

ASX ANNOUNCEMENT

20 November 2015

Annual General Meeting Chairman's Address

Silver Lake Resources Ltd (“**Silver Lake**” or “**the Company**”) is holding its Annual General Meeting today, Friday 20 November 2015 at 1:00pm WDT.

During the Annual General Meeting the Chairman Mr David Quintivan will deliver the following address:

In the first half of the financial year the Company placed its Murchison Operation on care and maintenance and leased the Tuckabianna processing facility to a private consortium. In the second half of the year the Company consolidated its processing capability in the Goldfields by divesting the Lakewood facility and directing all feed sources to our Randalls plant. These transactions were an integral part of the Company's strategic plan to focus all resources on the Mount Monger Operation, an area Silver Lake knows well and that has delivered strong results over the last 7 years.

I am pleased to announce that the steps taken and the revised strategy the Company has adopted now places us in a stronger position, more capable of capitalising on organic growth opportunities.

Our key objective is to improve shareholder returns through a coherent value accretive strategy that firstly invests in our core assets and secondly crystallises the inherent value that is currently locked up in our non-core assets. To do this Silver Lake is focussing its operational and financial resources on the Mount Monger area where it has been possible to generate a superior financial return from substantially less gold production.

During the year Silver Lake also conducted a strategic review of its exploration assets in the Mount Monger region and through this process identified and ranked a number of highly prospective targets in close proximity to existing mines and infrastructure. Following these very positive results the Company has launched a significant, internally funded, exploration program with the main target being “Daisy Complex repeat” targets which, if converted, may materially enhance the Group's operating margins and underpin our long term future.

The Balance Sheet has been strengthened through prudent cost and cash flow management, the introduction of a sensible gold hedging policy and the impairment of certain assets to values we consider appropriately reflect their market worth.

Silver Lake's short to medium term production plan generates sufficient cash to invest in planned exploration activities and future mine development and, given the prevailing gold price, establishes a sound platform for earnings growth. It is this strategy that, coupled with a stronger Australian dollar gold price outlook, should provide upward momentum in the Company's market capitalisation.

Returning to the Company's performance for the last year, we would like to highlight the following:

- Gold refined and sold for the year totalled 124,209 oz
- Average realised gold price of A\$1,497/oz against an all in sustaining cost of A\$1,331/oz

- The Lakewood Mill and associated infrastructure (including rehabilitation liability) was divested in March 2015
- All care and maintenance payments and site contract restructuring expenses relating to the Murchison Operation were concluded within time and budget
- The Company entered into a dry hire lease arrangement with a private consortium for the Tuckabianna processing facility. A total of \$1.4 million was received during the year in relation to this lease, which fully covered associated care and maintenance costs over the same period of \$0.2 million
- A formal sales campaign commenced to divest non-core assets including the Great Southern Project and the Murchison Operation
- The Company had promising infill and extensional resource definition drilling results at the Imperial/Majestic, Lucky Bay, Santa Area, Rumbles and Maxwells deposits. This allowed for the commencement of mine operations of the Lucky Bay and Santa Area open pit deposits in July 2015. These open pits generate approximately 50,000 oz of gold over 14 months
- The Company completed a strategic exploration review and identified a number of highly prospective exploration targets. A revised exploration strategy has been adopted with the Company increasing its FY16 exploration budget by 60% to \$15.5 million. Exploration will focus on highly prospective gold targets at Mount Monger, proximal to existing mine and processing infrastructure
- Through prudent cost and cashflow management the Company's Balance Sheet has strengthened. Year-end cash, bullion and investments totalled \$36.1 million, while trade payables reduced by \$20m over the period.

Over the past year Silver Lake has also announced key changes to its Board, with the departure of founding directors Paul Chapman, Chris Banasik, David Griffiths and Peter Johnston. In addition Les Davis, Silver Lake's founding Managing Director, stepped down from his executive role and joined the Board in a Non-executive capacity. I would like to extend the Board's appreciation at this time to Paul, Les, Chris, David and Peter for the significant contribution they made in the formation and development of the Company and wish them every success in their future endeavours. The Board now comprises one executive and three non-executive directors. The Company is currently looking to engage a further suitably credentialed independent non-executive director such that the board structure will be aligned with the restructured business.

The focus of the Company is now on maximising value from our core assets and capitalising on the embedded value from our noncore assets. Accordingly, SLR has set the following key objectives for the next twelve months:

- Achieve gold production of 125,000 to 135,000 oz Au from the Mount Monger Operation;
- Build operating consistency focusing on delivering improved margins;
- Invest in new deposits with low capital expenditure requirements;
- Launch a new and significant exploration strategy at Mount Monger to recapture a lower cost base;
- Increase exploration expenditure with a systematic, gated approach driving phased, risk-weighted spending. This will include:

- o Targeting Daisy analogues (“repeats”) at shallower levels than current mining with similar ounces per vertical metre;
- o Resource conversion continuing to drive short-term production and cashflow baseline;
- o Divestment of non-core assets;
- o Continue the balance sheet rebuild

On behalf of the Board, we would like to thank the Company’s employees for their efforts and achievements during the year and we acknowledge and appreciate the support of our suppliers and contractors.

We would also like to acknowledge the continued support of our shareholders. The Board has made some difficult decisions over the last two years however these decisions, whilst very difficult at the time, have given the Company a solid footing to grow our business internally and to also be better placed to consider and take advantage of future opportunities if such opportunities present themselves.

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