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Deflector South West Access, Development and Production Approved

Silver Lake Resources Limited (“Silver Lake” or the “Company”) is pleased to announce that the Board has approved Deflector South West access, development and production, underpinning a longer life, higher margin operation and further enhancing the returns from the Deflector processing plant CIP upgrade.

The Deflector South West lodes are located adjacent to the existing underground mine and have a higher gold and copper tenor relative to the global Deflector Ore Reserve and Mineral Resource. The Deflector South West lodes account for 35% of the Deflector Ore Reserve and 30% of the Mineral Resource.

The current Ore Reserve and continued strong exploration results demonstrate the continuity of the Deflector South West lodes and support the investment decision to establish decline access and associated mine infrastructure from the existing Deflector open pit.

Silver Lake will significantly reduce ore drive profiles within the South West lodes when compared with past and existing practices adopted within the established Deflector mine. Smaller drive profiles reduce waste dilution, increase grades of ore won from development and liberates mill capacity which captures the full value of the higher grade feed and increase in gold recovery following the addition of the CIP circuit to the Deflector processing plant.

Surface works in preparation for decline access are planned to commence in October 2020 and development is expected to commence by the end of Q2 FY21.

Development ore from the upper levels of the Deflector South West lodes is scheduled to contribute to plant feed from Q1 FY22 with stoping to commence in H2 FY22. FY21 growth capital associated with Deflector South West lode access is expected to be \$12 million.

Introducing an additional high grade mining front at Deflector and the addition of Rothsay high grade ore to available mill feed provides a level of operating flexibility that the Deflector operation has not previously enjoyed, allowing Silver Lake to optimise the Deflector mill feed grade from FY22.

Defining further extensions to South West Lodes and potential Deflector repeats within the prospective untested basalt host stratigraphy remains one of the highest priority exploration targets for Silver Lake, with the South West lodes located adjacent to mine, services and processing infrastructure.

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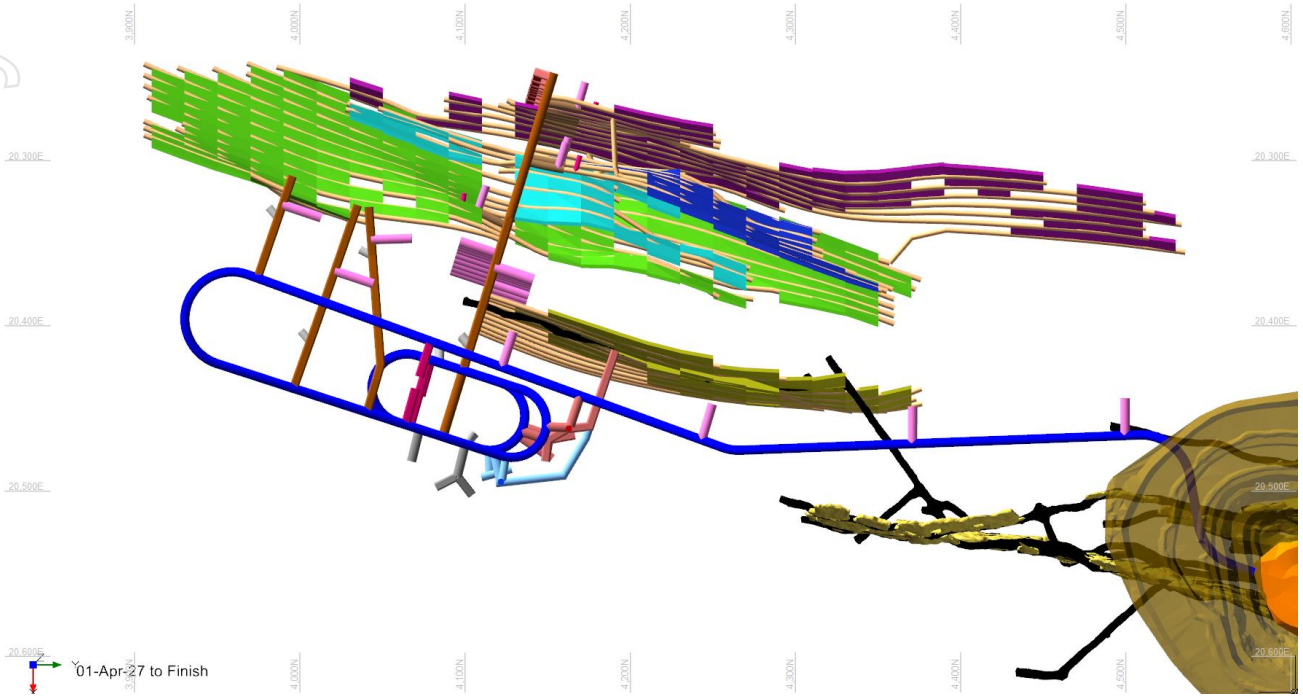


Figure 1: Plan view of decline and associated access development to the South West Deflector lodges

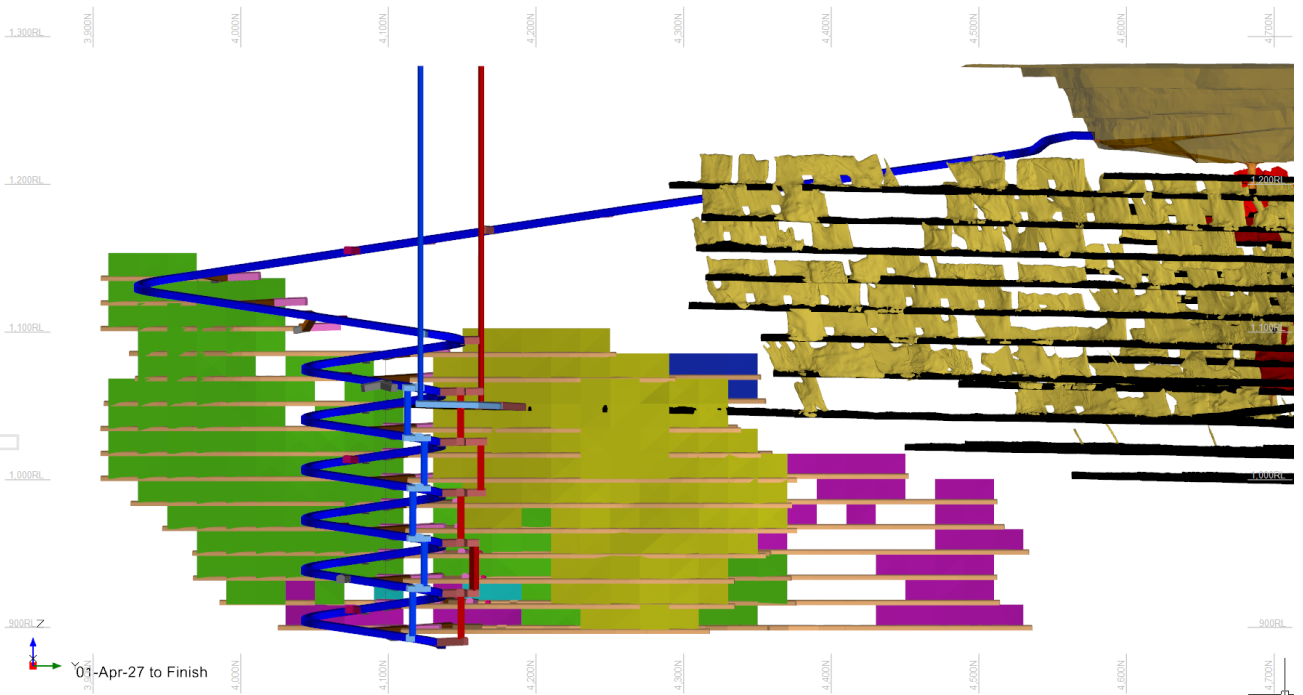


Figure 2: Long-section view of decline and associated access development to the South West Deflector lodges

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.

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