

ASX ANNOUNCEMENT

3 July 2014

Mount Monger Operations exceed FY14 guidance

Future ore processing solely at Randalls Mill

Silver Lake Resources Ltd (“Silver Lake”) is pleased to advise that gold sales for the year ended 30 June 2014 from its Mount Monger Operations totalled 172,838 ounces compared with guidance of 160-170,000 ounces.

Full year gold sales for the group totalled 217,349 ounces which included sales from the Murchison Gold Operation of 44,511 ounces. The Murchison Gold Operation will be placed on care & maintenance in July 2014 once the gold in circuit has been recovered.

As previously announced, the operating strategy for the Mount Monger Operations (until new projects are developed) is to run the 1.2 mtpa Randalls Mill at full capacity and to utilise the 0.9 mtpa Lakewood Mill as and when required.

Silver Lake advises that, as from July 2014, all available ore sources will be processed at the Randalls Mill located 15 km south east of the Daisy Complex (refer to figure 1). This maximises head grade at the higher throughput Randalls Mill and reduces unit cost per tonne milled and transport costs compared to processing at Lakewood Mill.

Once the gold in circuit has been stripped from Lakewood Mill in July 2014, the mill will be placed on care and maintenance. Unfortunately, this will result in the loss of a number of employee and contractor positions. The ongoing cost of placing the mill on care & maintenance is approximately \$40k per month.

Silver Lake has received a number of unsolicited expressions of interest to either toll treat through or for outright purchase of the mill. A review will be conducted to assess these options and to identify additional interested parties. The outcome of this review is expected by the end of the September 2014 quarter.

Silver Lake is in the process of finalising month end and FY15 budget processes and further details will be available in the forthcoming June 2014 quarterly report.

For further information please contact

Les Davis
Managing Director
+61 8 6313 3800
contact@silverlakeresources.com.au

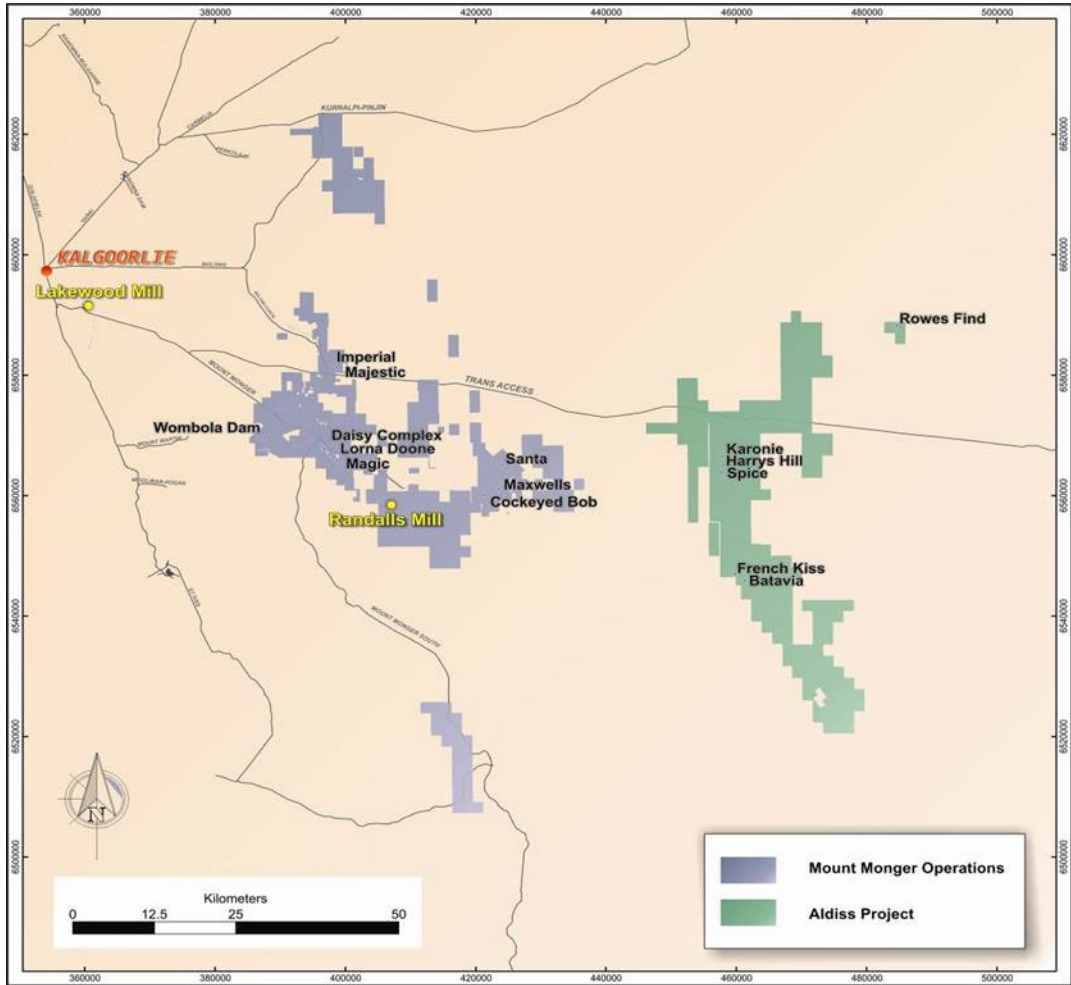


Figure 1: Mount Monger Operations location plan.

About Silver Lake Resources Ltd:

Silver Lake is a gold producing and exploration company based solely in Western Australia with FY14 group gold sales totaling 217,349 ounces.

Silver Lake's core asset is the Mount Monger Operations, a high margin operation located in a first world jurisdiction 50km south east of Kalgoorlie in the Eastern Goldfields district of Western Australia.

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

- Wombola Dam open pit;
- Majestic open pit followed by Imperial underground mine;
- 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.

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.

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, 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.