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Silver Lake Resources Ltd  
("Silver Lake" or "the  
Company") is pleased to  
present this Quarterly  
Activities Report.



Les Davis  
Managing Director

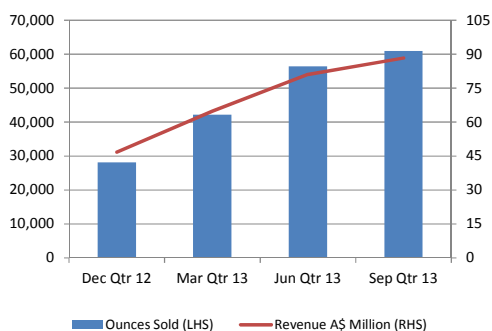
## QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 September 2013

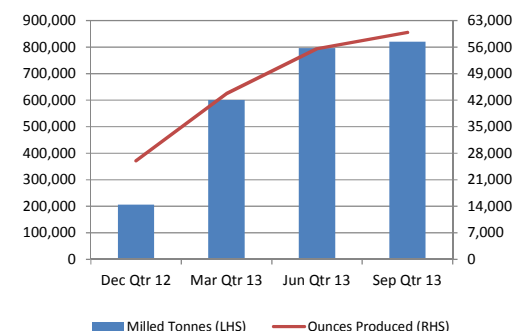
### Highlights

- **Record quarterly production:**
  - Group gold production totalling 59,902 ounces
  - Group gold sales totalling 60,910 ounces
- **Mount Monger Operations**
  - Mill production of 46,572 ounces, 8% increase on previous quarter
  - Mine production of 40,691 ounces, 20% increase on previous quarter
- **Murchison Gold Operations**
  - Mill production of 13,330 ounces, 7% increase on previous quarter
  - Mine production of 15,941 ounces, 52% increase on previous quarter
- **Cash & Bullion on hand totalling A\$25.6 million**
- **Debt reduced from A\$52.0 million to A\$20.0 million**

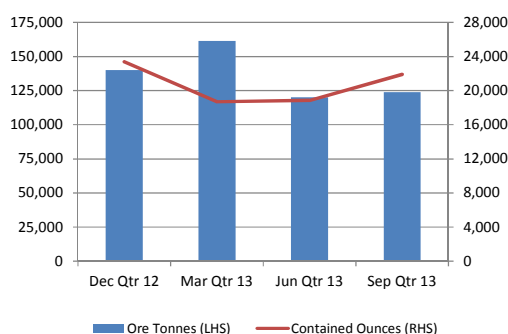
### Gold Sales & Revenue



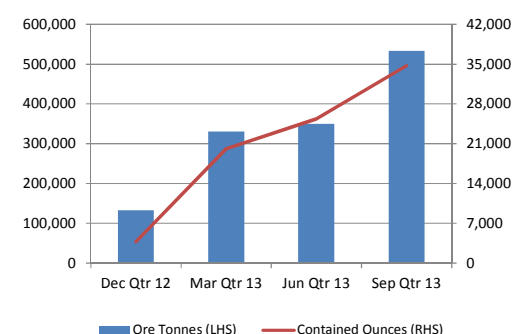
### Production - Processing



### Production - Underground



### Production - Open Pit



## Quarterly Overview

### Group Safety

There were no lost time injuries across the group during the quarter. The 12 month moving average Lost Time Injury Frequency Rate ("LTIFR") for the September 2013 quarter decreased from 1.86 down to 0.59. This LTIFR compares favourably to the gold industry LTIFR rate of 3.10.

### Group Operations

Ore mined for the quarter totalled 657,704 tonnes resulting in contained gold in ore production of 56,632 ounces, a 28% increase on the previous quarter.

Ore milled for the quarter totalled 821,206 tonnes at a blended grade of 2.4 g/t Au for 59,902 recovered ounces, an 8% increase on the previous quarter. Unprocessed ore stocks available for mill feed at the end of the quarter are ~1.7 million tonnes containing ~71,000 ounces of gold.

Gold bullion sold for the quarter was 60,910 ounces at an average realised price of A\$1,450 oz for A\$88.3 million revenue. Bullion refined and not sold at the end of the quarter totalled 7,072 ounces.

Silver Lake had no hedging in place at the end of the quarter.

Group Operations - Mining	Units	Dec Qtr 2012	Mar Qtr 2013	Jun Qtr 2013	Sep Qtr 2013	Full Year FY13
<u>Underground</u>						
Ore mined	Tonnes	140,078	161,444	120,197	123,953	559,768
Mined grade	g/t Au	5.2	3.6	4.9	5.5	4.7
Contained gold in ore	Oz	23,397	18,690	18,853	21,902	84,375
<u>Open Pit</u>						
Ore mined	Tonnes	132,906	330,436	350,538	533,751	1,026,838
Mined grade	g/t Au	0.9	1.9	2.3	2.0	1.8
Contained gold in ore	Oz	3,775	20,135	25,381	34,730	60,852
<b>Total ore mined</b>	<b>Tonnes</b>	<b>272,984</b>	<b>491,880</b>	<b>470,735</b>	<b>657,704</b>	<b>1,586,606</b>
<b>Mined grade</b>	<b>g/t Au</b>	<b>3.1</b>	<b>2.5</b>	<b>2.9</b>	<b>2.7</b>	<b>2.8</b>
<b>Contained gold in ore</b>	<b>Oz</b>	<b>27,172</b>	<b>38,825</b>	<b>44,234</b>	<b>56,632</b>	<b>145,138</b>

Table 1: Group Operations - mine production statistics

Group Operations - Processing	Units	Dec Qtr 2012	Mar Qtr 2013	Jun Qtr 2013	Sep Qtr 2013	Full Year FY13
Ore milled	Tonnes	206,607	601,318	796,799	821,206	1,809,908
Head grade	g/t Au	4.2	2.4	2.3	2.4	2.8
Contained gold in ore	Oz	27,875	45,945	58,838	63,829	161,010
Recovery	%	93	95	94	94	94
<b>Gold produced</b>	<b>Oz</b>	<b>26,021</b>	<b>43,760</b>	<b>55,600</b>	<b>59,902</b>	<b>151,296</b>
<b>Gold refined &amp; sold</b>	<b>Oz</b>	<b>28,123</b>	<b>42,200</b>	<b>56,450</b>	<b>60,910</b>	<b>151,060</b>

Table 2: Group Operations - processing statistics

## Guidance

Group guidance with prevailing gold prices for the period ending 30 June 2014 remains unchanged at 180,000 to 200,000 ounces of gold. Given the September 2013 quarter production, guidance will be reviewed at the end of the December 2013 quarter however, the focus remains on maximising cashflow.

Guidance for Mount Monger Operations remains unchanged at 120,000 to 130,000 ounces of gold. The Lakewood & Randalls mills will be fed with underground ore from the Daisy Complex, open pit ore from the Maxwells deposit and continued processing of surface stockpiles.

Small quantities of ore will also be available from Cock-eyed Bob which is being mined to obtain further geological knowledge of banded iron formation deposits in the region. Mining at Cock-eyed Bob is not yet at a commercial point but is cash neutral.

Guidance for the Murchison Gold Operations remains unchanged at 60,000 to 70,000 ounces of gold.

## Capital Raising

During the quarter, the Company resolved to raise A\$47.5 million (before costs) through the placement ("Placement") of 55.9 million ordinary shares at an issue price of A\$0.85 per new share.

A Share Purchase Plan ("SPP") was launched on 10 September 2013 and was designed to ensure retail shareholders had the opportunity to participate in the capital raising at the same issue price as the Placement. The SPP closed on 4 October 2013 and, given gold and share price volatility, 1.2 million shares were applied for and issued at A\$0.85 per new share raising A\$1.02 million.

The placement to Directors ("Directors' Placement") was approved by shareholders at the General Meeting on 4 October 2013 to raise up to A\$1.2 million at A\$0.85 per new share. The Directors' Placement raised A\$1.2 million.

Net proceeds raised from the Placement, the SPP and the Directors' Placement will be used to repay outstanding bank debt facilities and to provide working capital for our operations.

## Group Finance (unaudited)

Cash & bullion on hand as at 30 September 2013 totalled A\$25.6 million with bank debt paid down from A\$52.0 million to A\$20 million. No hedging was in place at the end of the quarter (refer to figure 1 for quarterly cash & bullion movement). Operating cashflow for the quarter was A\$10.6 million.

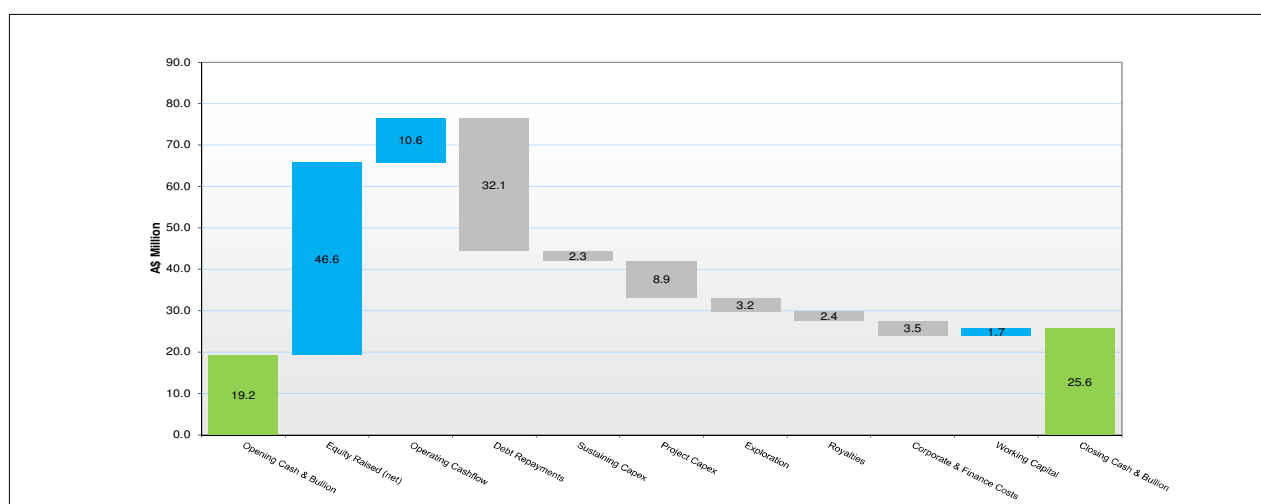


Figure 1: September 2013 quarter cash & bullion movement. Project Capex included \$3.6 million for Caustons underground development which has since been placed on care & maintenance and \$1.8 million for Cock-eyed Bob ore development which is being capitalised until commercial production occurs.

## All in sustaining cash cost (AISC)

On 27 June 2013, the World Gold Council published a Guidance Note on “all-in sustaining costs” metrics, which gold mining companies can use to report their costs as part of their overall reporting disclosure. The World Gold Council worked closely with its member companies to develop these non-GAAP measures which are intended to provide further transparency into the costs associated with producing gold.

Silver Lake has adopted the World Gold Council “all-in sustaining costs” methodology as of the September 2013 quarter. Silver Lake previously reported on an all in sustaining cash cost basis and has now included non-cash adjustments as recommended by the World Gold Council.

Further details are available from the World Gold Council website below:

[www.gold.org/media/press\\_releases/archive/2013/06/guidance\\_note\\_on\\_non\\_gaap\\_metrics\\_pr/](http://www.gold.org/media/press_releases/archive/2013/06/guidance_note_on_non_gaap_metrics_pr/)

## Gold sales & unaudited all in sustaining cost - Mount Monger

Mount Monger Operations	Notes	Unit	Dec-12 Quarter	Mar-13 Quarter	Jun-13 Quarter	Sep-13 Quarter	FY14 YTD
Mining costs	1	A\$M	16.8	21.5	23.6	25.7	25.7
General and administration costs	2	A\$M	0.2	1.9	1.7	2.1	2.1
Royalties		A\$M	1.7	1.9	2.0	2.0	2.0
By-product credits		A\$M	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)
Processing costs	3	A\$M	7.5	13.9	14.2	15.3	15.3
Corporate overheads	4	A\$M	1.8	2.1	2.2	0.8	0.8
Capital exploration (sustaining)		A\$M	0.8	0.8	-	0.5	0.5
Capital expenditure and underground mine development (sustaining)	5	A\$M	5.1	3.2	3.6	2.7	2.7
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>		<b>A\$M</b>	<b>33.6</b>	<b>45.0</b>	<b>47.1</b>	<b>48.9</b>	<b>48.9</b>
Ore stock movements	6	A\$M	6.9	6.5	11.1	3.1	3.1
Rehabilitation - accretion & amortisation	6	A\$M	-	-	-	0.1	0.1
<b>All-in Sustaining Costs</b>		<b>A\$M</b>	<b>40.5</b>	<b>51.5</b>	<b>58.2</b>	<b>52.1</b>	<b>52.1</b>

<b>Gold sales</b>		<b>oz</b>	<b>28,123</b>	<b>39,682</b>	<b>43,189</b>	<b>47,457</b>	<b>47,457</b>
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Mining costs	1	A\$/oz	603	540	542	541	541
General and administration costs	2	A\$/oz	7.0	48	40	44	44
Royalties		A\$/oz	60.0	48	47	41	41
By-product credits		A\$/oz	(11)	(8)	(4)	(3)	(3)
Processing costs	3	A\$/oz	264	352	331	322	322
Corporate overheads	4	A\$/oz	63	54	51	18	18
Capital exploration (sustaining)		A\$/oz	28	20	-	11	11
Capital expenditure and underground mine development (sustaining)	5	A\$/oz	180	81	83	57	57
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>		<b>A\$/oz</b>	<b>1,194</b>	<b>1,135</b>	<b>1,090</b>	<b>1,030</b>	<b>1,030</b>
Ore stock movements	6	A\$/oz	247	164	257	66	66
Rehabilitation - accretion & amortisation	6	A\$/oz	-	-	-	2	2
<b>All-in Sustaining Costs</b>		<b>A\$/oz</b>	<b>1,441</b>	<b>1,299</b>	<b>1,347</b>	<b>1,098</b>	<b>1,098</b>

Table 3: Unaudited all in sustaining cash costs for Mount Monger Operations - please refer to below notes.

### Notes for tables 3, 4 & 5

- 1 Costs for underground & open pit operating activities (including infill and grade control drilling) and open pit waste development at average strip ratio.
- 2 Costs for site administration including camp fly in/fly out costs and corporate recharges.
- 3 Processing costs include costs of haulage from mine to mill. The Mount Monger costs comprise the Lakewood and Randalls mills.
- 4 Corporate overheads for the Sep 2013 quarter are post recharges to sites.
- 5 Costs include underground decline development, development ahead of mining and sustaining capital works.
- 6 These costs are included in the calculation of all in sustaining cost based on guidance from the World Gold Council.

Quarterly gold sales from Mount Monger Operations totalled 47,457 oz. Unaudited all in sustaining cash costs (before non-cash items) for the quarter was A\$1,030 oz compared to A\$1,090 oz in the previous quarter.

## Gold sales & unaudited all in sustaining cost - Murchison

Murchison Gold Operations	Notes	Unit	Dec-12 Quarter	Mar-13 Quarter	Jun-13 Quarter	Sep-13 Quarter	FY14 YTD
Mining costs	1	A\$M	-	-	-	15.9	15.9
General and administration costs	2	A\$M	-	-	-	3.8	3.8
Royalties		A\$M	-	-	-	0.4	0.4
By-product credits		A\$M	-	-	-	(0.0)	(0.0)
Processing costs	3	A\$M	-	-	-	7.7	7.7
Corporate overheads	4	A\$M	-	-	-	0.2	0.2
Capital exploration (sustaining)		A\$M	-	-	-	0.5	0.5
Capital expenditure and underground mine development (sustaining)	5	A\$M	-	-	-	0.0	0.0
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>		<b>A\$M</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.5</b>	<b>28.5</b>
Ore stock movements	6	A\$M	-	-	-	(2.9)	(2.9)
Rehabilitation - accretion & amortisation	6	A\$M	-	-	-	0.2	0.2
<b>All-in Sustaining Costs</b>		<b>A\$M</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.8</b>	<b>25.8</b>

<b>Gold sales</b>		<b>oz</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,453</b>	<b>13,453</b>
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Mining costs	1	A\$/oz	-	-	-	1,180	1,180
General and administration costs	2	A\$/oz	-	-	-	281	281
Royalties		A\$/oz	-	-	-	33	33
By-product credits		A\$/oz	-	-	-	(2)	(2)
Processing costs	3	A\$/oz	-	-	-	572	572
Corporate overheads	4	A\$/oz	-	-	-	18	18
Capital exploration (sustaining)		A\$/oz	-	-	-	37	37
Capital expenditure and underground mine development (sustaining)	5	A\$/oz	-	-	-	0	0
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>		<b>A\$/oz</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,119</b>	<b>2,119</b>
Ore stock movements	6	A\$/oz	-	-	-	(215)	(215)
Rehabilitation - accretion & amortisation	6	A\$/oz	-	-	-	15	15
<b>All-in Sustaining Costs</b>		<b>A\$/oz</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,919</b>	<b>1,919</b>

Table 4: Unaudited all in sustaining cash costs for Murchison Gold Operations - please refer to notes below table 3.

Commercial production was declared at the Murchison Gold Operations on 1 June 2013. Prior to that period, operating costs, associated revenues and finance charges were capitalised.

Quarterly gold sales from the Murchison Gold Operations totalled 13,453 oz. Unaudited all in sustaining cash costs (before non-cash items) for the quarter was A\$2,119 oz. Strip ratios in the open pits were high for July 2013 and August 2013 affecting mine production and ounces sold. In September 2013, gold sales totalled 6,331 ounces resulting in an all in sustaining cash cost (before non-cash items) of A\$1,432 oz.

Notwithstanding the ramp up phase, operating results for the Murchison Gold Operations for the quarter were below expectations. Several cost reduction strategies are in place including the conversion from diesel fired engines to LNG fired engines. The LNG gas storage facility has been completed and commissioning of the 2-off 3.4MW gas engines is in progress. This conversion delivers ~A\$3 million per annum ongoing operating cost saving over the life of the project.

A number of other operational changes are in progress targeting further cost reductions and increased production.



## Gold sales & unaudited all in sustaining cost - Group

Group Gold Operations	Unit	Dec-12 Quarter	Mar-13 Quarter	Jun-13 Quarter	Sep-13 Quarter	FY14 YTD
Mining costs	A\$M	16.8	21.5	23.6	41.6	41.6
General and administration costs	A\$M	0.2	1.9	1.7	5.9	5.9
Royalties	A\$M	1.7	1.9	2.0	2.4	2.4
By-product credits	A\$M	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)
Processing costs	A\$M	7.5	13.9	14.2	23.0	23.0
Corporate overheads	A\$M	1.8	2.1	2.2	1.1	1.1
Capital exploration (sustaining)	A\$M	0.8	0.8	-	1.0	1.0
Capital expenditure and underground mine development (sustaining)	A\$M	5.1	3.2	3.6	2.7	2.7
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>	<b>A\$M</b>	<b>33.6</b>	<b>45.0</b>	<b>47.1</b>	<b>77.4</b>	<b>77.4</b>
Ore stock movements	A\$M	6.9	6.5	11.1	0.2	0.2
Rehabilitation - accretion & amortisation	A\$M	-	-	-	0.3	0.3
<b>All-in Sustaining Costs</b>	<b>A\$M</b>	<b>40.5</b>	<b>51.5</b>	<b>58.2</b>	<b>77.9</b>	<b>77.9</b>

<b>Gold sales</b>	<b>oz</b>	<b>28,123</b>	<b>39,682</b>	<b>43,189</b>	<b>60,910</b>	<b>60,910</b>
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Mining costs	A\$/oz	603	540	542	682	682
General and administration costs	A\$/oz	7.0	48	40	96	96
Royalties	A\$/oz	60.0	48	47	39	39
By-product credits	A\$/oz	(11)	(8)	(4)	(3)	(3)
Processing costs	A\$/oz	264	352	331	377	377
Corporate overheads	A\$/oz	63	54	51	18	18
Capital exploration (sustaining)	A\$/oz	28	20	-	17	17
Capital expenditure and underground mine development (sustaining)	A\$/oz	180	81	83	44	44
<b>All-in Sustaining Cash Costs (Before non-cash items)</b>	<b>A\$/oz</b>	<b>1,194</b>	<b>1,135</b>	<b>1,090</b>	<b>1,271</b>	<b>1,271</b>
Ore stock movements	A\$/oz	247	164	257	4	4
Rehabilitation - accretion & amortisation	A\$/oz	-	-	-	5	5
<b>All-in Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,441</b>	<b>1,299</b>	<b>1,347</b>	<b>1,279</b>	<b>1,279</b>

Table 5: Unaudited all in sustaining cash costs for the group - please refer to notes below table 3.

Group quarterly gold sales totalled 60,910 oz. Unaudited all in sustaining cash costs (before non-cash items) for the quarter was A\$1,271 oz on a group basis.

## Corporate

### • Board Appointment

Silver Lake announced the appointment of Mr Luke Tonkin as Director of Operations effective 14 October 2013.

Mr Tonkin will be responsible for the coordination and optimisation of operational synergies between the Murchison and Mount Monger operations and assessing Silver Lake's extensive project pipeline.

Mr Tonkin is a highly credentialed, capable and experienced mining and management professional who brings exceptional skills to Silver Lake. He is a mining engineering graduate of the Western Australian School of Mines and his extensive operations and management career spans 27 years within the minerals and mining industry. He is a past Chairman of the Western Australian School of Mines Advisory Board and is a member of the AusIMM.

Mr Tonkin has held senior management roles at WMC Resources Ltd, Sons of Gwalia Ltd, and was Managing Director of Mount Gibson Iron Ltd for 7 years. Most recently he was Chief Executive Officer and Managing Director of Reed Resources Ltd.

Summaries of the key terms of employment agreements for Mr Tonkin are set out in the [ASX announcement dated 14 October 2013](#).

- **Issued Share Capital**

Class of Securities	Issued capital
Fully Paid Ordinary Shares	437,594,758

- **Unlisted Options**

There are currently no outstanding options.

For more information about Silver Lake and its projects please visit our web site at [www.silverlakeresources.com.au](http://www.silverlakeresources.com.au).

***For further information please contact***

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For further detail regarding the quarterly activities report please refer to following appendix.

## Appendix

### Mount Monger Operations

There were no lost time injuries at Mount Monger operations during the quarter.

Ore mined for the quarter:

- Mount Monger underground totalled 123,953 tonnes resulting in gold in ore production of 21,902 ounces, a 16% increase on the previous quarter; and
- Mount Monger open pit totalled 206,155 tonnes resulting in gold in ore production of 18,789 ounces, a 26% increase on the previous quarter.

Combined ore mined for the quarter totalled 330,108 tonnes resulting in gold in ore production from the Mount Monger operations of 40,691 ounces 20% higher than the previous quarter.

Ore milled for the quarter totalled 501,615 tonnes at a blended grade of 3.0 g/t Au for 46,572 recovered ounces, 8% higher than the previous quarter. Unprocessed ore stocks available for mill feed at the end of the quarter are ~1.5 million tonnes containing 65,000 ounces.

Mount Monger Operations - Mining	Units	Dec Qtr 2012	Mar Qtr 2013	Jun Qtr 2013	Sep Qtr 2013	Full Year FY13
<u>Underground</u>						
Ore mined	Tonnes	140,078	161,444	120,197	123,953	559,768
Mined grade	g/t Au	5.2	3.6	4.9	5.5	4.7
Contained gold in ore	Oz	23,397	18,690	18,853	21,902	84,375
<u>Open Pit</u>						
Ore mined	Tonnes	-	134,525	183,849	206,155	531,332
Mined grade	g/t Au	-	2.3	2.5	2.8	2.1
Contained gold in ore	Oz	-	10,118	14,926	18,789	36,604
<b>Total ore mined</b>	<b>Tonnes</b>	<b>140,078</b>	<b>295,969</b>	<b>304,046</b>	<b>330,108</b>	<b>1,091,100</b>
<b>Mined grade</b>	<b>g/t Au</b>	<b>5.2</b>	<b>3.0</b>	<b>3.5</b>	<b>3.8</b>	<b>3.4</b>
<b>Contained gold in ore</b>	<b>Oz</b>	<b>23,397</b>	<b>28,808</b>	<b>33,779</b>	<b>40,691</b>	<b>120,890</b>

Table 6: Mount Monger Operations - mine production statistics

Mount Monger Operations - Combined Plants	Units	Dec Qtr 2012	Mar Qtr 2013	Jun Qtr 2013	Sep Qtr 2013	Full Year FY13
Ore milled	Tonnes	206,607	470,736	484,791	501,615	1,367,318
Head grade	g/t Au	4.2	2.7	2.9	3.0	3.2
Contained gold in ore	Oz	27,875	40,143	45,285	49,130	141,655
Recovery	%	93	95	95	95	94
<b>Gold produced</b>	<b>Oz</b>	<b>26,021</b>	<b>38,232</b>	<b>43,196</b>	<b>46,572</b>	<b>133,364</b>

Table 7: Mount Monger Operations - Combined processing statistics for Lakewood & Randalls's mills



Mount Monger Operations - Lakewood Plant	Units	Dec Qtr 2012	Mar Qtr 2013	Jun Qtr 2013	Sep Qtr 2013	Full Year FY13
Ore milled	Tonnes	206,607	209,939	204,058	233,239	825,788
Head grade	g/t Au	4.2	3.2	3.6	3.4	3.8
Contained gold in ore	Oz	27,875	21,878	23,339	25,518	101,444
Recovery	%	93	95	96	95	94
Gold produced	Oz	26,021	20,881	22,437	24,100	95,254

Table 8: Mount Monger Operations - Lakewood processing statistics

Mount Monger Operations - Randalls Plant	Units	Dec Qtr 2012	Mar Qtr 2013	Jun Qtr 2013	Sep Qtr 2013	Full Year FY13
Ore milled	Tonnes	-	260,797	280,733	268,376	541,530
Head grade	g/t Au	-	2.2	2.4	2.7	2.3
Contained gold in ore	Oz	-	18,265	21,946	23,612	40,211
Recovery	%	-	95	95	95	95
Gold produced	Oz	-	17,351	20,759	22,472	38,110

Table 9: Mount Monger Operations - Randalls processing statistics

Notes to Tables 6 to 9:

1: Ore milled is from all sources including stockpiled material.

2: ~65% of ore from the underground operations was processed at Lakewood plant and ~35% at the Randalls plant during the quarter.

- **Underground production & development - Daisy Complex**

***Production:***

Gold in ore production during the quarter was sourced from, Daisy Milano, Haoma, Western Make & Rosemary underground mines (refer to figures 2 & 3) totalling 114,035 tonnes at an average grade of 5.7 g/t Au for 20,826 oz. Mined grade was 16% higher than the previous quarter.

Ore development for the quarter totalled 606 metres.

***Waste development:***

310 metres of capital development and 316 metres of ore access development were undertaken during the quarter.

- **Underground production & development - Cock-eyed Bob**

A key part of Silver Lake's strategy at Randalls is to unlock the potential of the Banded Iron Formation (BIF) deposits. The BIF host rock at Randalls covers an area of over 30 kilometres and the gold distribution along the BIF is not well understood but has the potential to contain large gold deposits similar to the Santa, Maxwells & Cock-eyed Bob deposits.

The Cock-eyed Bob underground mine (refer to figures 2 & 4) was taken off care & maintenance in June 2013. Small quantities of ore will be available from Cock-eyed Bob which is being mined to obtain further geological knowledge of banded iron formation deposits in the region. Mining at Cock-eyed Bob is not yet at a commercial point but is cash neutral.

There are approximately 1,200 metres of ore driving to be completed from the current decline development on 3 levels containing 2 main structures per level. Ore development commenced in July 2013 and is being carried out on a small scale with a narrow vein mechanised jumbo crew on a day shift only basis.

Gold in ore production during the quarter totalled 9,918 tonnes at an average grade of 3.4 g/t Au for 1,076 oz.

Ore development for the quarter totalled 262 metres.

Waste development:

91 metres of capital development and 10 metres of ore access development were undertaken during the quarter.

- **Open pit production**

Gold in ore production during the quarter was sourced from Maxwells open pit (refer to figure 2) totalling 206,155 tonnes at an average grade of 2.8 g/t Au for 18,789 oz, a 26% increase from the previous quarter. High grade ore mined for the quarter totalled 150,717 tonnes at 3.4 g/t Au for 16,475 ounces with 55,438 tonnes at 1.3 g/t Au for 2,314 ounces mined from lower grade blocks to access the higher grade blocks.

628,162 cubic metres of waste was removed during the quarter at a strip ratio of 7.4:1 (waste to ore) down from 8.0:1 in the previous quarter. There was no open pit production from the Wombola pits during the quarter. Processing of previously mined stockpiles continued throughout the quarter.

- **Gold Production - Lakewood Plant**

Tonnes milled for the quarter totalled 233,239 tonnes at a blended grade of 3.4 g/t Au for 24,100 recovered ounces, a 7% increase from the previous quarter. Unprocessed ore stocks available for mill feed at the end of the quarter are ~188,000 tonnes containing 10,000 ounces.

Minimal unplanned downtime was incurred during the quarter.

**Gold Production - Randalls Plant**

Tonnes milled for the quarter totalled 268,376 tonnes at a blended grade of 2.7 g/t Au for 22,472 recovered ounces, an 8% increase from the previous quarter.

Minimal unplanned downtime was incurred during the quarter.

Ore stocks available for mill feed at the end of the quarter are ~1.30 million tonnes containing 55,000 ounces.

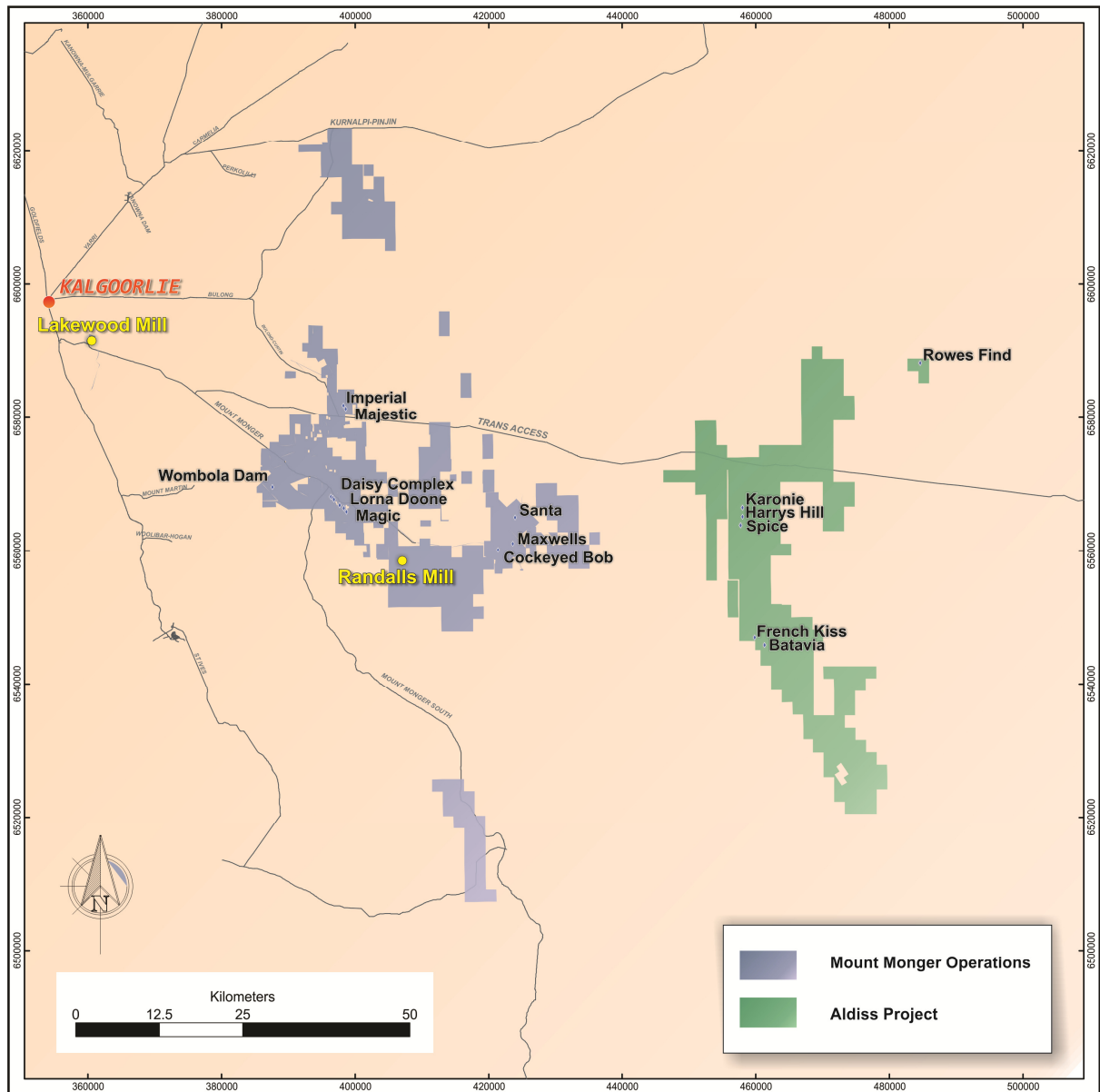


Figure 2: Mount Monger Operations location plan.

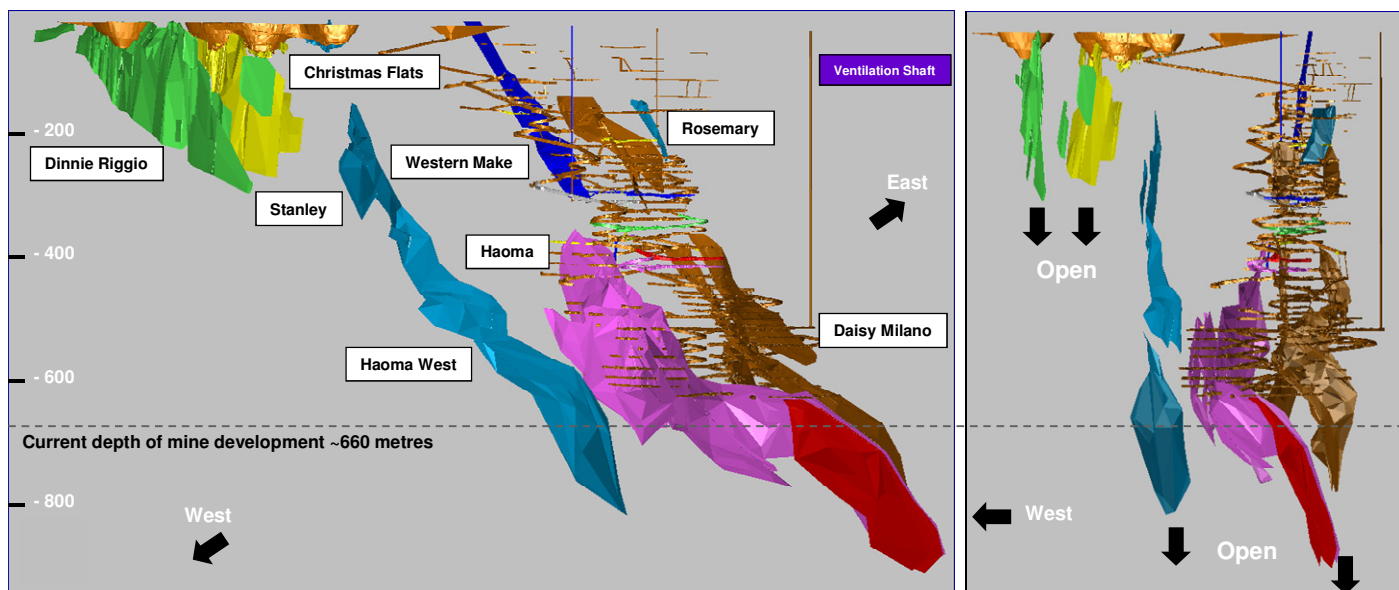


Figure 3: Schematic view showing the mines that make up the Daisy Complex that contain over 1.4 million ounces of resource accessible from the same infrastructure. Includes current drilling envelope at Haoma West, Western Make, Christmas Flats and Dinnie Riggio (not to scale).

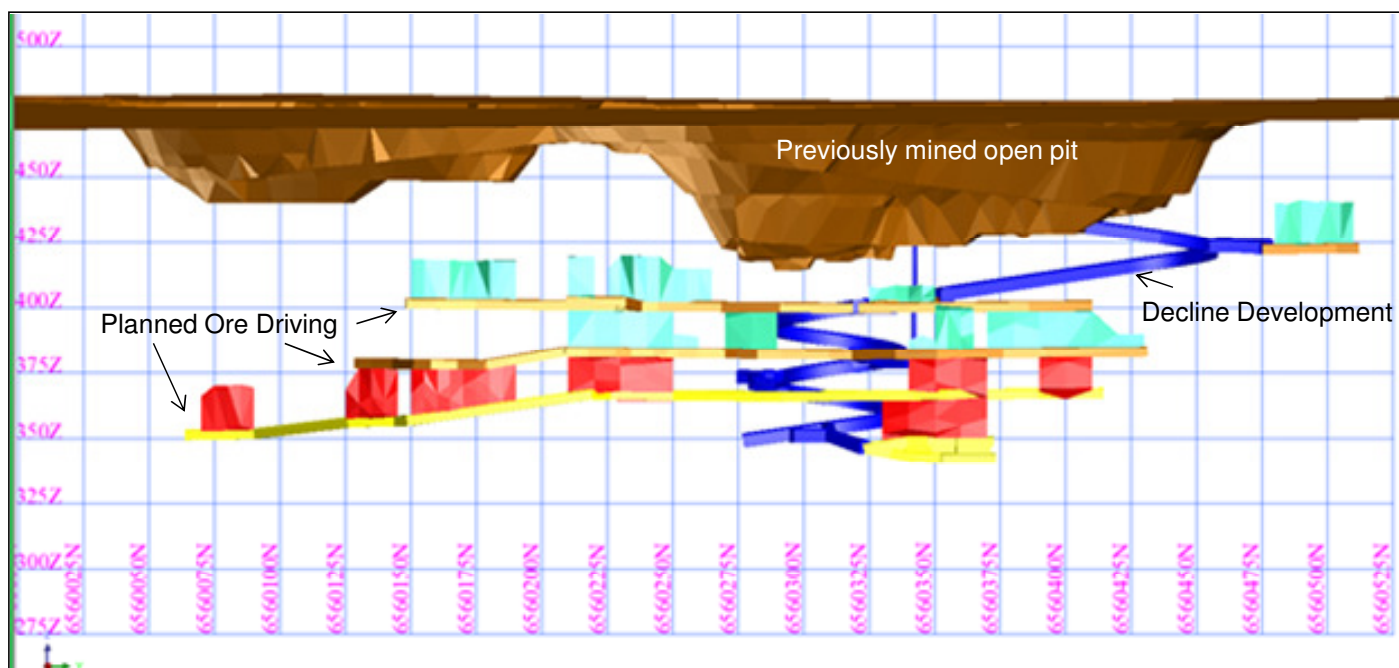


Figure 4: Schematic view of Cock-eyed Bob showing previously mined open pit, decline development & planned ore driving (not to scale).



## Murchison Gold Operations

There were no lost time injuries at the Murchison gold operations during the quarter.

Ore mined for the quarter totalled 327,596 tonnes resulting in gold in ore production from the Murchison open pit operations of 15,941 ounces, 53% higher than the previous quarter.

Ore milled for the quarter totalled 319,591 tonnes at a blended grade of 1.4 g/t Au for 13,330 recovered ounces, 8% higher than the previous quarter. Unprocessed ore stocks available for mill feed at the end of the quarter are ~186,000 tonnes containing 5,700 ounces.

Murchison Gold Operations - Mining	Units	Dec Qtr 2012	Mar Qtr 2013	Jun Qtr 2013	Sep Qtr 2013	Full Year FY13
<u>Underground</u>						
Ore mined	Tonnes	-	-	-	-	-
Mined grade	g/t Au	-	-	-	-	-
Contained gold in ore	Oz	-	-	-	-	-
<u>Open Pit</u>						
Ore mined	Tonnes	132,906	195,911	166,689	327,596	495,506
Mined grade	g/t Au	0.9	1.6	2.0	1.5	1.5
Contained gold in ore	Oz	3,775	10,018	10,455	15,941	24,248
<b>Total ore mined</b>	<b>Tonnes</b>	<b>132,906</b>	<b>195,911</b>	<b>166,689</b>	<b>327,596</b>	<b>495,506</b>
<b>Mined grade</b>	<b>g/t Au</b>	<b>0.9</b>	<b>1.6</b>	<b>2.0</b>	<b>1.5</b>	<b>1.5</b>
<b>Contained gold in ore</b>	<b>Oz</b>	<b>3,775</b>	<b>10,018</b>	<b>10,455</b>	<b>15,941</b>	<b>24,248</b>

Table 10: Murchison Gold Operations - mine production statistics

Murchison Gold Operations - Processing	Units	Dec Qtr 2012	Mar Qtr 2013	Jun Qtr 2013	Sep Qtr 2013	Full Year FY13
Ore milled	Tonnes	-	130,582	312,008	319,591	442,590
Head grade	g/t Au	-	1.4	1.4	1.4	1.4
Contained gold in ore	Oz	-	5,802	13,553	14,699	19,355
Recovery	%	-	95	92	91	93
<b>Gold produced</b>	<b>Oz</b>	<b>-</b>	<b>5,528</b>	<b>12,404</b>	<b>13,330</b>	<b>17,932</b>

Table 11: Murchison Gold Operations - processing statistics

Commercial production was declared at the Murchison Gold Operations on 1 June 2013. Prior to that period, operating costs, associated revenues and finance charges were capitalised.

- **Open pit production**

Ore during the quarter was sourced from 4 open pit mines, Exodus, Eclipse, Comet North & Comet South (refer to figure 5). 1.0 million cubic metres of waste was removed during the quarter at a strip ratio of 7.9:1 (waste to ore) down from 14.0:1 in the previous quarter. Life of mine strip ratios over all planned open pit sources is 7:1 (waste to ore).



- **Underground development**

As announced to the ASX on 18 July 2013 the Murchison gold operations have been optimised to produce gold from open pit operations for the year ending 30 June 2014 and to defer the development of the underground Caustons mine for approximately 12 months.

The Caustons mine has been placed on care and maintenance in readiness for start-up at a later point in a higher gold price environment.

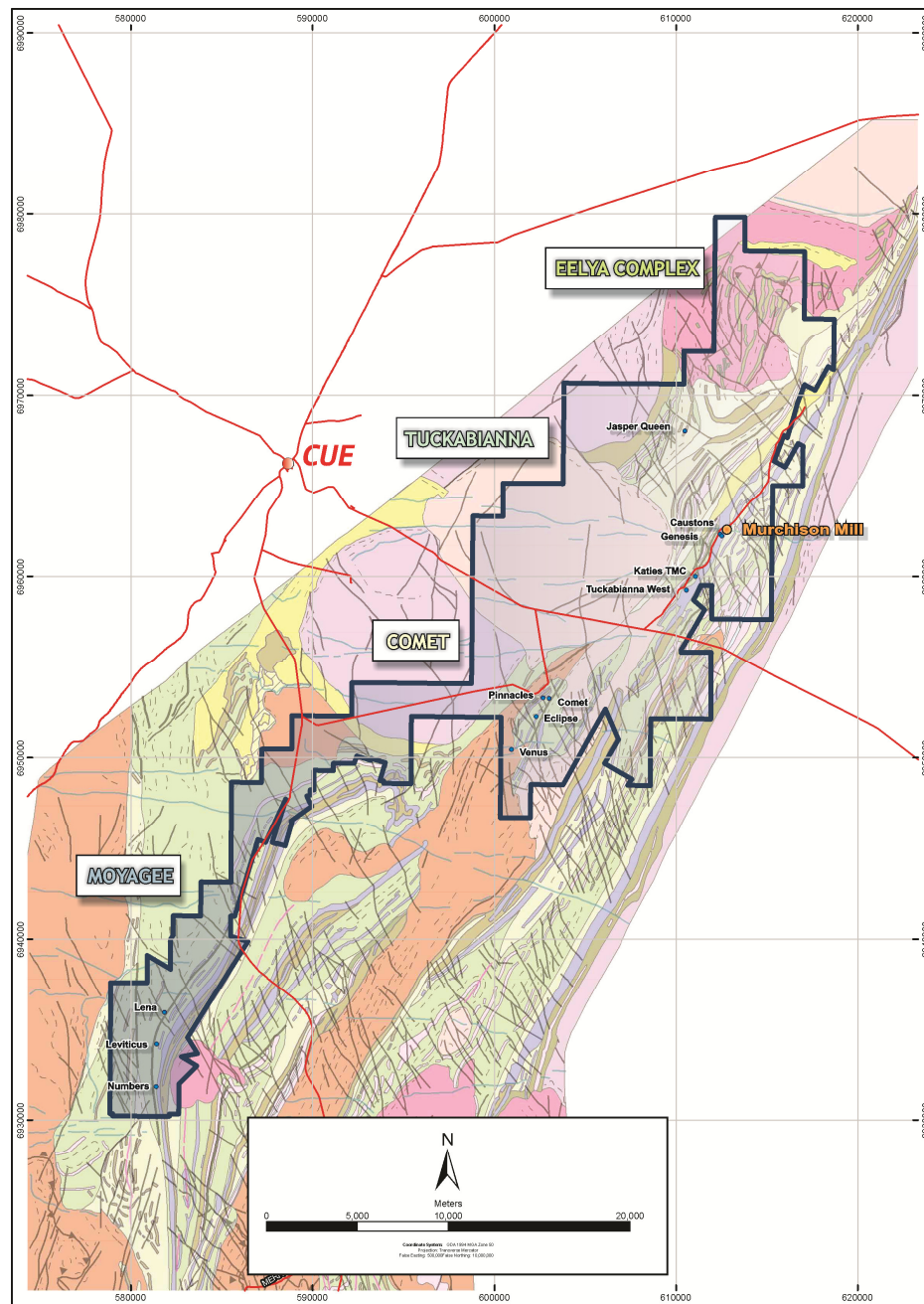


Figure 5: Murchison projects location plan.

## Resources & Reserves

The JORC Gold Resource as at June 2013 totalled 6.4 million ounces inclusive of 1.7 million ounces of ore reserves as detailed below.

As at June 2013	Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
Deposit	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
Mount Monger	629.9	8.4	171.1	4,236.1	6.0	812.8	7,283.8	5.4	1,268.0	12,149.9	5.8	2,251.9
Randalls	155.0	2.1	10.5	7,014.0	2.5	569.3	3,228.0	2.5	257.2	10,397.0	2.5	837.0
Aldiss				6,605.0	2.1	450.9	247.0	2.9	22.8	6,852.0	2.2	473.7
<b>Total Eastern Goldfields</b>	<b>784.9</b>	<b>7.2</b>	<b>181.6</b>	<b>17,855.1</b>	<b>3.2</b>	<b>1,833.0</b>	<b>10,758.8</b>	<b>4.5</b>	<b>1,548.0</b>	<b>29,398.9</b>	<b>3.8</b>	<b>3,562.6</b>
Tuckabianna				5,525.4	2.8	491.2	6,435.4	2.6	530.0	11,960.8	2.7	1,021.2
Comet				3,227.8	3.2	332.9	1,064.0	3.2	108.4	4,291.8	3.2	441.4
Moyagee				1,034.4	2.2	73.8	3,039.2	3.2	309.8	4,073.6	2.9	383.6
Eelya Complex				473.0	1.4	20.9	215.9	1.9	13.4	688.9	1.5	34.3
<b>Total Murchison</b>				<b>10,260.6</b>	<b>2.8</b>	<b>918.8</b>	<b>10,754.5</b>	<b>2.8</b>	<b>961.7</b>	<b>21,015.2</b>	<b>2.8</b>	<b>1,880.5</b>
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	981.7	1.7	53.4	7,041.7	0.9	213.8
<b>Total Great Southern</b>	<b>310.0</b>	<b>2.4</b>	<b>23.9</b>	<b>10,140.0</b>	<b>1.9</b>	<b>617.7</b>	<b>5,531.7</b>	<b>2.0</b>	<b>360.6</b>	<b>15,981.7</b>	<b>2.0</b>	<b>1,002.3</b>
<b>Total Silver Lake</b>	<b>1,094.9</b>	<b>5.8</b>	<b>205.5</b>	<b>38,255.8</b>	<b>2.7</b>	<b>3,369.6</b>	<b>27,045.0</b>	<b>3.3</b>	<b>2,870.3</b>	<b>66,395.7</b>	<b>3.0</b>	<b>6,445.4</b>

As at June 2013	Proved Reserves			Probable Reserves			Total Reserves		
Deposit	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
Mount Monger - OP				850.9	2.3	62.7	850.9	2.3	62.7
Mount Monger - UG				1,988.0	6.2	394.4	1,988.0	6.2	394.4
Mount Monger Stockpiles	332.7	1.7	18.4				332.7	1.7	18.4
Randalls - OP				1,958.6	2.1	135.3	1,958.6	2.1	135.3
Randalls - UG				721.5	3.5	81.7	721.5	3.5	81.7
Randalls Stockpiles	1,331.9	1.3	54.1				1,331.9	1.3	54.1
Aldiss				1,135.0	2.4	86.5	1,135.0	2.4	86.5
<b>Total Eastern Goldfields</b>	<b>1,664.7</b>	<b>1.4</b>	<b>72.4</b>	<b>6,653.9</b>	<b>3.6</b>	<b>760.6</b>	<b>8,318.6</b>	<b>3.1</b>	<b>833.0</b>
Tuckabianna - OP				480.5	1.8	28.5	480.5	1.8	28.5
Tuckabianna - UG				1,285.1	3.8	156.5	1,285.1	3.8	156.5
Tuckabianna - Surface Stockpiles	126.7	0.8	3.1				126.7	0.8	3.1
Comet - OP				769.6	2.2	55.0	769.6	2.2	55.0
Comet - UG				921.7	3.6	107.8	921.7	3.6	107.8
Comet - Surface Stockpiles	51.4	0.8	1.3				51.4	0.8	1.3
Moyagee				342.6	2.2	24.7	342.6	2.2	24.7
Eelya Complex				574.0	0.8	14.0	574.0	0.8	14.0
<b>Total Murchison</b>	<b>178.1</b>	<b>0.8</b>	<b>4.5</b>	<b>4,373.5</b>	<b>2.7</b>	<b>386.5</b>	<b>4,551.5</b>	<b>2.7</b>	<b>390.9</b>
Kundip				2,810.0	3.4	307.2	2,810.0	3.4	307.2
Trilogy	310.0	2.2	22.0	4,320.0	0.8	112.9	4,630.0	0.9	134.9
<b>Total Great Southern</b>	<b>310.0</b>	<b>2.2</b>	<b>22.0</b>	<b>7,130.0</b>	<b>1.8</b>	<b>420.1</b>	<b>7,440.0</b>	<b>1.8</b>	<b>442.1</b>
<b>Total Silver Lake</b>	<b>2,152.7</b>	<b>1.4</b>	<b>98.9</b>	<b>18,157.4</b>	<b>2.7</b>	<b>1,567.2</b>	<b>20,310.1</b>	<b>2.6</b>	<b>1,666.0</b>

Table 12: JORC Gold Resources & Ore Reserves as of June 2013. Rounding may give rise to unit discrepancies in these tables.

As at June 2013	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 Project</b>																				
Silver	-	-	-	-	oz	1,926.0	6.2	-	386.4	oz	727.9	4.6	g/t Ag	108.8	oz	2,653.9	5.8	g/t Ag	495.2	oz
Copper	-	-	-	-	t	1,891.3	2.0	-	37.1	t	122.4	1.4	% Cu	1.6	t	2,013.7	1.9	% Cu	38.7	t
<b>Total Resource</b>																				
Silver	310.0	40.8	g/t Ag	406.6	oz	12,066.0	24.7	g/t Ag	9,599.9	oz	4,730.0	2.5	g/t Ag	386.6	oz	17,833.9	18.3	g/t Ag	10,502.9	oz
Copper	310.0	0.3	% Cu	0.9	t	12,031.3	1.0	% Cu	114.9	t	4,852.4	0.4	% Cu	17.7	t	17,193.7	0.8	% Cu	133.5	t

As at June 2013	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
<b>Kundip Project</b>															
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
<b>Trilogy Project</b>															
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
<b>Hollandaire Project</b>															
Silver			g/t Ag		oz	574.0	7.9	g/t Ag	145.4	oz	574.0	7.9	g/t Ag	145.4	oz
Copper			% Cu		t	441.8	3.3	% Cu	13.5	t	441.8	1.1	% Cu	13.5	t
<b>Total Reserve</b>															
Silver	310.0	45.0	g/t Ag	448.5	oz	7,130.0	34.4	g/t Ag	7,881.7	oz	8,014.0	32.9	g/t Ag	8,475.6	oz
Copper	310.0	0.4	% Cu	1.2	t	7,130.0	0.8	% Cu	58.8	t	7,881.8	0.9	% Cu	73.5	t

Table 13: JORC Base Metal Resources & Ore reserves as of June 2013. Rounding may give rise to unit discrepancies in these tables.

#### 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:

- 6.4 million ounces of gold inclusive of 1.7 million ounces of reserve;
- 10.5 million ounces of silver; and
- 134,000 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.

In the Great Southern, Silver Lake owns the large Kundip and Munglinup exploration projects covering over 2,500 sqkm.

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>