

## ASX ANNOUNCEMENT

3 June 2013

### Murchison Commercial Production & Operational Update

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Silver Lake Resources Ltd ("Silver Lake") is pleased to announce an update on gold operations in the Eastern Goldfields and Murchison districts of Western Australia (refer to figure 1).

- **Murchison Gold Operations:**

- Commercial production has been declared effective 1 June 2013. For financial reporting purposes, costs and revenues will cease being capitalised to project development costs from 31 May 2013.
- 333,570 tonnes milled at 1.4 g/t Au grade for 14,060 ounces of gold produced since production commenced in mid-February 2013 through to 31 May 2013 from initial open pit ore sources (1.8 g/t Au) & historic low grade stockpiles (0.8 g/t Au).
- Processing facility operating at name plate capacity of 1.2mtpa.
- Gold room operational (refer to figure 2):
  - ▶ Carbon stripping and gold pours occurring on site.
  - ▶ Gravity circuit being commissioned.
- Milling and surface infrastructure completion cost of \$91 million as previously advised on 3 May 2013.
- Current mill production rate is averaging 5,000 ounces per month sourced from 3 open pits at 2.0 g/t Au and historic low grade stockpiles:
  - ▶ Increasing to an average of 6,000 ounces per month in September 2013 quarter with the introduction of higher grade feed from underground ore driving.

- **Mount Monger Operations:**

- Operational changes made in April 2013 at the Daisy Milano Complex aimed at producing more ore from selective high grade mining blocks and less ore from bulk lower grade mining blocks have resulted in higher grades and lower total mining costs.
- Design changes made at the Maxwells open pit have resulted in an increase in mined grade to 2.6 - 3.0 g/t with grades increasing at depth.

- **Group Production - Quarter to date:**

- 40,800 ounces of gold (fine ounces) poured in April & May 2013 as follows:
  - ▶ 30,950 ounces of gold poured from Mount Monger Operations.
  - ▶ 9,850 ounces of gold poured from Murchison Gold Operations.

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Further details will be available in the forthcoming June 2013 quarterly report.

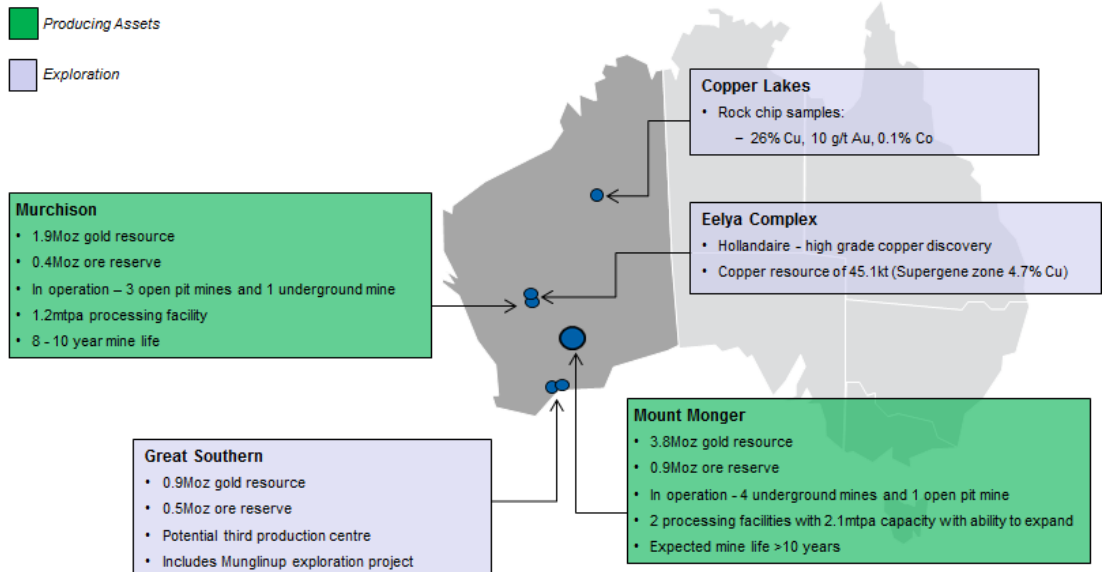


Figure 1: Silver Lake Resources project locations



Gold Room



Gold Pour



15.5 kg Gold Bar



Sam Larritt (Resident Manager) & David Price (Chief Geologist)

Figure 2: Gold room & gold pour at Murchison Gold Operations

For further information please contact

Les Davis  
Managing Director  
+61 8 6313 3800  
[contact@silverlakeresources.com.au](mailto:contact@silverlakeresources.com.au)

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
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 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	
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	41.1	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 2: September 2012 base metal resource

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