

**ASX ANNOUNCEMENT**

**18 July 2013**

**Deferral of underground development at Murchison Operations**

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Silver Lake Resources Ltd (“Silver Lake”) advises an operational update at the Murchison gold operations in Western Australia (refer to figure 1).

As advised to the market on 1 July 2013 the company has been finalising budgets for the year ending 30 June 2014 focussing on deferring capital and reducing costs across the business to maximise cashflow.

Due to the current challenging gold price environment the Murchison gold operations have been optimised to produce gold from open pit operations in FY14 and defer the development of the underground Caustons mine for approximately 12 months. Initial ore drive production from the Caustons underground mine was expected in the September 2013 quarter.

Supply feed to the mill for FY14 will be maintained at 1.2 million tonnes per annum rates from continued mining of multiple open pits and historic stockpiles.

Underground development at the Caustons mine is now in the process of ceasing and will be put on care and maintenance in readiness for start-up at a later point. Regrettably this will result in some positions being made redundant.

Further details will be available in the forthcoming June 2013 quarterly report due for release later this month.

For further information please contact

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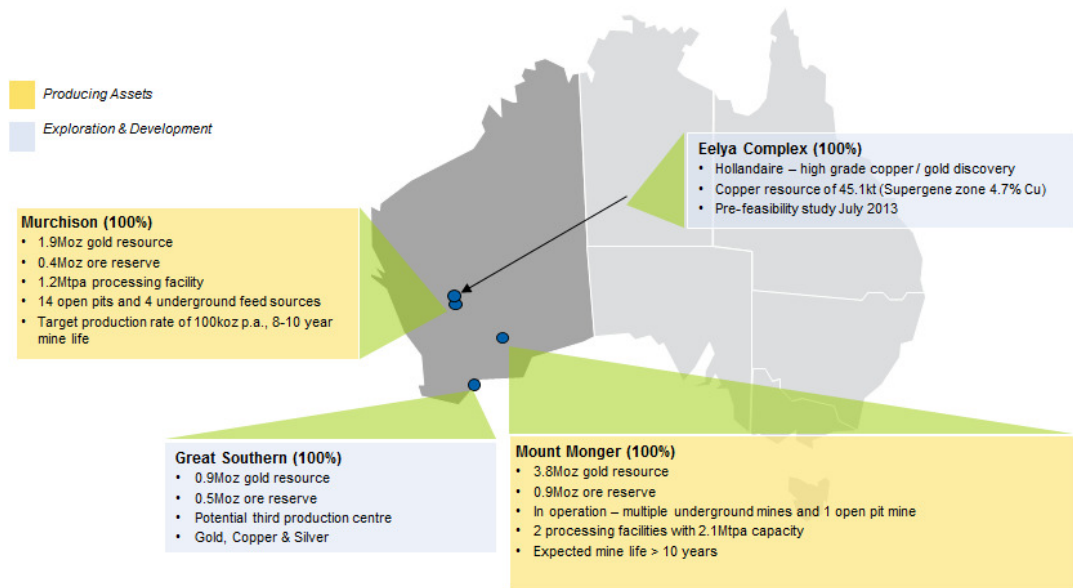


Figure 1: Silver Lake Resources project locations

#### About Silver Lake Resources Ltd:

Silver Lake is a large, all-Australian, ASX 200 gold producing and exploration company with multiple mines and multiple mills operating in the Eastern Goldfields and Murchison districts of Western Australia.

Silver Lake's land position in Western Australia covers 5,000 sqkm of highly prospective under explored tenements containing gold, silver, copper & zinc.

Silver Lake currently has JORC Resources and JORC Ore Reserves containing:

- 6.6 million ounces of gold inclusive of 1.8 million ounces of reserve;
- 10.4 million ounces of silver; and
- 140,000 tonnes of copper.

Nearby to the Murchison project is the Eelya Complex, which is prospective for gold and base metals. A high grade copper/gold discovery has already been made at the Hollandaire deposit which contains copper, gold & silver. A pre-feasibility study is underway at Hollandaire. Provision has also been made at the Murchison gold processing facility for the addition of a base metals circuit.

In the Great Southern, Silver Lake owns the large Kundip and Munglinup exploration projects covering over 2,500 sqkm. Post development of the Murchison in 2013, Silver Lake will increase regional gold exploration at Kundip with the view of establishing a third gold mining centre (with potential copper and silver credits).

Silver Lake has a commitment to long term exploration targeting<sup>1</sup> 10 million oz Au over time.

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#### **Competent Person's Statement**

*The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Christopher Banasik who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Banasik is a full time employee of Silver Lake Resources Ltd, and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 edition of the JORC Code. Mr Banasik has given his consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

*1: Information that relates to exploration and production targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

*The information on exploration targets are based on a conceptual range of targets as follows:*

<i>Tonnage range:</i>	<i>80 million to 120 million tonnes</i>
<i>Grade:</i>	<i>~3 g/t Au</i>
<i>Ounces:</i>	<i>7 million to 10 million</i>

## Resources & Reserves

The JORC Gold Resource as at June 2012 totalled 6.6 million ounces inclusive of 1.8 million ounces of ore reserves as detailed below.

Deposit	Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s
Total Mount Monger	3,371.5	4.3	466.6	21,528.3	3.2	2,191.3	9,093.3	3.8	1,098.9	33,993.1	3.4	3,756.8
Hollandaire	-	-	-	-	-	-	1,100.0	0.5	18.0	1,100.0	0.5	18.0
Total Murchison	36.0	0.6	0.7	8,474.0	3.2	879.0	11,960.0	2.7	1,028.0	20,470.0	2.9	1,907.7
Total Great Southern	310.0	2.4	23.9	10,140.0	1.9	617.7	4,730.0	2.0	311.7	15,180.0	2.0	952.3
<b>Total</b>	<b>3,717.5</b>	<b>4.1</b>	<b>491.2</b>	<b>40,142.3</b>	<b>2.9</b>	<b>3,688.0</b>	<b>25,783.3</b>	<b>2.9</b>	<b>2,438.6</b>	<b>69,643.1</b>	<b>3.0</b>	<b>6,616.8</b>

	Proved Reserves			Probable Reserves			Total Reserves		
	Ore tonnes '000s	Grade	Total '000s	Ore tonnes '000s	Grade	Total '000s	Ore tonnes '000s	Grade	Total '000s
Mount Monger	2,415.7	1.7	129.6	7,564.4	3.3	793.4	9,980.1	2.9	923.0
Murchison	77.0	1.0	2.5	4,871.3	2.7	424.8	4,948.3	2.7	427.3
Great Southern	310.0	2.2	22.0	7,130.0	1.8	420.1	7,440.0	1.8	442.1
<b>Total Ore Reserve</b>	<b>2,802.7</b>	<b>1.7</b>	<b>154.1</b>	<b>19,565.7</b>	<b>2.6</b>	<b>1,638.3</b>	<b>22,368.4</b>	<b>2.5</b>	<b>1,792.4</b>

Table 1: JORC Gold Resources & Ore Reserves as of June 2012.

*Rounding may give rise to unit discrepancies in this table*

	Measured Resources					Indicated Resources					Inferred Resources					Total Resources					
	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	
<b>Kundip Project</b>																					
Silver	-	-	g/t Ag	-	oz	4,390.0	2.5	g/t Ag	353.9	oz	4,550.0	2.1	g/t Ag	314.2	oz	8,940.0	2.3	g/t Ag	668.1	oz	
Copper	-	-	% Cu	-	t	4,390.0	0.4	% Cu	15.6	t	4,550.0	0.3	% Cu	14.7	t	8,940.0	0.3	% Cu	30.2	t	
<b>Trilogy Project</b>																					
Silver	310.0	41.2	g/t Ag	406.6	oz	5,750.0	48.0	g/t Ag	8,859.6	oz	180.0	12.0	g/t Ag	73.4	oz	6,240.0	47.0	g/t Ag	9,339.7	oz	
Copper	310.0	0.3	% Cu	0.9	t	5,750.0	1.1	% Cu	62.3	t	180.0	0.8	% Cu	1.4	t	6,240.0	1.0	% Cu	64.6	t	
<b>Hollandaire</b>																					
Silver	-	-	-	-	oz	-	-	-	-	oz	2,800.0	5.0	g/t Ag	457.8	oz	2,800.0	5.0	g/t Ag	457.8	oz	
Copper	-	-	-	-	t	-	-	-	-	t	2,800.0	1.6	% Cu	45.1	t	2,800.0	1.6	% Cu	45.1	t	
<b>Total Resource</b>																					
Silver	310.0	40.8	g/t Ag	406.6	oz	10,140.0	28.3	g/t Ag	9,213.5	oz	4,730.0	2.5	g/t Ag	386.6	oz	17,980.0	18.1	g/t Ag	10,465.5	oz	
Copper	310.0	0.3	% Cu	0.9	t	10,140.0	0.8	% Cu	77.8	t	7,530.0	0.8	% Cu	61.2	t	17,980.0	0.8	% Cu	140.0	t	

Table 2: September 2012 base metal resource

*Rounding may give rise to unit discrepancies in this table*

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