

23 July 2021

Silver Lake Resources
Limited

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
Kelvin Flynn
Peter Alexander

ASX Code: SLR

JUNE 2021 QUARTERLY ACTIVITIES REPORT

- Quarterly Group production was 62,126 ounces gold and 445 tonnes copper (64,302 ounces gold equivalent¹) with sales of 60,617 ounces gold and 516 tonnes copper at a gold sales price of A\$2,275/oz and AISC of A\$1,478/oz
- FY21 Group production of 242,478 ounces gold and 1,690 tonnes copper (249,177 ounces gold equivalent) with sales of 248,781 ounces gold and 1,724 tonnes copper at the top end of the guidance range with an average sales price of A\$2,315/oz and AISC of A\$1,484/oz

Mount Monger

- Gold production of 36,757 ounces with sales of 35,229 ounces at an AISC of A\$1,639/oz, for FY21 production of 141,602 ounces and sales of 145,623 ounces at an AISC of A\$1,672/oz
- 17,000 ounce increase in ore stockpiles to 115,500 ounces provides project scheduling optionality for FY22 given prevailing restricted labour market and associated skills shortage

Deflector

- Quarterly gold production of 25,369 ounces and 445 tonnes of copper (27,545 ounces gold equivalent), for FY21 gold production of 100,875 ounces gold and 1,690 tonnes of copper (107,575 ounces gold equivalent)
- Quarterly gold sales of 25,388 ounces and 516 tonnes copper at an AISC of A\$1,254/oz, for FY21 gold sales of 103,158 ounces gold and 1,724 tonnes copper at an AISC of A\$1,221/oz
- CIP circuit and associated infrastructure commissioned, haulage of Rothsay ore to Deflector commenced and successfully integrated into the mill feed blend

Exploration & Projects

- \$33.8 million investment in capex and exploration in the quarter. The Deflector CIP project was completed on schedule and within budget, and increased mining rates delivered at Rothsay with the commencement of stoping and commercial production declared from 1 July 2021

Corporate and Finance

- Cash and bullion increased by \$10 million to \$330.2 million² at quarter end, which excludes gold in circuit and concentrate on hand of \$11.1 million (valued at cost)

Outlook

- FY22 group gold sales guidance is 235,000 to 255,000 ounces gold with copper sales of 600 - 1,000 tonnes at an AISC range of A\$1,550 to A\$1,650 per ounce

¹ Refer page 19 for Gold Equivalent Calculation Methodology and Assumptions

² Excludes listed investments of \$11.4 million

Overview

Silver Lake produced a strong quarter to close out FY21 and, notwithstanding the challenging operational conditions prevalent in Western Australia throughout FY21, was able to build on its established track record of meeting the upper end of sales guidance. In addition, Silver Lake commenced production at Rothsay, commenced the Deflector South West decline and the Deflector processing facility CIP upgrade was delivered in what was a transformational year for the Deflector region.

Group production for the quarter was 64,302 ounces gold equivalent, with sales of 60,617 ounces gold and 516 tonnes copper at a gold sales price of A\$2,275/oz and AISC of A\$1,478/oz. FY21 sales of 248,781 ounces gold and 1,724 tonnes of copper at a realised gold price of A\$2,315/oz and an AISC of A\$1,484/oz were both within guidance.

During the quarter an underground contractor passed away at the Company's Mount Monger Daisy Complex. Silver Lake again expresses its deepest sympathy to the worker's family, friends and colleagues.

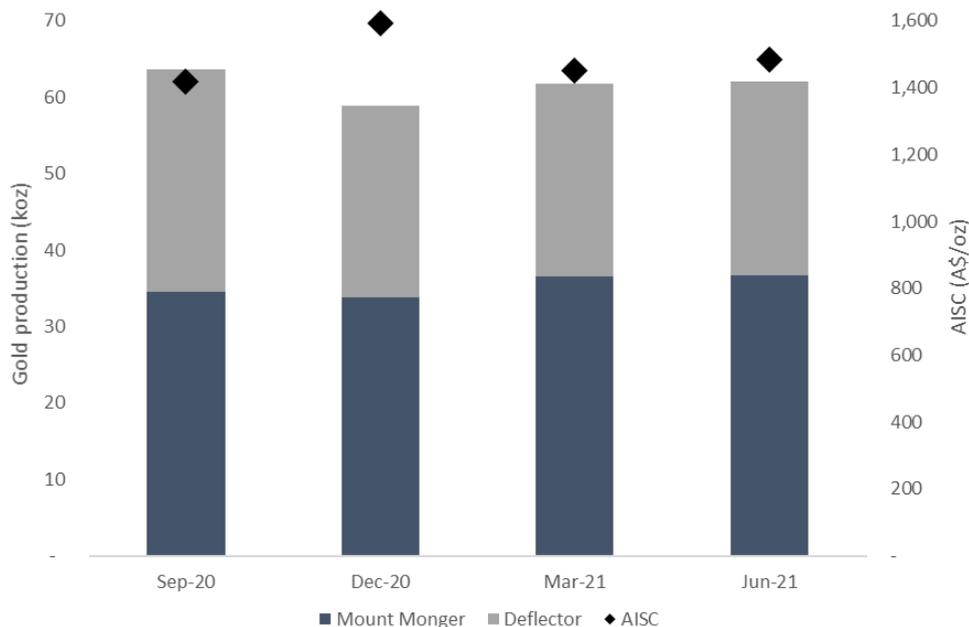


Chart 1: Rolling 12 month Group production and AISC (by quarter)

FY21 was a transformational year for the Deflector region with the successful construction and commissioning of the Deflector Carbon in Pulp (CIP) circuit and associated infrastructure, in parallel with the development and ramp up of a secondary high grade ore source at Rothsay.

In June, Silver Lake commenced ore commissioning of the Deflector CIP circuit. This marked a significant milestone for the operation with the project completed on schedule and within the \$36 million budget. The investment to upgrade the plant is expected to deliver a 4-5% improvement in gold recoveries (FY21: 88%), in addition to providing a viable processing route to treat a broader range of gold mineralisation, including Rothsay, and creating additional exploration opportunities to target several historical mines, known gold occurrences and prospects on Silver Lake's wholly owned tenement package within a 5km radius of the Deflector plant.



Figure 1: Deflector's new CIP circuit



Figure 2: First gold bar from CIP circuit

Ore development at Rothsay is underway across five levels and with stoping having commenced in May, ore haulage to Deflector began in June. Rothsay ore is now being included in the Deflector mill feed blend with the material performing well and expected improved plant recoveries being achieved. Ramp up of the Rothsay mine will continue during the first half of FY22, with mining and development of the southern decline and development to establish access to the northern decline and associated production areas.



Figure 3: Rothsay ore haulage

Silver Lake invested \$2.9 million in exploration during the quarter with a total FY21 investment of \$19.5 million. During the quarter ongoing drilling focused on Mineral Resource definition and extensions at established underground mines. Regional exploration work continued at all mining centres with multiple programs underway to target the discovery of new mineralisation within Silver Lake's proven mineralised corridors, proximal to established infrastructure. FY21 drilling will be reflected in the annual Ore Reserve and Mineral Resource Statement which will be released in Q1 FY22.

Silver Lake expects to continue to build on FY21 operating performance and investment with FY22 Group gold sales guidance of 235,000 to 255,000 ounces gold and 600 to 1,000 tonnes copper at an AISC range of A\$1,550 to A\$1,650 per ounce.

- FY22 Deflector sales guidance 110,000 to 120,000 ounces gold and 600 to 1,000 tonnes copper at an AISC range of A\$1,350 to A\$1,450 per ounce
- FY22 Mount Monger sales guidance 125,000 to 135,000 ounces at an AISC range of A\$1,750 to A\$1,850 per ounce.

FY22 will continue to consolidate a transformational year at Deflector in FY21, with gold sales expected to be 10-20% higher reflecting higher milled grades and increased recoveries. Further grade driven production and cashflow growth is expected in FY23 as access to multiple levels and high grade production areas at both Deflector and Rothsay are established throughout FY22.

At Mount Monger Silver Lake will modify its operating strategy to reflect the limited mobility of skilled labour which is resulting in lower productivity and higher costs. This modified operating plan is made possible by Silver Lake's investment in stockpiles at Mount Monger, which will maintain a mill constrained operation as Silver Lake reviews the scheduling of its projects to limit the operating and financial risk in the prevailing operating environment, whilst retaining optionality over established infrastructure.

Mount Monger

Mount Monger produced 36,757 ounces for the quarter and sold 35,229 ounces at an AISC of A\$1,639/oz for FY21 gold production of 141,602 ounces and sales of 145,623 ounces at an AISC of A\$1,672/oz.

Underground Mining

Mount Monger underground ore production of 224,753 tonnes was marginally lower quarter on quarter, however, this was offset by higher grades of 4.4 g/t resulting in consistent quarter on quarter ounce production of 31,539 ounces (Q3 FY21: 235,981 tonnes at 4.2 g/t for 31,596 ounces).

Daisy Complex ore production was lower quarter on quarter, impacted by a temporary suspension of mining activities in June and a higher proportion of capital development during the quarter. The lower ore production was largely offset by higher mine grade with ounce production 7% lower quarter on quarter.

Mount Belches ore production was marginally higher quarter on quarter however continued mobile fleet and labour availability persisted during the quarter. Mining activities were prioritised and focussed primarily at the higher grade Mount Belches mines, Cock-eyed Bob and Maxwells, which combined accounted for 77% and 83% of Mount Belches mined tonnes and ounces respectively. Silver Lake and underground mining contractor Macmahon Holdings Limited will continue to explore options to improve fleet availability and utilisation to acceptable and sustainable levels whilst focussing Mount Belches production on Maxwells and Cock-eyed Bob.

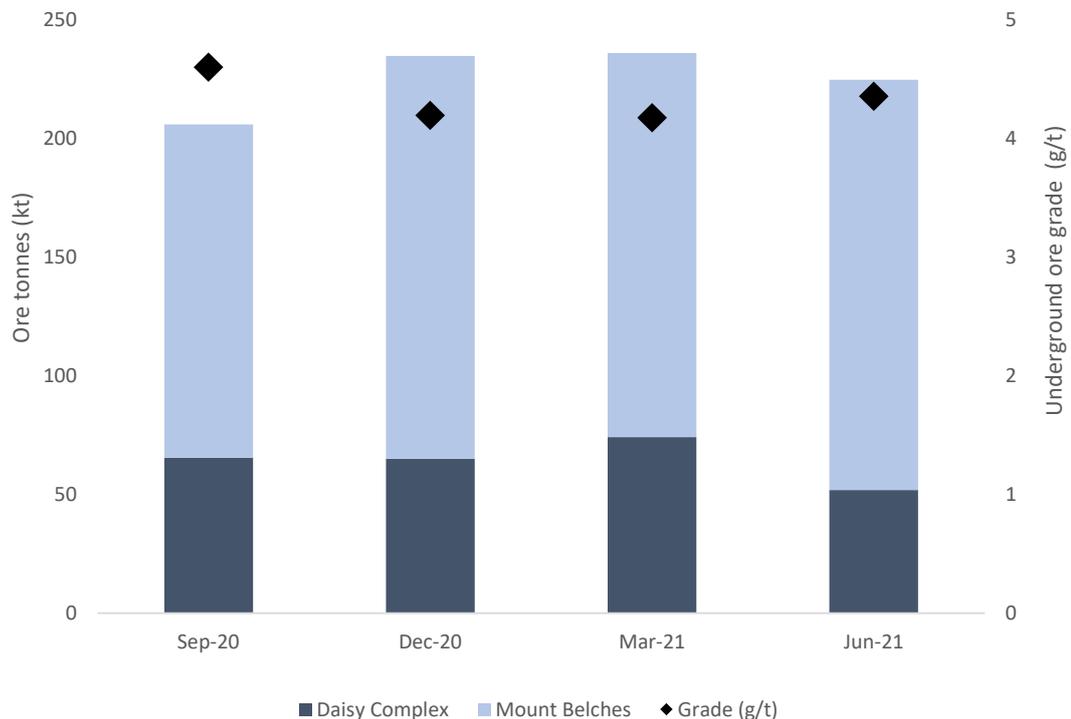


Chart 2: Mount Monger underground mine production

Open Pit Mining

Open pit ore production continued to focus on Karonie South during the quarter as ore tonnes increased with a corresponding reduction in material movements, in line with a falling strip ratio through H2 FY21. A total of 461,712 bcm was moved during the quarter for 418,899 tonnes at 1.8 g/t for 24,437 ounces

(Q3: 340,254 tonnes at 1.8 g/t for 20,062 ounces). Mining operations are expected to be completed at Karonie South during Q1 FY22.

Removal of overburden and top soil ramped up at the Atreides and Tank open pits during the quarter with a total of 654,947 bcm moved during the quarter (Q3: 82,341 bcm). Atreides and Tank open pit activity will escalate in Q1 FY22, with mining to be completed by Q4 FY22. The Tank open pit is the first stage of an integrated open pit/underground operation with portal access to the Tank South underground to be located within the Tank open pit.

Processing

Ore milled tonnes and grades for the quarter were consistent quarter on quarter with 313,629 tonnes milled at 4.0 g/t for 36,757 recovered ounces (Q3: 306,742 tonnes @ 4.0 g/t for 36,491 oz).

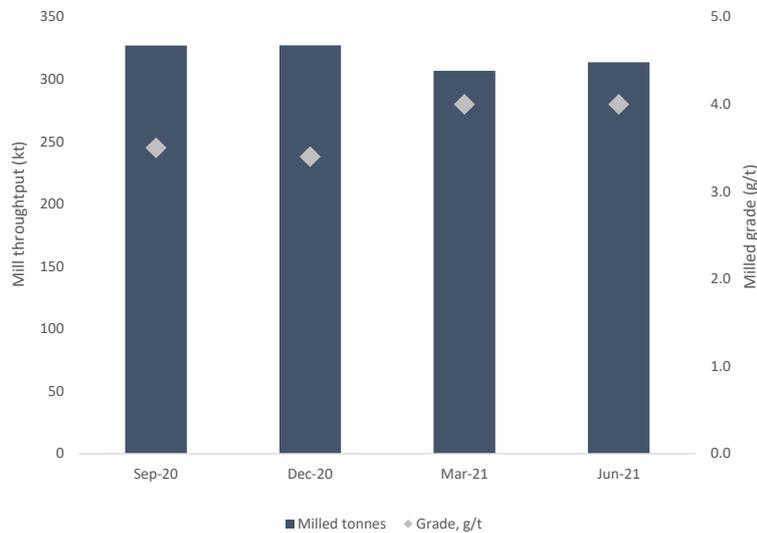


Chart 3: Mount Monger processing

Mount Monger stockpiles increased by ~17,000 ounces during the quarter reflecting increased open pit ore production from Aldiss. Stockpiles at 30 June 2021 were ~2.7 million tonnes containing ~115,500 ounces (31 March 2021: ~2.3 million tonnes containing 99,000 ounces).

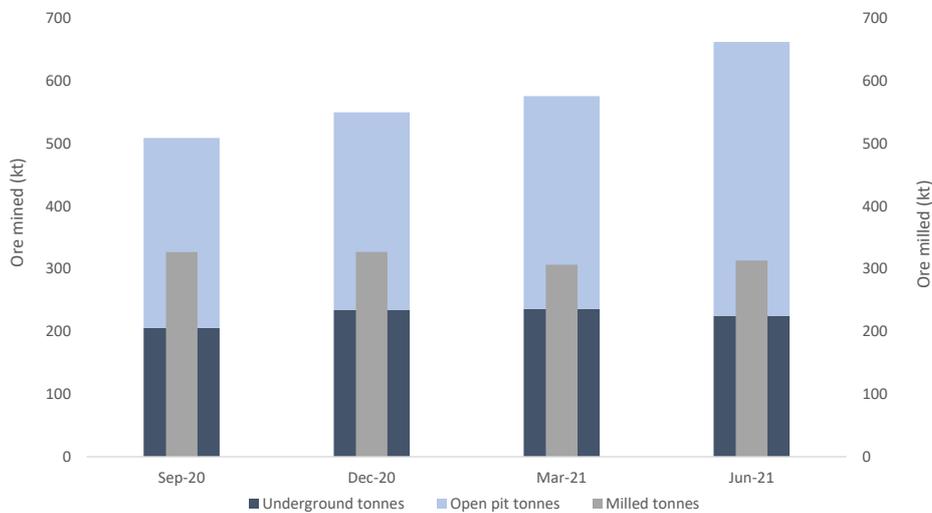


Chart 4: Mount Monger mined tonnes v milled tonnes

Mount Monger Camp - Mining	Units	Sep Qtr 2020	Dec Qtr 2020	Mar Qtr 2021	Jun Qtr 2021	FY21	FY20
Underground							
Ore mined	Tonnes	205,847	234,712	235,981	224,753	901,293	668,037
Mined grade	g/t Au	4.6	4.2	4.2	4.4	4.3	5.5
Contained gold in ore	Oz	30,234	31,631	31,596	31,539	124,999	118,790
Open pit							
Ore mined	Tonnes	303,368	315,754	340,254	438,056	1,397,432	1,087,500
Mined grade	g/t Au	1.1	1.3	1.8	1.8	1.6	2.2
Contained gold in ore	Oz	11,195	13,468	20,062	25,230	69,955	78,360
Total ore mined	Tonnes	509,215	550,446	576,235	662,809	2,298,725	1,755,539
Mined grade	g/t Au	2.5	2.5	2.8	2.7	2.6	3.5
Total contained gold in ore	Oz	41,429	45,099	51,658	56,769	194,954	197,150

Table 1: Mount Monger Camp - mine production statistics

Mount Monger Camp - Processing	Units	Sep Qtr 2020	Dec Qtr 2020	Mar Qtr 2021	Jun Qtr 2021	FY21	FY20
Ore milled	Tonnes	327,031	327,257	306,788	313,629	1,274,659	1,233,922
Head grade	g/t Au	3.5	3.4	4.0	4.0	3.7	4.4
Contained gold in ore	Oz	36,684	35,848	39,114	40,141	152,046	173,462
Recovery	%	94	94	93	92	93	92
Gold produced	Oz	34,578	33,776	36,469	36,757	141,602	160,214
Gold sold	Oz	39,606	32,400	38,387	35,229	145,623	154,900

Table 2: Mount Monger Camp - processing statistics

Costs

Mount Monger's AISC was higher quarter on quarter (*Table 3*) at A\$1,639/oz. The increase in AISC reflects the lower quarter on quarter gold sales due to the timing of gold pours.

Mount Monger Camp	Notes	Unit	Sep-20 Qtr	Dec-20 Qtr	Mar-21 Qtr	Jun-21 Qtr	FY21 YTD	FY20
Mining costs	1	A\$M	33.4	38.0	41.5	41.1	153.9	120.2
General and administration costs		A\$M	2.7	2.5	2.5	2.8	10.6	9.6
Royalties		A\$M	2.5	2.4	2.4	2.4	9.7	10.9
By-product credits		A\$M	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	(0.9)
Processing costs	2	A\$M	10.9	12.0	12.8	11.3	47.0	48.1
Corporate overheads		A\$M	1.3	1.4	1.4	1.9	5.9	7.2
Mine exploration (sustaining)	3	A\$M	0.9	0.6	1.1	1.5	4.1	7.7
Capital expenditure and underground mine development (sustaining)	4	A\$M	12.6	14.5	12.9	14.5	54.5	31.0
All-in Sustaining Cash Costs (Before non-cash items)		A\$M	64.0	71.2	74.4	75.3	285.0	233.7
Inventory movements	5	A\$M	(1.3)	(12.7)	(13.8)	(17.5)	(45.2)	(16.4)
Rehabilitation - accretion & amortisation		A\$M	-	-	-	-	-	-
All-in Sustaining Costs		A\$M	62.8	58.6	60.7	57.7	239.7	217.3

Gold sales for AISC purposes	oz	37,333	32,400	38,387	35,229	143,349	153,708	
Mining costs	1	A\$/oz	893	1,172	1,080	1,168	1,074	782
General and administration costs		A\$/oz	73	77	66	81	74	63
Royalties		A\$/oz	67	74	63	68	68	71
By-product credits		A\$/oz	(5)	(6)	(5)	(5)	(5)	(6)
Processing costs	2	A\$/oz	293	370	333	320	328	313
Corporate overheads		A\$/oz	34	43	36	53	41	47
Mine exploration (sustaining)	3	A\$/oz	23	20	29	43	29	50
Capital expenditure and underground mine development (sustaining)	4	A\$/oz	337	449	337	411	380	202
All-in Sustaining Cash Costs (before non-cash items)		A\$/oz	1,715	2,198	1,939	2,137	1,988	1,521
Inventory movements	5	A\$/oz	(34)	(391)	(358)	(498)	(316)	(107)
All-in Sustaining Costs		A\$/oz	1,682	1,807	1,580	1,639	1,672	1,414

Table 3: Mount Monger Camp AISC

- 1 Costs for UG & open pit operating activities (including infill and grade control drilling). Costs allocated upon mines reaching commercial production status.
- 2 Processing costs include costs of haulage from mine to mill.
- 3 Costs relating to regional exploration are excluded from the calculation (amounting to \$0.3m for Q4 FY21).
- 4 Costs include underground decline development and sustaining capital works, but exclude site infrastructure/set up costs of new projects.
- 5 Included in the calculation of all-in sustaining cost based on World Gold Council guidelines.

Deflector

Deflector produced 25,369 ounces gold and 445 tonnes copper (27,545 ounces gold equivalent) for the quarter with gold sales of 25,388 ounces gold and 516 tonnes copper at an AISC of A\$1,254/oz. FY21 Deflector gold production was 100,875 ounces and 1,690 tonnes copper for sales of 103,158 ounces gold and 1,724 tonnes copper at an AISC of A\$1,221/oz beating both sales and AISC guidance for the year.

Mining

Deflector mine tonnes were lower for the quarter at 146,282 tonnes, offset by a higher average gold grade of 5.4 g/t gold and 0.3% copper. Capital development intensity increased during the quarter with the continued advance of the Deflector South West decline. The Deflector South West decline had advanced 900 metres with associated infrastructure including power and ventilation progressing as planned.

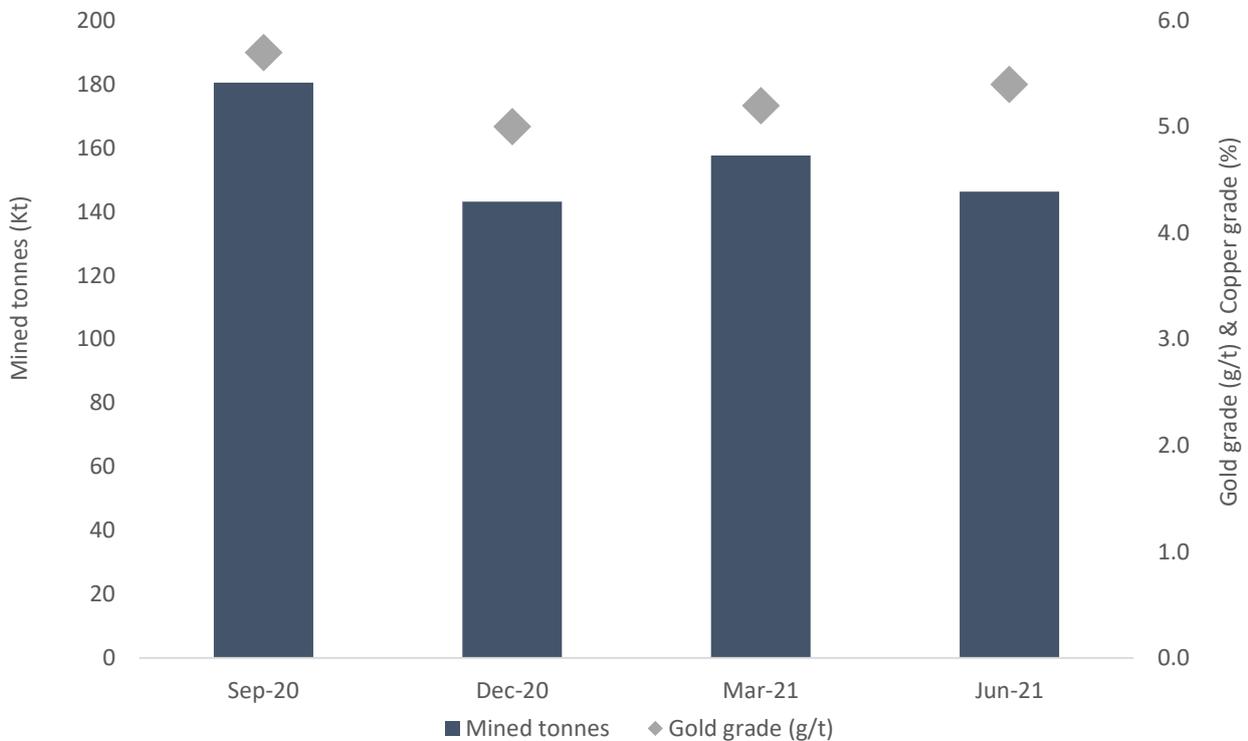


Chart 5: Deflector mined tonnes and grade

Processing

The CIP circuit, which will complement the existing gravity and flotation circuits, was commissioned in June. Key additions to the plant included:

- Thickener, regrind mill and gravity circuit to treat flotation tailings
- CIP circuit, including 2 leach tanks and 6 adsorption tanks, carbon regeneration circuit and reagent storage facility
- Gold room expansion and upgrade
- New tailings storage facilities and process water dam
- Associated infrastructure including upgraded power generation capacity, ROM expansion and site accommodation village expansion

Mill throughput of 161,162 tonnes was marginally lower quarter on quarter, reflecting shutdown and associated works to integrate the CIP circuit in June. A higher mill grade of 5.5 g/t gold and 0.3% copper

and increased gold recovery of 90% resulted in a 6% increase in gold production quarter on quarter. Rothsay ore was introduced into the mill feed blend in late June with 6,680 tonnes of Rothsay ore processed during circuit commissioning. The plant performed to specification with the expected improvement in gold recovery evident.

Gold production for the quarter was 25,369 ounces with copper production of 445 tonnes for 27,545 ounces gold equivalent.

At 30 June 2021 Deflector had ore stocks of 70,000 tonnes at 2.0 g/t gold (31 March 2021: 77,700 tonnes at 2.0 g/t gold).

Concentrate production was consistent quarter on quarter at 2,483 tonnes, with gold grades of 83 g/t and copper grades of 18%.

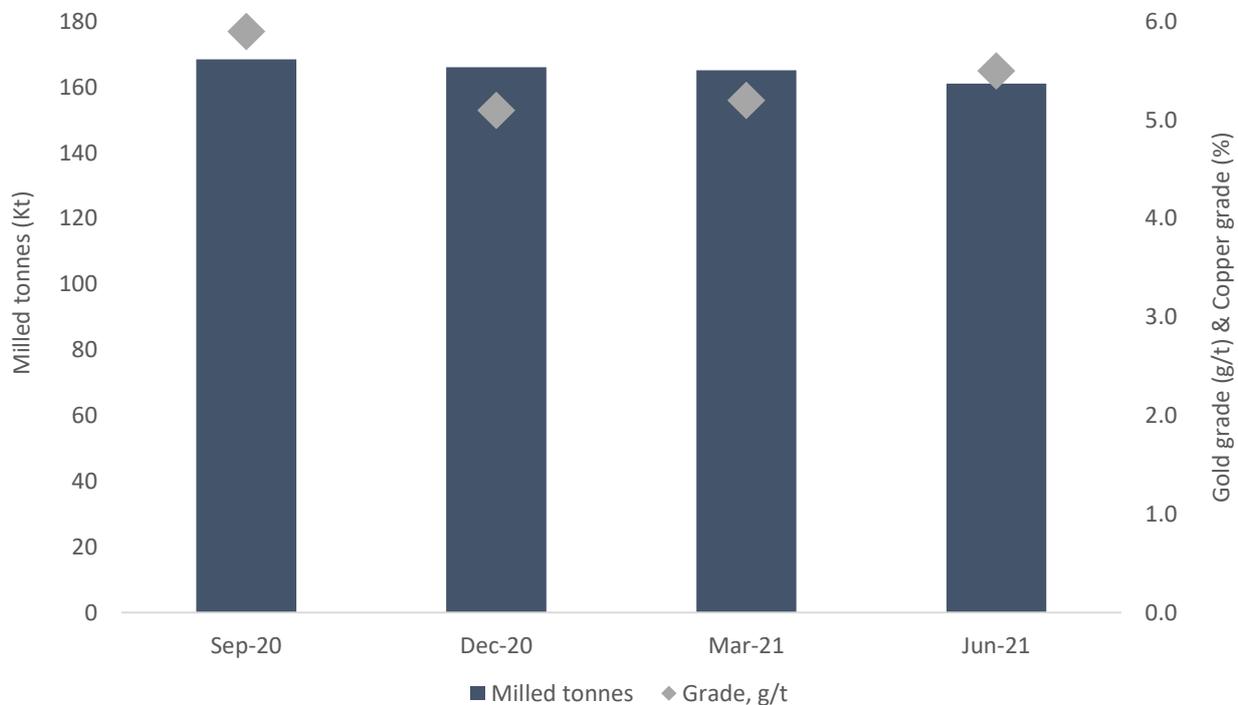


Chart 6: Deflector milled tonnes and grade

Rothsay

Underground development continued to increase at Rothsay with 3,644 metres of underground development completed during FY21. Ore development is progressing on 5 levels accessed from the South decline, and the link drive to access the North decline position will continue to be advanced throughout FY22. Mine production delivered a step change as stoping commenced during the quarter with ore production of 26,801 tonnes at 4.3 g/t for 3,731 ounces (Q3: 14,595 tonnes at 3.0 g/t for 1,428 ounces).

Haulage commenced in June with 7,246 tonnes of Rothsay ore hauled to Deflector during the month. Hauled ore comprised both high grade fresh and transitional ore, and low grade ore for the commissioning of the Deflector CIP circuit.

At quarter end Rothsay stocks were 42,407 tonnes at 3.3 g/t for 4,535 ounces including high grade ore of 19,361 tonnes at 5.00 g/t for 3,107 ounces.

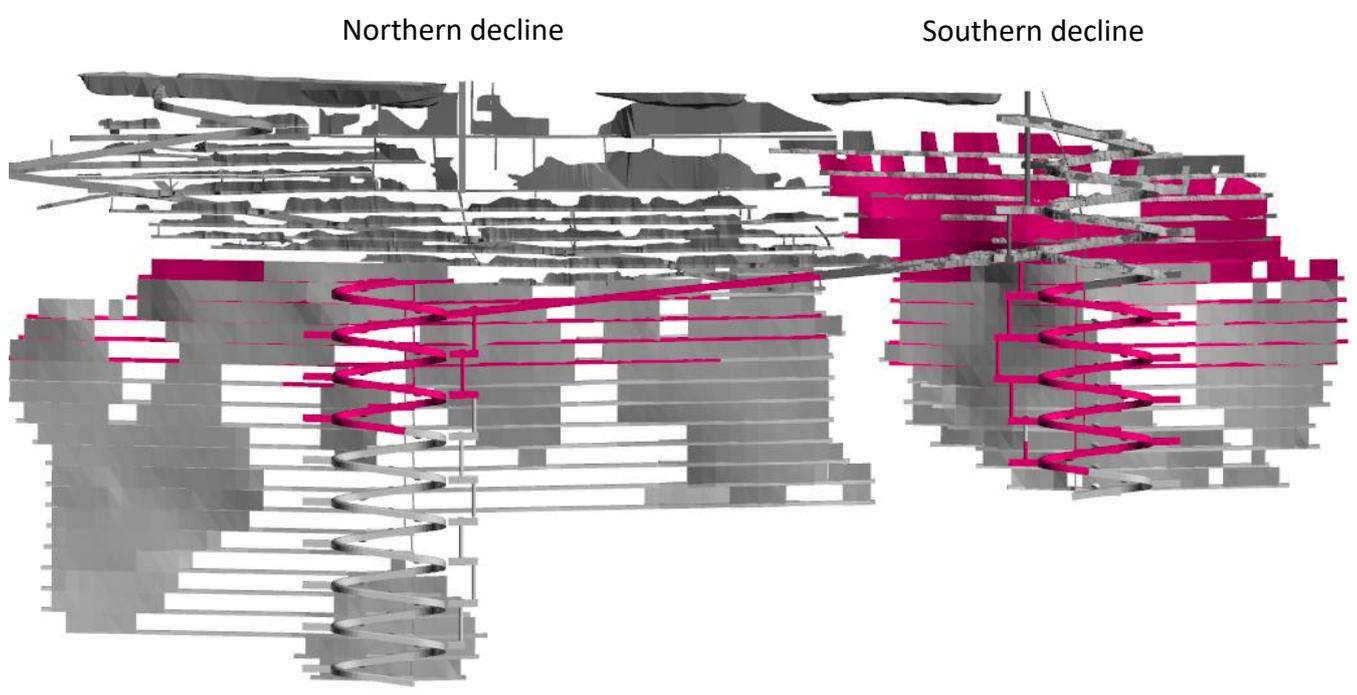


Figure 4: Rothsay long section showing FY22 mine schedule (magenta) v LOM design (looking east)

Deflector		Units	Sep Qtr 2020	Dec Qtr 2020	Mar Qtr 2021	Jun Qtr 2021	FY21	FY20
Ore mined		Tonnes	180,543	143,139	157,615	146,282	627,579	707,899
Mined grade	Gold	g/t Au	5.7	5.0	5.2	5.4	5.4	5.4
	Copper	% Cu	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%
Contained gold in ore		Oz	33,324	22,856	26,491	25,581	108,249	122,243
Contained copper in ore		Tonnes	472	374	454	449	1,752	2,595
Ore milled		Tonnes	168,555	166,097	165,180	161,162	660,994	659,353
Milled grade	Gold	g/t Au	5.9	5.1	5.2	5.5	5.4	5.5
	Copper	% Cu	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%
Recovery	Gold	%	86.7%	86.9%	87.5%	89.6%	87.7%	89.33%
	Copper	%	89.4%	89.1%	90.3%	89.1%	89.4%	92.66%
Gold bullion produced		Oz	19,353	17,033	17,168	18,357	71,911	74,246
Concentrate produced		Tonnes	2,639	2,576	2,447	2,483	10,145	13,062
Contained metal in concentrate	Gold	Oz	8,331	6,757	6,865	7,012	28,965	30,131
	Copper	Tonnes	424	410	411	445	1,690	2,356
Total gold produced		Oz	27,684	23,790	24,033	25,369	100,875	104,376
Gold equivalent production		Oz	28,985	25,218	25,828	27,545	107,575	112,857
Gold bullion sales		Oz	19,582	18,983	16,858	17,372	72,795	72,810
Concentrate sold (dmt)		Tonnes	2,702	3,361	1,884	3,098	11,045	12,774
Payable metal in concentrate sold	Gold	Oz	8,410	8,441	5,495	8,017	30,363	27,823
	Copper	Tonnes	439	492	278	516	1,724	2,175

Table 4: Deflector mine and processing statistics

Costs

Deflector's AISC (Table 5) was consistent quarter on quarter at A\$1,254/oz (Q3: A\$1,230/oz). Rothsay costs are excluded from the AISC calculation with commercial production declared post quarter end on 1 July 2021.

Deflector Camp	Notes	Unit	Sep-20 Qtr	Dec-20 Qtr	Mar-21 Qtr	Jun-21 Qtr	FY21 YTD	FY20
Mining costs	1	A\$M	16.0	14.5	13.9	9.2	53.6	59.3
General and administration costs		A\$M	2.9	2.9	2.7	3.8	12.3	10.3
Royalties		A\$M	2.7	2.6	2.0	2.6	9.9	9.0
By-product credits	2	A\$M	(4.4)	(3.7)	(3.1)	(6.4)	(17.5)	(13.2)
Processing costs		A\$M	5.5	6.3	6.2	6.9	25.0	24.6
Corporate overheads		A\$M	1.3	1.4	1.4	1.9	5.9	6.7
Mine exploration (sustaining)	3	A\$M	1.2	1.9	1.6	2.7	7.4	6.6
Capital expenditure and underground mine development (sustaining)	4	A\$M	4.6	5.6	2.6	8.4	21.2	17.9
All-in Sustaining Cash Costs (Before non-cash items)		A\$M	29.8	31.7	27.2	29.0	117.8	121.1
Inventory movements	5	A\$M	0.1	5.0	0.3	2.8	8.2	(8.9)
Rehabilitation - accretion & amortisation		A\$M	-	-	-	-	-	-
All-in Sustaining Costs		A\$M	30.0	36.7	27.5	31.8	126.0	112.2

Gold sales for AISC purposes	oz	27,992	27,424	22,353	25,388	103,157	100,633	
Mining costs	1	A\$/oz	572	530	623	361	520	589
General and administration costs		A\$/oz	105	105	120	149	119	103
Royalties		A\$/oz	95	96	90	102	96	89
By-product credits	2	A\$/oz	(156)	(134)	(139)	(251)	(170)	(132)
Processing costs		A\$/oz	196	231	278	273	242	244
Corporate overheads		A\$/oz	46	50	62	73	57	67
Mine exploration (sustaining)	3	A\$/oz	45	70	70	104	72	66
Capital expenditure and underground mine development (sustaining)	4	A\$/oz	163	206	115	332	205	178
All-in Sustaining Cash Costs (Before non-cash items)		A\$/oz	1,066	1,155	1,219	1,143	1,142	1,204
Inventory movements	5	A\$/oz	5	182	11	111	79	(89)
All-in Sustaining Costs		A\$/oz	1,071	1,337	1,230	1,254	1,221	1,115

Table 5: Deflector Camp AISC

1 Costs for underground operating activities (including infill and grade control drilling).

2 By product credits comprise net revenue from copper and silver sales.

3 Costs relating to regional exploration are excluded from the calculation (amounting to \$0.8m for Q4 FY21).

4 Costs include underground decline development and sustaining capital works, but exclude site infrastructure/set up costs of new projects.

5 Included in the calculation of all-in sustaining cost based on World Gold Council guidelines.

Group Finance

Silver Lake's cash and bullion increased \$10 million during the quarter to \$330.2 million at 30 June 2021 with no debt. Cash and bullion at 30 June excludes gold in circuit and concentrate on hand of \$11.1 million (valued at cost) and listed investments valued at \$11.4 million.

Key cash flow movements in the quarter included:

- Net cash inflow from Mount Monger of \$16.5 million
- Net cash inflow from Deflector of \$33.2 million
- Capital spend of \$30.9 million, including \$14.1 million at Deflector, \$10.7 million in Rothsay underground development and mining and \$5.0 million of overburden and pre-strip at the Atreides and Tank open pits
- Exploration spend of \$2.9 million

Cash flow for the quarter is summarised in *Chart 7* below:

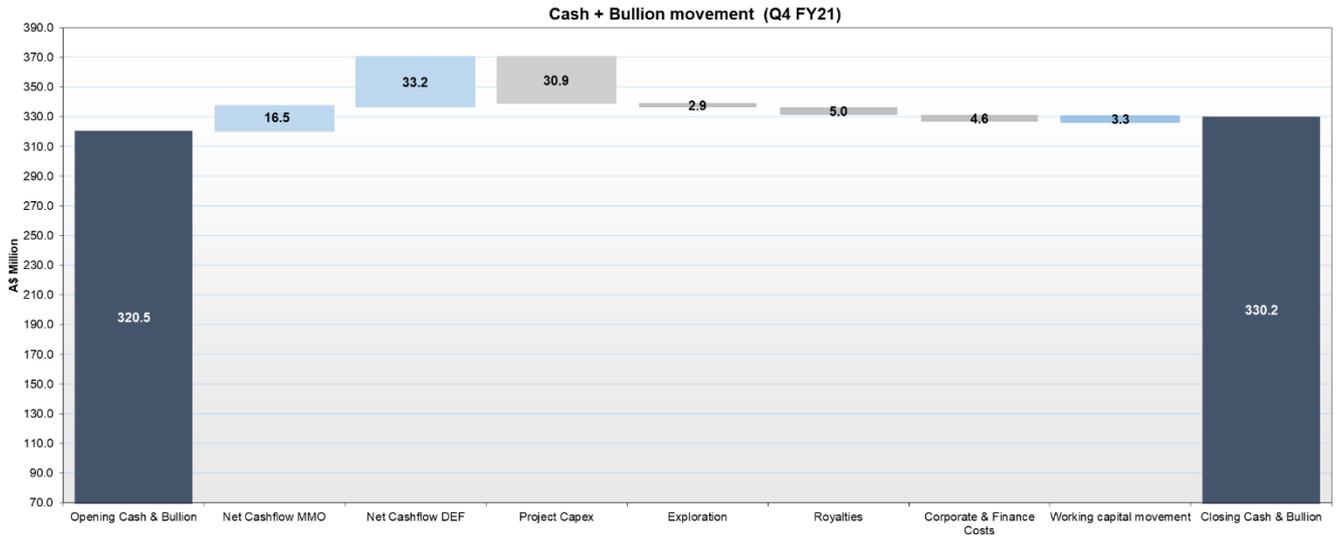


Chart 7: Group cash & bullion movement for the quarter

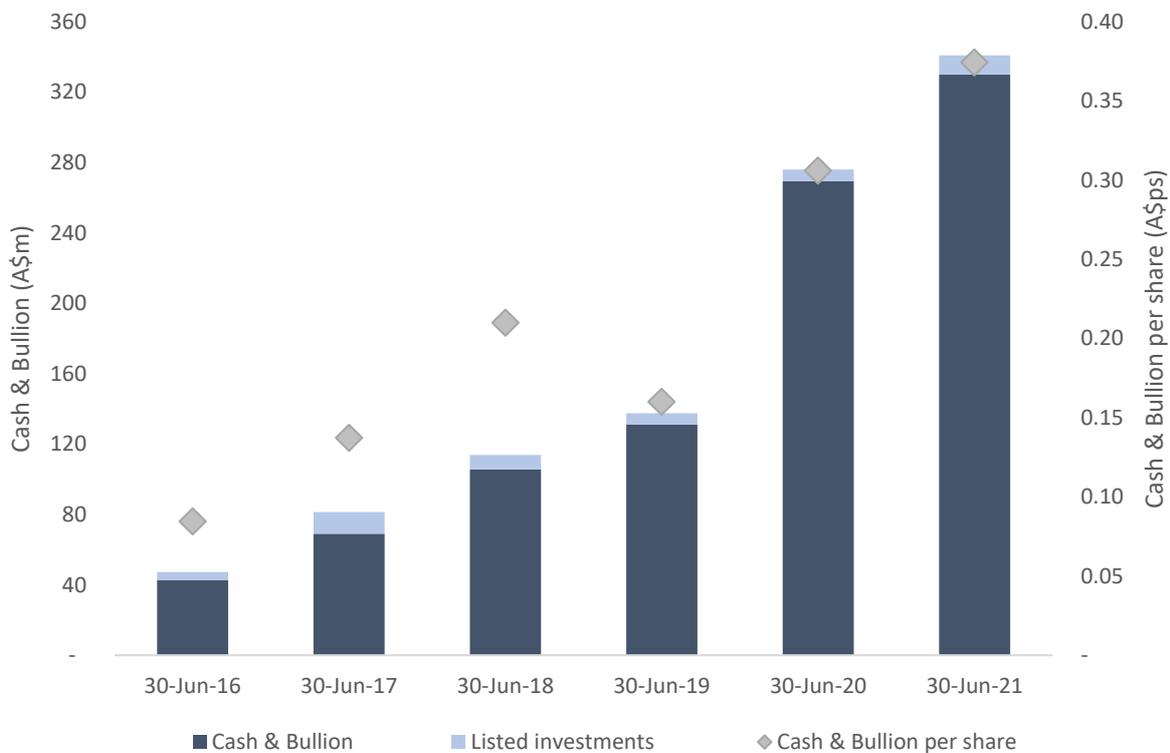


Chart 8: Demonstrated ability to convert operating performance to cash through an invest and yield strategy

Hedging

As at 30 June 2021, Silver Lake's forward gold hedging program totalled 87,500 ounces, to be delivered over the next 12 months at an average forward price of A\$2,337/oz. No additional gold hedge lines were established during the quarter.

	Total	Dec-21 HY	Jun-22 HY
Ounces	87,500	42,000	45,500
Hedged gold price (A\$/oz)	2,337	2,333	2,341

Table 6: Silver Lake hedge book at 30 June 2021

Outlook

Robust production from two cornerstone assets of relevant scale: FY22 group sales guidance of 235,000 to 255,000 ounces gold with an AISC of A\$1,550 - A\$1,650/oz from two established operations in the tier 1 operating jurisdiction of Western Australia.

Consolidating a transformational year for the Deflector region: The ramp up of Rothsay throughout FY22 drives a 10% increase in milled grade and combined with the benefit of higher gold recoveries is expected to support a 10-20% increase in Deflector gold sales in FY22. Combined underground development advance will increase approximately 38% from both sites in FY22 establishing access to multiple levels and associated production areas, which underpin further production growth and increased free cashflow in FY23 based on the prevailing gold price.

Prioritising highest returning projects and retaining optionality at Mount Monger: Silver Lake has created operating flexibility at Mount Monger through its investment in building ore stockpiles and exploration success over multiple years. This flexibility allows Silver Lake to prioritise capital allocation to the highest returning and cash generative ore sources, whilst retaining optionality over established infrastructure and maintaining sales within the 5 year average range for FY22.

FY21 COVID-19 restrictions have had an adverse effect on Silver Lake's access to interstate and overseas labour resources on which it relies. The consequence of this have been higher turnover, lower productivity, and higher costs. It appears unlikely the mobility of skilled labour will improve significantly in FY22, however, Silver Lake's historical stockpile build, and mill constrained operating plan provides the Company with operating flexibility to deliver FY22 guidance.

Focused exploration: The FY22 exploration budget of \$25 million is the largest exploration investment in the company's history and demonstrates Silver Lake's confidence in continued organic growth potential to leverage the significant installed infrastructure at both the Mount Monger and Deflector operations.

Robust, debt free balance sheet with continued cash flow funding growth: All exploration and capital will be internally funded through operating cashflow. With cash and bullion of \$330 million and no debt at the end of FY21, Silver Lake is well positioned to efficiently fund growth.

	FY22 guidance		
	Consolidated	Mount Monger	Deflector
Gold sales (koz)	235-255	125-135	110-120
Copper sales (t)	600 - 1,000		600 - 1,000
All in sustaining costs (A\$/oz)	A\$1,550 - A\$1,650	A\$1,750 - A\$1,850	A\$1,400 - A\$1,500
Exploration (A\$m)	25		

Notes to FY22 AISC guidance

- Deflector region costs include Rothsay for the first time following the declaration of commercial production on 1 July 2021
- Deflector region underground development capital not included in the AISC totals \$32 million and relates to access to the Deflector South West lodes and at Rothsay, the link drive and establishment of the northern decline. All other capital is included within the AISC
- Deflector region expected stockpile build of 10,000 to 15,000 ounces in FY22
- All Mount Monger capital is included within the AISC
- \$8 million of the \$25 million exploration budget is included in AISC

Mount Monger

FY22 sales guidance for Mount Monger is 125,000 - 135,000 ounces with an average AISC of A\$1,750 to A\$1,850 per ounce. Sales are expected to be weighted to the first half with a combination of underground and open pit ore production, whilst processing will maximise high grade feed to the Randalls mill (continued ore stockpile generation from open pit mining through H1 FY22). FY22 guidance assumes the cessation of open pit mining at Aldiss by the end of Q3 FY22 and the treatment of stockpiles to supplement underground mining through H2 FY22.

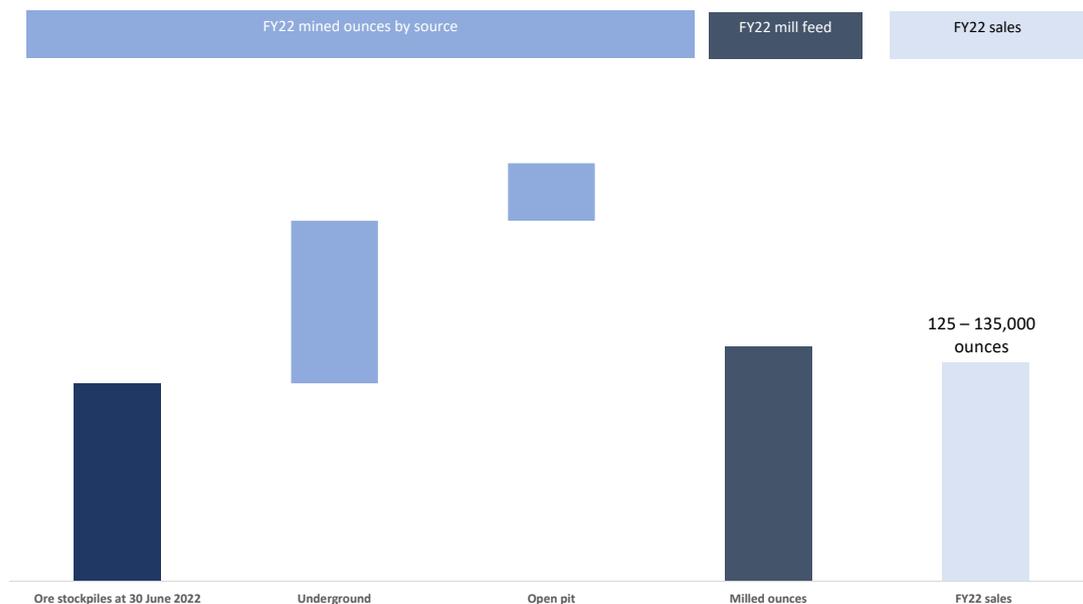


Chart 9: Mount Monger guidance waterfall by mined ounces

FY22 underground mine production tonnage will approximate FY18-FY20 levels. The Santa underground operation will be paused in Q1 FY22 following exploration success which identified a potential cut back to the existing Santa open pits and provided further definition to Santa underground Mineral Resources at depth. FY22 underground production will be sourced from Cock-eyed Bob, Maxwells and the Daisy Mining Centre. Ore from the Daisy Mining Centre will continue to be sourced from Haoma West and Lower Prospect lodes with an increasing proportion of ore to be sourced from the newly developed and shallower Easter Hollows lodes as stope fronts are progressively brought online throughout FY22.

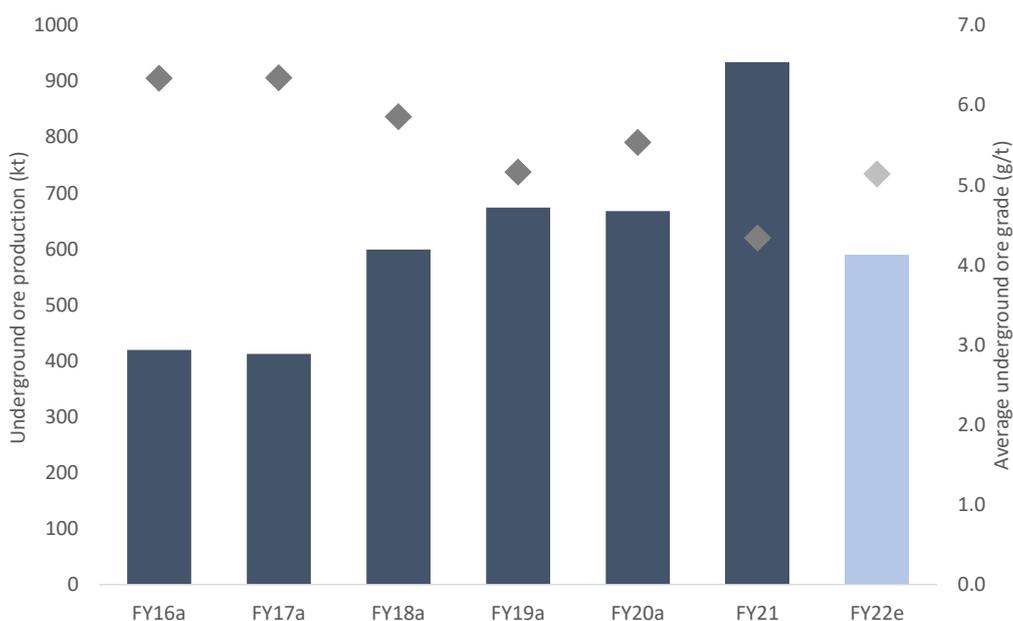


Chart 10: Mount Monger underground mined tonnes

Mill throughput and recoveries are expected to be broadly consistent with FY21. The feed grade profile is expected to be weighted to the first half with the mill feed sourced from underground and open pit ore production during this period.

The average AISC range for FY22 is expected to be A\$1,750 to A\$1,850 per ounce. The AISC includes all capital at Mount Monger’s established mines and the Randalls mill.

Exploration success has created a pipeline of projects at Mount Monger to further leverage established Mining Centre infrastructure and enhance mine life visibility. Two near term projects have the potential to commence development throughout FY22, namely Tank South underground mine and the Santa project area, which includes open pit and underground production opportunities. Silver Lake has created ore source production flexibility through its investment in generating ore stockpiles of approximately 2.7 million tonnes at 1.35 g/t for 115,000 contained ounces. Silver Lake will continue to critically review the commencement of identified mine development opportunities based on easing COVID-19 restrictions, sustainable access to appropriately trained and competent labour, and prevailing economic parameters, which limits operating and financial risk exposures that currently exist.

Deflector

FY22 gold sales guidance at Deflector is 110,000 to 120,000 ounces gold and 600 - 1,000 tonnes copper with an average AISC of A\$1,400 - A\$1,500 per ounce. The ramp up of Rothsay as a secondary high grade ore source will result in a stockpile build for the first time in the history of the Deflector operation through FY22. This will provide a level of feed flexibility that the Deflector operation has not previously enjoyed and allow Silver Lake to maximise feed grade to the upgraded Deflector ore processing facility.

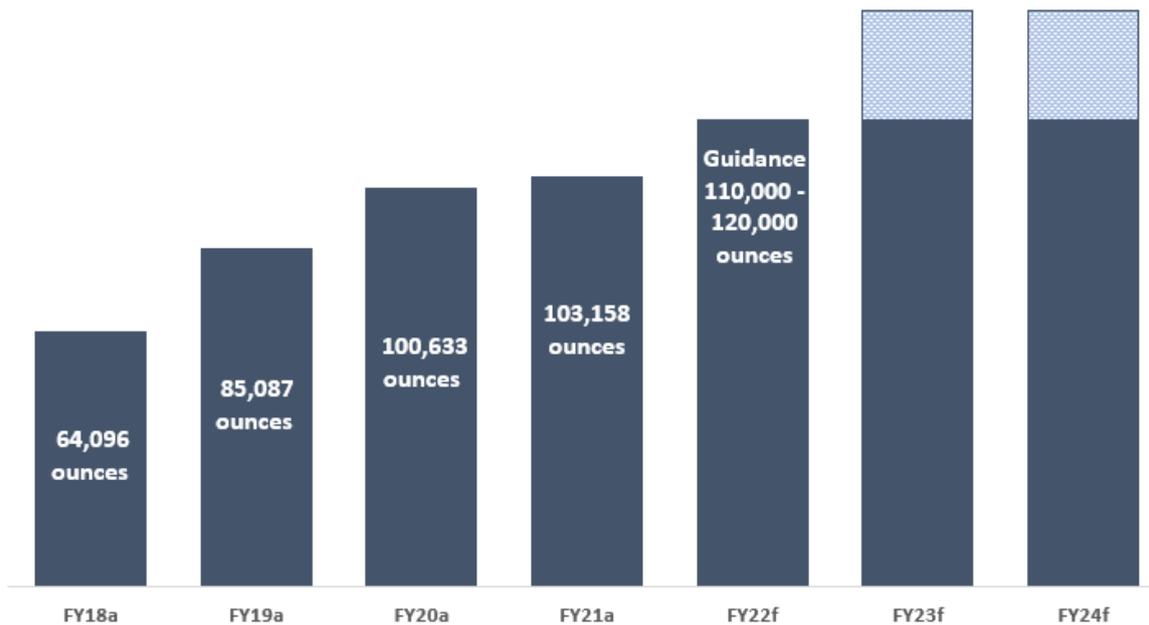


Chart 11: Deflector sales history demonstrating FY22 growth and near term upward sales growth trajectory (Ore Reserves underpin 100% of the FY22 to FY24 production forecasts and have been prepared by a competent person in accordance with the requirements of the JORC Code)

Deflector region mine production will comprise production from the Deflector and Rothsay underground mines. Underground development advance will increase approximately 38% in aggregate across both sites in FY22, establishing access to multiple levels and associated production areas. The focus of development will be on the Deflector South West lodes and at Rothsay, the link drive between the southern and northern decline and associated level development. The FY22 investment in development will underpin further production growth and increased free cashflow in FY23 and FY24 based on the prevailing gold price.

Deflector mill throughput will be broadly consistent with FY21. As mine production will exceed milled throughput (refer chart 12), high grade ore will be preferentially processed with feed grades expected to increase 10% in FY22 when compared with FY21. Grades are expected to further increase as the contribution of Deflector South West ore to the mill feed increases from FY23. Gold recoveries are expected to increase between 4% - 5% on recoveries achieved in FY21 driven by the addition of the CIP circuit which was commissioned in June FY21.

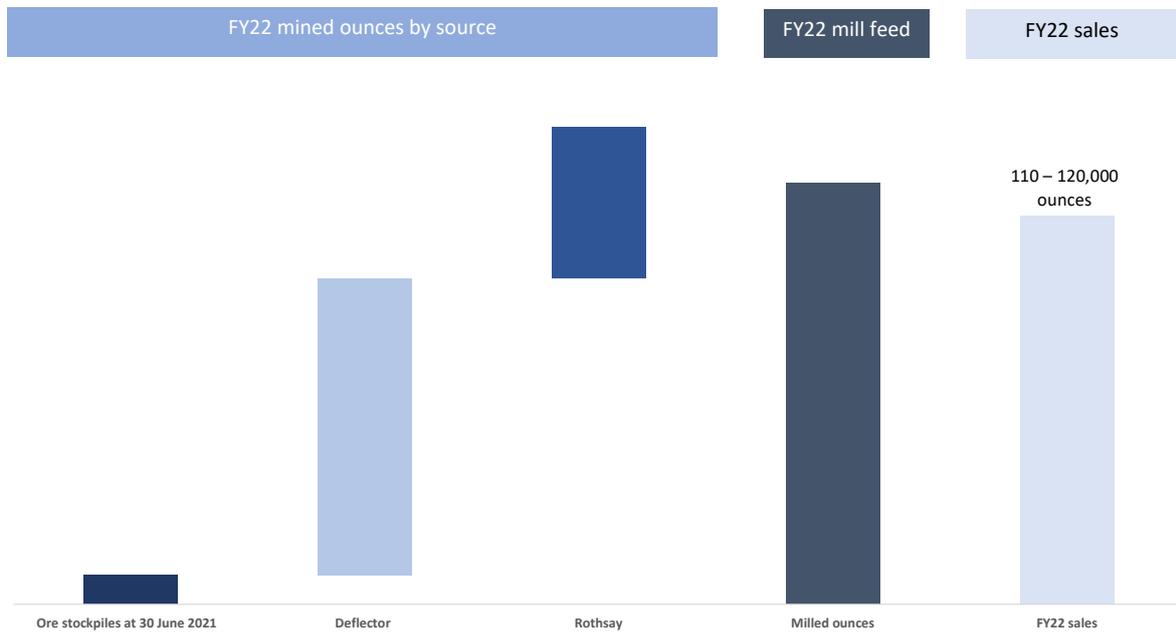


Chart 12: Deflector guidance waterfall by mined ounces

The average AISC range for FY21 is expected to be A\$1,400 to A\$1,500 per ounce. Capital excluded from the AISC comprises \$32 million and relates to access to the Deflector South West lodes and at Rothsay, the link drive and initial development of the northern decline.

This announcement was authorised for release to ASX by Luke Tonkin, Managing Director.

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 her information in the form and context in which it appears.

All information on Mount Monger, Deflector and Rothsay Mineral Resources and Ore Reserves has been extracted from the ASX announcement entitled “2020 Mineral Resource and Ore Reserve Statement” dated 19 August 2020 which is available to view at www.silverlakeresources.com.au. Silver Lake confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements and that all material assumptions and technical parameters underpinning the estimates in the ASX announcements continue to apply and have not materially changed. Silver Lake confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original ASX announcements.

Deflector Gold Equivalent Calculation Methodology and Parameters

FY21 gold equivalency calculations assume a Au price of A\$2,450/oz, Cu price of A\$10,300/t and a 10% payability reduction for treatment and refining charges. The gold equivalent formula is $Au\ Eq\ koz = Au\ koz + (Cu\ kt * 4.2)$, based on the commodity price assumptions outlined above.