sourced from Mount Belches. At the Daisy Complex, the modelled Lower Prospect lodes are expected to be depleted towards the end of first half, at which point Haoma West will revert to a single mining front. Ore production from the Daisy Complex will be reassessed pending 1H drilling results from the Easter Hollows lodes and accordingly, Silver Lake has taken a conservative view of including Daisy Complex production in Mount Monger's outlook for the first half only.

The Lower Prospect lodes remain open both along strike and down plunge, however, following the continued intersection of high-grade "Daisy" style mineralisation at Easter Hollows and its potential to introduce a new, shallow mining front at the Daisy Complex in the near term, Silver Lake has elected to accelerate underground drilling (included development of drill drives) to further define the Easter Hollows lodes. 1H exploration infill drilling and the assessment of access options are expected to allow an investment decision to be considered towards the end of 1H FY20³.

FY20 mine production from Mount Belches is expected to be consistent with FY19. An investment decision on the development of a third shallow underground mine at Mount Belches (Santa), is expected to be made during FY20.

Open pit mining activities at the Aldiss Mining Centre will focus on completing Harrys Hill in 1H of FY20 whilst mining at French Kiss will also commence in 1H and progressively ramp up from 2Q FY20. The French Kiss open pit is high grade with a Mineral Reserve grade of 3.6 g/t relative to the 2.0 g/t grade of Harrys Hill.

³ For further details on Easter Hollows refer ASX releases; 18 June 2019 "Spectacular gold intersections at Tank South" and 14 September 2018 "Drilling highlights significant upside at Daisy Complex"

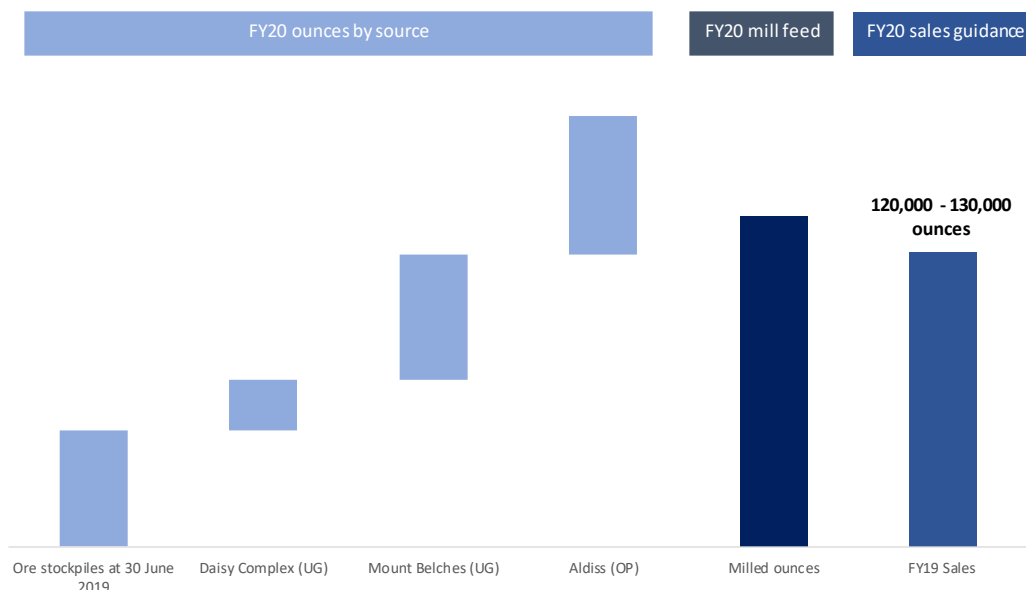


Chart 11: Mount Monger FY20 ore sources and sales guidance waterfall

Randalls Mill throughput is expected to be similar to FY19, with production weighted slightly towards the first half.

The average AISC range for FY20 is expected to be A\$1,450 - A\$1,550/oz. Costs will vary across the two halves and reflect the relative feed grade of both underground and open pit ore sources. The AISC includes \$16.2 million in capital development and sustaining capital.

Capital projects totalling \$7 million are excluded from the AISC calculation and include connection of the Mount Belches Mining Centre to the gas fired power station at Daisy Complex and an increase in tailings storage capacity to support the next phase of mine development and LOM extensions.

The exploration budget for Mount Monger is \$10 million and will predominantly focus on aggressively advancing near term development opportunities which have been targeted over the past 12-24 months and have the potential to enhance the production and margin profile at Mount Monger in FY21 and beyond. A summary of advanced opportunities is provided in the table below.

Project	Opportunity
Easter Hollows (Daisy Complex)	Introduction of a new, shallow mining front at the Daisy Complex. Optimising mine design options to access the Easter Hollows lodes located within 400 m of established Daisy Complex development and infrastructure. Drilling over the past 18 months has intersected mineralisation in multiple lodes extending from surface, 1.0 km down plunge. Drilling of the Easter Hollows target area will intensify in 1H FY20 to infill mineralisation whilst mine access options are assessed following recent drilling which identified mineralisation immediately to the west existing Daisy Complex development between upper Haoma West and Easter Hollows.
Santa (Mount Belches)	Development of a third high-grade, shallow underground mine at the Mount Belches Mining Centre. Santa is on a granted Mining Lease and is proximal to established infrastructure. Surface drilling programs are in progress to validate preliminary mine evaluation work and allow for a production decision to be made in FY20. Any development at Santa will leverage off installed infrastructure at Mount Belches.
Tank South (Aldiss)	Drilling will focus on infilling of the main zone to reduce drill spacing to 20m x 20m and support the delineation of a maiden Mineral Resource. Silver Lake has commenced evaluating potential underground access to Tank South in parallel with surface mining options which both benefit from existing mine infrastructure at Aldiss.

Preliminary investment decisions at Easter Hollows and Santa will be considered in FY20 and have the potential to enhance gold production from FY21. Randalls mill throughput is expected to remain at current levels for the foreseeable future and any increase in gold production will be driven by increased feed grade from these new areas.

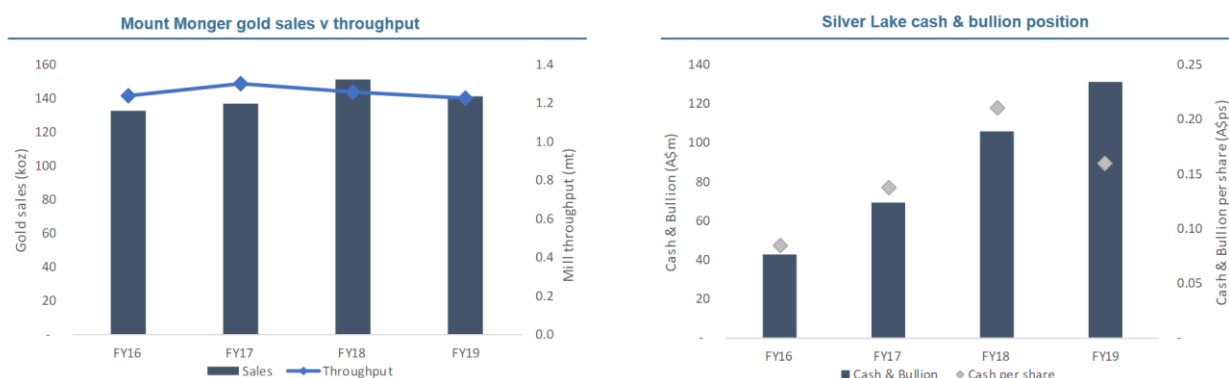


Chart 12: Silver Lake has a proven operating strategy at Mount Monger driven by grade and a focus on cash generation

Exploration

Significant exploration success was reported at both operations during the quarter. The results continue to enhance the embedded options at Silver Lake's two operations to leverage proven 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 contained in this section were released to the ASX during the June quarter.

Mount Monger

Thick, high-grade results point to a new gold discovery at the Aldiss Mining Centre

Background

The Tank Mineral Resource is located within the prospective "SAT Trend" extending south of the Harrys Hill and Karonie open pits (Figure 1). All the SAT Trend gold occurrences are located within a granted Mining Lease and are proximal to the established Aldiss Mining Centre infrastructure.

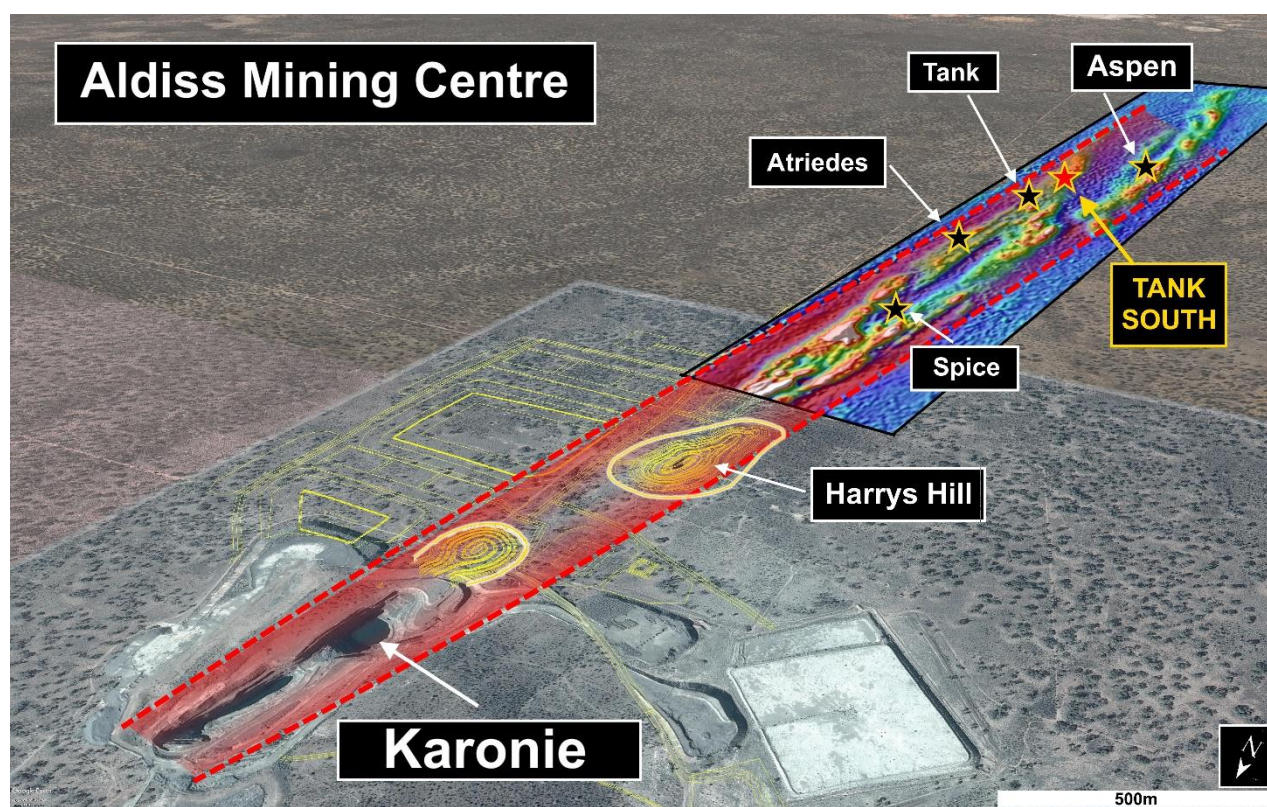


Figure 1: Oblique plan view looking south-east highlighting SAT Trend deposits, Harry's Hill open pit, Karonie pit and area of recent detailed ground magnetics survey.

Recent exploration work and drilling

Silver Lake completed a detailed ground magnetic survey in 1Q FY19 which provided a significant improvement in geophysical resolution over the SAT Trend stratigraphic unit (refer Figure 1) and significantly improved exploration targeting in the area.

A preliminary phase of RC and diamond drilling was completed on the SAT Trend deposits in September 2018⁴. A follow-up phase of RC and diamond drilling was completed in December 2018 targeting direct extensions to mineralisation at the SAT Trend deposits. Assays received from this program included 24.0m @ 9.39 g/t Au and 12.0m @ 3.25 g/t Au in hole 18STRC017D at the southern end of the Tank deposit.

The gold intersection returned in 18STRC017D (24.0m @ 9.39 g/t Au) was wider and higher grade than any mineralisation previously intersected along the SAT Trend to the south of Harrys Hill. The intersections are offset, along a different plunge direction to the existing Mineral Resources at Tank and are of a different style of mineralisation, indicating this discovery is potentially part of a new mineralised system proximal to the existing shallow Tank deposit.

Follow up RC and diamond drilling (including a scissor hole at Tank South) confirmed local extensions over 160 metres strike length around the original intersections in 18STRC017D. Diamond hole 19STDD010 returned a spectacular 17.0m @ 24.7 g/t Au and is now the widest high grade intersection seen at the SAT Trend. Highlights from the initial and a follow up phase of drilling are set out in Table 7 below and shown in Figures 2 & 3⁵.

Hole #	From (m)	To (m)	Interval (m)	Gold (g/t)	Gram-Metres
18STRC017D	134	158	24.00	9.39	225.36
	168	182	12	2.99	41.86
19STRC001	141	172	31.00	4.44	137.64
19STDD004	144	163	19.68	4.25	83.64
19STRC004	128	130	2.00	11.37	22.74
	148	154	6.00	2.15	12.90
	158	169	11.00	3.87	42.57
	172	178	6.00	2.38	14.28
19STDD005	143	144	1.00	37.44	37.44
	165	175	10.00	10.05	100.50
	180	187	7.00	2.87	20.90
19STDD007	155.00	167.92	12.92	3.39	43.80
19STD009	84.96	96.58	11.62	2.32	26.96
19STDD010	111	124	13.00	2.05	26.65
	139	156	17.00	24.68	419.56

Table 7: Significant assays from current phase of Tank South drilling. Drilling details in Appendix 2

High grade mineralisation has currently been defined over a 120m strike length at Tank South. 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.

⁴ Refer ASX release 31 January 2019, *Quarterly Activities Report*

⁵ For full results refer to ASX release 18 June 2019 *Spectacular gold intersections at Tank South*

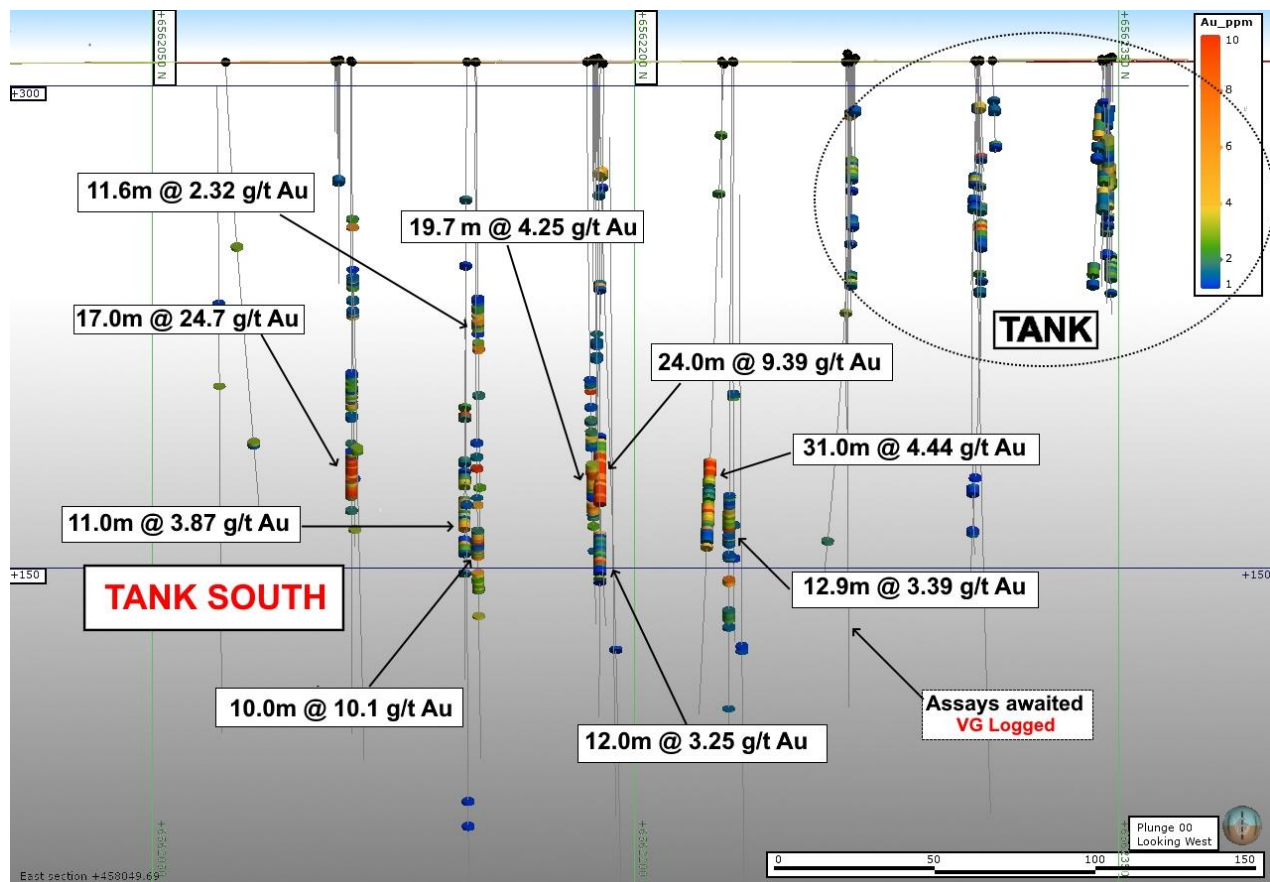


Figure 2: Vertical long section looking west, highlighting recent drilling intersections at Tank South, showing all assays >1 g/t Au

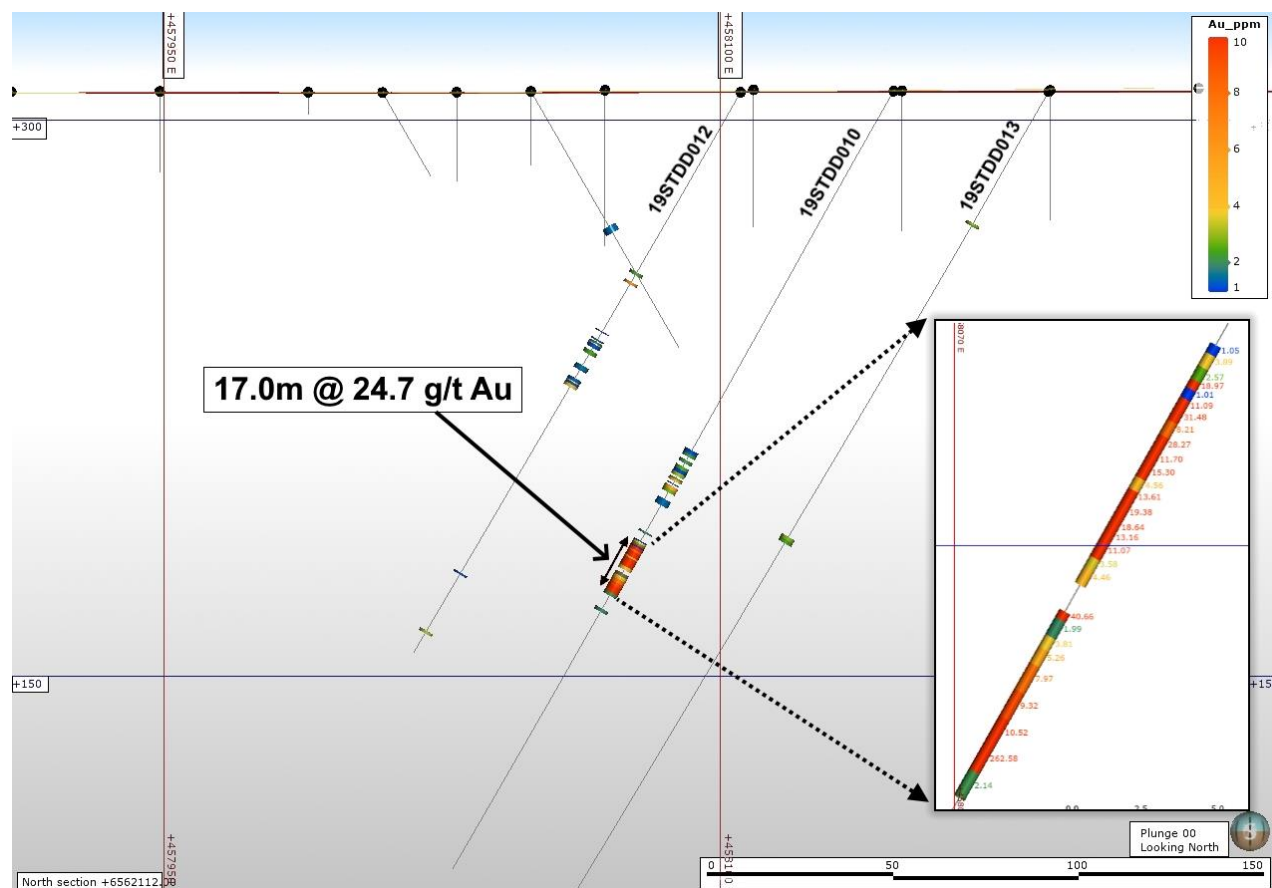


Figure 3: Vertical cross section looking north highlighting the intersections within diamond hole 19STDD010, showing all assays >1 g/t Au

Tank South work program

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 during FY20.

Significant Regional opportunity

The shallow gold mineralisation associated with the SAT Trend is open for 2km to the south of Tank and for 1km to the north of Spice. The mineralised strike of the Aldiss Mining Centre extends for 7km and is located within Silver Lake's Mining Lease. The high-grade discovery at Tank South highlights a significant exploration opportunity for Silver Lake at the Aldiss Mining Centre given historical reconnaissance drilling along the SAT Trend is sporadic and relatively shallow.



Figure 4: Regional vertical long section looking west, highlighting the limited, shallow drilling between deposits along the SAT Trend from Karonie to Tank South

Further high-grade results confirm the potential of Easter Hollows at Daisy Complex

The Easter Hollows target zone comprises multiple “Daisy style” lodes located up to 450m to the west of existing workings at the Daisy Complex. Mineralisation along the Easter Hollows area has been intersected over a 1,000m plunge from surface and has the potential to provide a new mining front for the Daisy Complex, higher in the mine elevation and accessible by lateral development from existing underground infrastructure.

Recent underground diamond drilling at Easter Hollows continues to build on previous drilling programs⁶ targeting continuity and extensions to lode wireframes and has successfully intersected high grade “Daisy style” mineralisation. Significant assays are highlighted in Table 8 and on Figure 5⁷:

Hole #	From (m)	To (m)	Interval (m)	Gold (g/t)
EH246008	283.2	285.0	1.83	32.60
EH246009	315.3	315.5	0.20	21.40
	375.5	378.0	2.45	8.79
EH246011	264.0	267.0	3.00	4.15
EH246012A	136.7	140.5	3.79	12.44
	390.6	390.8	0.20	108.00

Table 8: Significant assays from latest round of Easter Hollows drilling

Silver Lake is aiming to delineate a maiden Mineral Resource for the Easter Hollows area in the 2019 Annual Mineral Resource update. The target area for the Mineral Resource is ~350m to the west of existing Daisy Complex underground development and between the 520RL and 660RL, which has received most of the drilling to date. Underground diamond drilling will be ongoing to infill and target extensions to higher grade mineralisation and repetitions of lodes to increase our understanding of the production potential of the Easter Hollows area.

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

⁶ Refer ASX release 7 September 2018, *Drilling highlights significant upside at Daisy Complex*

⁷ For full results refer to ASX release 18 June 2019 *Spectacular gold intersections at Tank South*

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.

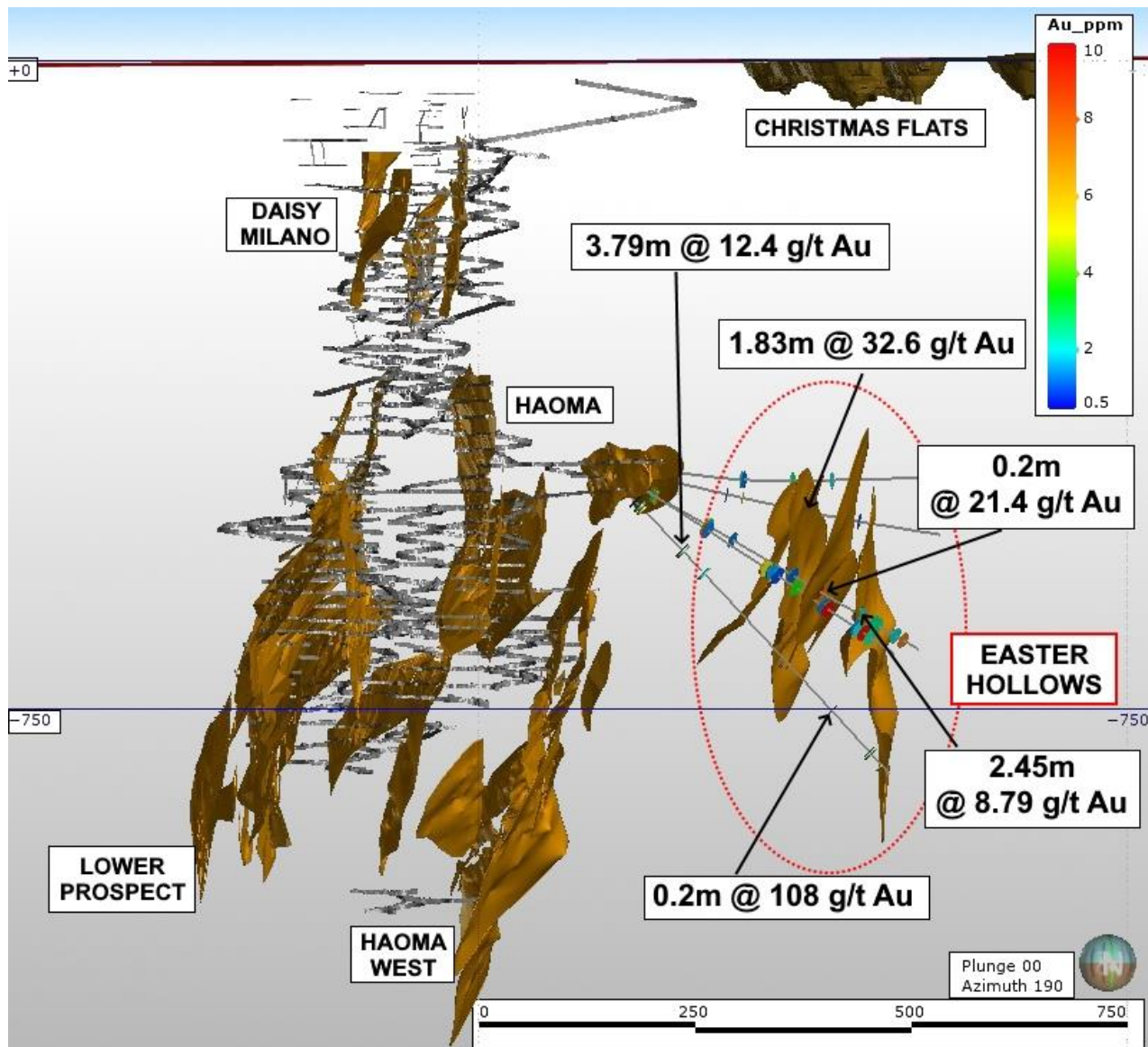


Figure 5: Oblique view looking south highlighting the Easter Hollows target area and showing the modelled lode wireframes and existing underground development.

Deflector

High-grade gold and copper mineralisation intersected along the target corridor between Deflector and Deflector South West

Background

The Deflector South West target zone extends approximately 300m to the south of the current Deflector lode wireframes. This prospective corridor is defined by a 2014 intersection which returned

3.1m @ 9.9 g/t Au and 7.5% Cu (Figure 1, 14DEFDD015). The 2014 intersection contains Deflector style mineralisation comprising quartz veining and massive chalcopyrite-pyrite sulphides in a basalt host rock.

Until recently this target has received limited follow up drilling with the primary focus on development and mining of the dominant Deflector lodes. Mining operations are now well established, and exploration is now targeting direct extensions and repetitions of the Deflector lodes both along strike and to the west.

Historical drilling along the Deflector South West corridor is limited with much of the previous drilling oriented parallel to the newer lode interpretations. Targeting now benefits from an increased Deflector dataset since the commencement of mining which has resulted in a revised interpretation of the strike and dip orientation of mineralisation to the south west.

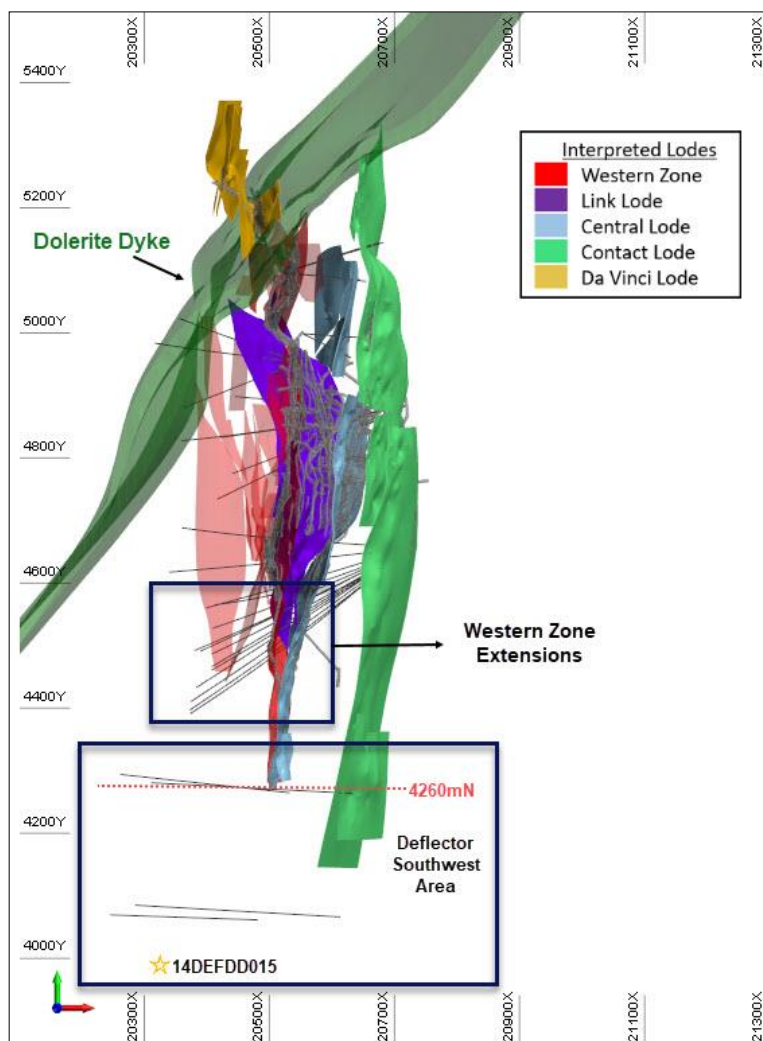


Figure 6: Plan view of Deflector South West relative to Deflector with lode interpretations and underground development

Recent drilling results

Surface and underground diamond drill programs, to follow up the RC drilling reported in March 2019, have returned multiple intersections of high-grade gold and copper Deflector style mineralisation in the target area.

Four surface diamond holes were completed on 200m line spacing within the corridor to test the updated geological and structural interpretation between the Deflector mine and the Deflector South West target zone. Significant results include⁸:

Hole #	Interval (m)	Gold (g/t)	Copper (%)
DEDD074	1.9	5.33	NSA
	5.5	18.4	0.1
	1.0	17.9	0.1
DEDD076	1.0	89.4	2.0
DEDD077	1.1	69.6	0.7

Table 9: Significant assays from surface drilling targeting south western extensions to Deflector

The south-west striking intersections are both east and west dipping, consistent with the structure and controls on high-grade lodes within the Deflector deposit. Gold and copper are hosted in quartz veining with massive sulphides within the same basalt host rock as the Western and Central lodes in the Deflector mine.

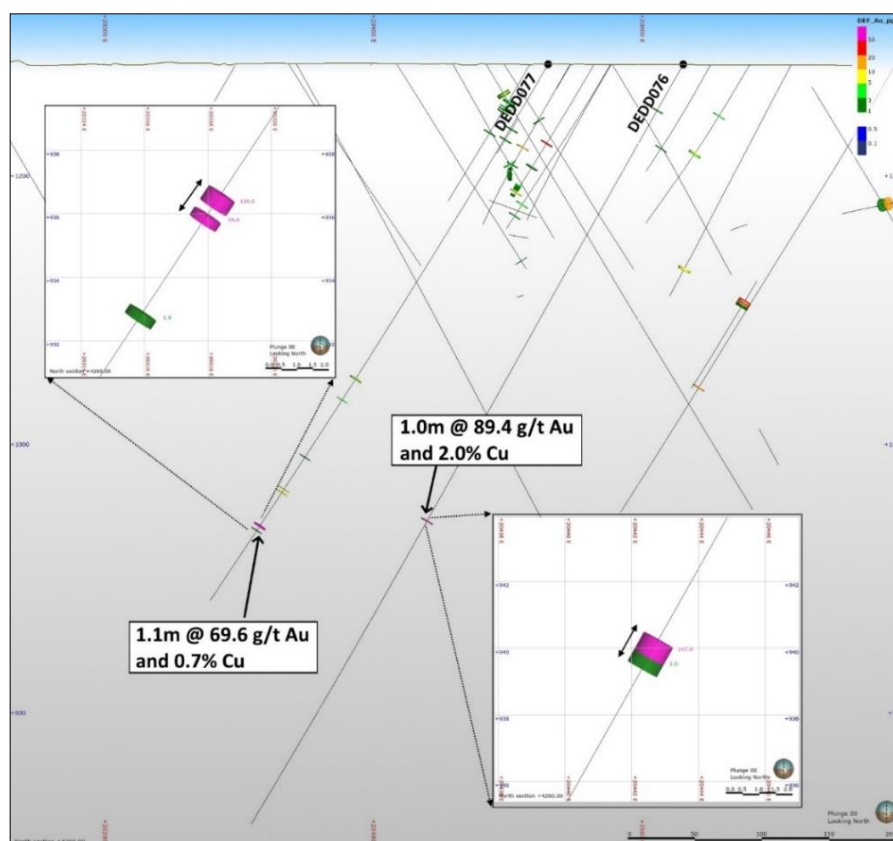


Figure 7: Cross section 4260mN (Deflector Local Grid)

Underground diamond drilling targeted extensions immediately beyond the previous limits of the modelled Deflector Western Zone lodes, stepping out 40m to the south.

⁸ For full results refer to ASX release 7 March 2019, *Deflector near-mine exploration drilling intersects exciting gold and copper mineralisation*

Intersections in holes DFUG0075 (0.3m @ 239.0 g/t Au & 2.4% Cu) and DFUG0077 (1.0m @ 34.1 g/t Au & 2.6% Cu) confirm the continuity of Western Zone high-grade mineralisation immediately to the south west, supporting recent geological modelling that shows the Deflector lode system repeats to the west (Figure 8).

Holes DFUG0109 (0.5m at 14.9g/t Au and 0.2% Cu) and DFUG0111 (5.1m at 9.7g/t Au and 0.1% Cu, including 0.3m at 112.0g/t and 1.3% Cu) are located 40m south of the southernmost boundary of modelled Deflector lodes and demonstrate continuity of mineralisation immediately beyond the current lode boundaries, with mineralisation remaining open in the direction of the Deflector South West target, ~300m away (Figure 8).

Highlights from the recent underground drilling program include⁹:

Hole #	Interval (m)	Gold (g/t)	Copper (%)
DFUG0074	0.6	51.1	NSA
	0.4	32.5	0.1
	0.4	31.3	0.2
DFUG0075	0.3	17.1	1.6
	0.3	239	2.4
DFUG0076	0.8	60.5	0.3
	0.4	24.7	NSA
DFUG0077	1.0	34.1	2.6
DFUG0078	1.2	10.3	0.2
	0.4	13.5	0.5
	0.3	23.8	NSA
	0.3	13.3	9.4
DFUG0079	0.3	41.0	0.1
	1.7	8.2	0.3
	0.3	12.5	0.1
DFUG0080	0.6	24.6	NSA
DFUG0109	0.4	36.8	4.8
	0.3	24.1	2.6
	0.5	14.9	0.2
DFUG0111	0.7	38.8	0.1
	5.1	9.7	0.1
	0.3	9.0	0.1

Table 10: Significant assays from underground drilling targeting south western extensions to Deflector

⁹ For full results refer to ASX release 7 March 2019, *Deflector near-mine exploration drilling intersects exciting gold and copper mineralisation*

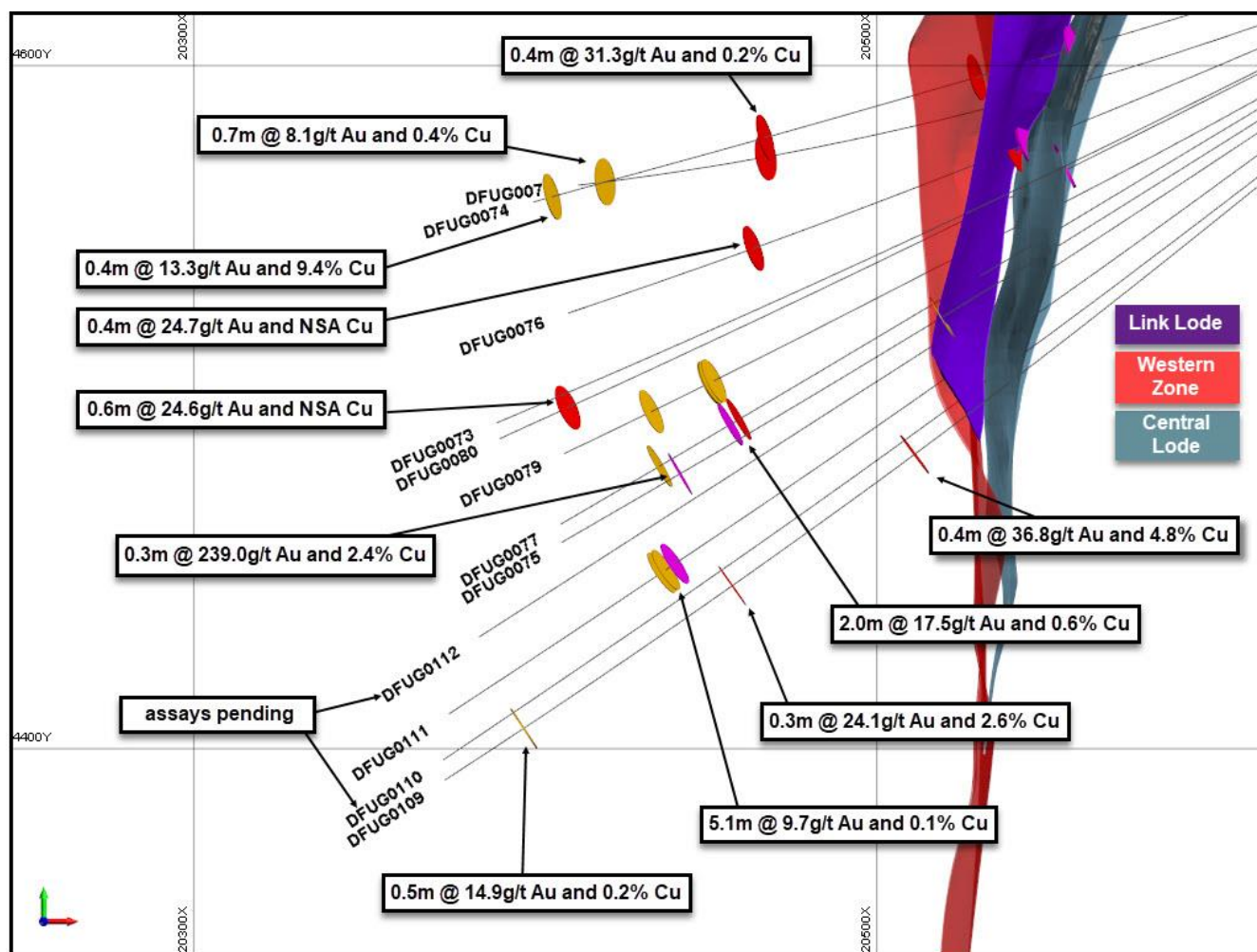


Figure 8: Results from underground diamond drilling testing for continuity and south western extensions of the Western Zone

Forward work program

The FY20 Deflector mine exploration budget will include several phases drilling, following up the high-grade intersections along the Deflector South West corridor to infill and extend mineralisation.

In-mine drilling supports the continuity of high-grade Western Zone Lodes and identifies a new lode analogous to the Link Lode

Recent in-mine Resource definition drilling was designed to upgrade Inferred Resources to higher confidence classifications, update the geological model and identify potential extensions to Western Zone splays.

The program successfully increased confidence in the continuity of high-grade gold mineralisation of the Western Lodes of the Deflector mine.

A significant outcome of in-mine drilling within the Western Zone was the confirmation of a new high-grade gold and copper lode analogous to the Link Lode structure discovered in FY18. These lodes contain high grade chalcopyrite rich massive sulphides, highlighted by¹⁰:

¹⁰ For full results refer to ASX release 7 March 2019, *Deflector near-mine exploration drilling intersects exciting gold and copper mineralisation*

Hole #	Interval (m)	Gold (g/t)	Copper (%)
DFUG0075	0.3	17.1	1.6
DFUG0076	0.3	26.1	0.3
DFUG0096	0.3	90.7	11.5
DFUG0109	0.4	36.8	4.8

Table 11: Significant assays intersecting new lode analogous to the Link Lode

The intersections of extensions and repetitions of the mineralised structures in the Western Zone area demonstrate the exploration opportunities of the Deflector mine. The increase in geological understanding resulting from underground mapping, detailed drill core logging and structural modelling indicates much of the historical surface drilling of the Western Zone was an ineffective test of the lodes at depth. Drilling from underground provides better intersection angles and can better target extensions to the currently defined lodes and discover new lodes to the west and down dip.

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

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Competent Person's Statement

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

Deflector Gold Equivalent Calculation Methodology and Parameters

All gold equivalency calculations assume a Au price of A\$1,800/oz, Cu price of A\$8,400/t and a 10% payability reduction for treatment and refining charges. The gold equivalent formula is $Au\ Eq\ koz = Au\ koz + (Cu\ kt * 4.21)$, based on the commodity price assumptions outlined above.