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## ASX ANNOUNCEMENT

28 February 2014

### Silver Lake successfully completes approximately A\$39 million institutional placement

Silver Lake Resources Ltd (ACN 108 779 782) (“**Silver Lake**” or the “**Company**”) is pleased to announce the successful completion of its placement to professional and sophisticated investors (“**Placement**”).

Under the terms of the Placement, Silver Lake will issue 65,639,213 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 represented an 11.8% discount to last close on 26 February 2014 and a 15.3% discount to the 10-day volume weighted average price (up to and including 26 February 2014) 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;<sup>1</sup>
- Approximately A\$24 million on growth capital at Mount Monger; and
- Remainder for general working capital.

Commenting on the announcement Managing Director of Silver Lake, Les Davis said, “We were extremely pleased with the level of interest in the Placement which was well supported by new and existing institutions. 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”.

The Placement was fully underwritten by UBS AG, Australia Branch (“**UBS**”) acting as Sole Bookrunner and Global Lead Manager to the Placement.

Settlement of the Placement is expected to occur on 5 March 2014, with the New Shares expected to be allotted through the ASX and commence trading on 6 March 2014. The New Shares will rank equally with existing shares.

Silver Lake has requested that the current trading halt be lifted following release of this announcement.

For further information please contact

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<sup>1</sup> Based on current industry standards and negotiations to date with all relevant counter parties

About Silver Lake Resources Ltd:

Silver Lake is a large, all-Australian, ASX 200 gold producing and exploration company which is focused on its key asset, the Mount Monger Operations, a high margin production operation in a first world jurisdiction.

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.

The Eelya Complex located in the Murchison region, 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.

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**Competent Person's Statement**

The information in this ASX announcement 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 ASX announcement 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 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, projections, forecasts, estimates, 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. 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. 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.

#### **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.

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\$).