

ASX ANNOUNCEMENT

20 December 2012

Murchison Gold Project Update

Silver Lake Resources Ltd ("Silver Lake") is pleased to announce an update on pre-production activities at the Murchison gold project located 600 km North of Perth (refer to figure 1).

In the Murchison, Silver Lake is developing a second gold mining operation with multiple mines feeding a central processing facility. The Murchison gold project has a current resource of 25.3 million tonnes at 2.8 g/t Au for 1.9 million ounces of gold (refer to table 1).

Production is expected to commence in the March 2013 quarter ramping up to 100,000 ounces per annum in 2014. The base case production plan has ore being sourced from 14 open pit and 4 underground mines at various stages over an 8 to 10 year mine life. The design of the gold processing facility has made allowance for the later addition of a base metals grinding and recovery circuit.

The 1.2mtpa processing facility scope is 90% complete and commissioning of the power station has commenced. Dry commissioning of the crushing circuit will commence this week followed by sequential wet commissioning of the mill, other key componentry and the CIL circuit in January 2013. Procurement of stores, insurance spares and other consumables is well advanced.

Existing surface stockpiles (outside of the current resource) totalling ~190,000 tonnes at 1.0 g/t Au for ~6,000 ounces have been identified and are being moved to the ROM stockpile. Some of this material will be used for mill feed during the commissioning period followed by feeding of the higher grade open pit ores. The first gold pour from the Murchison gold project is targeted for mid February 2013 after allowing for a build-up of gold in circuit stocks.

The remaining construction requirements for the processing facility are being completed concurrently with the commissioning activities and following practical completion the project will be handed over to the operations team who will progressively transition from commissioning to full scale operations.

"We are looking forward to commissioning the Murchison gold project, bringing it into production and ramping up to 100,000 ounce per annum rates on time and in line with budget" said Silver Lake's Managing Director Les Davis.

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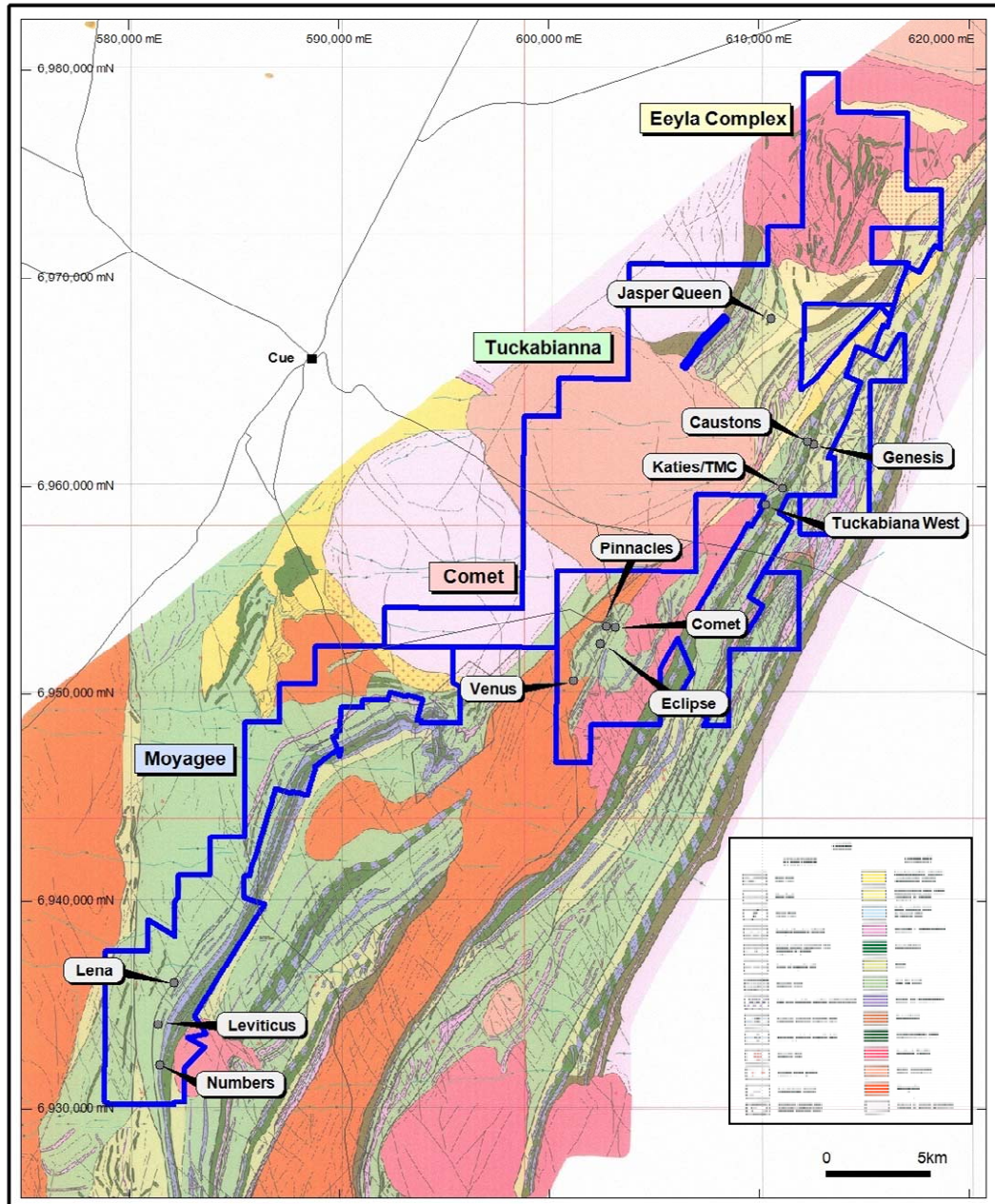


Figure 1: Murchison project location plan.

About Silver Lake Resources Ltd:

Silver Lake is an ASX 200 gold producing and exploration company with projects located in highly prospective regions including the Mount Monger and Murchison goldfields and the Great Southern district of Western Australia. Silver Lake's strategy is to develop large production centres at Mount Monger, in the Murchison and the Great Southern with multiple mines at each centre.

Silver Lake has announced that an agreement has been reached with Integra Mining Ltd (ASX IGR: "Integra") to acquire Integra's Mount Monger assets by a Scheme of Arrangement ("Scheme"). The combined business JORC Resources and JORC Ore Reserves will comprise:

- 6.6 million ounces of gold inclusive of 1.8 million ounces of reserve;
- 10.4 million ounces of silver; and
- 140,000 tonnes of copper.

Upon completion of this transaction Silver Lake will become one of the largest all-Australian gold producers.

In the Murchison, Silver Lake is developing a second mining operation with multiple mines feeding a central processing facility. A 1.2 million tonne per annum mill has been acquired for this project and production is expected to commence in the March 2013 quarter.

At the Eelya Complex, part of the Murchison project, a high grade Copper discovery has been made at Hollandaire. The Hollandaire deposit contains copper, gold, silver & zinc with grades up to 45% Cu, 5.5 g/t Au and 256 g/t Ag.

In the Great Southern, Silver Lake owns the large Kundip and Munglinup exploration projects covering over 2,500 sqkm. Post ramp up of Mount Monger and development of the Murchison in 2013, Silver Lake will increase regional gold exploration at Kundip with the view of establishing a third gold mining centre (with potential copper and silver credits).

Silver Lake's exploration programme is targeting¹ 10 million oz Au over time.

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. 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.

1: 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.

The information on exploration targets are based on a conceptual range of targets as follows:

<i>Tonnage range:</i>	<i>50 million to 100 million tonnes</i>
<i>Grade range:</i>	<i>3 g/t Au to 8 g/t Au</i>
<i>Ounces:</i>	<i>5 million to 10 million</i>

Deposit	Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s
Daisy Milano	139.2	8.6	83.1	705.5	14.6	331.1	763.7	8.3	203.8	1,608.3	12.0	613.1
Haoma	701.7	11.1	250.4	396.3	13.5	172.0	78.8	11.3	28.6	1,176.9	11.9	451.1
Haoma West	-	-	-	45.0	8.7	12.6	145.7	10.1	47.3	190.7	9.8	59.9
Christmas Flat	-	-	-	338.6	4.1	44.1	448.5	6.3	91.3	787.1	5.3	135.4
Costello	-	-	-	-	-	-	111.0	4.0	14.3	111.0	4.0	14.3
Lorna Doone	-	-	-	-	-	-	128.0	3.1	12.8	128.0	3.1	12.8
Magic	-	-	-	749.2	4.1	98.3	1,071.0	5.2	178.0	1,820.2	4.7	276.3
Wombola Pit	-	-	-	197.0	3.6	22.9	72.7	3.2	7.5	269.8	3.5	30.5
Wombola Dam	288.6	3.8	35.1	271.7	3.2	28.3	143.7	2.8	12.9	704.0	3.4	76.3
Hammer & Tap	-	-	-	-	-	-	350.2	2.4	27.4	350.2	2.4	27.4
Total Mount Monger	1,129.5	10.2	368.6	2,703.3	8.2	709.3	3,313.3	5.9	623.9	7,146.2	7.4	1,702.1
Tuckabianna - OP	-	-	-	4,050.0	2.1	270.0	4,430.0	1.9	270.0	8,480.0	2.0	540.0
Tuckabianna - UG	-	-	-	1,350.0	4.2	180.0	2,410.0	4.2	330.0	3,760.0	4.2	510.0
Comet - OP	36.0	0.6	0.7	2,324.0	2.5	186.8	250.0	1.4	10.0	2,610.0	2.4	197.5
Comet - UG	-	-	-	1,060.0	4.6	160.0	730.0	3.7	90.0	1,790.0	4.2	250.0
Moyagee - OP	-	-	-	960.0	2.1	70.0	1,410.0	2.2	100.0	2,370.0	2.2	170.0
Moyagee - UG	-	-	-	80.0	3.3	10.0	1,630.0	4.0	210.0	1,710.0	4.0	220.0
Murchison - OP	36.0	0.6	0.7	7,334.0	2.2	526.8	6,090.0	2.0	380.0	13,460.0	2.1	907.5
Murchison - UG	-	-	-	2,490.0	4.3	350.0	4,770.0	4.0	630.0	7,260.0	4.1	980.0
Hollandaire	-	-	-	-	-	-	2,800.0	0.4	34.1	2,800.0	0.4	34.1
Total Murchison	36.0	0.6	0.7	9,814.0	2.8	879.3	13,660.0	2.4	1,044.1	23,520.0	2.8	1,921.6
Kundip	-	-	-	4,390.0	3.4	481.3	4,550.0	2.1	307.2	8,940.0	2.7	788.5
Trilogy	310.0	2.4	23.9	5,750.0	0.7	136.4	180.0	0.6	4.5	6,240.0	0.8	163.8
Total Great Southern	310.0	2.4	23.9	10,140.0	1.9	617.7	4,730.0	2.0	311.7	15,180.0	2.0	952.3
Total Silver Lake	1,475.5	8.3	393.2	22,657.3	3.0	2,206.3	21,703.3	2.8	1,979.7	45,846.2	3.1	4,576.0

Table 1: June 2012 Resource

Rounding may give rise to unit discrepancies in this table

Notes to table 1:

Gold resources are inclusive of ore reserves.

	Proved Reserves			Probable Reserves			Total Reserves		
	Ore tonnes '000s	Grade	Total '000s	Ore tonnes '000s	Grade	Total '000s	Ore tonnes '000s	Grade	Total '000s
Mount Monger - Underground	-	-	-	2,023.8	5.4	350.4	2,023.8	5.4	350.4
Mount Monger - Open Pit	222.8	1.6	11.3	344.6	1.8	19.7	567.4	1.7	31.0
Mount Monger - Surface Stockpile	324.9	2.7	27.7	-	-	-	324.9	2.7	27.7
Murchison	-	-	-	4,871.3	2.7	424.8	4,871.3	2.7	424.8
Murchison - Surface Stockpile	77.0	1.0	2.5	-	-	-	77.0	1.0	2.5
Kundip Project	-	-	-	2,810.0	3.4	307.2	2,810.0	3.4	307.2
Trilogy Project	310.0	2.2	22.0	4,320.0	0.8	112.9	4,630.0	0.9	134.9
Total Ore Reserve	934.7	2.1	63.5	7,130.0	1.8	420.1	15,304.4	2.6	1,278.5

Table 2: June 2012 Ore Reserve

Rounding may give rise to unit discrepancies in this table

	Measured Resources					Indicated Resources					Inferred Resources					Total Resources					
	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	
Kundip Project																					
Silver	-	-	g/t Ag	-	oz	4,390.0	2.5	g/t Ag	353.9	oz	4,550.0	2.1	g/t Ag	314.2	oz	8,940.0	2.3	g/t Ag	668.1	oz	
Copper	-	-	% Cu	-	t	4,390.0	0.4	% Cu	15.6	t	4,550.0	0.3	% Cu	14.7	t	8,940.0	0.3	% Cu	30.2	t	
Trilogy Project																					
Silver	310.0	41.2	g/t Ag	406.6	oz	5,750.0	48.0	g/t Ag	8,859.6	oz	180.0	12.0	g/t Ag	73.4	oz	6,240.0	47.0	g/t Ag	9,339.7	oz	
Copper	310.0	0.3	% Cu	0.9	t	5,750.0	1.1	% Cu	62.3	t	180.0	0.8	% Cu	1.4	t	6,240.0	1.0	% Cu	64.6	t	
Hollandaire																					
Silver	-	-	-	-	oz	-	-	-	-	oz	2,800.0	5.0	g/t Ag	457.8	oz	2,800.0	5.0	g/t Ag	457.8	oz	
Copper	-	-	-	-	t	-	-	-	-	t	2,800.0	1.6	% Cu	45.1	t	2,800.0	1.6	% Cu	45.1	t	
Total Resource																					
Silver	310.0	40.8	g/t Ag	406.6	oz	10,140.0	28.3	g/t Ag	9,213.5	oz	4,730.0	2.5	g/t Ag	386.6	oz	17,980.0	18.1	g/t Ag	10,465.5	oz	
Copper	310.0	0.3	% Cu	0.9	t	10,140.0	0.8	% Cu	77.8	t	7,530.0	0.8	% Cu	61.2	t	17,980.0	0.8	% Cu	140.0	t	

Table 3: September 2012 base metal resource

Rounding may give rise to unit discrepancies in this table