

30 April 2019

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David Quinlivan
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ASX Code: SLR

Issued Capital:

818.2m Shares
7.4m Performance Rights

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

MARCH 2019 QUARTERLY ACTIVITIES REPORT

Mount Monger

- Gold production of 35,172 ounces, driven by consistent performance from underground mines and Harrys Hill positioned to “yield”
- 38,055 ounces sold at a realised price of A\$1,783/oz and AISC of A\$1,444/oz

Deflector

- Silver Lake assumed management control of Doray Minerals Ltd (“Doray”) and Deflector mining operation on 5 April. Deflector production for the quarter was 20,961 ounces of gold and 650 tonnes of copper at an AISC of A\$1,182/oz

Exploration

- Discovery exploration during the quarter focused on the SAT trend to the south of Harrys Hill and Karonie. A diamond and RC drill program targeting extensions to Mineral Resources progressed with logging of diamond core and RC drill chips identifying extensions to the Tank deposit which are currently subject to review and interpretation for forward planning

Corporate and Finance

- Silver Lake had cash and bullion of \$108.5 million at 31 March with no debt, a \$4.2 million increase on 31 December 2018. During the quarter \$3.4 million was invested in exploration at Mount Monger and listed investments were valued at \$4.3 million
- The merger with Doray was successfully implemented on 5 April and positions Silver Lake as a multi-asset, mid-tier gold producer with the financial strength to be a leading growth focused gold company
- Doray had cash and bullion at 31 March of \$15.4 million and no debt. Silver Lake’s pro-forma cash and bullion position at 31 March was \$123.9 million and no debt
- Post consolidation of Doray’s hedge book, Silver Lake has a hedge position of 169,941 ounces at an average price of A\$1,757/oz

FY19 Outlook

- No change to Mount Monger gold sales guidance of 140,000-150,000 ounces at an average FY19 AISC of A\$1,350-A\$1,390/oz
- Silver Lake will complete a review of its outlook including group production, costs, capital and exploration expenditure following the integration of the Doray assets

Mount Monger

Underground Mining

Mount Monger underground mine production for the quarter totalled 168,391 tonnes at 5.1 g/t for 27,493 ounces. Production across the two underground mining centres was relatively consistent quarter on quarter, with higher grades from Cock-eyed Bob driving a moderate overall underground grade increase.

The Daisy Complex produced 73,231 tonnes at 5.3 g/t for 12,477 contained ounces, with production sourced from the Haoma West and Lower Prospect areas. Grades were marginally lower quarter on quarter as development to access the new lateral lodes at Lower Prospect was progressed. With new lateral discoveries higher in Daisy's mine elevation, and increased data following further drilling, Silver Lake is reviewing its operating and development strategy to optimally position the Daisy Complex for the future.

The Mount Belches Mining Centre produced 95,160 tonnes at 4.9 g/t for 15,016 ounces from the Maxwells and Cock-eyed Bob underground mines, representing 57% of the underground mine tonnes for the quarter. Maxwells production was 57,163 tonnes at 4.5 g/t for 8,232 ounces and Cock-eyed Bob production was 37,997 tonnes at 5.6 g/t for 6,784 ounces.

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

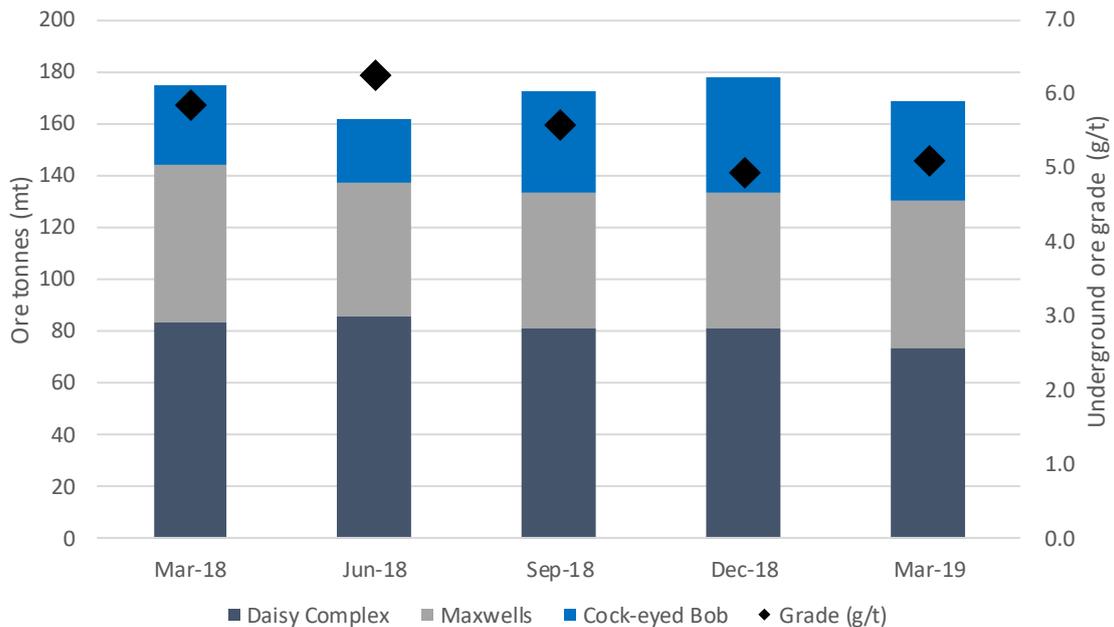


Chart 1: Underground Production

Open Pit Mining

Aldiss Mining Centre

Open pit mining saw a significant increase in ore tonnes and a reduction in total material movements as the strip ratio progressively reduced throughout the quarter.

A total of 771,007 bcm's were mined (2Q: 1,101,000 bcm's) for 288,837 tonnes at 2.0 g/t and 18,301 ounces (2Q: 151,805 tonnes of ore at 1.9 g/t for 9,357 ounces). The average strip ratio for the quarter was approximately 8.5:1, with the March strip ratio significantly lower at 6.6:1 and expected to continue to trend lower through Q4 with multiple ore zones now exposed.

As outlined in FY19 guidance, the optimal mining schedule under the hybrid/owner operator model will establish a significant ore stockpile during 2H FY19 which will be processed in FY20 and FY21. At 31 March, 225,000 tonnes of Harrys Hill ore was stockpiled.

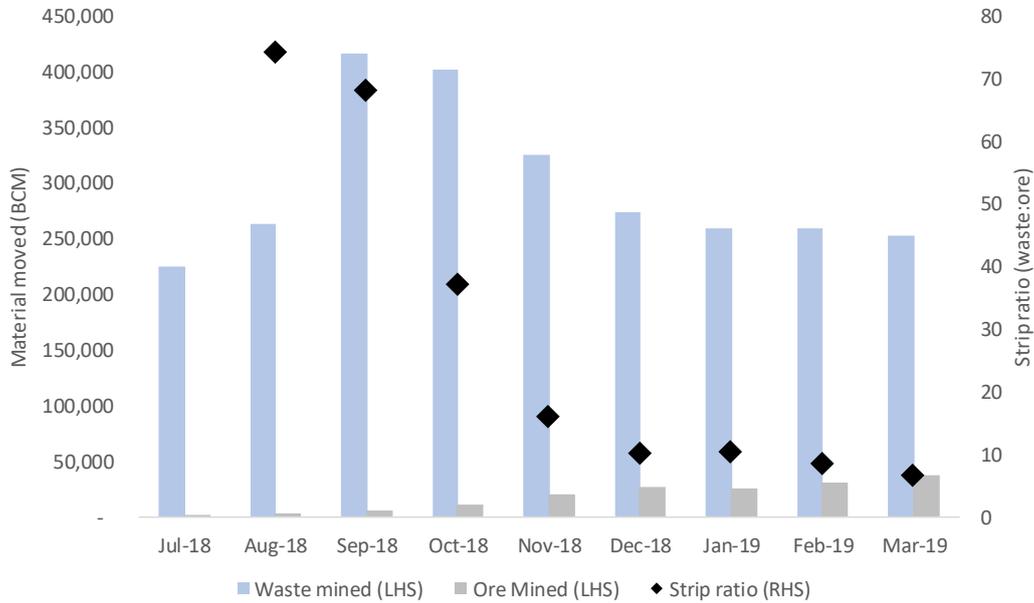


Chart 2: YTD Aldiss material movements - ore tonnes and grades will progressively increase over 2H FY19 as strip ratios reduce to below the LOM average

Processing - Mill throughput at established and consistent levels

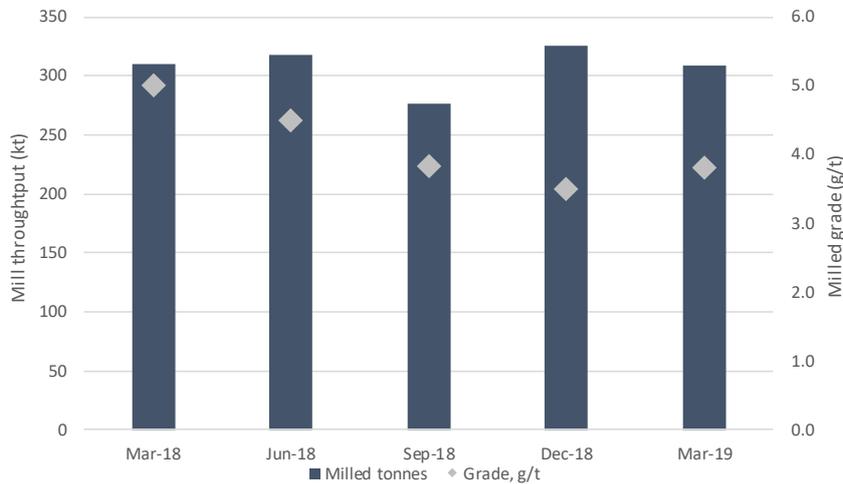


Chart 3: Processing

Ore milled for the quarter totalled 308,689 tonnes at 3.8 g/t Au for 35,172 recovered ounces (Chart 3). The high grade underground mines provided ~55% of the mill feed, with the balance sourced from open pit feed from the Harrys Hill open pit.

Mill throughput continues to track at nameplate levels and recoveries for the quarter were consistent at 94.0%.

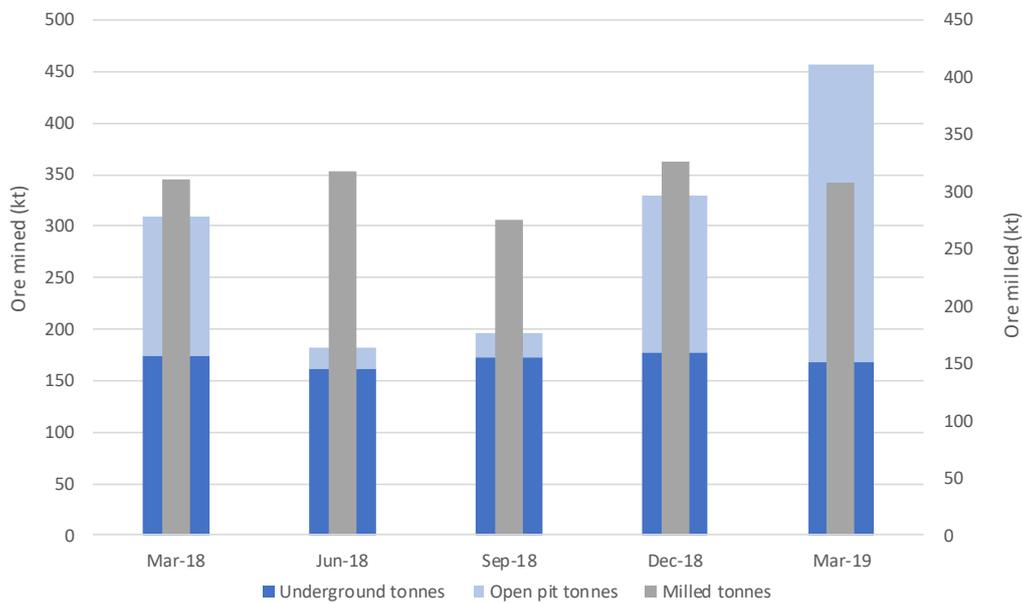


Chart 4: Underground and open pit mined tonnes v milled tonnes

The stockpiles balance at 31 March was ~1,015,000 tonnes containing 43,000 ounces (31 December 2018: ~853,000 tonnes containing 34,400 ounces).

Mount Monger Camp - Mining	Units	Jun Qtr 2018	Sep Qtr 2018	Dec Qtr 2018	Mar Qtr 2019	YTD FY19	FY18
<u>Underground - Daisy Complex</u>							
Ore mined	Tonnes	85,375	81,069	81,318	73,231	235,618	328,941
Mined grade	g/t Au	6.4	6.1	5.7	5.3	5.7	6.4
Contained gold in ore	Oz	17,585	16,012	14,815	12,477	43,304	68,033
<u>Underground - Cock-eyed Bob</u>							
Ore mined	Tonnes	24,019	39,270	44,349	37,997	121,616	65,505
Mined grade	g/t Au	7.7	5.3	4.3	5.6	5.0	6.1
Contained gold in ore	Oz	5,975	6,645	6,139	6,784	19,568	12,940
<u>Underground - Maxwells</u>							
Ore mined	Tonnes	51,973	51,856	51,883	57,163	160,902	204,671
Mined grade	g/t Au	5.3	5.0	4.3	4.5	4.6	4.8
Contained gold in ore	Oz	8,861	8,281	7,238	8,232	23,751	31,856
<u>Open Pit - Imperial/Majestic</u>							
Ore mined	Tonnes	20,025	-	-	-	-	670,605
Mined grade	g/t Au	6.6	-	-	-	-	2.7
Contained gold in ore	Oz	4,281	-	-	-	-	58,787
<u>Open Pit - Harrys Hill</u>							
Ore mined	Tonnes	-	24,624	151,805	288,837	465,266	-
Mined grade	g/t Au	-	2.0	1.9	2.0	2.0	-
Contained gold in ore	Oz	-	1,601	9,357	18,301	29,259	-
Total ore mined	Tonnes	181,392	196,819	329,355	457,228	983,402	1,269,722
Mined grade	g/t Au	6.3	5.1	3.5	3.1	3.7	4.2
Total contained gold in ore	Oz	36,702	32,539	37,549	45,794	115,882	171,616

Table 1: Mount Monger Camp - mine production statistics

Mount Monger Camp - Processing	Units	Jun Qtr 2018	Sep Qtr 2018	Dec Qtr 2018	Mar Qtr 2019	YTD FY19	FY18
Ore milled	Tonnes	317,391	275,748	325,991	308,689	910,428	1,256,120
Head grade	g/t Au	4.5	3.8	3.5	3.8	3.7	4.2
Contained gold in ore	Oz	45,465	33,951	36,912	37,439	108,301	171,355
Recovery	%	93	94	95	94	94	92
Gold produced	Oz	42,258	32,095	34,871	35,172	102,138	157,936
Gold sold	Oz	37,340	38,500	31,447	38,055	108,002	151,250

Table 2: Mount Monger Camp - processing statistics

Costs

The Unaudited All-in Sustaining Cost (AISC) for the quarter (*Table 3*) was A\$1,444/oz (2Q FY19: A\$1,464/oz). The AISC includes costs for Aldiss Mining Centre for the first time following the declaration of commercial production on 1 January.

Silver Lake maintains FY19 guidance for a full year AISC in the range of A\$1,350-1,390/oz, with the 4Q AISC to benefit from the forecast reduction in strip ratio at Harrys Hill (refer Mining section for further details).

Mount Monger Camp	Notes	Unit	Jun-18 Quarter	Sep-18 Quarter	Dec-18 Quarter	Mar-19 Quarter	FY19	FY18
Mining costs	1	A\$M	26.4	22.8	22.7	32.0	77.4	109.9
General and administration costs	2	A\$M	3.2	3.2	2.1	3.0	8.3	11.9
Royalties		A\$M	2.4	1.7	1.6	1.9	5.3	8.6
By-product credits		A\$M	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	(0.7)
Processing costs	3	A\$M	10.9	10.9	5.9	11.6	28.5	42.1
Corporate overheads	4	A\$M	2.2	1.1	0.5	0.7	2.2	6.3
Mine exploration (sustaining)	5	A\$M	0.9	1.2	0.7	0.6	2.6	3.5
Capital expenditure and underground mine development (sustaining)	6	A\$M	2.9	4.4	5.6	7.7	17.7	17.7
All-in Sustaining Cash Costs (Before non-cash items)		A\$M	48.9	45.2	39.1	57.5	141.7	199.4
Inventory movements	7	A\$M	(2.1)	11.4	(3.0)	(2.5)	5.8	(7.9)
Rehabilitation - accretion & amortisation	7	A\$M	-	-	-	-	-	-
All-in Sustaining Costs		A\$M	46.8	56.5	36.1	54.9	147.5	191.5
Gold sales for AISC purposes	8	oz	37,340	38,500	24,630	38,055	101,185	148,533
Mining costs		A\$/oz	706	592	920	840	765	740
General and administration costs		A\$/oz	86	82	86	80	82	80
Royalties		A\$/oz	65	44	67	50	52	58
By-product credits		A\$/oz	(4)	(4)	(4)	(2)	(3)	(5)
Processing costs		A\$/oz	293	284	241	305	281	283
Corporate overheads		A\$/oz	59	27	18	18	22	43
Mine exploration (sustaining)		A\$/oz	25	32	30	17	26	23
Capital expenditure and underground mine development (sustaining)		A\$/oz	78	115	227	202	175	119
All-in Sustaining Cash Costs (Before non-cash items)		A\$/oz	1,308	1,173	1,586	1,510	1,401	1,342
Inventory movements		A\$/oz	(56)	295	(122)	(67)	58	(53)
Rehabilitation - accretion & amortisation		A\$/oz	-	-	-	-	-	-
All-in Sustaining Costs		A\$/oz	1,252	1,469	1,464	1,444	1,458	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 \$2.7m for Q3 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 in 1H FY19 are excluded from the AISC calculation.

Deflector

Silver Lake completed the merger with Doray and subsequently assumed management control of Deflector from 5 April (“Implementation Date”). Deflector production and Doray’s associated financial results prior to the Implementation Date are not attributable to Silver Lake.

Mining

Mine production for the quarter was 159,912 tonnes at 4.8 g/t gold and 0.48% copper. While overall tonnes were marginally higher for the quarter, the contribution of stope tonnes increased approximately 36% when compared with 1H FY19. In addition to the increase in stope tonnes, higher mined grades for the quarter relative to 1H FY19 reflect the increased contribution of the Link, Central and Da Vinci lodes.

During the quarter a third development jumbo was introduced into the underground mining fleet to increase mine development rates through to the end of FY19.

Processing

Milled tonnes were consistent quarter on quarter with higher gold and copper grade reflecting the increased mined grades. Mill throughput was 143,735 tonnes at an average gold grade of 5.1 g/t and copper grade of 0.5%. Gold recovery to bullion was 65% with total gold recovery of 89.5% and copper recovery of 90%. Metal production for the quarter was 20,961 ounces gold and 650 tonnes copper.

At 31 March Deflector had ore stockpiles of 22,501 tonnes at 2.6 g/t gold and 0.3% copper.

Concentrate production for the quarter was 3,417 tonnes with an average gold grade of 52 g/t gold and 19% copper.

Sales

Concentrate sales for the quarter were 3,282 tonnes with payable gold and copper in concentrate of 3,932 ounces and 609 tonnes respectively.

Deflector		Units	Sep Qtr 2018	Dec Qtr 2018	Mar Qtr 2019	YTD FY19
Ore mined		Tonnes	153,717	144,620	159,912	458,249
Mined grade	Gold	g/t Au	4.1	4.4	4.8	4.5
	Copper	% Cu	0.4%	0.4%	0.5%	0.4%
Contained gold in ore		Oz	20,750	20,486	24,586	65,823
Contained copper in ore		Tonnes	609	635	773	2,017
Ore milled		Tonnes	159,056	145,858	143,735	448,649
Milled grade	Gold	g/t Au	4.3	4.5	5.1	4.6
	Copper	% Cu	0.4%	0.5%	0.5%	0.5%
Recovery	Gold	%	88.46%	88.98%	89.5%	88.98%
	Copper	%	89.63%	91.52%	90.0%	90.1%
Gold bullion produced		Oz	15,045	14,054	15,278	44,378
Concentrate produced (dmt)		Tonnes	3,370	3,607	3,417	10,394
Contained metal in concentrate	Gold	Oz	4,637	4,890	5,683	15,210
	Copper	Tonnes	635	660	650	1,945
Total gold produced		Oz	19,683	18,944	20,961	59,588
Gold bullion sold		Oz	14,365	15,274	13,567	43,206
Concentrate sold (dmt)		Tonnes	4,243	3,321	3,282	10,846
Payable metal in concentrate sold	Gold	Oz	5,340	4,711	3,932	13,983
	Copper	Tonnes	796	559	609	1,964

Table 4: Deflector physical statistics

Costs

The unaudited AISC for the quarter was A\$1,182/oz. The March quarter AISC adopts Silver Lake's AISC methodology and includes all sustaining capital and exploration expenditure. Silver Lake will further review the Deflector AISC methodology to ensure consistency throughout the group.

Deflector	Unit	Sep Qtr 2018	Dec Qtr 2018	Mar Qtr 2019	YTD FY19
Mining costs	A\$M	15.6	15.8	13.4	44.5
Processing & refining	A\$M	5.7	6.2	5.8	17.7
Site services	A\$M	1.8	1.8	1.9	5.6
Royalties	A\$M	1.4	1.5	1.4	4.3
Net by-product credits	A\$M	-4.3	-3.8	-3.9	-12.1
Corporate overheads	A\$M	1.0	1.2	1.1	3.4
Mine exploration (sustaining)	A\$M	1.3	0.8	0.8	2.8
Capital expenditure and underground development (sustaining)	A\$M	1.8	1.9	3.8	7.5
All-in Sustaining Cash Cost (before non-cash items)	A\$M	24.3	25.4	24.5	74.2
Rehabilitation - accretion & amortisation	A\$M	0.1	0.1	0.1	0.3
All-in Sustaining Costs	A\$M	24.4	25.5	24.6	74.5

Payable gold for AISC calculation ¹	oz	19,552	18,807	20,804	59,163
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Deflector	Unit	Sep Qtr 2018	Dec Qtr 2018	Mar Qtr 2019	YTD FY19
Mining costs	A\$/oz	800	841	646	759
Processing & refining	A\$/oz	291	328	281	299
Site services	A\$/oz	92	98	93	94
Royalties	A\$/oz	73	79	69	73
Net by-product credits	A\$/oz	-222	-204	-187	-204
Corporate overheads	A\$/oz	54	65	55	58
Mine exploration (sustaining)	A\$/oz	66	40	37	48
Capital expenditure and underground development (sustaining)	A\$/oz	92	102	182	127
All-in Sustaining Cash Cost (before non-cash items)	A\$/oz	1,246	1,349	1,176	1,254
Rehabilitation - accretion & amortisation	A\$/oz	5	5	5	5
All-in Sustaining Costs	A\$/oz	1,251	1,354	1,182	1,259

Table 5: Unaudited all-in-sustaining costs for Deflector

1. Deflector all-in-sustaining costs are reported on a gold produced basis with an estimate of payability for gold in concentrate based on site sampling

Group Finance

Silver Lake's cash and bullion increased \$4.2 million during the quarter to \$108.5 million at 31 March 2019 with no debt. The cash and bullion position at 31 March excludes \$3.8m of gold in circuit.

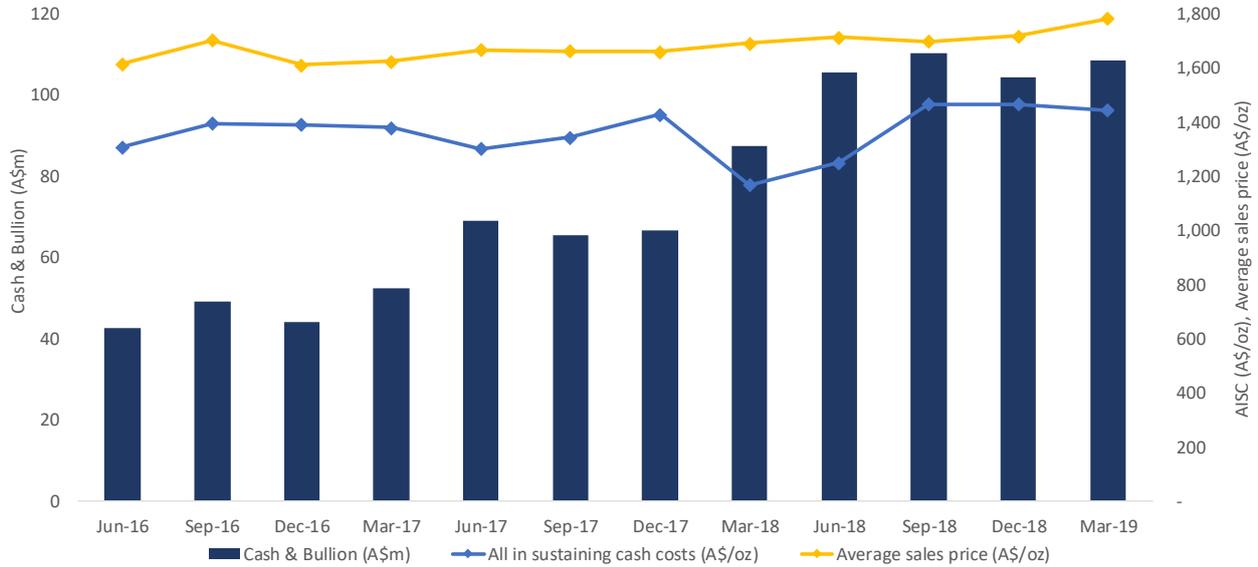


Chart 5: Established track record of cash generation at Mount Monger

Key cash flow movements included:

- Net cash flow from the Mount Monger Camp of \$14.1 million
- Exploration spend of \$3.4 million

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

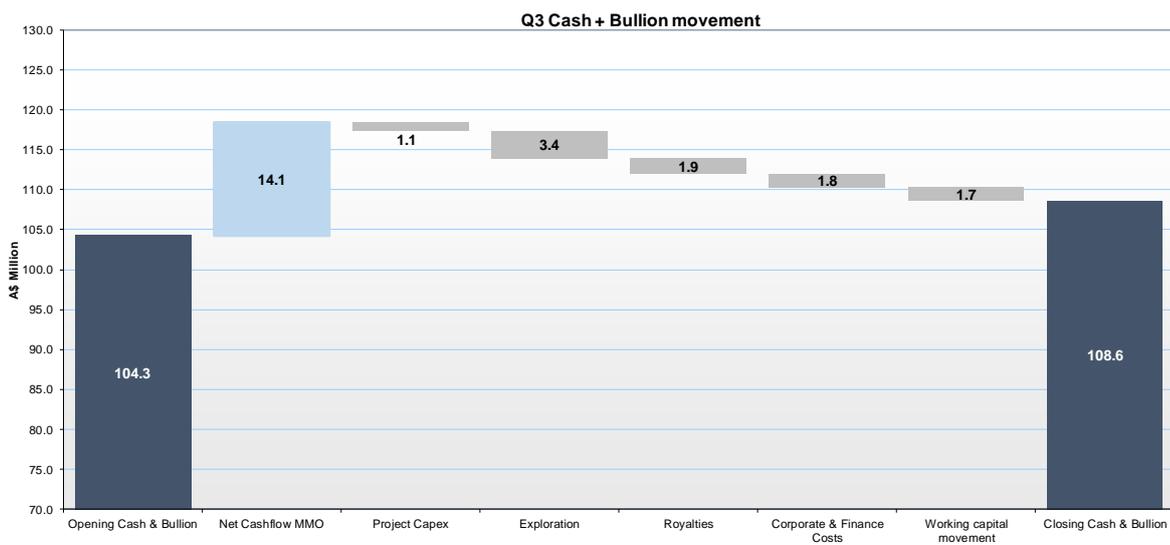


Chart 6: Q3 Cash & Bullion movement

At 31 March Doray had cash and bullion of \$15.4 million and no debt (31 December 2018, \$19.6 million cash and bullion with debt of \$9.5 million). Doray's outstanding bank debt was retired during March. Doray's cash and bullion position at 31 March excludes \$5.2 million of gold in circuit and concentrate on hand.

Silver Lake's pro-forma cash and bullion position at 31 March was \$123.9 million with no debt, gold in circuit and concentrate on hand of \$9.0 million and listed investments of \$4.7 million.

Hedging

As at 31 March 2019, the Silver Lake's forward gold hedging program totalled 127,400 ounces, to be delivered over the next ~2 years at an average forward price of A\$1,758/oz.

	Jun-19 HY	Dec-19 HY	Jun-20 HY	Dec-20 HY	Jun-21 HY
Ounces (koz)	19	30	36	24	18
Hedged gold price (A\$/oz)	1,731	1,728	1,728	1,804	1,833

Table 6: Silver Lake hedge book profile at 31 March

At 31 March Doray had gold hedging of 42,541 ounces to be delivered over the next 18 months at an average price of A\$1,754/oz. Post implementation Silver Lake's forward gold hedging program totalled 169,941 ounces, to be delivered over the next ~2 years at an average forward price of A\$1,757/oz.

	Jun-19 HY	Dec-19 HY	Jun-20 HY	Dec-20 HY	Jun-21 HY
Ounces (koz)	29	47	49	28	18
Hedged gold price (A\$/oz)	1,702	1,722	1,763	1,813	1,833

Table 7: Silver Lake hedge book profile post-merger implementation

Merger with Doray

The merger with Doray was successfully implemented on 5 April 2019. The merger saw Silver Lake acquire all the shares in Doray in consideration for issuing new shares to eligible Doray shareholders at a ratio of 0.6772 new shares per Doray share. The exchange ratio was determined based on the 30 day volume weighted average price of both companies prior to announcement of the transaction on 14 November 2018 with no premium to either party.

Pursuant to the Scheme Implementation Deed, Mr Leigh Junk and Mr Peter Alexander were appointed to the Silver Lake board as Non-Executive Directors on 5 April.

Exploration

Aldiss

During the quarter a further phase of exploration drilling commenced along the mineralised zone defining the “SAT” regional exploration trend to the south of Harrys Hill and Karonie. 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 enhanced the base data set to better define the structural controls on the mineralised trends in the area. The Spice, Tank and Atriedes deposits within the “SAT” trend are drill constrained to ~60m below surface and Silver Lake believe these deposits are very prospective for local strike, plunge and lateral extensions.

A program of surface RC and diamond drilling commenced during the quarter targeting the southern extension of the Tank deposit (refer figure 1) and is continuing. The program targets the bedrock below a horizon of shallow transported cover (~8-10m) that has restricted the effectiveness of historical surface exploration sampling along the mineralised trend. The initial geological logging of drill core and RC drill chips has identified encouraging indications of extensions to the Tank deposit. A compilation and analysis of drilling data will be completed in Q4 with results announced once the compilation is completed.

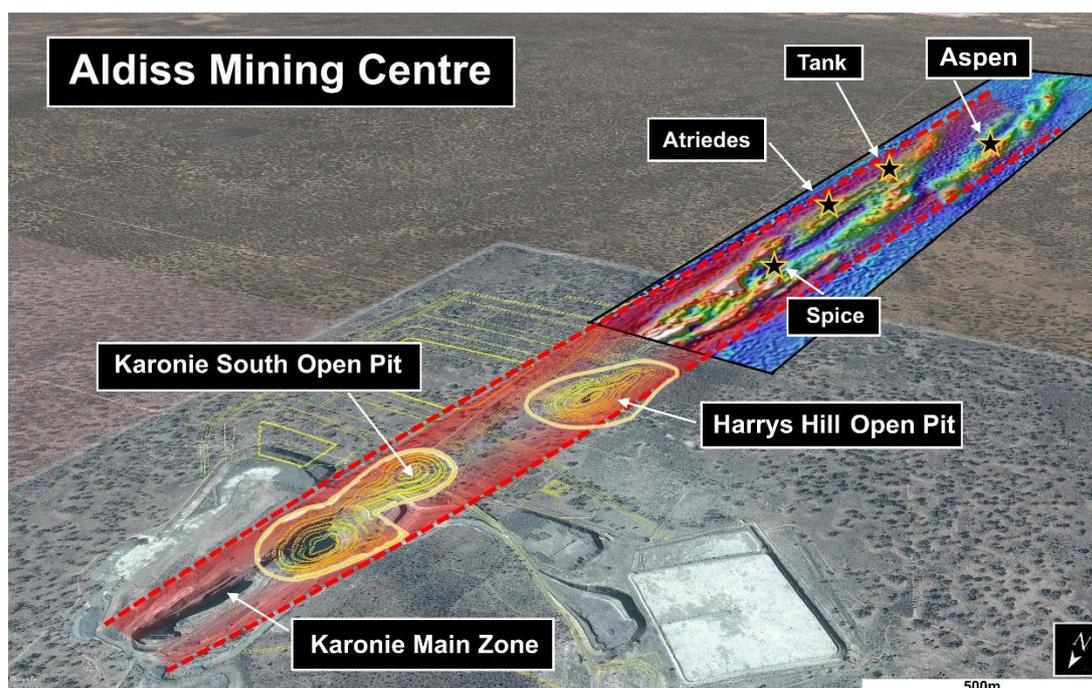


Figure 1: Aldiss Mining Centre highlighting “SAT” trend and area of recently completed ground magnetics survey

Daisy Mining Centre

Underground Resource definition drilling at the Daisy Complex targeted infill and extensions to the mineralised lodges at the Easter Hollows discovery, Lode 74 at Lower Prospect (refer ASX release 14 September 2018, *Drilling highlights significant upside at Daisy Complex*) and infill of the Haoma West zone.

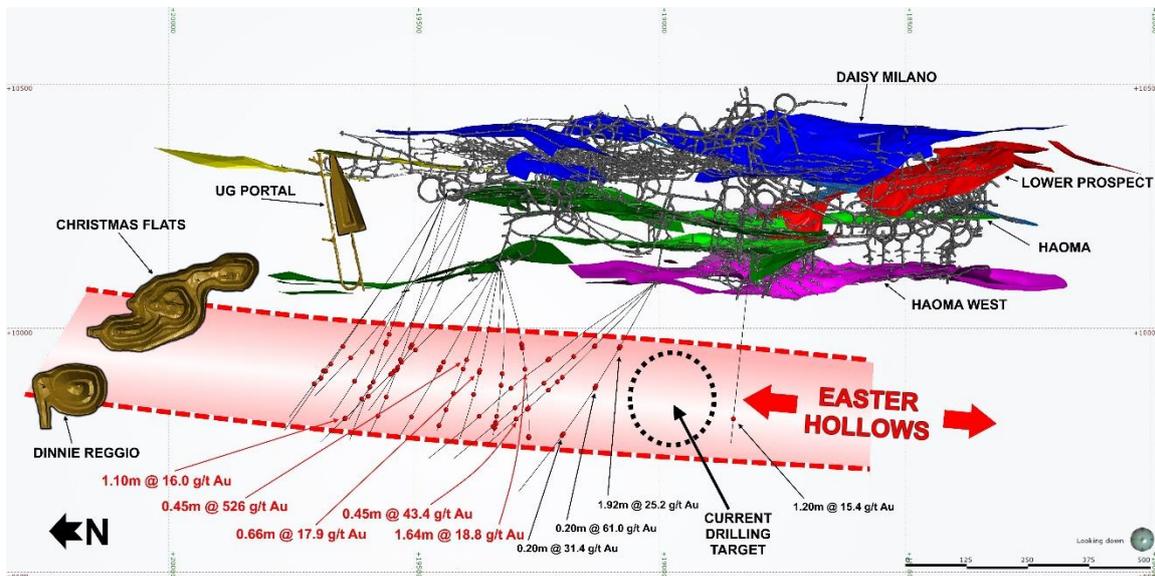


Figure 2: Daisy Complex core lode areas and Easter Hollows discovery (all results previously released)

Mount Belches

At Mount Belches underground diamond drilling at Cock-eyed Bob and Maxwells focused on infill and extensional targets to defined lodes below current mining development. Remodelling of the Santa geology and resource lodes has commenced incorporating the results released in December 2018 (refer ASX release 7 December 2018, *Thick high grade results at Santa confirm UG mine potential*). It is expected the next phase of drilling targeting the down plunge extension to the Santa western limb will commence during Q4 FY19.

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.