

31 January 2019

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:

507.9m Shares
7.4m Performance Rights

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

DECEMBER 2018 QUARTERLY ACTIVITIES REPORT

Mount Monger Operations

- Quarterly gold production of 34,871 ounces
- Quarterly AISC of A\$1,464/oz, consistent with 1H FY19 guidance prior to commercial ore production from the Aldiss Mining Centre in 2H FY19
- Development commenced to access the shallow Daisy North lode (~150mbs) & newly discovered lodes east of the current mining fronts at Lower Prospect
- Material movement increase at Aldiss with the mining fleet focussed on waste stripping of the Harrys Hill orebody. Consistent with FY19 guidance, ore tonnes and grades will progressively increase throughout 2H FY19 as the strip ratio declines to a weighted average of approximately 6:1 for the remainder of FY19 and the mine moves into the “yield” phase

Exploration

- The thickest, high grade intersection to date at Santa (29.8m @ 5.44 g/t) was returned as part of a thirteen hole program targeting the untested zone beneath the base of the Santa open pit and multiple high grade intersections reported in June 2018¹
- Successful follow up drilling targeting new lodes in the Lower Prospect area of the Daisy Complex² ~50m east of current mining areas, extended the zone of high grade gold mineralisation. Development to access the new lodes has commenced
- Regional aircore infill drilling at the Daisy Mining Centre confirmed strong anomalous gold trends in the Ultramafic South and Big Bull target areas

Corporate and Finance

- Quarterly gold sales of 31,447 ounces at an average price of A\$1,720/oz
- Cash and bullion of \$104.3 million, the cash draw during the quarter reflects the investment in waste development at Harrys Hill, a \$1.4 million increase in GIC to \$5.2 million and \$3.0 million exploration investment during the quarter. Silver Lake has listed investments valued at \$6.7 million
- Current hedge book of 128,300 ounces at an average price of A\$1,737/oz
- Merger proposal with Doray Minerals announced to create a new multi-asset gold producer with complementary high grade West Australian gold camps

FY19 Outlook

- No change to gold sales guidance of 140,000-150,000 ounces at an average FY19 AISC range of A\$1,350-A\$1,390/oz

1. ASX release 7 December 2018, “Thick, high grade results at Santa confirm UG mine potential”

2. ASX release 14 September 2018, “Drilling highlights significant upside at Daisy Complex”

Production

Underground Mining

Mount Monger underground mine production for the quarter totalled 177,550 tonnes at 4.9 g/t for 28,192 ounces.

The Daisy Complex produced 81,318 tonnes at 5.7 g/t for 14,815 contained ounces.

Stripping of the 550 level (150 metres below surface) to access the Daisy North lodes (see Figure 1) commenced during the quarter with development on track to commence stope production in FY20. The Daisy North lodes are not included in the 2018 Ore Reserve Statement and provide an opportunity to broaden the Ore Reserve base with ounces higher in the Daisy Complex mine elevation, establishing a new mining front and potentially reducing production costs.

In addition to providing a shallow new mining front, the Daisy North development will also provide improved drill platforms to target extensions to the Daisy North lodes and infill the Christmas Flats and Dinnie Reggio lodes, which are up plunge of the highly prospective Easter Hollows area.

Following successful drilling targeting the new lodes identified east of Lower Prospect's current mining area¹ in 1Q FY19, a development program was approved to access the new lodes (see Figure 2). The lodes to the east of the Lower Prospect lodes are not included in the 2018 Mineral Resource Statement and provide further evidence of the strong prospectivity of the Daisy Complex and the success of the exploration program to generate new mining fronts outside the current mining areas and proximal to existing development and services infrastructure.

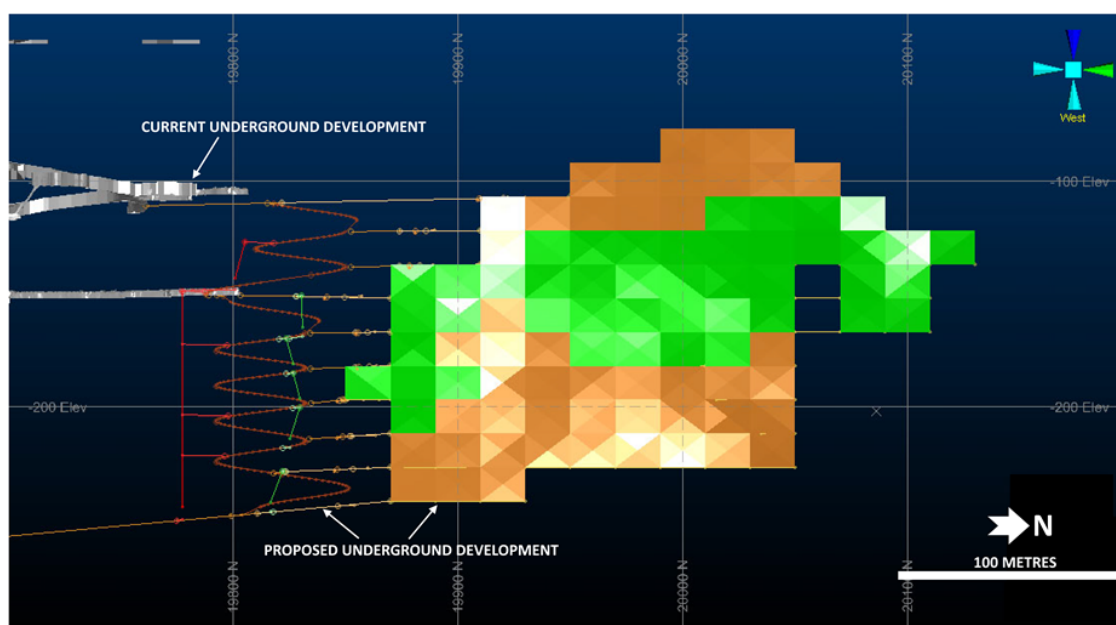


Figure 1: Long section showing Daisy North development and stope design

1. ASX release 14 September 2018, "Drilling highlights significant upside at Daisy Complex"

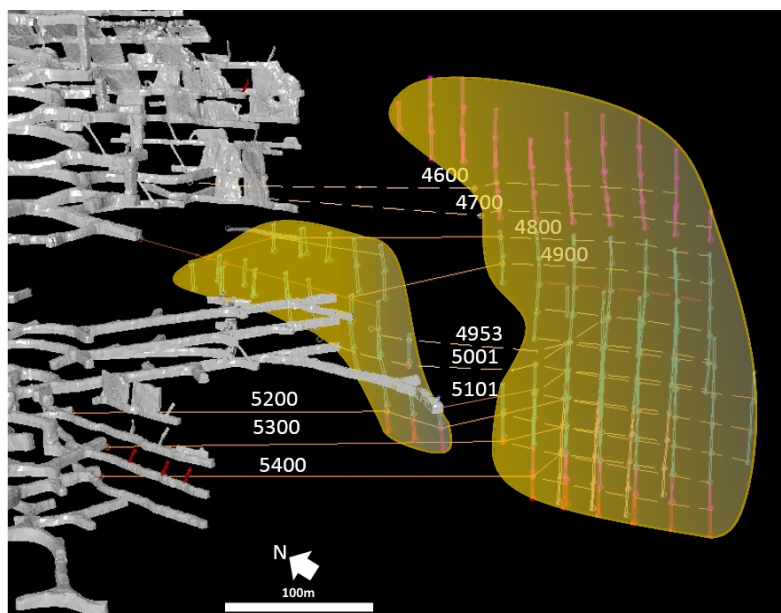


Figure 2: Location of new lodes east of current Lower Prospect mining areas and proximity to existing development

The Mount Belches Mining Centre produced 96,232 tonnes at 4.3 g/t for 13,377 ounces from the Maxwells and Cock-eyed Bob underground mines. Both mines have established their annual ounce production run rate for FY19.

Maxwells production for the quarter was 51,883 tonnes at 4.3 g/t for 7,238 ounces.

Cock-eyed Bob production for the quarter was 44,349 tonnes at 4.3 g/t for 6,139 ounces for the quarter, the increase in tonnes and lower quarter on quarter grade reflects the mining of a bulk stope during the quarter that incorporated two mineralised lodes in close proximity to each other.

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

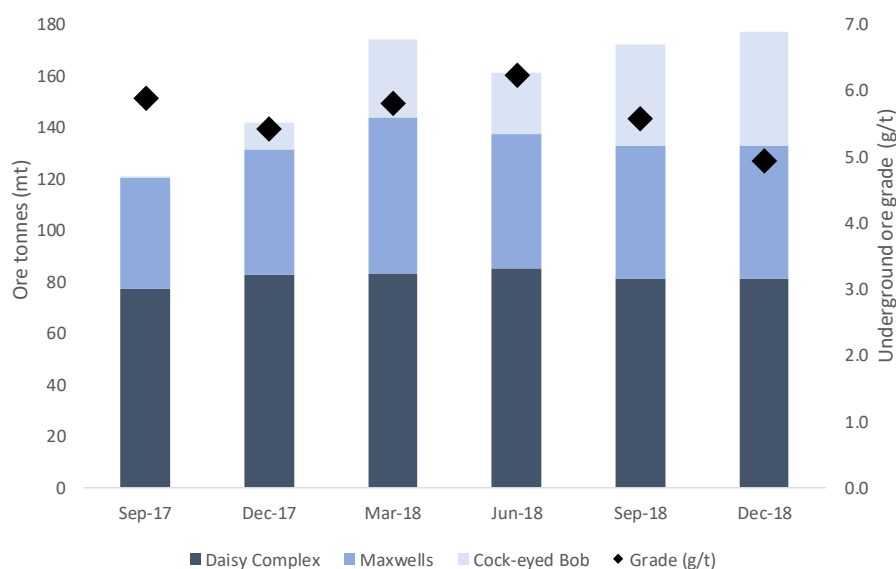


Chart 1: Underground Production

Open Pit Mining

Aldiss Mining Centre

The open pit mining fleet focussed on waste stripping of the Harrys Hill pit during the quarter with a total of 1,101,000 bcm mined, an increase of 14% over 1Q FY19, for 151,805 tonnes of ore at 1.9 g/t for 9,357 ounces.

The investment in waste development resulted in an average strip ratio for the quarter of 18:1 versus a LOM strip ratio of approximately 8.3:1 (refer chart 2). Ore tonnes and grades will significantly increase throughout 2H FY19 as the strip ratio declines to a weighted average strip ratio of approximately 6:1 for the remainder of FY19.

As outlined in FY19 guidance, the optimal mining schedule under the hybrid/owner operator model will establish an ore stockpile during 2H FY19 which will be processed in FY20 and FY21. At 31 December, 60,000 tonnes of Harrys Hill ore was stockpiled.

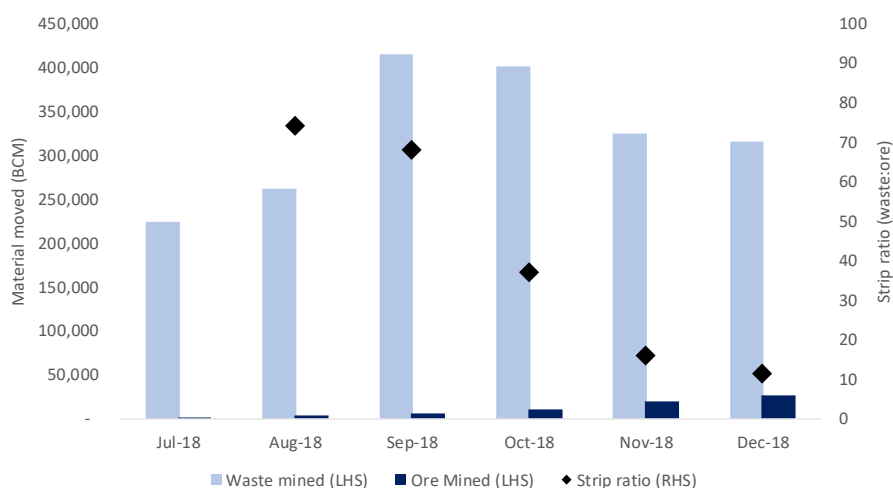


Chart 2: YTD Aldiss material movements - ore tonnes and grades will progressively increase over 2H FY19 as strip ratios reduce to below the LOM average



Figure 3: Harrys Hill pit, December 2018

Processing - Mill throughput returned to established and consistent levels

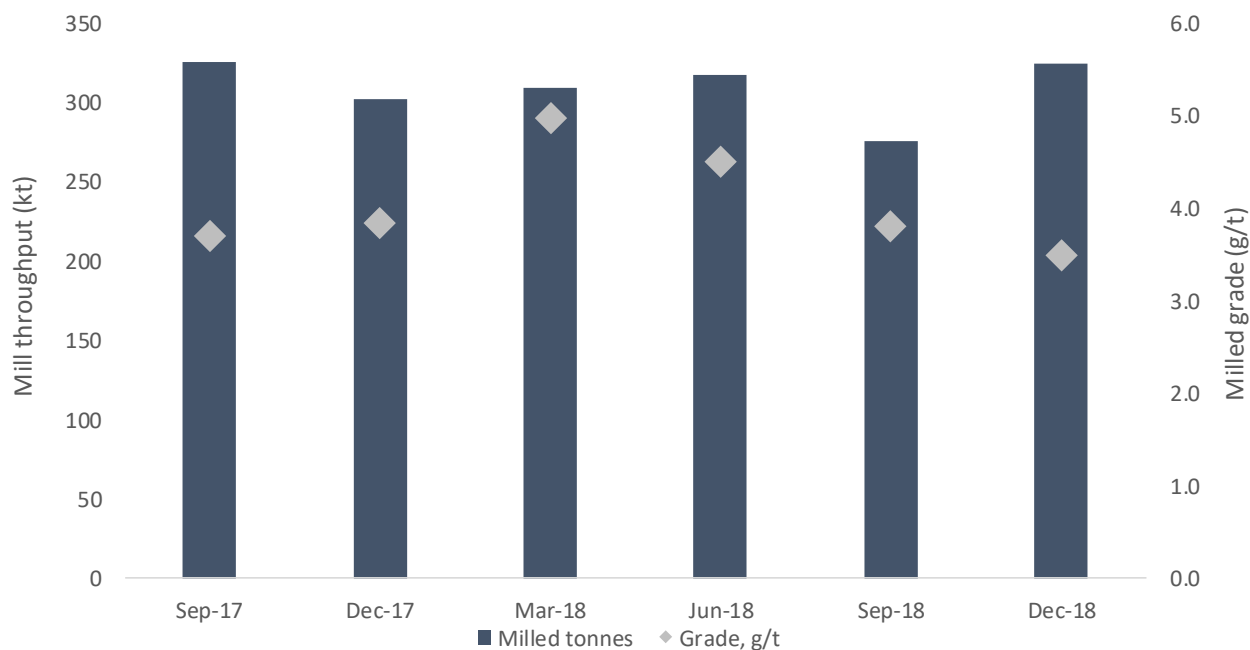


Chart 3: Processing

Ore milled for the quarter totalled 325,991 tonnes at 3.5 g/t Au for 34,871 recovered ounces (*Chart 3*). The high grade underground mines provided ~55% of the mill feed, with the balance from low grade stockpiles prior to the meaningful introduction of Harrys Hill ore in the latter half of 2Q FY19.

Mill throughput was at nameplate levels for the quarter as mill availability improved following reduced availability in 1Q FY19 due to planned preventive maintenance.

The lower milled grade for the quarter reflects lower quarter on quarter grades from the underground mines and the balance of mill feed sourced from lower grade stockpiled tonnes prior to the introduction of Harrys Hill ore in the latter half of 2Q FY19 (*Chart 4*).

Mill recoveries for the quarter were maintained at 94.5%.

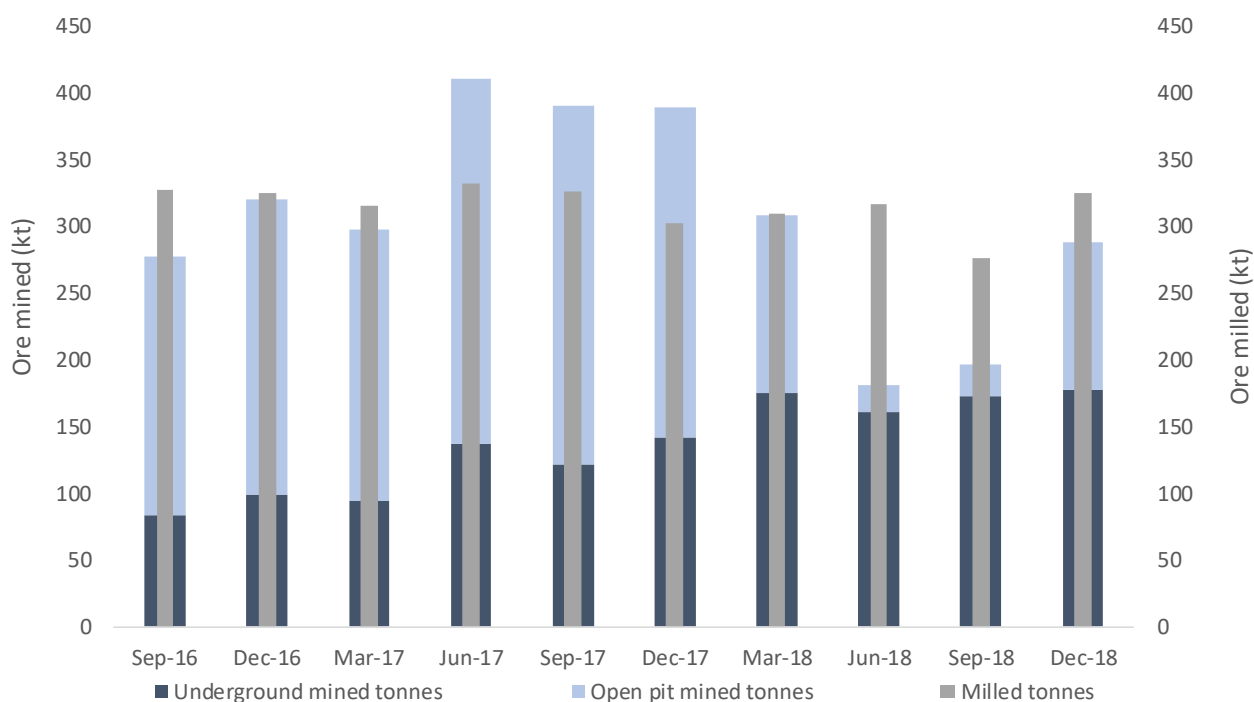


Chart 4: Underground and open pit mined tonnes v milled tonnes. December quarter open pit mined tonnes is adjusted to reflect tonnes treated from Harrys Hill which is lower than reported mined tonnes as haulage operations to the Randalls mill ramped up during the quarter

The stockpiles balance at 31 December was ~853,000 tonnes containing 34,400 ounces (30 September 2018: ~365,000 tonnes containing 14,300 ounces). Batch testing to confirm the grade of the historical stockpile at Karonie was performed during the quarter, with the historical Karonie stockpile now included in the global Mount Monger stockpile balance.

Mount Monger Camp - Mining	Units	Mar Qtr 2018	Jun Qtr 2018	Sep Qtr 2018	Dec Qtr 2018	YTD FY19	FY18
<u>Underground - Daisy Complex</u>							
Ore mined	Tonnes	83,511	85,375	81,069	81,318	162,387	328,941
Mined grade	g/t Au	6.4	6.4	6.1	5.7	5.9	6.4
Contained gold in ore	Oz	17,275	17,585	16,012	14,815	30,827	68,033
<u>Underground - Cock-eyed Bob</u>							
Ore mined	Tonnes	30,407	24,019	39,270	44,349	83,619	65,505
Mined grade	g/t Au	5.8	7.7	5.3	4.3	4.8	6.1
Contained gold in ore	Oz	5,704	5,975	6,645	6,139	12,784	12,940
<u>Underground - Maxwells</u>							
Ore mined	Tonnes	60,667	51,973	51,856	51,883	103,739	204,671
Mined grade	g/t Au	5.0	5.3	5.0	4.3	4.7	4.8
Contained gold in ore	Oz	9,814	8,861	8,281	7,238	15,519	31,856
<u>Open Pit - Imperial/Majestic</u>							
Ore mined	Tonnes	134,170	20,025	-	-	-	670,605
Mined grade	g/t Au	3.8	6.6	-	-	-	2.7
Contained gold in ore	Oz	16,286	4,281	-	-	-	58,787
<u>Open Pit - Harrys Hill</u>							
Ore mined	Tonnes	-	-	24,624	151,805	176,429	-
Mined grade	g/t Au	-	-	2.0	1.9	1.9	-
Contained gold in ore	Oz	-	-	1,601	9,357	10,958	-
Total ore mined	Tonnes	308,755	181,392	196,819	329,355	526,174	1,269,722
Mined grade	g/t Au	4.9	6.3	5.1	3.5	4.1	4.2
Total contained gold in ore	Oz	49,079	36,702	32,539	37,549	70,088	171,616

Table 1: Mount Monger Camp - mine production statistics

Mount Monger Camp - Processing	Units	Mar Qtr 2018	Jun Qtr 2018	Sep Qtr 2018	Dec Qtr 2018	YTD FY19	FY18
Ore milled	Tonnes	310,201	317,391	275,748	325,991	601,739	1,256,120
Head grade	g/t Au	5.0	4.5	3.8	3.5	3.66	4.2
Contained gold in ore	Oz	49,928	45,465	33,951	36,912	70,862	171,355
Recovery	%	94	93	94	95	95	92
Gold produced	Oz	46,780	42,258	32,095	34,871	66,966	157,936
Gold sold	Oz	45,206	37,340	38,500	31,447	69,947	151,250

Table 2: Mount Monger Camp - processing statistics

Costs

The Unaudited All-in Sustaining Cost (AISC) for the quarter (*Table 3*) was A\$1,464/oz (1Q FY19: A\$1,469/oz). The AISC for the quarter is consistent with FY19 guidance for a full year AISC in the range of A\$1,350-1,390/oz. Specific factors contributing to AISC for the quarter were:

- Costs and ounce sales associated with the ramp up of Harrys Hill were excluded from the AISC, consistent with World Gold Council Guidelines
- Impact of quarter on quarter grade variability with lower grades from the underground mines
- Inventory movements for the quarter relate to increases in bullion and gold in circuit at 31 December 2018 relative to 30 September 2018

Mount Monger Camp	Notes	Unit	Mar-18 Quarter	Jun-18 Quarter	Sep-18 Quarter	Dec-18 Quarter	FY19	FY18
Mining costs	1	A\$M	29.4	26.4	22.8	22.7	45.5	109.9
General and administration costs	2	A\$M	3.0	3.2	3.2	2.1	5.3	11.9
Royalties		A\$M	2.4	2.4	1.7	1.6	3.3	8.6
By-product credits		A\$M	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.7)
Processing costs	3	A\$M	10.3	10.9	10.9	5.9	16.9	42.1
Corporate overheads	4	A\$M	1.1	2.2	1.1	0.5	1.5	6.3
Mine exploration (sustaining)	5	A\$M	0.8	0.9	1.2	0.7	2.0	3.5
Capital expenditure and underground mine development (sustaining)	6	A\$M	3.4	2.9	4.4	5.6	10.0	17.7
All-in Sustaining Cash Costs (Before non-cash items)		A\$M	50.1	48.9	45.2	39.1	84.2	199.4
Inventory movements	7	A\$M	0.4	(2.1)	11.4	(3.0)	8.4	(7.9)
Rehabilitation - accretion & amortisation	7	A\$M	-	-	-	-	-	-
All-in Sustaining Costs		A\$M	50.5	46.8	56.5	36.1	92.6	191.5

Gold sales for AISC purposes	8	oz	43,234	37,340	38,500	24,630	63,130	148,533
-------------------------------------	---	----	--------	--------	--------	--------	--------	---------

Mining costs		A\$/oz	680	706	592	920	720	740
General and administration costs		A\$/oz	68	86	82	86	84	80
Royalties		A\$/oz	55	65	44	67	53	58
By-product credits		A\$/oz	(3)	(4)	(4)	(4)	(4)	(5)
Processing costs		A\$/oz	239	293	284	241	267	283
Corporate overheads		A\$/oz	25	59	27	18	24	43
Mine exploration (sustaining)		A\$/oz	18	25	32	30	31	23
Capital expenditure and underground mine development (sustaining)		A\$/oz	78	78	115	227	159	119
All-in Sustaining Cash Costs (Before non-cash items)		A\$/oz	1,159	1,308	1,173	1,586	1,334	1,342
Inventory movements		A\$/oz	9	(56)	295	(122)	132	(53)
Rehabilitation - accretion & amortisation		A\$/oz	-	-	-	-	-	-
All-in Sustaining Costs		A\$/oz	1,168	1,252	1,469	1,464	1,467	1,289

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

- 1 Costs for underground & open pit operating activities (including infill and grade control drilling). Costs allocated upon mines achieving commercial production.
- 2 Costs for site administration including corporate recharges.
- 3 Processing costs include costs of haulage from mine to mill.
- 4 Corporate overheads are post recharges to sites.
- 5 Costs relating to regional exploration are excluded from the calculation (amounting to \$2.2m for Q2 FY19).
- 6 Costs include underground decline development and sustaining capital works, but exclude site infrastructure/set up costs for new projects.
- 7 These costs are included in the calculation of all-in sustaining cost based on World Gold Council guidelines.
- 8 Gold sales from Harrys Hill production are excluded from the AISC calculation.

Group Finance

Cash and bullion decreased \$6.2 million during the quarter to \$104.3 million at 31 December 2018 with no debt. The cash and bullion position at 31 December includes \$3.6 million in bullion awaiting settlement and excludes \$5.2m of gold in circuit (a \$1.4m increase on 30 September gold in circuit).

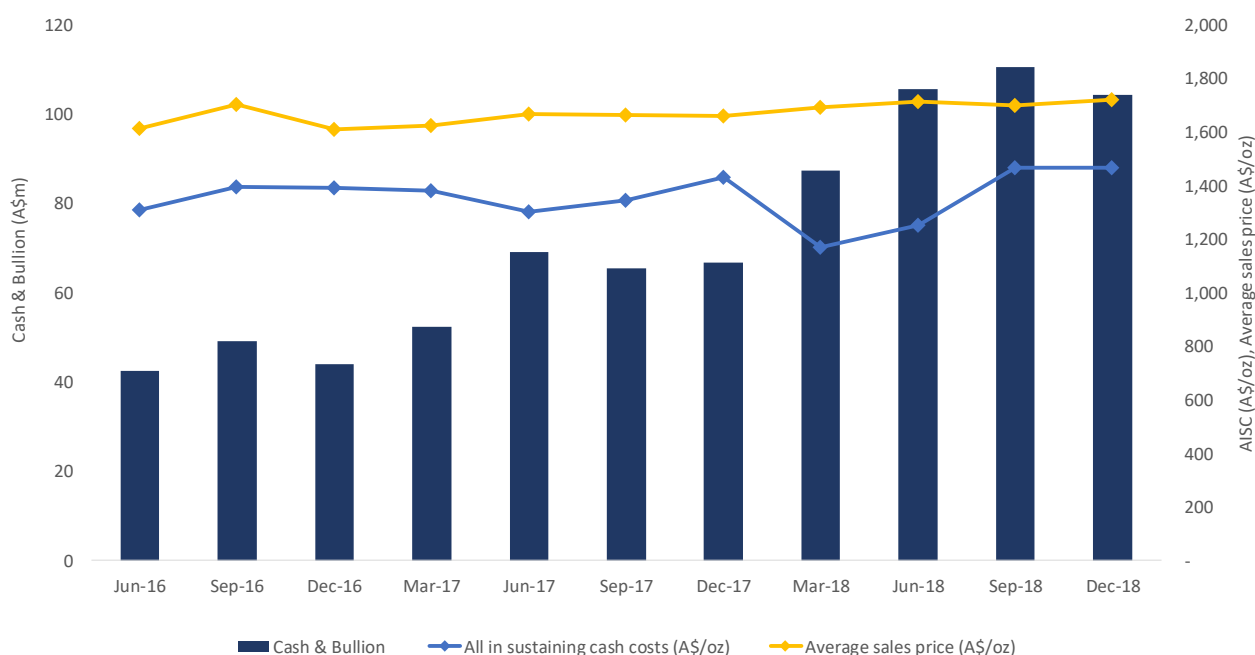


Chart 5: Established track record of cash generation

Key cash flow movements included:

- Net cash flow from the Mount Monger Camp of \$12.9 million
- Exploration spend of \$3.0 million
- Aldiss capital expenditure and development stripping of \$12.2 million

Cash flow for the December quarter is summarised in *Chart 6* below:

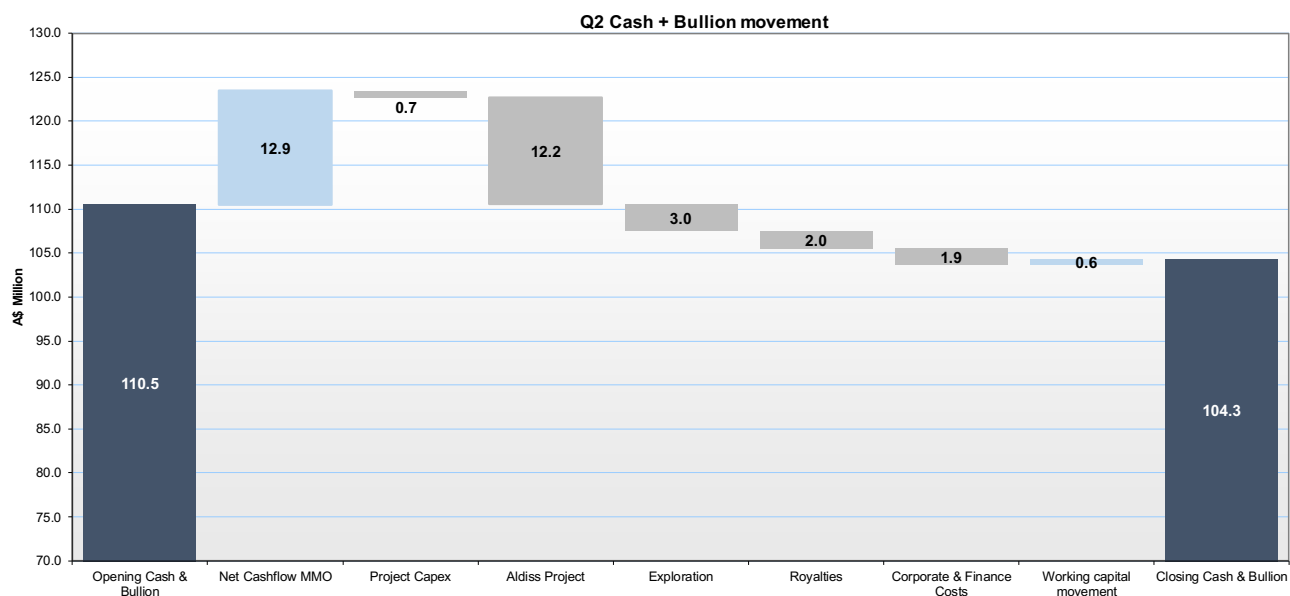


Chart 6: Q2 Cash & Bullion movement

Hedging

As at 31 December 2018, the Company's forward gold hedging program totalled 131,100 ounces, to be delivered over the next ~2 years at an average forward price of A\$1,737/oz. Net of deliveries in January the hedge book stands at 128,300 ounces at an average price of A\$1,737/oz and the profile is set out below.

	Jun-19 HY	Dec-19 HY	Jun-20 HY	Dec-20 HY	Jun-21 HY
Ounces (koz)	38	30	36	12	12
Hedged gold price (A\$/oz)	1,730	1,728	1,728	1,736	1,811

Table 4: Hedge book profile

Merger with Doray Minerals

On 14 November 2018, Silver Lake announced it had entered into a binding Scheme Implementation Deed with Doray Minerals Limited (Doray) under which the two companies will merge by way of a Doray Scheme of Arrangement. The merger will combine complementary West Australian gold operations to create a leading ASX mid-tier growth-focused gold producer.

Key highlights of the transaction include:

- The combination of two complementary high-grade gold operations in a tier one mining jurisdiction which allows for a site focused operating model with aggregated functional support
- Diversification of production sources and cashflow generation
- Significant Ore Reserve conversion and brownfield exploration opportunities
- The financial strength to efficiently and effectively fund exploration and generate organic opportunities to compete for capital whilst also allowing the merged group to approach future consolidation opportunities from a position of strength
- Proven leadership team with an appropriate balance of operational and capital markets credentials to execute a growth-focused strategy

Under the terms of the merger, each Doray Shareholder will receive 0.6772 Silver Lake shares for every Doray share held. As a result, shareholders of Silver Lake and Doray will own 62.7% and 37.3%, respectively, of the issued ordinary shares in the merged group.

The merger has been unanimously recommended by the Doray Board of Directors in the absence of a superior offer and subject to an Independent Expert opining that the Scheme is in the best interests of Doray Shareholders.

A Scheme booklet is expected to be circulated to Doray shareholders in February 2019 and subject to approvals is expected to be implemented in early April 2019.

For full details on the proposed merger refer to ASX release 14 November 2018, "Silver Lake and Doray to Merge" and associated presentation and Scheme Implementation Deed also released to the ASX on 14 November 2018.

Exploration

Daisy Complex overview

Underground drilling at the Daisy Complex focused on the Lower Prospect areas during the quarter, targeting extensions and new offset lode positions (for further details see *Underground Mining* section). A progressive infill delineation drilling program within existing Inferred Mineral Resource blocks continues to confirm the continuity of the high-grade gold mineralisation and is expected to support the upgrade of Inferred to Indicated Mineral Resources for potential conversion to Mineral Reserves in these areas.

At the broader Daisy Mining Centre, a regional aircore program targeting the Big Bull and Ultramafic South areas was completed during the quarter.

Daisy Mining Centre regional aircore drilling program

A regional aircore drilling program was completed during the quarter. The program was designed to infill known anomalous gold trends and identify new targets in the Big Bull and Ultramafic South areas, prior to the progression to follow up RC and diamond drilling.

The historical Bull-Leslie deposit was mined periodically from the early 1900's until 1994 to a depth of ~80-100 metres below surface. At a camp scale the Big Bull target zone forms the northern extension of the Leslie mineralised trend (with the Leslie deposit also previously mined), while at a deposit scale this northern extension may represent a separate parallel lode or a structurally offset extension of the Leslie deposit. Historical reports describe the northern strike of the Leslie lode terminating against a moderately dipping approximately east trending fault.

In FY16, Silver Lake completed a first pass step out aircore program ~targeting 1km of projected strike from the historical mine and successfully identified significant mineralisation¹, including the results below.

- 16MMAC0313: 3m @ 10.95 g/t Au from 12m
- 16MMAC0314: 3m @ 3.98 g/t Au from 42m

The recently completed aircore program was designed to infill the FY16 program and delineate potential extensions to the anomalous gold corridor before follow up RC and DD drilling is carried out.

The Ultramafic South area represents a relatively underexplored portion of the tenement package at the Daisy Mining Centre, which surrounds the historic Creedons Welcome underground mine which produced 2,122 ounces at 136 g/t Au between 1916 and 1923. Reconnaissance mapping from outcrop and spoil around historical workings in the area by the Silver Lake exploration team has confirmed host lithologies analogous to those of Daisy Milano (intermediate volcanic host rock, felsic porphyries and bleached sericitic alteration halos around narrow high-grade gold veining). This prompted a review of historical exploration literature which supported the field observations.

A first pass aircore drilling of the Ultramafic South Area was completed in 1H FY18 and generated results consistent with those seen in the well-endowed Daisy North Area however the broad drill spacing did not allow confident delineation of the anomalous gold trends. The recently completed infill aircore drilling program has increased the confidence in the gold trends is better defining follow up RC and diamond drilling programs.

An update on the results of the program covering both the Ultramafic South and Big Bull areas will be provided once a technical review of the results is completed and the implications for future work programs is assessed and approved.

1. ASX release 21 April 2016, "Quarterly Activities Report"

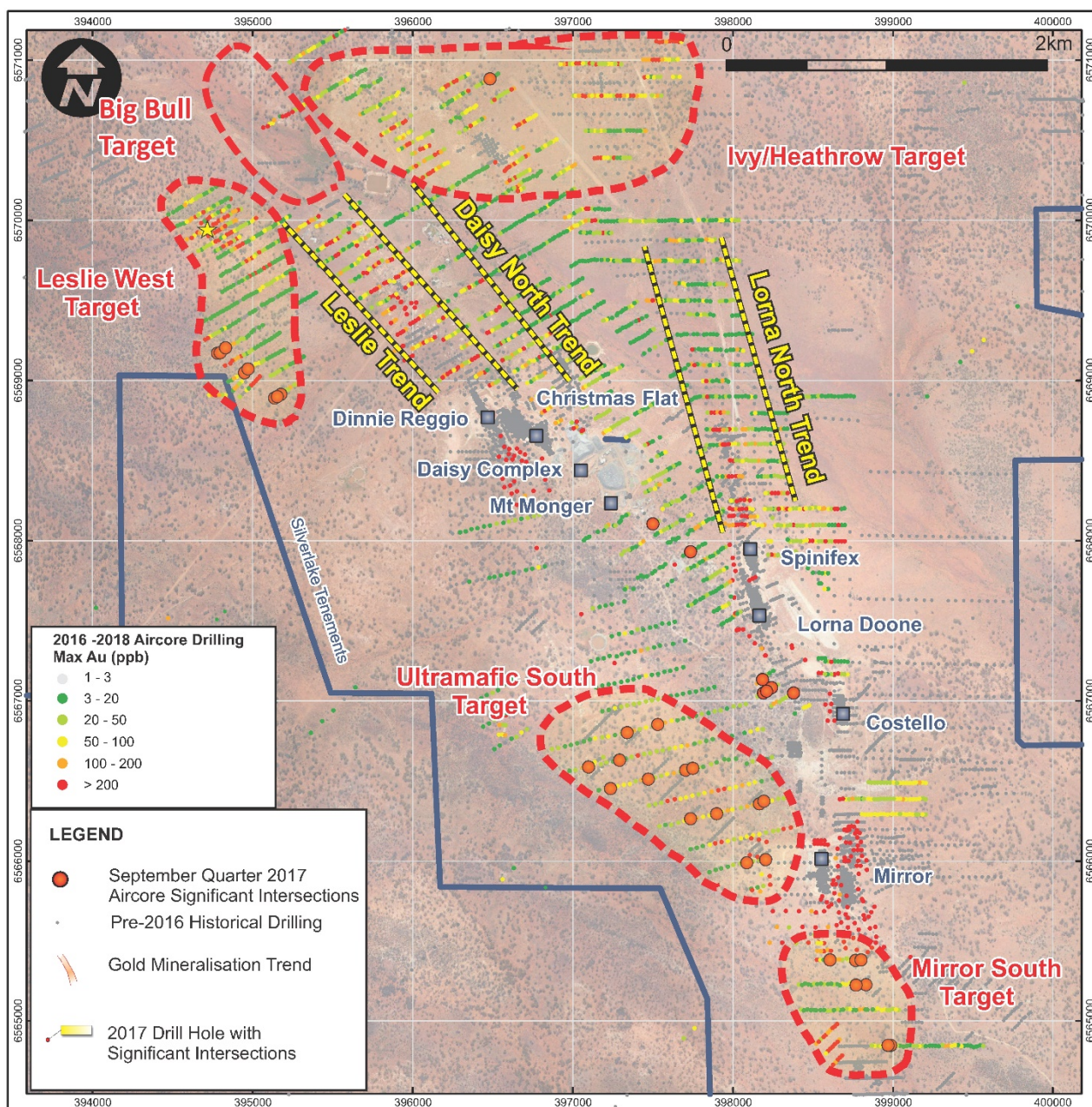


Figure 4: Daisy Mining Centre identified gold trends and target areas

Aldiss overview

During the quarter a preliminary phase of exploration drilling commenced at the identified deposits on the SAT trend. The program supported the tenor of the historic resources and also provide further targeting data prior to the commencement of a step out RC drilling program to test for extensions to the delineated resources.

The results of the detailed ground magnetic survey completed in Q1 FY19 have provided a significant increase in data resolution over the SAT trend shear zone and will provide an improved base data set from which further exploration targeting can progress.

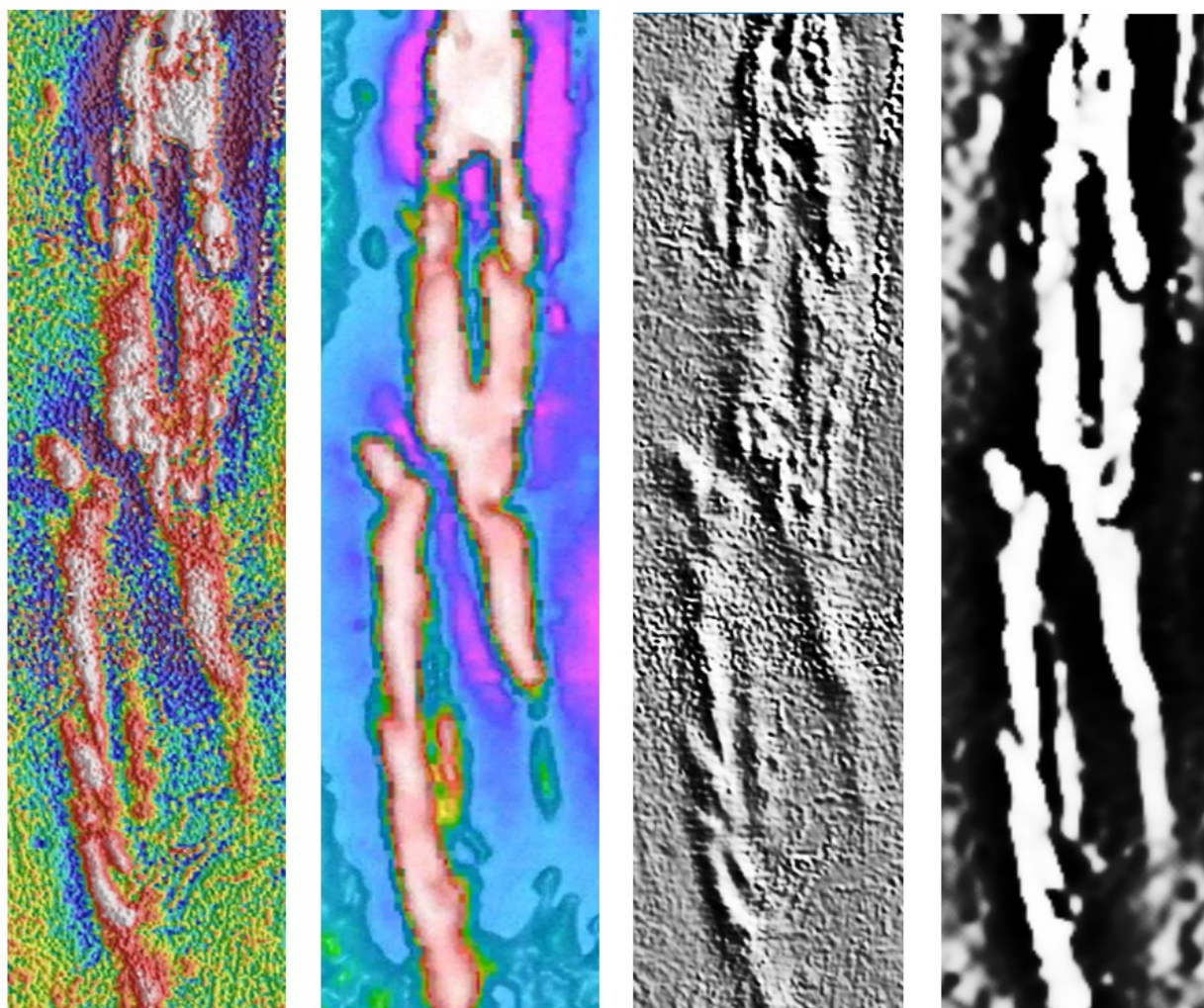


Figure 5: Magnetic Imagery comparison of new survey resolution (left) with previous survey resolution (right)

Mount Belches overview

Exploration activities at Mount Belches during the quarter were focused on Santa surface drilling (described in detail below). The results have increased the confidence in the potential for a third shallow, high grade underground mine at Mount Belches and the project has advanced from exploration through to the study phase. Resource definition and extensional drilling of the known mineralised BIF's at the Maxwells and Cock-eyed Bob mines was ongoing during the quarter.

Santa - Thick, high grade results confirm potential for a third shallow underground mine at Mount Belches

Following the results of the drilling program in June 2018¹ the current RC and diamond program was approved to infill and extend the south plunging high grade mineralisation of the western limb of the Santa BIF target zone.

The three phase program comprises thirteen holes, with nine holes completed during the quarter. All nine diamond holes completed intersected strong mineralisation, including visible gold in eight of the nine completed holes. The assays confirmed broad zones of high grade mineralisation including²:

1. ASX release 7 June 2018, "Santa drilling highlights growth potential at Mount Belches"
2. ASX release 7 December 2018, "Thick, high grade results at Santa confirm UG mine potential"

- 18SADD001: 2.41m @ 8.87 g/t Au
- 18SADD002: 11.5m @ 4.69 g/t Au, including 0.93m @ 30.5 g/t Au
- 18SADD004: 29.8m @ 5.44 g/t Au, including:
 - 4.52m @ 6.13 g/t Au
 - 7.57m @ 3.89 g/t Au
 - 4.16m @ 4.39 g/t Au
 - 4.57m @ 7.30 g/t Au, and
 - 3.03m @ 17.0 g/t Au
- 18SADD005: 1.93m @ 4.8 g/t Au, including 0.28m @ 23.2 g/t Au
- 18SARD018: 0.50m @ 62.0 g/t Au

Results for four of the five holes received to date are for holes targeting the untested zone extending from the Santa pit floor to the south plunging zone of high grade mineralisation returned in the June 2018 results. Mineralisation in the thickest, high grade intersection returned at Santa in hole 18SADD004 commences at approximately 80 metres below the base of the Santa North Open Pit (Figure 6 & 7). These results are very encouraging and provide the potential for shallow underground mining areas to be accessed as part of a mining development path towards the south plunging zone on the western limb and accessing the eastern BIF limb, which currently hosts the majority of the Santa Mineral Resource.

The assay result from hole 18SARD018 (0.50m @ 62.0g/t) is the first result from the phase of drilling designed to extend the high grade mineralised zone down plunge to the south of the June 2018 results. Assays are pending for a further four holes targeting the south plunge extension as shown in Figure 6.

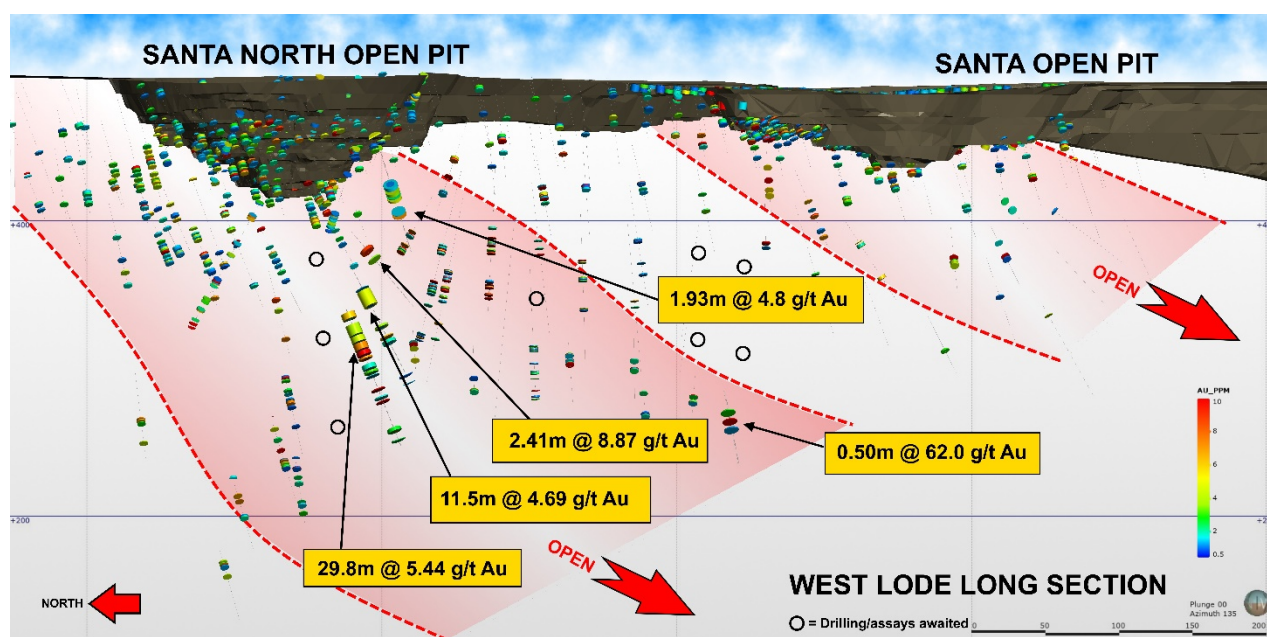


Figure 6: Santa West Lode long section showing recent assay results highlights and historical drilling intersections

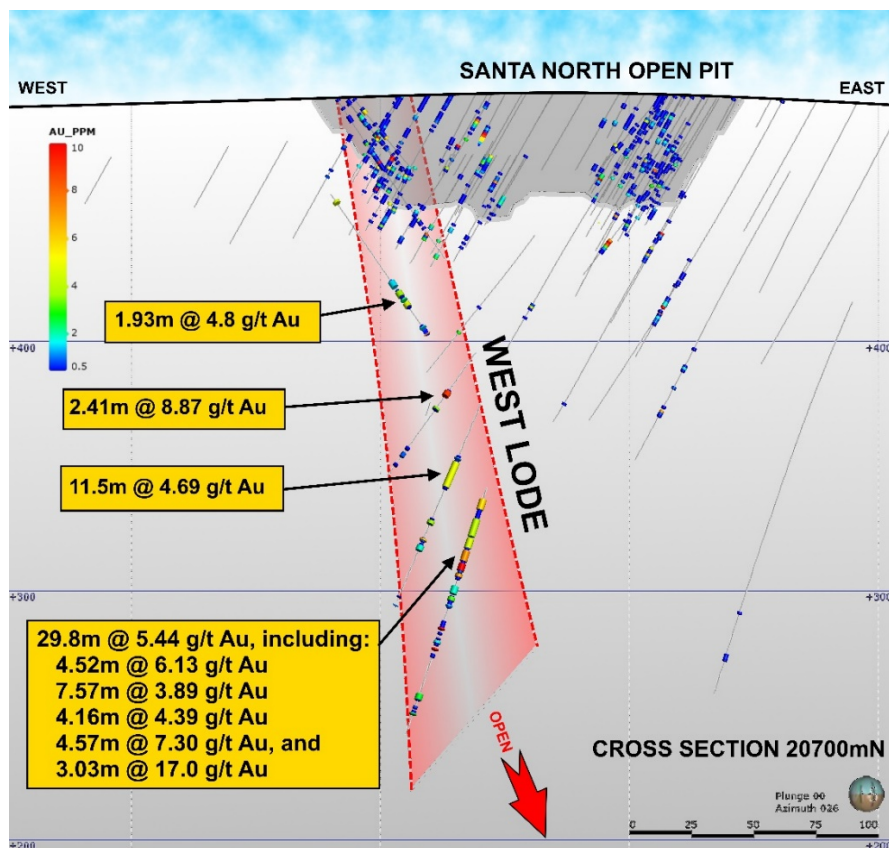


Figure 7: Santa cross section 20700mN showing recent assay results highlights

Given the strong results received from the infill program, the third phase of the current drill program will incorporate three holes to infill the vertical gap of approximately 65 metres from the base of the Santa North Open Pit.

The results continue to confirm the strike and vertical continuity of high-grade mineralisation within the west lode BIF units, and support the potential for immediate down plunge and strike extensions to the high-grade lodes into the area of no previous drilling on the western limb of the Santa BIF (Figures 6 and 7). Evaluation of these results has significantly increased the confidence in the potential to yield additional Mineral Resources at Santa and the potential development of a third underground mine at the Mount Belches Mining Centre.

Further drilling will be planned for Q3 FY19 to incorporate additional phases of RC and diamond drilling to infill and extend the existing Mineral Resources for the Santa Area, targeting both the west lode and east lode BIF units.

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

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

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.