



Les Davis
Managing Director

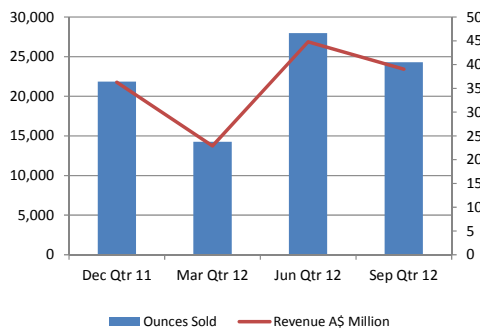
QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 September 2012

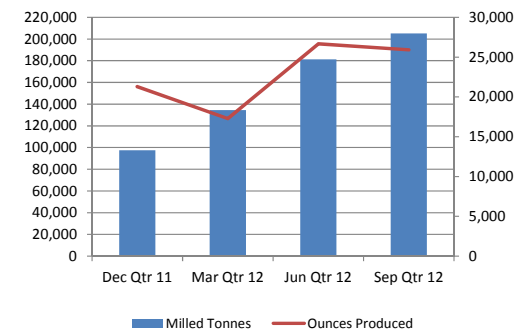
Highlights

- Silver Lake announced acquisition of Integra Mining to create a major all Australian gold producing company with multiple mines and multiple mills
 - to be implemented via a unanimously recommended scheme of arrangement at an exchange ratio of 1 new Silver Lake share for every 6.28 Integra shares
 - pro-forma resource base of 6.6Moz of gold inclusive of 1.8Moz of ore reserves¹
 - current production of 200,000 oz pa and forecast production of 400,000 ounces in 2014
- Murchison project 75% complete and on track for first gold production in March 2013 quarter
- Mined production totalled 35,000 ounces and milled production totalled 26,000 ounces
- Holladaire resource upgrade to 45,000 tonnes of copper

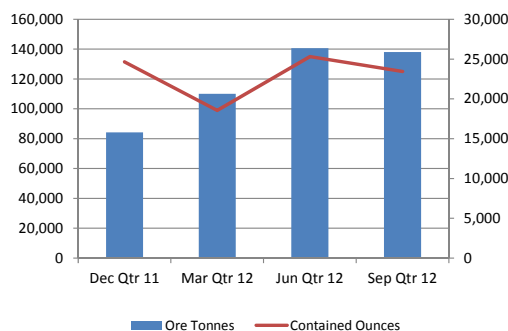
Gold Sales & Revenue



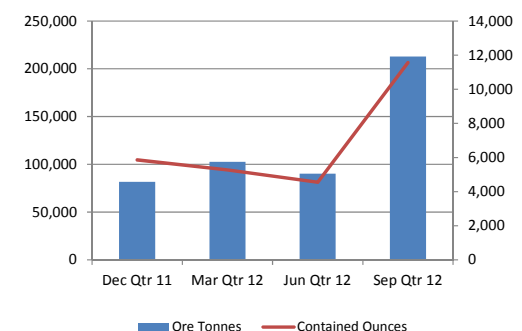
Production - Processing



Production - Underground



Production - Open Pit



SILVER LAKE RESOURCES TO ACQUIRE INTEGRA MINING

Silver Lake Resources Limited (ASX: SLR, "Silver Lake") and Integra Mining Limited (ASX: IGR, "Integra") announced on 6 August 2012 that they have reached agreement to combine the two companies and create a substantial gold company with multiple Australian operating mines and mills (refer to figure 1). The transaction will be implemented via an Integra Scheme of Arrangement and has been unanimously recommended by the boards of both companies.

Under the Scheme, Integra shareholders will be offered one new Silver Lake share for every 6.28 Integra shares they hold.

The Silver Lake offer valued Integra at A\$426 million² (45.2 cents per share) representing an attractive premium of 43.6% to Integra's closing price of A\$0.315 on the ASX on 3 August 2012 and a 40.3% premium to Integra's 20-day volume weighted average price (VWAP) of A\$0.307.

The combined group, which will be ~40 per cent owned by Integra shareholders, currently has annual production of ~200,000oz rising to 400,000oz per annum in 2014³, combined Mineral Resources of 6.6Moz (including 1.8Moz of Ore Reserves) and the ability to unlock significant operational synergies between the adjacent Mount Monger and Randalls gold projects in the Eastern Goldfields of WA (refer to figure 2).

In addition to the benefits flowing from reduced overheads, shared infrastructure and economies of scale, the enlarged Silver Lake will have two mills with 2.2Mtpa of annual milling capacity in the same region, diversifying risk and allowing for optimisation of production strategies.

Silver Lake has commenced the process of optimising the combined Mount Monger project pipeline to extract maximum production and value from the Mount Monger/Randalls operations and is considering a range of options including:

- the treatment of high and low grade ore sources through the two mills currently operated by the respective companies located east of Kalgoorlie in WA;
- expanding Integra's Salt Creek mill which could be fed from multiple open pit and underground ore sources;
- realising operational efficiencies through shared technical services; and
- optimising overall exploration expenditure through a more targeted programme across the expanded tenement package.

Silver Lake expects the results of the optimisation for the combined Mount Monger project pipeline to be announced in the June 2013 quarter.

Silver Lake and Integra believe that the combination has a strong strategic rationale, is value-enhancing, and will present an attractive investment proposition to existing and new shareholders alike. Key benefits include:

- exposure to a producing, multi-operation, low cost gold producer with a robust near-term growth profile;
- well-credentialed and experienced management team with proven capabilities in operating both underground and open pit gold mines;
- strong free cash flow generation;
- potential to realise significant operational and administrative synergies due to the contiguous nature of the enlarged Silver Lake's operations and development projects; and
- potential for growth beyond development projects through regional exploration and consolidation of Integra tenements, a number of which adjoin Silver Lake's Mount Monger project.

Board Recommendation

Integra's directors intend to unanimously recommend to Integra shareholders that, in the absence of a superior proposal, they vote in favour of the Scheme, as the Integra Directors intend to do so in respect of their own holdings in Integra.

Timetable and conditions

The Offer is subject to minimal conditions comprising:

- usual regulatory approvals from ASIC and the Court;
- Integra shareholder approval;
- receipt of an independent expert's report confirming that the Scheme is in the best interests of Integra shareholders;
- no Material Adverse Change occurring to either Integra (applying a materiality threshold of A\$20m) or Silver Lake (applying a materiality threshold of A\$35m); and
- no Prescribed Occurrence (as defined in the Scheme Implementation Agreement) occurring in relation to either Silver Lake or Integra.

Integra has agreed to give typical deal protection to Silver Lake including payment of a break fee of A\$4.25 million in agreed circumstances.

It is expected that the Scheme Booklet, containing further information about the Offer and the notice of meeting together with the proxy forms, will be posted to Integra shareholders in mid-November 2012 and that the Scheme meeting required to implement the Scheme will be held in mid-December 2012.

The Offer will also be subject to the terms and conditions to be set out in the Offer documentation when issued. Further details are included in the executed Merger Implementation Agreement announced to the ASX on 6 August 2012.

[Refer to ASX announcement 6 August 2012 for further information.](#)

Notes to announcement

¹ Refer to table 11 for pro-forma JORC resource & ore reserves.

² Based on Silver Lake's closing price of A\$2.84 on 3 August 2012.

³ Pro forma forecast gold production for the combined group has been based on the internal mine plans for Silver Lake and Integra. These assume no change in production as a result of the transaction. Production forecasts are subject to risk factors associated with developing, mining and processing gold including, amongst others, variations in grade, metallurgical and other processing problems, mechanical equipment performance problems, the unavailability of materials and equipment, permit approvals, labour force disruptions, adverse weather conditions, geopolitical risks and landowner relations.

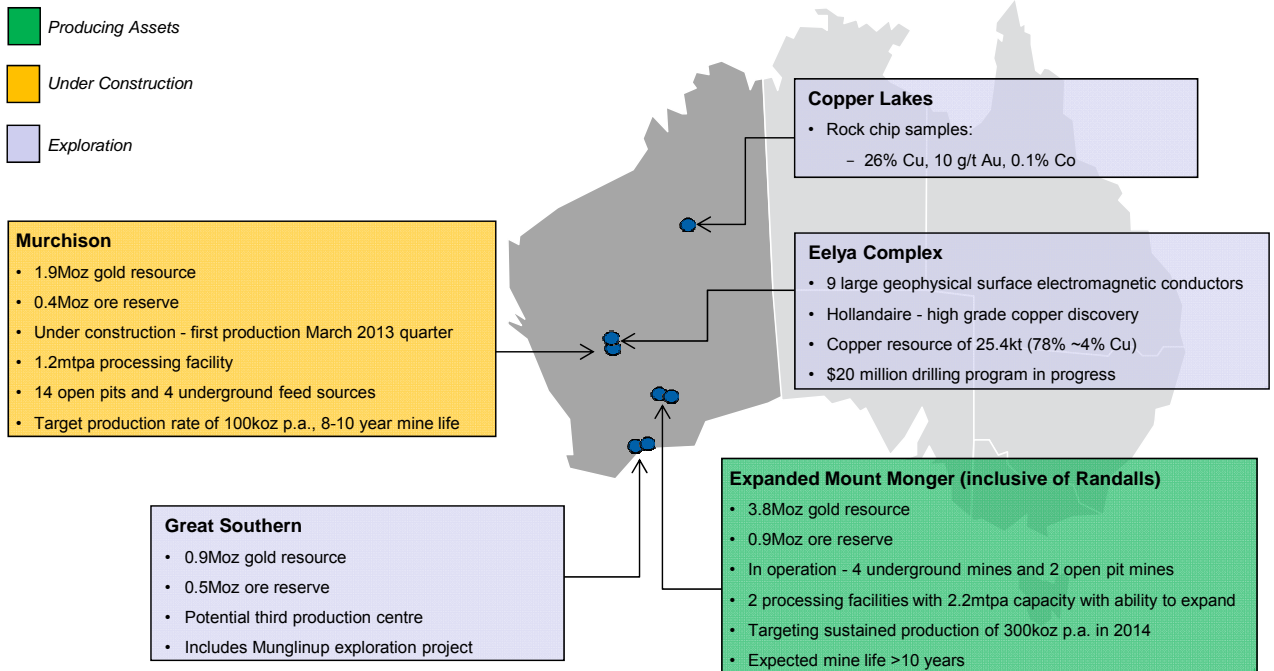


Figure 1: SLR & IGR project location plan.

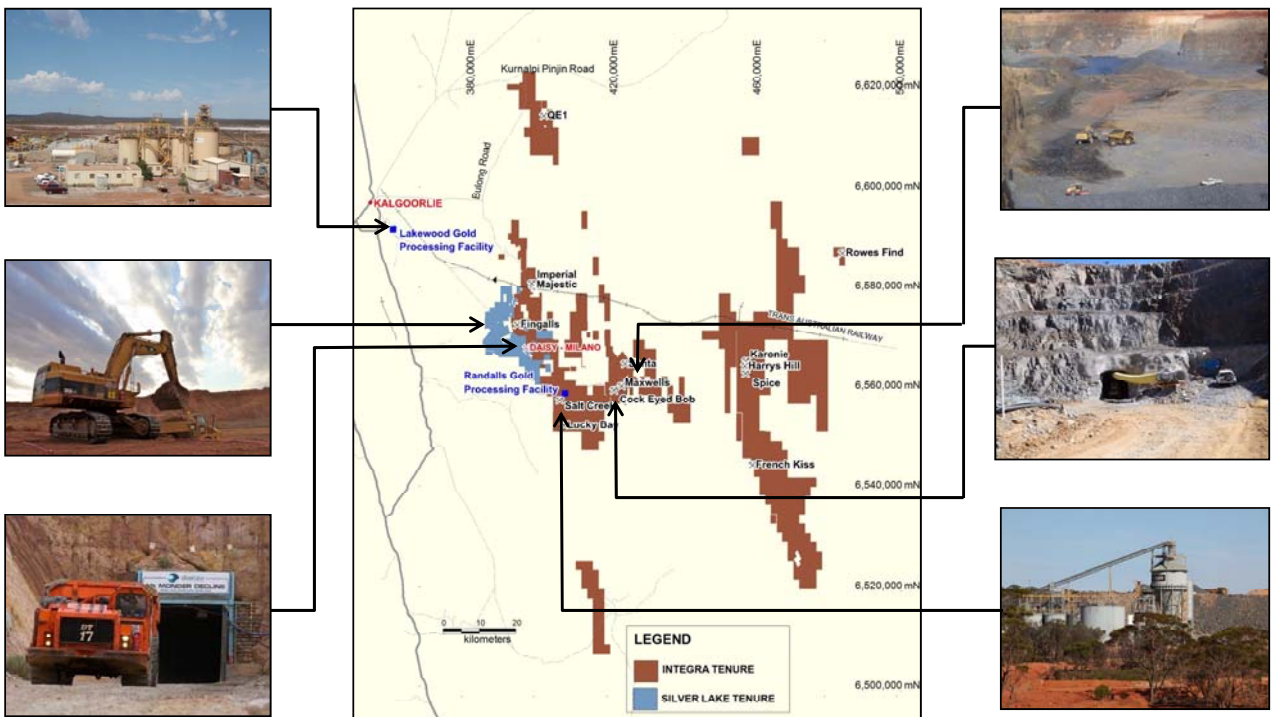


Figure 2: SLR & IGR Mount Monger Operations location plan.

Quarterly Overview

Silver Lake's strategy is to develop large production centres at Mount Monger, in the Murchison and the Great Southern with multiple mines at each centre. Further strategic milestones were reached during the quarter, including:

Mount Monger Operations:

Expansion of Mount Monger Operations continuing:

- announced acquisition of neighbouring gold producer Integra Mining;
- production from four underground mines and one open pit mine;
- multiple access levels developed into Haoma with ore driving on multiple levels and stope preparation in progress;
- mined production totalled 35,000 ounces and milled production totalled 26,000 ounces;
- significant infill drill intercepts at Haoma and extensional drill intercepts at Haoma West; and
- exploration ongoing targeting resource extensions.

Murchison Project:

In the Murchison, Silver Lake is developing a second gold mining operation for a low capital outlay of A\$65 - \$70 million with multiple mines feeding a central processing facility. The project is progressing to plan with first gold production on track to commence in the March 2013 quarter ramping up to 100,000 ounces per annum in 2014.

Progress during the quarter included:

- deconstruction and relocation of milling infrastructure from Tarmoola complete;
- refurbishment and reconstruction of milling infrastructure 75% complete;
- project on track for first gold production in March 2013 quarter;
- Alliance Mining mobilised to site and commenced construction of tailings dam lift with open pit mining commencing in October 2012;
- planned open pit dewatering activities progressing to plan;
- finalising tender and owner operator evaluations for the underground mining projects; and
- encouraging drill results at Tuckabianna West.

Great Southern:

In the Great Southern, Silver Lake owns the large Kundip and Munglinup projects covering over 2,500 sqkm. Post ramp up of Mount Monger and development of the Murchison in 2013, Silver Lake will increase gold exploration at the advanced Kundip project with the view of establishing a third gold mining centre.

Progress during the quarter included:

- ongoing review of all geological information including geochemistry and drill hole data base to generate drilling targets and areas of potential anomalism; and
- review of 200 hole RAB surface drilling programme completed at Munglinup as part of a preliminary geochemical targeting programme over the lease package.

Safety

There were two lost time injuries across the group during the quarter. The 12 month moving average Lost Time Injury Frequency Rate ("LTIFR") stands at 4.92.

Operations

Ore tonnes mined for the quarter was at record levels totalling 351,000 tonnes resulting in gold in ore production from the Mount Monger Operations of 34,996 ounces.

A planned 10 day shut occurred at the Lakewood Gold Processing Facility during the quarter to replace the feed trunnion end on the 1.6 megawatt mill and complete the crusher upgrade. The small mill operated during the shut period albeit at reduced throughput rates.

Tonnes milled for the quarter totalled 205,184 tonnes at a blended grade of 4.3 g/t Au for 25,915 recovered ounces. Unprocessed ore stocks available for mill feed at the end of the quarter are ~471,000 tonnes containing 34,400 ounces.

Gold bullion sold for the quarter was 24,286 ounces at an average realised price of A\$1,607 oz for A\$39.0 million revenue. Bullion refined and not sold at the end of the quarter totalled 2,520 ounces.

Cash operating costs for the quarter were A\$751 per ounce, which was higher than the previous quarter due to abnormal maintenance costs at the mill to replace the feed trunnion end and various planned maintenance activities, stope preparation costs at Haoma and lower mined grade.

Murchison Project

Significant progress was made during the quarter on the construction of the 1.2 million tonnes per annum processing facility which is now 75% complete. Capital expenditure during the quarter for the mill, surface infrastructure and mine pre-production activities totalled \$31.5 million with total project to date expenditure of \$43.5 million. The project scope is on track for pre-production expenditure of \$65 - \$70 million through to first gold production.

Finance (unaudited)

Cash & bullion on hand as of 30 September 2012 totals A\$49.1 million (A\$79.7 million previous quarter) after spending A\$47.4 million on investing activities.

Exploration - Overview

During the quarter, the June 2012 JORC resources and maiden ore reserves were announced. The June 2012 JORC compliant gold resources (inclusive of ore reserves) now totals 45.8 million tonnes at 3.1 g/t Au for 4.6 million ounces (refer to table 7).

The June 2012 JORC complaint ore reserves total 15.3 million tonnes at 2.6 g/t Au for 1.3 million ounces (refer to table 8).

Drilling is ongoing with multiple drill rigs and encouraging drill results were received from Haoma and Haoma West at Mount Monger and at Tuckabianna West in the Murchison during the quarter.

At the Eelya Complex, part of the Murchison project, an upgraded JORC inferred resource was announced during the quarter for the Hollandaire deposit which totals 2.8 million tonnes at 1.6% Cu, 0.4 g/t Au and 5 g/t Ag (refer to table 6). The supergene zone at Hollandaire averages 4.7% Cu grade.

Encouraging drill results for Mount Eelya & Colonel (also part of the Eelya Complex) were also announced during the quarter which intersected massive sulphide.

Mount Monger Operations

- **Safety**

Unfortunately a lost time injury occurred during the quarter. An experienced fitter severed the top of his finger whilst servicing an underground jumbo drill rig.

- **Underground production & development - Mount Monger**

Production:

Gold in ore production during the quarter was sourced from four underground mines, Daisy Milano, Haoma, Daisy East, & Rosemary (refer to figures 3 & 4) totalling 138,049 tonnes at an average grade of 5.3 g/t Au for 23,436 oz. Ore tonnes mined were in line with the previous quarter primarily due to multiple ore structures within Haoma being amenable to 4 metre wide ore drives.

Mined grade for the quarter was 5.3 g/t Au which is still reflecting high volumes of ore development throughout the underground operations. Ore development for the quarter totalled 1,442 metres and is continuing on the 34 & 35 levels at Daisy Milano and the 24,27,30,33 & 35 levels at Haoma in readiness for stoping activities.

As previously mentioned ore development is forecast to be the primary ore source from the underground operations in H1 2012. Higher grade ore from stoping activities becomes the primary ore source in H2 2012.

Waste development:

286 metres of ore access development were undertaken during the quarter developing to the 35 level (western structures) at Daisy Deeps, the 7 level at Daisy Milano and the 24 & 30 levels at Haoma.

479 metres of capital development were undertaken during the quarter mining the decline to access Haoma.

Open pit production - Wombola Pits

Production:

Gold in ore production from Wombola Pit (refer to figure 3) produced 212,958 tonnes at 1.7 g/t Au for 11,560 ounces with mining completed as at the end of the quarter.

Waste development:

1.05 million tonnes of waste material was removed from Wombola Pit during the quarter.

- **Gold Production - Lakewood Gold Processing Facility**

Mill availability during the quarter remains high with uptime greater than 97%. Underground ore milled for the quarter totalled 169,373 tonnes at 4.9 g/t Au for 24,243 recovered ounces. Open pit ore milled for the quarter totalled 35,811 tonnes at 1.6 g/t Au for 1,672 recovered ounces.

Combined milled production for the quarter totalled 205,184 tonnes at 4.3 g/t Au for 25,915 recovered ounces.

Intertank screens were changed out during the 10 day shut and the mill ran at 900,000tpa (blended rock) rates in August and September 2012. The facility can be operated at 1.0mtpa rates upon construction of a ROM bin and installation of a new tailings storage facility later in 2012.

Unprocessed ore stocks available for mill feed at the end of the quarter are ~471,000 tonnes containing 34,400 ounces.

Mount Monger	Units	Sep Qtr 2012	Jun Qtr 2012	Mar Qtr 2012	Dec Qtr 2011	Full Year FY12
<u>Underground</u>						
Ore tonnes mined	Tonnes	138,049	140,633	110,048	84,195	436,157
Mined grade	g/t Au	5.3	5.6	5.2	9.1	6.2
Contained gold in ore ¹	Oz	23,436	25,313	18,556	24,652	86,437
<u>Open Pit</u>						
Ore tonnes mined	Tonnes	212,958	90,191	102,537	81,608	280,919
Mined grade	g/t Au	1.7	1.6	1.6	2.2	1.8
Contained gold in ore ²	Oz	11,560	4,553	5,278	5,856	16,161
Total ore tonnes mined	Tonnes	351,007	230,824	212,585	165,803	717,076
Mined grade	g/t Au	3.1	4.0	3.5	5.7	4.5
Contained gold in ore	Oz	34,996	29,866	23,834	30,508	102,598

Table 1: Mount Monger Operations - mine production statistics

Mount Monger	Units	Sep Qtr 2012	Jun Qtr 2012	Mar Qtr 2012	Dec Qtr 2011	Full Year FY12
Ore milled ³	Tonnes	205,184	181,337	134,507	97,575	517,105
Head grade ³	g/t Au	4.3	4.9	4.3	7.3	5.3
Contained gold in ore	Oz	28,352	28,485	18,552	22,929	88,264
Recovery	%	92	94	93	93	94
Gold produced	Oz	25,915	26,673	17,284	21,292	82,531
Gold refined & sold ⁴	Oz	24,286	27,969	14,258	21,840	83,347

Table 2: Mount Monger Operations - Lakewood Gold Processing Facility production statistics

Notes to Tables 1&2:

1: Underground contained gold in ore mined is from a combination of Daisy Milano, Daisy East, Rosemary & Haoma mines.

2: Open Pit contained gold in ore is from Wombola Pit.

3: Ore milled is from all sources including stock piled material.

4: Bullion refined and not sold at the end of the quarter totalled 2,520 ounces.

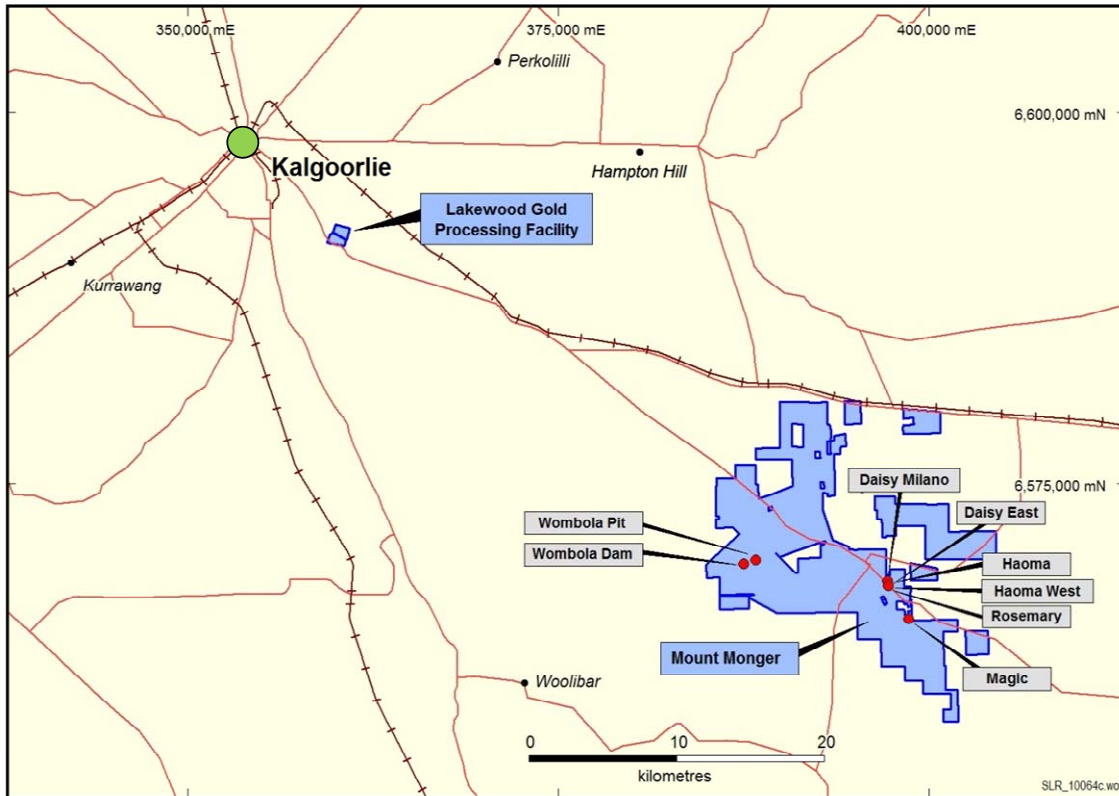


Figure 3: Mount Monger Operations location plan.

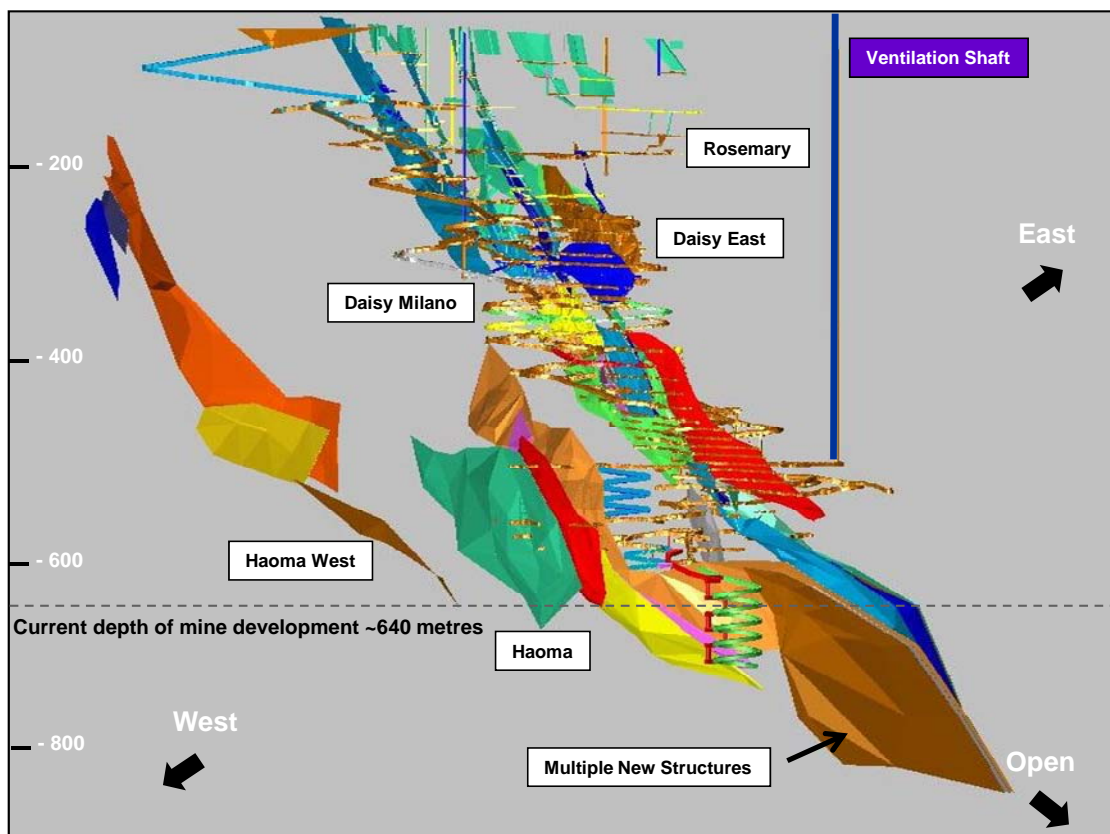


Figure 4: Schematic view showing location of Daisy Milano, Haoma, Daisy East and Rosemary that contain over 1.3 million ounces of resource accessible from the same infrastructure (not to scale).

- **Gold Sales**

24,286 ounces were refined and sold at an average realised price of A\$1,607 oz during the quarter. Bullion refined and not sold at the end of the quarter totalled 2,520 ounces.

- **Outlook Year Ending 30 June 2013**

Guidance for milled production and gold sales from Mount Monger Operations for the year ending 30 June 2013 remains unchanged at 120,000 to 150,000 ounces at a blended feed grade to the mill of 4.4 g/t Au to 5.6 g/t Au from underground, open pit and stockpiled ore sources. Production in the second half of FY13 will step up due to higher grades from stoping activities from the underground operations. Refer to below tabulation for feed sources, underground grade and ounces produced ranges.

Ore Source	Tonnes	g/t Au	Oz	g/t Au	Oz	g/t Au	Oz
Underground Feed (hard rock)	600,000	5.6	108,000	6.5	125,000	7.3	140,000
Stockpile Feed (hard rock)	100,000	2.7	8,250	2.7	8,250	2.7	8,250
Oxide Feed (soft rock)	200,000	1.8	11,500	1.8	11,500	1.8	11,500
Total Feed	900,000	4.4	127,750	5.0	144,750	5.6	159,750
Recovery %			94		94		94
Gold produced	900,000	4.4	120,000	5.0	136,000	5.6	150,000

Guidance for milled production and gold sales from Murchison Operations for the year ending 30 June 2013 is 35,000 to 45,000 ounces at a blended feed grade to the mill of 2.0 g/t Au to 2.4 g/t Au from low grade commissioning stockpiles and initial open pit ore sources.

- **Unit Costs**

Cash operating costs¹ for the quarter were A\$751 per ounce, which was higher than the previous quarter due to abnormal maintenance costs at the mill to replace the feed trunnion end and various planned maintenance activities, stope preparation costs at Haoma and lower mined grade.

Cost Centre	Units	Sep Qtr 2012	Jun Qtr 2012	Mar Qtr 2012	Dec Qtr 2011	Full Year FY12
Cash Operating Cost ¹	A\$oz	751	602	741	536	640
Royalties	A\$oz	54	53	53	56	53
Average realised price	A\$oz	1,607	1,602	1,608	1,668	1,624
Revenue	A\$M	39.0	44.8	22.9	36.4	135.3

Table 3: Mount Monger Operations financial statistics.

Notes to Table 3.

1: **Cash operating cost** includes all direct underground and open pit mining costs, road transport and processing costs during the period and exclude royalties, sustaining & prepaid waste development costs.

Exploration and Development - Mount Monger

Exploration activities are ongoing at the Mount Monger Operations (refer to figure 3).

Key focus areas for Mount Monger during 2012 are delineating resources located within 600 metres to the east and west of the Daisy Milano infrastructure (refer to figure 4).

During the quarter extensional and infill diamond drilling was undertaken at Haoma and Haoma West (refer to table 4).

Results included:

- 1.2 metres at 113.2 g/t Au;
- 0.2 metres at 365.0 g/t Au;
- 1.3 metres at 52.8 g/t Au; and
- 1.8 metres at 41.0 g/t Au;

Underground drilling is ongoing with 1 drill rig and regional exploration is ongoing with 1 surface drill rig.

Hole ID	Northing	Easting	rL	Azimuth (Deg)	Dip (Deg)	From (m)	To (m)	Down hole Interval (m)	Grade g/t Au	Classification	Location
HAO195020						95.4	96.4	1.0	3.3	Infill	Haoma
						127.9	129.5	1.6	10.0	Infill	Haoma
HAO195027	19218	10331	-428	341	5	158.3	159.6	1.3	5.4	Infill	Haoma
HAO195028						99.3	100.4	1.1	48.2	Infill	Haoma
						102.3	102.9	0.6	55.2	Infill	Haoma
HAO195029						132.8	133.0	0.2	365.0	Infill	Haoma
						135.0	136.0	1.0	7.2	Infill	Haoma
HAO350004	18640	10218	-627	330	15	70.5	73.8	3.3	6.3	Infill	Haoma
HAO350005	18639	10218	-625	299	-36	206.4	207.6	1.2	113.2	Extensional	Haoma West
HAO350006						50.6	53.3	2.7	10.1	Infill	Haoma
						209.9	212.1	2.2	8.4	Extensional	Haoma West
HAO350007	18639	10218	-625	321	-44	230.9	232.7	1.8	41.0	Extensional	Haoma West
HAO350009	18639	10218	-625	318	-14	67.3	68.4	1.1	13.9	Infill	Haoma
HAO350010	18639	10218	-625	342	-45	63.5	64.8	1.3	52.8	Infill	Haoma
HAO350011						95.3	100.2	4.9	3.9	Infill	Haoma
						135.2	137.4	2.2	5.6	Infill	Haoma
						277.3	278.4	1.1	13.4	Infill	Haoma

Table 4: Drilling and assay results for Haoma & Haoma West received during the quarter.

- **Wombola Dam Big Pit**

The Wombola Dam Big Pit is located 9 kilometres north west of the Daisy Milano mine (refer to figure 3). A mining study has been completed for the deposit and it produces 345,000 ore tonnes at 2.4 g/t Au for 26,300 contained ounces at a strip ratio of 7.2:1 (waste to ore). Given the level of ore stocks already available for mill feed of ~ 471,000 tonnes, this project will commence production in late 2013.

- **Magic Deposit**

The Magic deposit is located 3 kilometres south of the Daisy Milano mine (refer to figure 3) and has a current resource of 1.8 million tonnes at 4.7 g/t Au for 276,300 ounces (refer to table 7) and is currently subject to a mining study. The deposit contains thick high grade mineralisation and is planned to be an underground mine amenable to a bulk mining method.

The mineralogy of this project is different to free milling gold ore in that the ore contains elevated levels of pyrite and arsenopyrite. Gold is recoverable through flotation to produce a concentrate that will require further processing. Metallurgical test work and investigations are in progress to determine the optimum process route for this mineralisation. Results of this work are expected to be available in the December 2012 quarter.

Exploration and Development - Murchison

Exploration and development activities are ongoing at the Murchison project (refer to figure 5 for location plan).

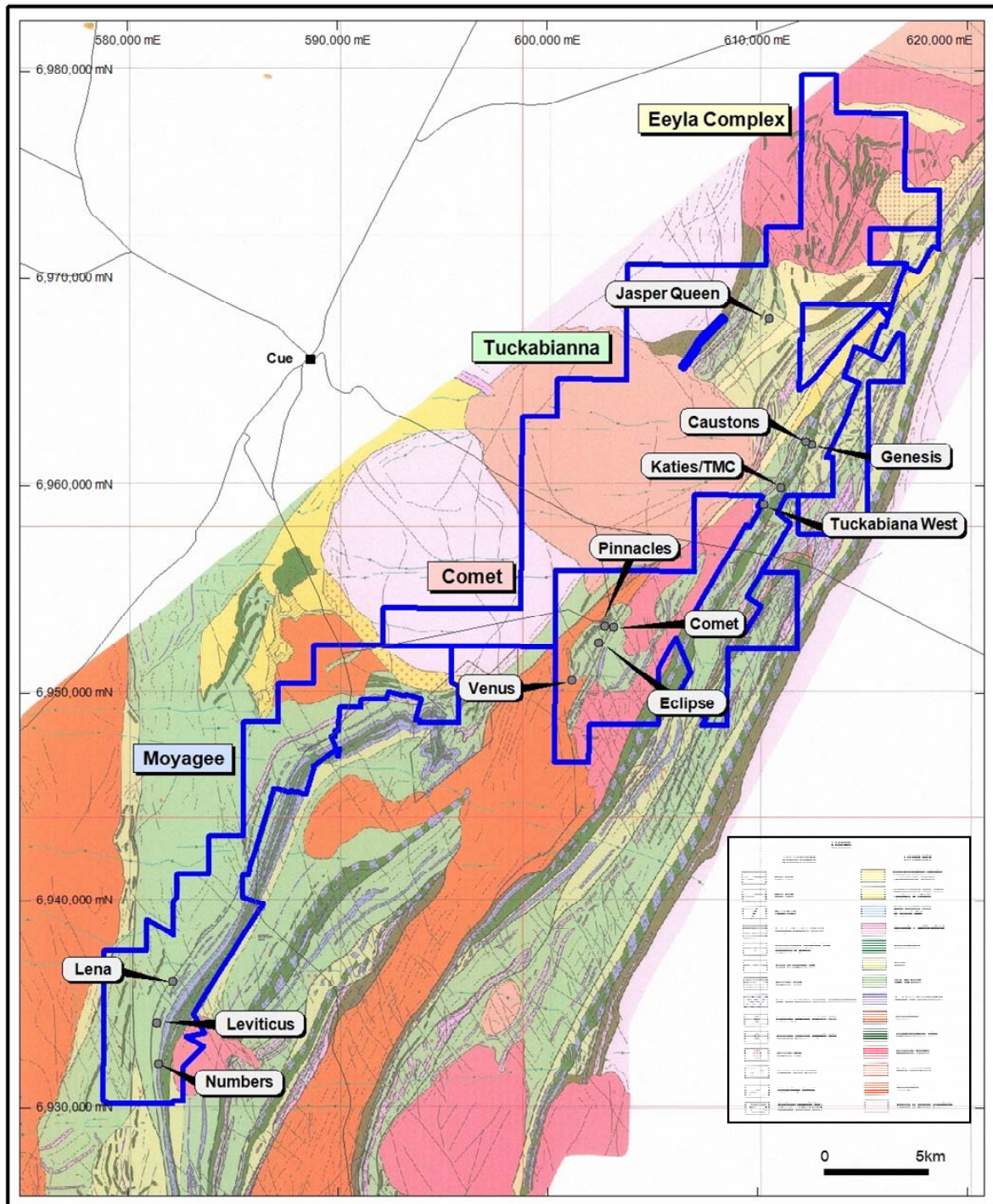


Figure 5: Murchison projects location plan.

Murchison Gold Project

- Safety

Unfortunately a lost time injury occurred during the quarter. A drillers offsider sustained a back strain when he slipped down a slight embankment during sampling operations.

- Construction

Progress during the quarter included:

- deconstruction and relocation of milling infrastructure from Tarmoola complete;
- refurbishment and reconstruction of milling infrastructure 75% complete;
- pre-fabrication of platforms for mill, CIL areas and cyclone tower progressing to plan;
- Alliance Mining mobilised to site and commenced construction of tailings dam lift with open pit mining commencing in October 2012;
- planned open pit dewatering activities progressing to plan; and
- finalising tender and owner operator evaluations for the underground mining projects.

The project is on track for first gold production in the March 2013 quarter. Refer to figures 6, 7, 8 & 9 for project progress photos.



Figure 6: Power plant construction



Crushing & Screening plant.



Figure 7: Fine ore bin tunnel



Fine ore bin construction



Figure 8: Ball mill installed on plinths



CIL tank construction



Figure 9: Tailings dam lift under construction



Blast hole drilling at Genesis open pit

- **Tuckabianna West**

The Tuckabianna West deposit (refer to figure 5) is a planned underground mine and has been subject to an ongoing drilling campaign targeted at extending the strike and depth extents outside the current mine plan. Assays received during the quarter (refer to table 5, figures 10 & 11) contained both infill and extensional drill results which have increased the confidence for further resource to reserve conversion and extensions to the existing resource which is expected to enhance the mine plan.

Furthermore the latest drilling results also intersected new mineralised structures on the eastern zone (refer to figure 11).

Hole ID	Northing	Easting	rL	Azimuth (Deg)	Dip (Deg)	From (m)	To (m)	Down hole Interval (m)	Grade g/t Au
12TUDD007	8152	9990	458	270	-60	174.3	177.1	2.8	4.5
12TUDD007						335.3	341.2	6.0	2.6
12TUDD007						362.3	370.0	5.7	1.6
12TUDD008	8227	10032	459	270	-60	185.8	187.0	1.2	2.6
12TUDD008						227.1	234.0	6.9	2.3
12TUDD009	8227	10007	459	270	-60	163.9	165.0	1.1	6.5
12TUDD009						251.3	252.5	1.2	5.6
12TUDD009						364.0	371.7	7.6	2.6
12TUDD010	8227	9980	460	270	-60	165.8	170.2	4.4	2.7
12TUDD011	8277	10019	461	270	-60	223.2	224.5	1.3	8.7
12TUDD011						242.6	245.6	2.0	3.2
12TUDD011						373.0	386.3	13.3	1.9
12TUDD013	8377	10016	462	270	-60	113.0	114.8	1.8	6.0
12TUDD013						371.0	380.0	9.0	1.3
12TUDD014	8379	10022	462	270	-60	348.7	356.9	8.2	6.3
12TUDD016A	8476	9840	467	270	-60	159.7	163.2	3.4	1.4

Table 5: Drilling and assay results for Tuckabianna West received during the quarter.

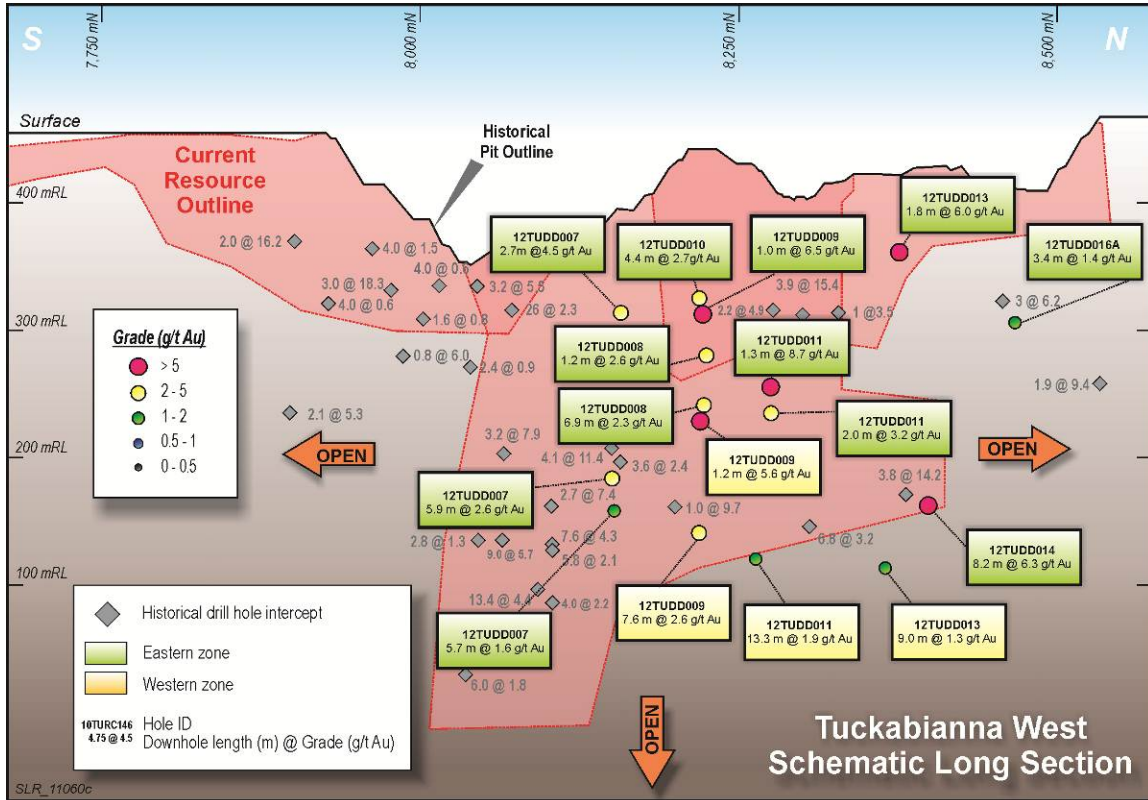


Figure 10: Schematic long section showing infill and extensional assay results received during the quarter.

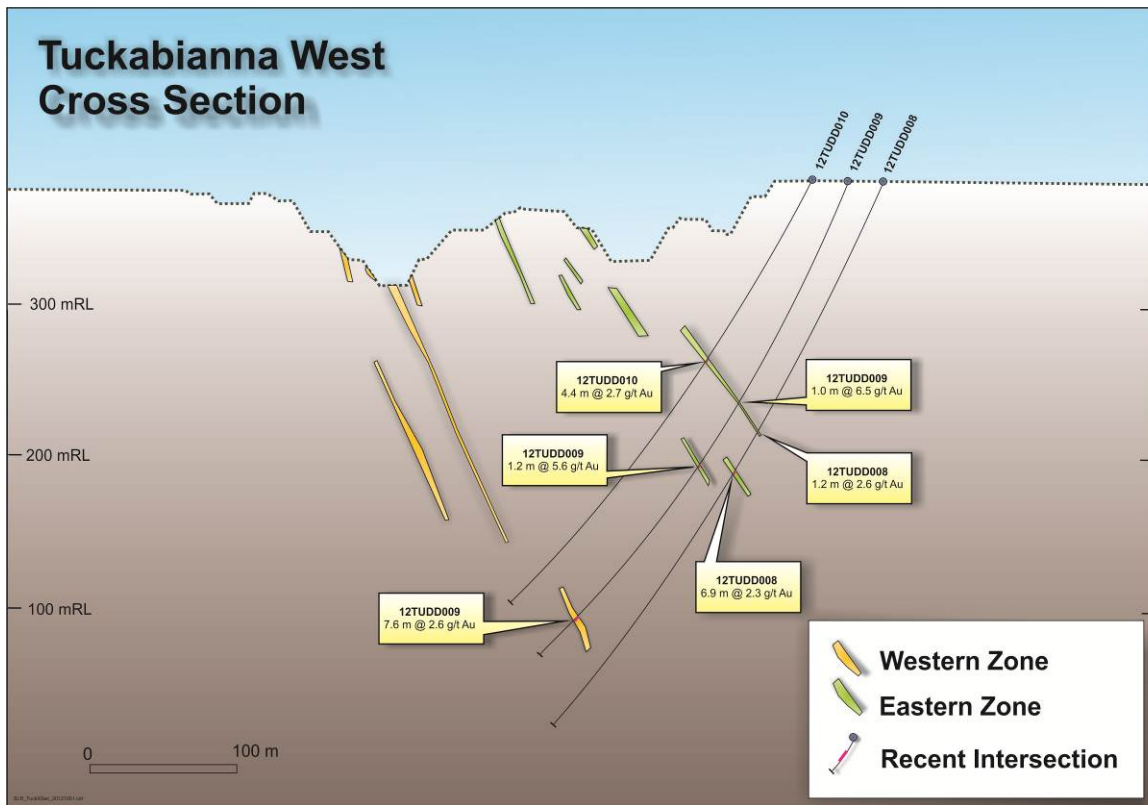


Figure 11: Schematic cross section showing infill and extensional assay results received during the quarter.

Exploration and Development - Eelya Complex

The Eelya Complex (refer to figure 5), part of the Murchison project, has been stripped of its laterite by erosion, exposing moderately weathered bedrock. The granodiorite which forms the core of the complex is described as unusual by the Geological Survey of Western Australia because it has the field relationships of post-tectonic granite yet it is completely recrystallised. It is flanked by felsic schists composed of varying amounts of muscovite, sericite, quartz, chlorite and minor pyrite.

Only limited base metals exploration was conducted in the region by previous explorers during the 1970's. This work included mapping, geochemical sampling and some drilling. Massive sulphide mineralisation hosted by felsic volcanic rocks was identified, as were extensive gossanous zones at surface. The region hosts a felsic volcanic rock complex that indicates the potential for volcanic massive sulphide ("VMS") mineralisation.

Surface geophysics located nine large electromagnetic conductors at Hollandaire, Colonel, Mount Eelya, and Eelya South (refer to figure 14).

- **Hollandaire Copper Deposit**

Hollandaire is a tabular stratabound felsites hosted VMS deposit. The felsite is hosted within a thick sequence of mafic rocks which show typical packages of chlorite and silica alteration similar to other known VMS deposits. The mineralisation forms a moderately dipping zone of massive sulphide 10-15m thick which plunges to the south west.

Mineralisation is dominantly supergene chalcocite in the oxidised zones and chalcopyrite in the primary zone. The deposit is underlain in part with disseminated sulphides and a semi-concordant stockwork of sulphide and silicate veining.

A maiden JORC inferred resource was announced in June 2012 from the initial 9 hole programme which totalled 1.1 million tonnes at 2.4% Cu, 0.5 g/t Au and 13 g/t Ag.

Following completion of the second drilling campaign totalling 29 RC & 21 diamond holes, an upgraded JORC inferred resource was announced during the quarter which representing a 78% increase in copper tonnes to 45,100 and a 89% increase in gold ounces to 34,100 (refer to table 6). Approximately 41% of the copper resource is located in the supergene zone averaging 4.7% grade.

Domain	Inferred						
	Tonnes	Cu	Au	Ag	Cu Metal	Au Metal	Ag Metal
	T	%	g/t	g/t	Tonnes	Ounces	Ounces
Oxide Au	220,000	0.1	1.1	3	300	7,900	19,400
Oxide Cu	280,000	0.9	0.1	2	2,600	600	17,700
Supergene	390,000	4.7	0.9	12	18,500	11,800	151,700
Primary	1,910,000	1.2	0.2	4	23,700	13,800	269,000
Total	2,800,000	1.6	0.4	5	45,100	34,100	457,800

Table 6: Hollandaire JORC resource as of June 2012

The copper resource is located ~50 vertical metres from the surface and extends down to ~270 vertical metres with mineralisation averaging 10 metres thick.

The copper resource also sits below gold mineralisation that extends from the surface down to ~50 vertical metres depth (refer to figure 13).

Recently completed downhole geophysics identified a large off hole electromagnetic conductor to the south west of the current mineralised envelope (refer to figure 12). An 11 hole diamond drilling campaign testing this conductor and mineralisation that remains open to the south west has been completed. Assays are expected within 6 to 8 weeks.

Refer to ASX announcement 6 August 2012 for further information.

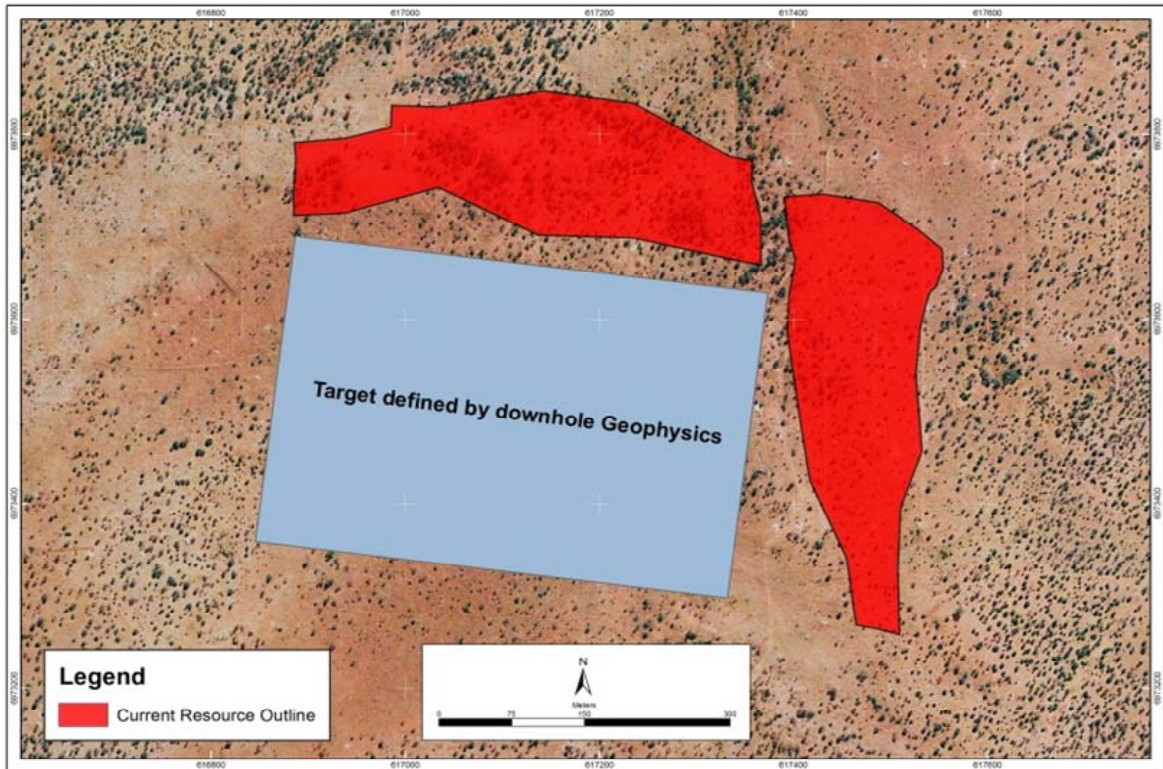


Figure 12: Plan view of upgraded Hollandaire resource showing target defined by downhole geophysics.

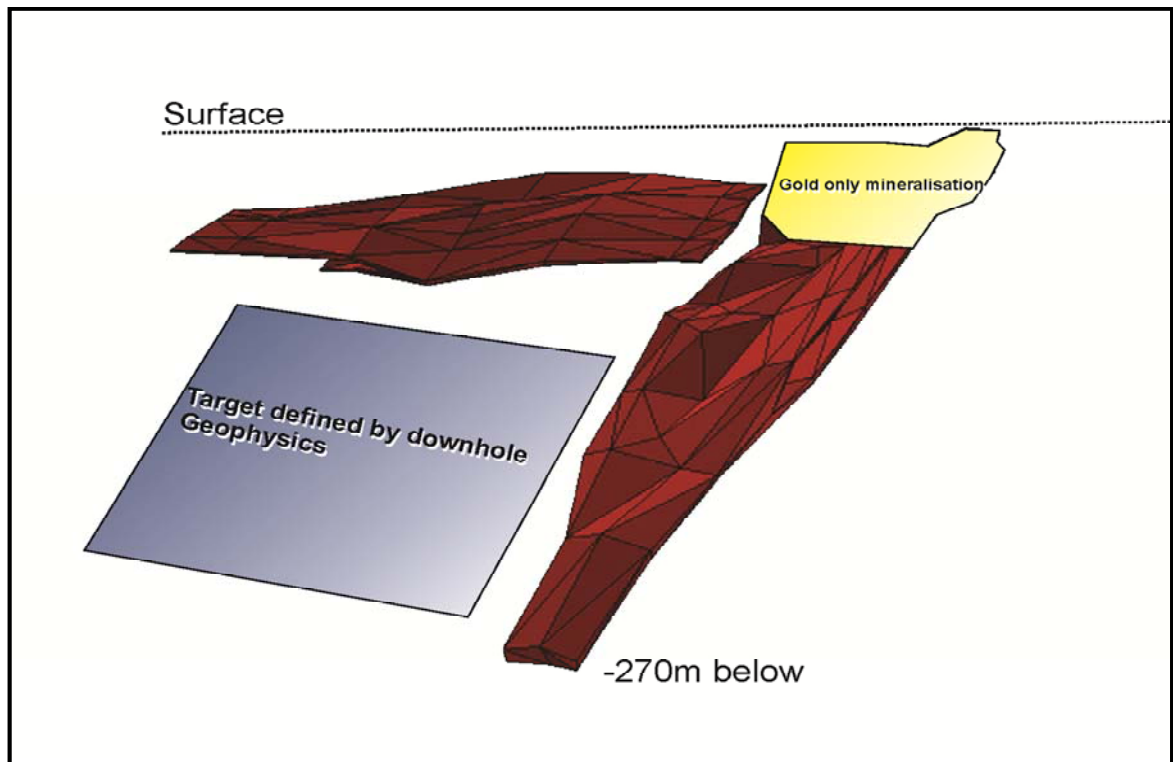


Figure 13: Schematic isometric view of upgraded Hollandaire resource showing target defined by downhole geophysics and gold mineralisation in the top 50 metres of the deposit.

- Colonel

The Colonel prospect is located 5 km north west of Hollandaire (refer to figure 14). Mineralisation at Colonel is sedimentary and defined by pyrite, pyrrhotite, chalcopyrite and magnetite. Host rocks at Colonel are thick basalt flows with marker horizons of intermediate intrusives, porphyritic basalt and felsic intrusives.

An initial 6 hole diamond drilling programme has been completed at Colonel with drill hole 11CLDD005 intersecting massive sulphide from 93.8 metres which assayed 4.0 metres at 0.3% Cu. The remaining 5 holes did not intersect any significant mineralisation however, downhole geophysics has defined an off-hole electromagnetic conductor to the west that will be targeted with further drilling in the December 2012 quarter.

Mount Eelya

The Mount Eelya prospect is located 4 km north west of Hollandaire (refer to figure 14). Mineralisation at Mount Eelya is associated with Banded Iron Formation (BIF) and has produced massive assemblages of sulphide (chalcophyrite), magnetite, epidote, chlorite, hematite and quartz.

These BIF's formed as layered sediments of varied chemical and detrial components, which have experienced greenschist facies metamorphism to produce the current mineralogy. Host rocks at Mount Eelya are meta-sediments amd meta-banded granitoids.

A maiden 8 hole diamond drilling programme was been completed at Mount Eelya with 5 of the 8 holes drilled intersecting massive sulphide. Downhole geophysics has defined an off-hole electromagnetic conductor that will be targeted with further drilling in the December 2012 quarter.

Better results included:

- 2.7 metres at 1.0% Cu from 30.7 metres
- 1.4 metres at 1.7% Cu from 43.4 metres
- 1.5 metres at 1.2% Cu from 42.5 metres; and
- 1.0 metre at 3.0% Cu from 121.1 metres.

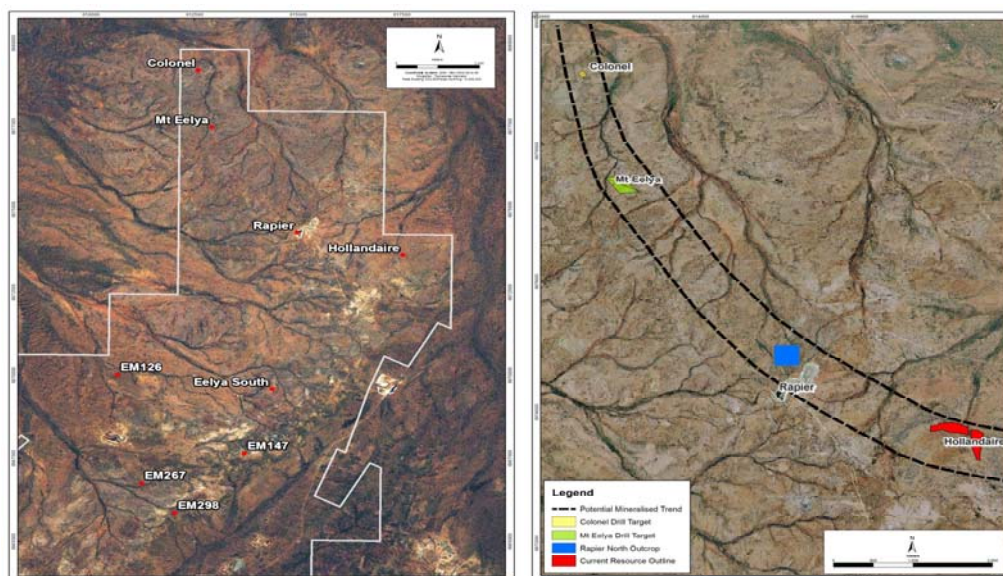


Figure 14: Eelya Complex showing 9 electromagnetic conductor targets and potential mineralised trend north of the Hollandaire deposit .

Refer to ASX announcement 6 August 2012 for further information.

Resources & Reserves

The JORC Gold Resource as at June 2012 totalled 4.6 million ounces 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
Daisy Milano	139.2	18.6	83.1	705.5	14.6	331.1	763.7	8.3	203.8	1,608.3	12.0	618.1
Haoma	701.7	11.1	250.4	396.3	13.5	172.0	78.8	11.3	28.6	1,176.9	11.9	451.1
Haoma West	-	-	-	45.0	8.7	12.6	145.7	10.1	47.3	190.7	9.8	59.9
Christmas Flat	-	-	-	338.6	4.1	44.1	448.5	6.3	91.3	787.1	5.3	135.4
Costello	-	-	-	-	-	-	111.0	4.0	14.3	111.0	4.0	14.3
Lorna Doone	-	-	-	-	-	-	128.0	3.1	12.8	128.0	3.1	12.8
Magic	-	-	-	749.2	4.1	98.3	1,071.0	5.2	178.0	1,820.2	4.7	276.3
Wombola Pit	-	-	-	197.0	3.6	22.9	72.7	3.2	7.5	269.8	3.5	30.5
Wombola Dam	288.6	3.8	35.1	271.7	3.2	28.3	143.7	2.8	12.9	704.0	3.4	76.3
Hammer & Tap	-	-	-	-	-	-	350.2	2.4	27.4	350.2	2.4	27.4
Total Mount Monger	1,129.5	10.2	368.6	2,703.3	8.2	709.3	3,313.3	5.9	623.9	7,146.2	7.4	1,702.1
Tuckabianna - OP	-	-	-	4,050.0	2.1	270.0	4,430.0	1.9	270.0	8,480.0	2.0	540.0
Tuckabianna - UG	-	-	-	1,350.0	4.2	180.0	2,410.0	4.2	330.0	3,760.0	4.2	510.0
Comet - OP	36.0	0.6	0.7	2,324.0	2.5	186.8	250.0	1.4	10.0	2,610.0	2.4	197.5
Comet - UG	-	-	-	1,060.0	4.6	160.0	730.0	3.7	90.0	1,790.0	4.2	250.0
Moyagee - OP	-	-	-	960.0	2.1	70.0	1,410.0	2.2	100.0	2,370.0	2.2	170.0
Moyagee - UG	-	-	-	80.0	3.3	10.0	1,630.0	4.0	210.0	1,710.0	4.0	220.0
Murchison - OP	36.0	0.6	0.7	7,334.0	2.2	526.8	6,090.0	2.0	380.0	13,460.0	2.1	907.5
Murchison - UG	-	-	-	2,490.0	4.3	350.0	4,770.0	4.0	630.0	7,260.0	4.1	980.0
Hollaïre	-	-	-	-	-	-	2,800.0	0.4	34.1	2,800.0	0.4	34.1
Total Murchison	36.0	0.6	0.7	9,814.0	2.8	879.3	13,660.0	2.4	1,044.1	23,520.0	2.8	1,921.6
Kundip	-	-	-	4,390.0	3.4	481.3	4,550.0	2.1	307.2	8,940.0	2.7	788.5
Trilogy	310.0	2.4	23.9	5,750.0	0.7	136.4	180.0	0.6	4.5	6,240.0	0.8	163.8
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
Total Silver Lake	1,475.5	8.3	393.2	22,657.3	3.0	2,206.3	21,703.3	2.8	1,979.7	45,846.2	3.1	4,576.0

Table 7: June 2012 Gold Resource Inventory

Rounding may give rise to unit discrepancies in this table

Notes to table 7:

Gold resources are inclusive of ore reserves.

	Proved Reserves				Probable Reserves				Total Reserves			
	Ore tonnes '000s	Grade	Increment	Total '000s	Ore tonnes '000s	Grade	Increment	Total '000s	Ore tonnes '000s	Grade	Increment	Total '000s
Daisy Milano	-	-		-	1,231.7	5.6	g/t Au	219.7	1231.7	5.6	g/t Au	219.7
Haoma	-	-		-	792.1	5.1	g/t Au	130.7	792.1	5.1	g/t Au	130.7
Wombola	222.8	1.6	g/t Au	11.3	344.6	1.8	g/t Au	19.7	567.4	1.7	g/t Au	31.0
Mt Monger Stockpile	324.9	2.6	g/t Au	27.7					324.9	2.6	g/t Au	27.7
Murchison Project					4,871.3	2.7	g/t Au	424.8	4,871.3	2.7	g/t Au	424.8
Murchison Stockpile	77.0	1.0	g/t Au	2.5					77.0	1.0	g/t Au	2.5
Kundip Project	-	-	g/t Au	-	2,810.0	3.4	g/t Au	307.2	2,810.0	3.4	g/t Au	307.2
Trilogy Project	310.0	2.2	g/t Au	22.0	4,320.0	0.8	g/t Au	112.9	4,630.0	0.9	g/t Au	134.9
Total Reserve	934.7	2.2	g/t Au	63.5	14,369.7	2.6	g/t Au	1,215.0	15,304.4	2.6	g/t Au	1,278.5

Table 8: JORC Gold 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	
Kundip Project																					
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	
Trilogy Project																					
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	
Hollandaire																					
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	
Total Resource																					
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 9: Base Metal JORC Resource as of June 2012

Rounding may give rise to unit discrepancies in this table

	Proved Reserves					Probable Reserves					Total Reserves				
	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit
Kundip Project															
Silver	-	-	g/t Ag	-	oz	2,810.0	2.7	g/t Ag	243.9	oz	2,810.0	2.7	g/t Ag	243.9	oz
Copper	-	-	% Cu	-	t	2,810.0	0.4	% Cu	10.7	t	2,810.0	0.4	% Cu	10.7	t
Trilogy Project															
Silver	310.0	45.0	g/t Ag	448.5	oz	4,320.0	55.0	g/t Ag	7,637.7	oz	4,630.0	54.3	g/t Ag	8,086.2	oz
Copper	310.0	0.4	% Cu	1.2	t	4,320.0	1.1	% Cu	48.1	t	4,630.0	1.1	% Cu	49.3	t
Total Reserve															
Silver	310.0	45.0	g/t Ag	448.5	oz	7,130.0	34.4	g/t Ag	7,881.7	oz	7,440.0	34.8	g/t Ag	8,330.2	oz
Copper	310.0	0.4	% Cu	1.2	t	7,130.0	0.8	% Cu	58.8	t	7,440.0	0.8	% Cu	60.0	t

Table 10: Base Metal JORC Reserve as of June 2012

Rounding may give rise to unit discrepancies in this table

Finance

During the quarter, Silver Lake continued to invest internal cash flow and cash reserves in the future growth of the company including exploration activities at Mount Monger and the Murchison (A\$4.5M), underground capital development at Mount Monger (A\$3.2M), waste material movement at Wombola open pit (A\$3.6M), capital works at Mount Monger underground operations and Lakewood Gold Processing Facility (A\$0.9m), development of the Murchison Gold Project (A\$31.5m) and business development activities (\$3.7M).

Cash & cash equivalents at the end of the quarter totalled A\$49.1 million comprising:

- ▶ A\$44.4 million in cash; and
- ▶ A\$4.7 million in bullion on hand.

The company remains debt and hedge free.

Corporate

Investor Relations:

- ▶ Silver Lake presented at the following investor conferences during the quarter:
 - ▶ 7 August 2012 at the Diggers and Dealers mining forum in Kalgoorlie
 - ▶ 5 September 2012 at the AMEC convention in Perth
 - ▶ 10 September 2012 at the Denver Gold Forum in Colorado
- ▶ Managing Director Mr Les Davis conducted an extensive global roadshow in the second half of September 2012 to update fund managers and investors on the compelling merger of Silver Lake Resources and Integra Mining.

• Issued Share Capital

Class of Securities	Issued capital
Fully Paid Ordinary Shares	225,493,476

• Unlisted Options

Unlisted Options	Exercise price	Expiry date
3,447,010	A\$0.30	31 December 2012

For more information about Silver Lake and its projects please visit our web site at www.silverlakeresources.com.au.

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About Silver Lake Resources Ltd:

Silver Lake is an ASX 200 gold producing and exploration company with projects located in highly prospective regions including the Mount Monger and Murchison goldfields and the Great Southern district of Western Australia. Silver Lake's strategy is to develop large production centres at Mount Monger, in the Murchison and the Great Southern with multiple mines at each centre.

Silver Lake has announced that an agreement has been reached with Integra Mining Ltd (ASX IGR: "Integra") to acquire Integra's Mount Monger assets by a Scheme of Arrangement ("Scheme"). The combined business JORC Resources and JORC Ore Reserves will comprise:

- 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.

Upon completion of this transaction Silver Lake will become one of the largest all-Australian gold producers.

In the Murchison, Silver Lake is developing a second mining operation with multiple mines feeding a central processing facility. A 1.2 million tonne per annum mill has been acquired for this project and production is expected to commence in the March 2013 quarter.

At the Eelya Complex, part of the Murchison project, a high grade Copper discovery has been made at Hollandaire. The Hollandaire deposit contains copper, gold, silver & zinc with grades up to 45% Cu, 5.5 g/t Au and 256 g/t Ag.

In the Great Southern, Silver Lake owns the large Kundip and Munglinup exploration projects covering over 2,500 sqkm. Post ramp up of Mount Monger and 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's exploration programme is targeting¹ 10 million oz Au over time.

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>50 million to 100 million tonnes</i>
<i>Grade range:</i>	<i>3 g/t Au to 8 g/t Au</i>
<i>Ounces:</i>	<i>5 million to 10 million</i>

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
Total	3,717.5	4.1	491.2	40,142.3	2.9	3,688.0	25,783.3	2.9	2,438.6	69,643.1	3.0	6,616.8

	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
Total Ore Reserve	2,802.7	1.7	154.1	19,565.7	2.6	1,638.3	22,368.4	2.5	1,792.4

Table 11: Pro Forma Silver Lake & Integra's Gold Resources & Ore Reserves as of June 2012

Note: Resources are inclusive of Ore Reserves

	JORC Category	Tonnes (t)	Gold (g/t)	Contained Gold (oz) Integra Share
Total Resource Including Reserves	<i>Measured</i>	2,242,000	1.36	98,000
	<i>Indicated</i>	18,825,000	2.45	1,482,000
	<i>Inferred</i>	5,780,000	2.56	475,000
	Total	26,847,000	2.38	2,055,000

Table 12: Integra's Gold Resource Inventory (inclusive of reserves) - June 2012

Note: Resources are inclusive of Ore Reserves

Deposit	JORC Category	Tonnes (t) *	Gold (g/t)	Contained Gold (oz) Integra Share	Integra Share (%)
Salt Creek	<i>Proved (stockpiles)</i>	1,578,000	1.42	72,040	100%
	<i>Probable</i>	536,000	2.17	37,340	
	Total	2,114,000	1.61	109,390	
Maxwells	<i>Proved (stockpiles)</i>	290,000	1.99	18,550	100%
	<i>Probable</i>	835,000	4.31	115,710	
	Total	1,125,000	3.71	134,260	
Santa Area	<i>Proved</i>	0	0.00	0	100%
	<i>Probable</i>	1,567,000	1.71	86,180	
	Total	1,567,000	1.71	86,180	
Majestic	<i>Proved</i>	0	0.00	0	85%
	<i>Probable</i>	999,600	2.44	78,420	
	Total	999,600	2.44	78,420	
Lucky Bay	<i>Proved</i>	0	0.00	0	100%
	<i>Probable</i>	123,000	4.85	19,180	
	Total	123,000	4.85	19,180	
Harrys Hill	<i>Proved</i>	0	0.00	0	100%
	<i>Probable</i>	1,135,000	2.37	86,480	
	Total	1,135,000	2.37	86,480	
Total	<i>Proved</i>	1,868,000	1.51	90,590	
	<i>Probable</i>	5,196,000	2.53	423,310	
	Total	7,064,000	2.26	513,900	

Table 13: Integra's Ore Reserves as of June 2012

Information in this announcement that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information reviewed by Chris Cairns, Managing Director who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Chris Cairns is a member of The Australasian Institute of Geoscientists and consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Information in this announcement that relates to Mineral Resources and Ore Reserves has been compiled by Terry Brown, General Manager Project Development - Integra Mining, who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Terry Brown is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.