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ASX ANNOUNCEMENT

27 February 2014

Silver Lake to raise approximately A\$39 million by way of institutional placement

Murchison Gold Operations to be placed on care and maintenance

Investment in Mount Monger growth projects

Details of the Placement

Silver Lake Resources Ltd (ACN 108 779 782) (“**Silver Lake**” or the “**Company**”) is pleased to announce a capital raising of approximately A\$39 million by way of an ordinary share Placement (“**Placement**”) to professional and sophisticated investors.

Under the terms of the Placement, Silver Lake will issue 65.6 million new shares (“**New Shares**”) representing 15% of the current shares on issue at a fixed price of A\$0.60 per share (“**Issue Price**”).

The Issue Price represents a 11.8% discount to last close and a 15.3% discount to the 10-day volume weighted average price (“**VWAP**”) of Silver Lake shares on the ASX.

Net proceeds of the Placement will be allocated as follows over the next two years:

- Approximately A\$12 million to place the Murchison on care & maintenance, directly attributable to redundancy payments and site contract restructuring expenses;¹
- Approximately A\$24 million on growth capital at Mount Monger; and
- Remainder for general working capital.

The Placement is fully underwritten by UBS AG, Australia Branch (“**UBS**”) on usual commercial terms, who is acting as Sole Bookrunner and Global Lead Manager to the Placement.

The Placement will be undertaken within the Company’s 15% capacity under Listing Rule 7.1 and consequently the Company will not require shareholder approval in order to complete the Placement. Settlement of the Placement is currently scheduled to take place on Wednesday, 5 March 2014, with allotment and quotation of shares expected to occur on the ASX on Thursday, 6 March 2014.

New Shares will rank equally with, and be on the same terms as existing Silver Lake ordinary shares.

The Company’s shares will remain in halt on Thursday, 27 February 2014 while the Placement is conducted. Normal trading in SLR shares is expected to recommence on Friday, 28 February 2014 or such earlier time as the result of the Placement is announced to the market.

¹ Based on current industry standards and negotiations to date with all relevant counter parties. Includes settlements of all related finance leases

Murchison Gold Operations (refer to Figure 1)

On 20 January 2014, Silver Lake announced a strategic review of its Murchison Gold Operations.

The fall in gold price in mid-2013 resulted in the deferment of capital required to access higher grade, underground Reserves and focus production on lower grade open pit Reserves. To date production and unit costs from the Murchison have been disappointing and given the prevailing gold price environment, the Murchison Gold Operations diverts both human and financial capital from higher value, lower risk projects in the Mount Monger region.

Several options were evaluated as part of the strategic review culminating in the decision to place the Murchison Gold Operations on a care and maintenance. This will preserve a number of strategic options for the Company, including recommencing operations in the event of a higher sustainable gold price.

Details of the planned cessation of operations are as follows:

- Open pit mining and ore processing is scheduled to cease in the June 2014 quarter.
- The Murchison accommodation village located in Cue will be placed on care and maintenance in May 2014.
- The underground mining contract, which was suspended in July 2013, will be terminated with major items of underground fleet purchased by GBF Mining & Industrial Services Pty Ltd (“GBF”) which was recently awarded a three year underground development and production contract at Silver Lake’s Daisy Milano gold mine.
- The open pit mining and haulage contracts will be terminated.
- Silver Lake is liaising with its employees and contractors to identify internal employment and contracting opportunities within Silver Lake’s remaining operations. Regrettably 42 Silver Lake employees will become redundant and 85 contractor employees will be leaving site.
- The strategic review of Murchison Gold Operations and the decision to place the mine on care and maintenance has provided the opportunity to enhance and improve infrastructure at the Mount Monger Operations. Diesel and gas fired power station infrastructure from the Murchison is planned to be relocated to the Mount Monger Operations improving site power distribution, reliability and cost.

Approximately A\$12 million is anticipated for redundancy payments and site contract restructuring expenses. The ongoing care & maintenance cost for the Murchison Gold Operations is estimated at approximately A\$120,000 per month.

An impairment charge of A\$41.6 million dollars was recognised at 31 December 2013 against the Murchison assets.

“Continuing production at the Murchison Gold Operations is unsustainable at the current gold price so we are taking decisive action by placing it on care and maintenance in the June 2014 quarter. This decision preserves a number of strategic options for the Company including recommencing operations in the event of a higher sustainable gold price. The

Company intends to focus capital on further optimising and funding growth projects at the low cost Mount Monger Operations,” said Silver Lake’s Managing Director Les Davis.

Mount Monger Operations (refer to figure 2)

As a low cost, high margin operation, Mount Monger provides Silver Lake with significant growth opportunities.

The Lakewood & Randalls mills have a combined capacity of 2.0mtpa and are being fed with underground ore from the Daisy Complex, Cock-eyed Bob, open pit ore from Maxwells and continued processing of surface stockpiles. The year to date unaudited all in sustaining cash costs at Mount Monger is A\$1,016/oz.

Silver Lake has multiple near term options to develop the Mount Monger Operations that are under review including:

- Majestic open pit followed by Imperial underground mine;
- Wombola Dam open pit;
- Expanded capacity from Cock-eyed Bob underground mine;
- Maxwells underground mine;
- Upper areas to the east and west of Daisy Milano;
- Lorna Doone open pit; and
- Magic underground mine.

These deposits have work programmes in place to advance towards production and are in various stages of evaluation. Production rates at the Mount Monger Operations may be increased subject to the outcomes of these final evaluations.

Group guidance for the year ending 30 June 2014 remains unchanged at 205,000 to 220,000 ounces of gold.

“With the Murchison Gold Operations being placed on care and maintenance and a strengthened balance sheet, our priority will be on maximising free cashflow from our low cost, high grade operations at Mount Monger” Mr Davis added.

For further information please contact

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Figure 1: Murchison projects location plan.

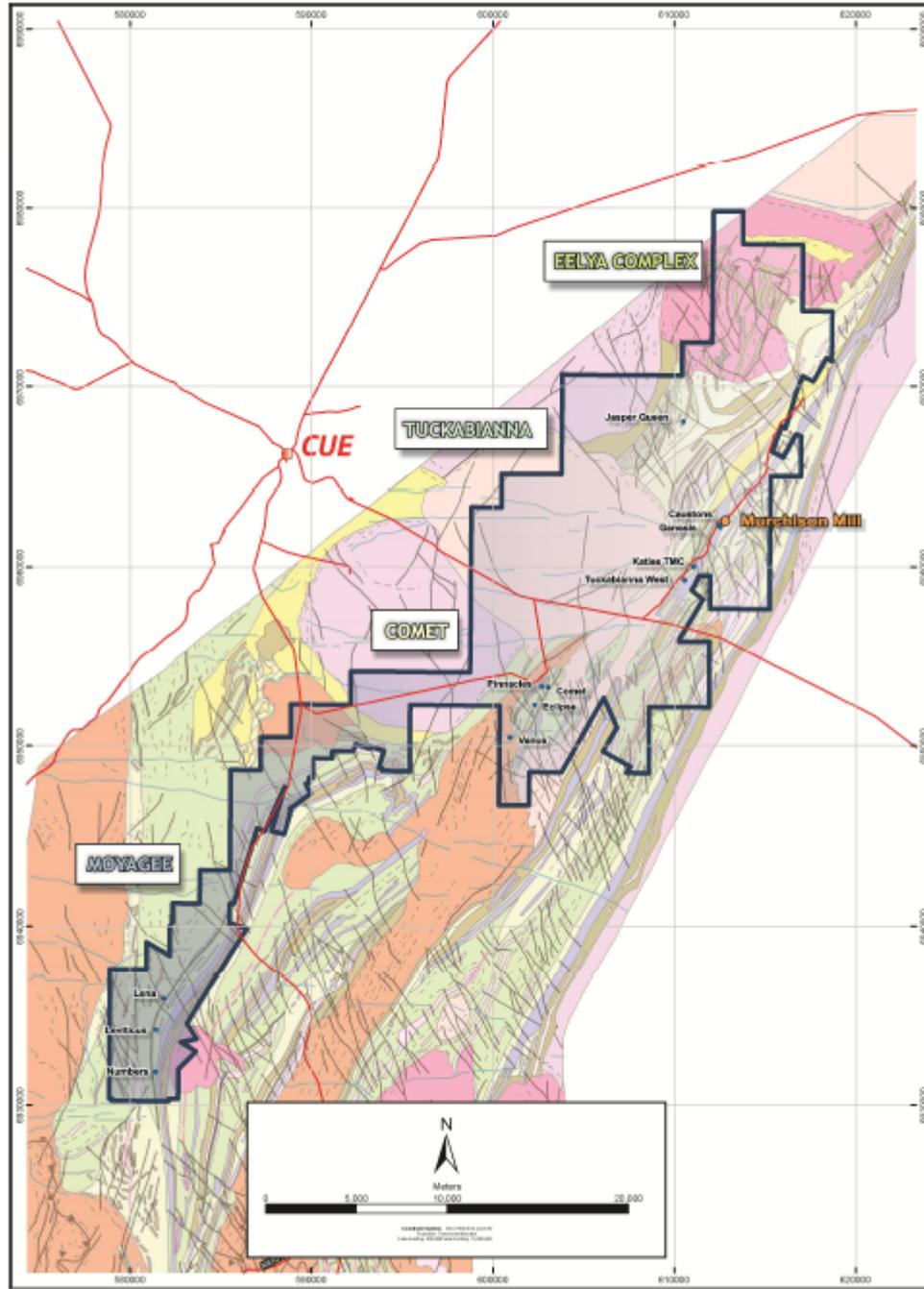
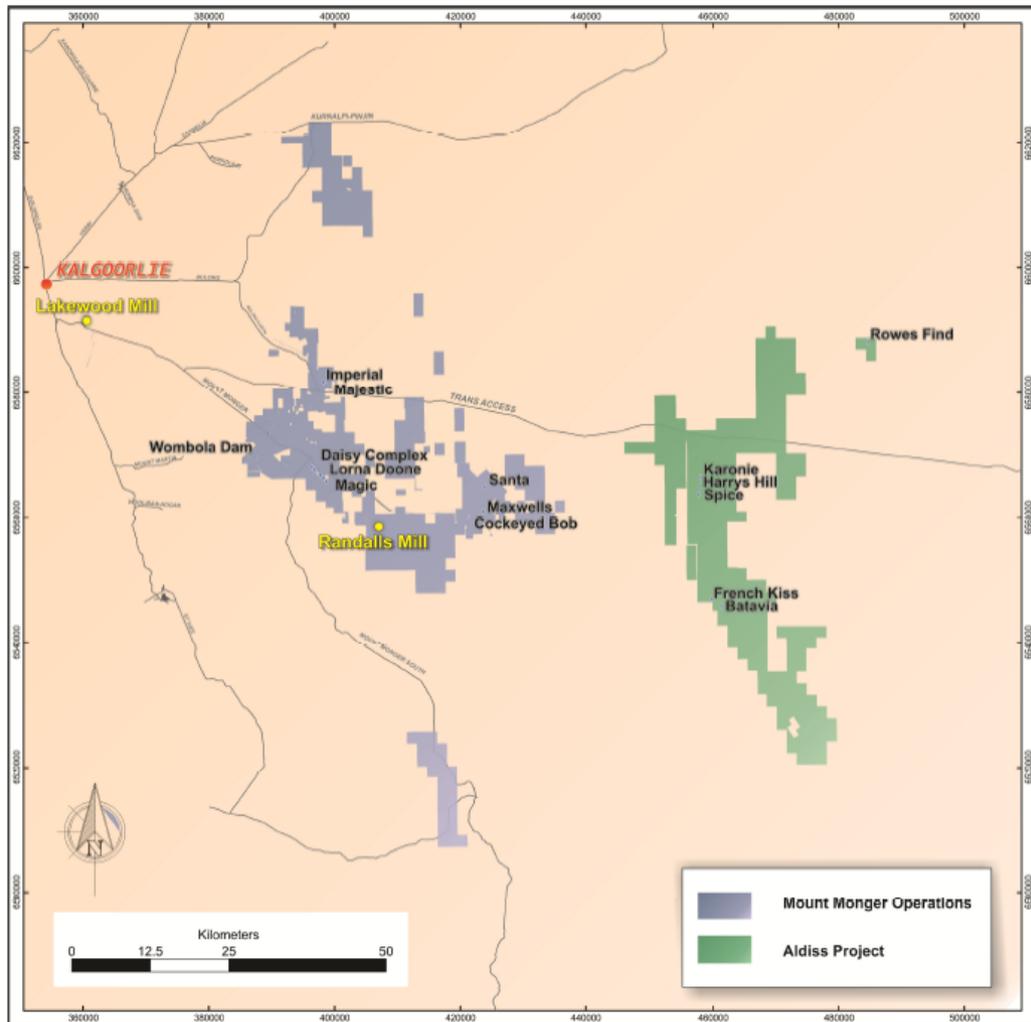


Figure 2: Mount Monger projects location plan.



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.

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.

Silver Lake continues to report ore reserves and mineral resources as defined under the 2004 edition of the JORC Code. To date ore reserves and mineral resources have not been reported to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. 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.

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.

Forward looking statements

This presentation may contain forward looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Silver Lake. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast.

Important Notice

This ASX announcement does not constitute an offer of securities for sale in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares to be offered and sold in the Placement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold to persons in the United States unless the New Shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This ASX announcement includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may," "will," "expect," "intend," "plan," "estimate," "anticipate," "believe," "continue," "objectives," "outlook," "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management, expected financial performance, earnings, distribution and distribution guidance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Silver Lake, and its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and Silver Lake assumes no obligation to update such information.

An investment in the New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Silver Lake, including possible loss of income and capital invested. Silver Lake does not guarantee any particular rate of return or the performance of Silver Lake nor does it guarantee the repayment of capital from Silver Lake or any particular tax treatment. This announcement should be read in conjunction with the Investor Presentation released to ASX on the same date as this announcement, including the risks set out in the Investor Presentation and the important notices contained in that document. Any past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

This announcement is not financial advice or a recommendation to acquire the New Shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek such legal, financial and/or taxation advice as they deem necessary or appropriate to their jurisdiction. Silver Lake is not licensed to provide financial product advice in respect of the New Shares.

All dollar values are in Australian dollars (A\$).