

ASX ANNOUNCEMENT

26 August 2014

Asset Impairment & Tax De-recognition

The Board of Silver Lake Resources Ltd (“Silver Lake”) advises that it has substantially completed its review of the carrying value of non-current assets as at 30 June 2014. The review is subject to the normal finalisation of the year-end audit process, which is expected to be completed and announced to the ASX by 29 August 2014.

The outcome of the review is an unaudited non-cash impairment of A\$48 million. The result is in addition to the A\$42 million of impairments reported at 31 December 2013 against the Murchison Gold Operations, which have since been placed on care and maintenance.

The impairments at 30 June 2014 are due to a number of factors including assessment of exploration and development assets at Mount Monger and the decision to place the Lakewood processing facility on care and maintenance. In particular, the Cock-eyed Bob and Maxwells underground deposits, which are currently under evaluation, have been assessed as long term development assets until firm plans to develop the mines are finalised.

In addition, it has been decided to de-recognise deferred tax assets (relating primarily to prior year tax losses) of A\$53 million. This does not impact on the Company’s ability to utilise these tax losses in future financial periods.

The amounts stated above are subject to audit and therefore may vary accordingly. The impairment charges are non-cash and do not impact the Group’s cash position or operations.

“With the Murchison Gold Operations on care and maintenance, the Company is focused on the Mount Monger Operations which recorded another strong annual result of \$58 million EBITDA in FY2014 (unaudited)” said Silver Lake Managing Director Les Davis.

For further information please contact

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About Silver Lake Resources Ltd:

Silver Lake is a gold producing and exploration company based solely in Western Australia.

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 further develop the Mount Monger Operations that are under review including:

- Majestic open pit followed by Imperial 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.