

## Great Southern Project Farm-In and Joint Venture

Silver Lake Resources Limited (“**Silver Lake**” or the “**Company**”) is pleased to announce it has entered into a conditional Farm-In and Joint Venture Agreement (“**Agreement**”) with ACH Minerals Pty Ltd (“**ACH**”) in respect of the Company’s Great Southern project (“**Project**”).

Under the Agreement, ACH may earn a 51% joint venture interest in the Project by spending a minimum of \$3 million on exploration within three years from the Agreement becoming unconditional (“**Stage 1**”). Upon earning a 51% joint venture interest, ACH may elect to increase its joint venture interest in the Project to 80% by spending a further \$3 million within a further three year period (“**Stage 2**”).

As part of the Agreement Silver Lake has also granted ACH an option to acquire the Project on an outright basis at any time during the Stage 1 or Stage 2 earn in periods, for cash consideration of \$5 million in excess of any expenditure incurred to that point.

The Agreement substantially covers Silver Lake’s tenure in the Great Southern, as shown in Figure 1 below, as well as all mining information, the Ravensthorpe Camp lease and freehold properties held by the Company in the region.

Silver Lake Managing Director Luke Tonkin said:

“Today’s Agreement is another step forward for Silver Lake and is consistent with our commitment to realise value for our non-core assets. Following the recent rationalisation of our tenure in the Murchison, this Joint Venture in the Great Southern further reduces our financial and technical commitments outside of our core Mount Monger operations and installed infrastructure footprint.

“We continue to focus on maximising the returns from our highly prospective and under explored Mount Monger operation and tenement holdings. The next stage of Silver Lake’s evolution is well underway with the commencement of mining at Lucky Bay and Santa open pits and a focused \$15.5 million exploration program in FY16 targeting the discovery of high margin Daisy Milano repeat systems.”

Further details of the Agreement are as follows:

- The Agreement is conditional upon:
  - ACH obtaining Foreign Investment Review Board approval;
  - ACH satisfying Silver Lake that it has cash reserves, shareholder loans or a mixture of both, for an amount of at least A\$2 million which may only be used for the purposes of the earn-in contemplated by the Agreement;
  - all relevant third party approval and consents being obtained (“**Approval CP**”); and
  - Ministerial consent being obtained for the dealing in the tenements contemplated by the Agreement.

- The parties have 120 days in which to satisfy the conditions precedent. To the extent a particular consent or approval cannot be obtained within the 120 day period, the Approval CP will still be deemed to have been satisfied and any assets relating to the particular consent or approval will be excluded from the Agreement.
- Upon the Agreement becoming unconditional, ACH will pay SLR A\$200,000.
- ACH may elect to withdraw at any time during the Stage 1 earn in, subject to ensuring that the Project's tenements are in good standing.
- Once ACH has completed the Stage 1 earn in, the joint venture will be formed. Should ACH elect to proceed to the Stage 2 earn in, it will sole fund expenditure during that period. Thereafter, the joint venture interest of a party which does not elect to contribute pro-rata will dilute.
- If a party's joint venture interest falls below 10%, it will be deemed to have withdrawn from the joint venture and its joint venture interest will convert to a 2.0% net smelter return royalty.
- ACH will be manager of the Project and all decisions in respect of the joint venture will be made by a management committee comprised of a representative of each joint venture participant.

#### **About ACH Minerals**

ACH Minerals Pty Ltd is a private company which is part of the ACH Group. The ACH Group was set up in 2013 to review opportunities and acquire assets in the mineral resources sector. ACH Minerals is owned by a number of experienced mining industry executives including Mr Darren Hedley and Mr Ian Junk and backed by Australian and Chinese expertise and resources. The ACH Group has an ongoing collaboration with its Chinese investors and previous business partners, as well as strong relationships with potential future investors. To date, the ACH Group has acquired, or is earning into, assets in the nickel, gold and exploration sectors. It has maintained a focus on Australian-based opportunities since establishment. Further information about the ACH Group is located at [www.achglobal.com.au](http://www.achglobal.com.au).

#### **About the Great Southern Project**

The Great Southern Gold Project is an advanced gold exploration project and hosts the significant Trilogy Polymetallic deposit located in the southeast of Western Australia.

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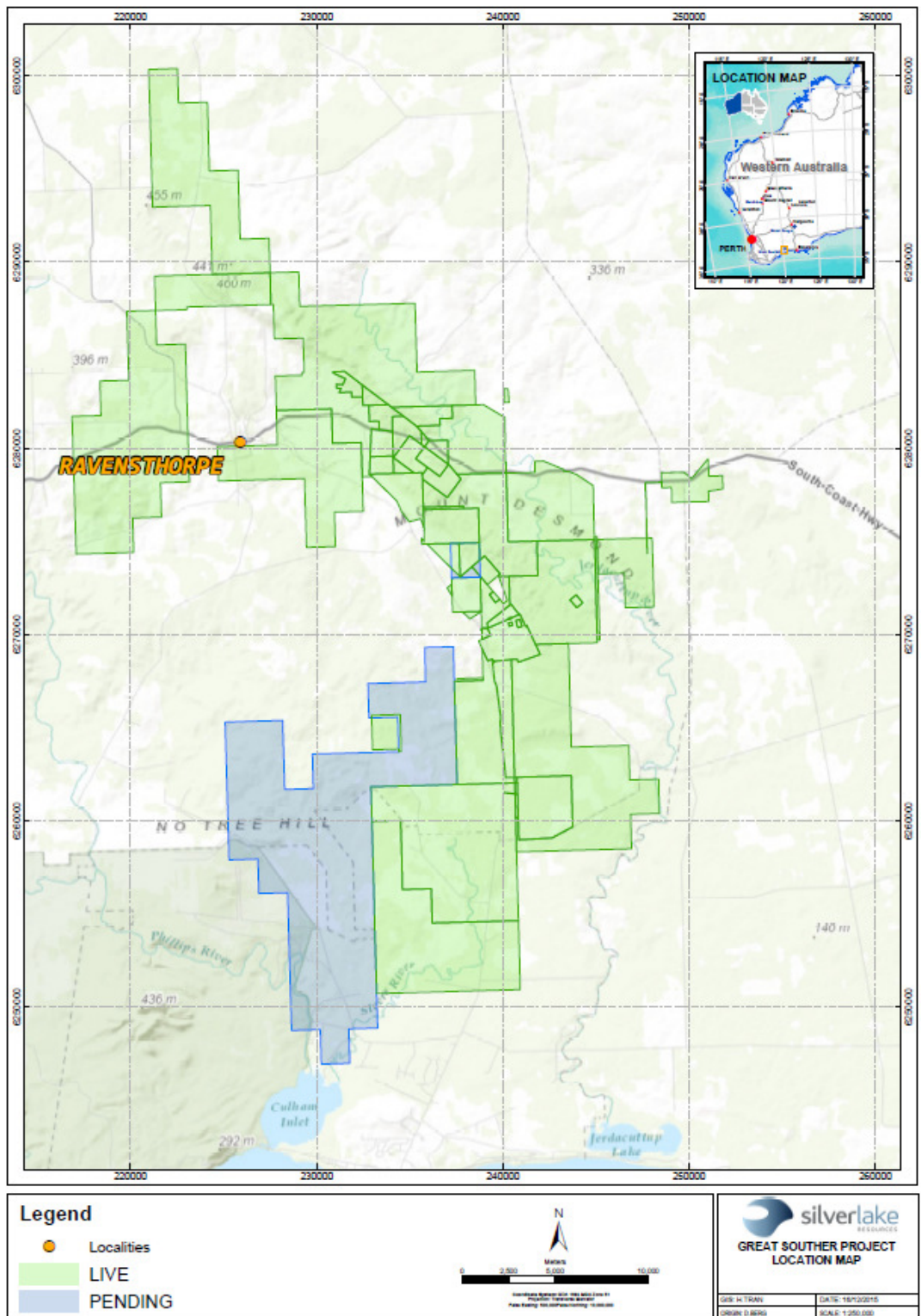


Figure 1 - Great Southern Project tenure