

Suite 4, Level 3
South Shore Centre
85 South Perth Esplanade
South Perth WA 6151
TEL +61 8 6313 3800
FAX +61 8 6313 3888
ABN 38 108 779 782

Board of Directors:

David Quinlivan
Luke Tonkin
Les Davis
Kelvin Flynn

ASX Code: SLR

Issued Capital:

508m Shares
3.4m Performance Rights

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

ASX ANNOUNCEMENT

23 November 2018

Chairman's Address to AGM

I am pleased to share with you today Silver Lake's operational and financial highlights of the year just past and also the Board's high level rationale for our recently announced merger proposal with Doray Minerals. Mr Tonkin will provide further detail on the proposed merger in his presentation.

Operational & Financial Highlights

On the operational and financial front, 2018 was a year in which Silver Lake successfully progressed our well documented strategy of transitioning the Mount Monger Gold Camp towards longer life ore sources with higher operating margins.

I am not going to dwell too long on these results as they clearly speak for themselves but in saying this I believe it is important to reflect briefly on their foundation, namely the significant investment in exploration by Silver Lake over the last 3 years.

Our disciplined investment in exploration has clearly succeeded in the three primary goals we set ourselves.

Firstly, it has delivered a robust resource and reserve backed long term mine plan for our operations at Mount Monger and in doing so, significantly enhanced the value of our established mine and processing infrastructure.

Secondly, we have increased the diversity of high grade ore sources with the establishment of new mines. Silver Lake now has four operating mines at Mount Monger and collectively these mines have significantly lowered our production risk profile.

Thirdly, exploration work undertaken at all three Mount Monger Mining Centres (Daisy, Mt Belches & Aldiss) has advanced a number of high value exploration targets that are located outside the boundaries of our currently defined Mineral Resources and Ore Reserves.

Our 2018 performance when compared to that of 2017 shows:

- a 50% increase in Mining Reserves (pre-depletion);
- a 16% increase in gold production to 157,936 ounces;
- a 5% reduction in AISC to A\$1,289 / oz;
- a 26% increase in EBITDA (excluding significant items) to A\$ 87.9 million;
- a 26% increase in operating cash flow to A\$80.8 million;
- a 697% increase in Net Profit After Tax to A\$16.2 million; and
- a 40% increase in cash, bullion and listed investments to A\$113.8 million;

with other notable highlights for 2018 including:

- the internal funding of A\$18.3m to construct and commission the Mt Belches underground centre and our newest open pit mining centre at Aldiss. These projects were completed on time and under budget; and
- we have no debt at year end.

Exploration

Over the past three years, under the guidance of our Exploration and Geology Manager Mr Antony Shepherd, Silver Lake has invested approximately \$40 million in a sustained and highly successful exploration program.

Over this three year period our exploration program has resulted in the addition of 1.5 million ounces to our resource base at a discovery cost of \$27 / resource ounce and the addition of 600 thousand ounces to our reserve base at a discovery cost of \$67 / reserve ounce.

These discovery costs are by any measure exceptional.

Highlights from our 2018 exploration program include:

- an increase in Mining Reserves to 526,000 ounces after reserve depletion due to mining operations during the year of 171,616 ounces;
- an increase in Mineral Resources to 3.72 million ounces again after resource depletion due to mining operations during the year of 285,000 ounces;
- a number of highly encouraging high grade results in an area adjacent to the upper levels of our extensive underground workings and existing surface infrastructure at the Daisy Complex. These newly identified high grade areas at Easter Hollows and Daisy North have the potential to introduce additional high grade mining fronts that are readily accessible from the existing upper level mine workings at Daisy Complex;
- further high grade results at Santa that indicate this area has the potential to become a third shallow, high-grade underground mine within the Mount Belches Mining Centre;
- a maiden JORC 2012 compliant Ore Reserve of 1.4 million tonnes at 2.0 g/t at Karonie; and
- the identification of a ~20km regional sheer zone at Aldiss that contains a number of highly prospective drill targets.

The ongoing success of our exploration programs has warranted Board approval of a further \$12.0 million exploration budget for 2019 in the Mt Monger region.

This program is already well underway and we look forward to providing updates throughout the course of the year.

Outlook for 2019

Our full year sales and cost guidance for Mount Monger in FY2019 is 140,000-150,000 ounces with the AISC expected to average A\$1,350-A\$1,390/oz.

We will also be continuing our active investment in exploration at Mount Monger with A\$12 million budgeted for the year.

Doray Merger

On the 14th November Silver Lake announced a merger proposal with Doray Minerals.

As I mentioned earlier Mr Tonkin will be taking you through the proposed merger in some detail with his presentation so I will limit my comments to the following:

- the board believes there is compelling rationale for the combination of Silver Lake and Doray to create a new, mid-tier gold producer;
- it is a transaction which we believe will favourably position the Company for further growth;
- the proposed merger has the unanimous support of both the Silver Lake and Doray boards. This support is obviously conditional on no superior proposal being received by

Doray and the appointed Independent Expert concluding such a merger is in the best interests of Doray shareholders;

- Doray's primary asset is the high grade underground Deflector Gold Operation in the southern Murchison region of Western Australia;
- The combination of Silver Lake and Doray will have pro-forma 2019 sales guidance of approximately 240,000 ounces gold equivalent at an AISC of A\$1,182 / ounce;
- This step up in production sets a solid base for the Company to be recognised as a new mid-tier gold producer with two substantial operating centres in a tier 1 jurisdiction; and finally
- when combined, the merged group will have a platform with multiple high grade mining and processing centres that the board believes will further lower production risk and provide opportunities for greater efficiency in areas such as supply chain management and the aggregation of functional support.

Board

Towards the end of last month Silver Lake announced that one of the Company's founding directors, Mr Brian Kennedy was retiring from the Board to focus on a number of his other mining ventures.

I would like to take this opportunity to thank Brian for his many years of dedicated service and wish him well in his future endeavours.

The Board now comprises one executive and three non-executive directors.

Closing

In closing, on behalf of the Board, I would like to thank the Company's employees, contractors and suppliers for their efforts and achievements during the year. The strong results for 2018 are a credit to all involved.

I would also like to acknowledge the ongoing support of our shareholders and I look forward to 2019.

Ladies and gentlemen that concludes my Chairman's address.

For further information, please contact:

Luke Tonkin
Managing Director
+61 8 6313 3800
contact@silverlakeresources.com.au

Len Eldridge
Corporate Development Officer
+61 8 6313 3800
contact@silverlakeresources.com.au