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ASX ANNOUNCEMENT

28 February 2013

December 2012 Half Year Results

Silver Lake Resources Ltd. ("Silver Lake" or "the Company") today reported December 2012 Half Year results, which included Earnings Before Interest & Tax ("EBIT") of \$25.6 million for the period.

Highlights for the period included:

- Gold sold increased by 27% to 52,410 ounces
- Revenue increased by 27% to \$85.6 million
- EBIT of \$25.6 million
- EBIT/Revenue margin of 30% in line with previous periods
- Strong balance sheet with cash on hand of \$20.7 million
- Multi-mill/multi-mine strategy achieved:
 - o Completion of the acquisition of Integra Mining Limited ("Integra")
 - Murchison project commenced commissioning

Summary

Gold production for the period was 51,936 ounces, an increase of 35% on the prior corresponding period (2011: 38,574 ounces), while gold sales for the period increased by 27% to 52,410 ounces (2011: 41,120 ounces). Average gold price received was slightly lower at \$1,633/oz (2011: \$1,644/oz). The higher gold sales were the main contributor to higher revenue of \$85.6 million, an increase of 27% (2011: \$67.6 million). (Refer Table 1: Production Statistics).

Production during the period was sourced mainly from the Daisy Milano and Haoma deposits. Production for the corresponding period also included ore from the high grade Daisy East deposit. Accordingly, this period saw higher volumes mined and milled at lower grades compared to the previous corresponding period.

EBIT was \$25.6 million for the period. (Refer Table 2: Financial Summary).

EBIT/Revenue margins (30%) and unit cost of sales (\$1,076/oz) were maintained in line with previous periods. (Refer Table 2: Financial Summary)

Reported Net Profit was \$5.1 million, compared to \$17.2 million in the corresponding period. The decrease was mainly due to \$15.3 million in net business combination expenses relating to the Integra acquisition.

The acquisition of the Phillips River Mining Ltd. ("Phillips River") assets was completed on 4 July 2012 with the issue of 5.2 million Silver Lake shares. In addition, the acquisition of Integra by a scheme of arrangement was approved by the Federal Court on 21 December 2012 and 150.1 million Silver Lake shares were issued on 14 January 2013.



Integra will be treated as a subsidiary in future periods. Accordingly, the results for the period do not include any production, sales, income or expenses for Integra. However the Integra balance sheet has been consolidated into Silver Lake, at provisional fair values, as at 31 December 2012.

Table 1: Production Statistics		FY	FY	FY	FY	HY	HY
	Unit	30-Jun-09	30-Jun-10	30-Jun-11	30-Jun-12	31-Dec-11	31-Dec-12
Gold Produced	OZ	47,334	60,146	63,425	82,531	38,574	51,936
Gold Sales	OZ	48,353	54,969	64,703	83,347	41,120	52,410
Average Realised Price	A\$/oz	\$ 1,201	\$ 1,257	\$ 1,390	\$ 1,624	\$ 1,644	\$ 1,633

Table 2: Financial Summary ¹		FY	FY	FY	FY	HY	HY
	Unit	30-Jun-09	30-Jun-10	30-Jun-11	30-Jun-12	31-Dec-11	31-Dec-12
Revenue	\$000's	58,069	69,073	89,982	135,338	67,596	85,605
Cost Of Sales:							
- Opening Stock	\$000's	(4,256)	(2,459)	(7,802)	(14,798)	(14,798)	(24,075)
- Operating Expenditure	\$000's	(33,831)	(46,394)	(56,994)	(76,868)	(32,780)	(49,550)
- Depreciation & Amortisation	\$000's	(5,203)	(7,556)	(11,136)	(14,427)	(7,143)	(9,579)
- Royalties	\$000's	(1,816)	(2,162)	(2,955)	(4,389)	(2,155)	(2,959)
- Exploration Expense	\$000's	0	0	(829)	0	0	(441)
- Closing Stock	\$000's	2,459	7,802	14,798	24,075	15,306	30,211
Total Cost Of Sales	\$000's	(42,647)	(50,769)	(64,918)	(86,407)	(41,570)	(56,393)
Gross Profit	\$000's	15,422	18,304	25,064	48,931	26,026	29,212
Administrative Expenses	\$000's	(1,873)	(2,225)	(3,082)	(6,372)	(2,096)	(3,603)
Earning Before Interest & Tax (EBIT)1	\$000's	13,549	16,079	21,982	42,559	23,930	25,609
Other Items:							
Finance Income (Expenses)	\$000's	36	603	792	2,038	641	(912)
Business Combination Expenses	\$000's	0	0	0	0	0	(15,348)
Movement in Investments	\$000's	0	0	0	0	0	2,003
Income Tax Expense	\$000's	(2,935)	(4,900)	(6,984)	(13,422)	(7,394)	(6,227)
Reported Net Profit ²	\$000's	10,650	11,782	15,790	31,175	17,177	5,125
Unit Cost Of Sales	A\$/oz	\$ 882	\$ 924	\$ 1,003	\$ 1,037	\$ 1,011	\$ 1,076
EBIT/Revenue Margin	%	23%	23%	24%	31%	35%	30%
Balance Sheet							
- Cash	\$000's	16,564	29,503	16,085	68,249	93,358	20,692
- Working Capital	\$000's	10,272	27,106	15,459	53,678	85,803	41,443
- Net Assets	\$000's	45,570	75,545	91,373	193,963	181,096	685,074

¹ EBIT and non-IFRS financial information and are not subject to audit.

Revenue

Sales revenue for the period was \$85.6 million, an increase of 27% over the prior corresponding period, which reflects the increase in gold sales due to higher production from the Mount Monger operations.

Gold sold was 52,410 ounces, an increase of 27%. Gold production and sales will increase further in the coming periods with the inclusion of Randalls production and following the completion and ramp up of the Murchison project. The average realised price during the period was A\$1,633 ounce.

The acquisition of Integra included gold forward contracts, with 10,200 ounces hedged at an average deliverable price of A\$1,359/oz, outstanding as at 31 December 2012. These contracts all mature and will be closed out in the March 2013 quarter.

² Reported Net Profit as per the Interim Statement of Comprehensive Income at page 14 of the Interim Financial Report. The Interim Financial Report has been the subject of an audit review.



Cost of Sales/Margins

Unit cost of sales increased by 6% to \$1,076 per ounce. EBIT/Revenue margin of 30% is in line with previous periods.

Other Expenses

During the period Silver Lake expensed \$15.3 million (before tax) in business combination costs relating to the acquisition of Integra. The majority of this expense was State Government stamp duty but also included legal and other consultant fees.

Cash Flow

Cash at bank reduced by \$47.6 million during the period and was \$20.7 million at the end of the period. This reflects the continued expenditure on capital growth made by the Company, with increased underground development at Mount Monger and the construction of the Murchison project.

Net cash used in investment activities included:

- \$58.0 million on property plant and equipment, mainly on the construction of the Murchison project.
- \$9.3 million on Murchison pre-production expenditure
- \$9.4 million on exploration expenditure
- \$9.2 million on underground capital development at Mount Monger; and
- \$10.9 million on underground normal development ahead of stoping at Mount Monger.

Balance Sheet

Silver Lake has maintained a strong balance sheet over the period.

Working capital was \$41 million (2011: \$86 million). The decrease is mainly attributable to accruals for stamp duty and fees in respect of the Integra transaction.

Net assets increased by 253% to \$685.1 million, due mainly to the acquisition of Phillips River, acquisition of Integra and construction of the Murchison project.

The Integra gold forward contracts amounting to \$2.7 million all mature and will be closed out in the March 2013 quarter.

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About Silver Lake Resources Ltd:

Silver Lake is a large, all-Australian, ASX 200 gold producing and exploration company with multiple mines and multiple mills operating in the Eastern Goldfields and Murchison districts of Western Australia.

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:

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

Nearby to the Murchison project is the Eelya Complex, which 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. A pre-feasibility study is underway at Hollandaire. Provision has also been made at the Murchison gold processing facility for the addition of a base metals circuit.

In the Great Southern, Silver Lake owns the large Kundip and Munglinup exploration projects covering over 2,500 sqkm. Post ramp up 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 has a commitment to long term exploration 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:

Tonnage range: 80 million to 120 million tonnes

Grade: ~3 g/t Au

Ounces: 7 million to 10 million



Resources & Reserves

The JORC Gold Resource as at June 2012 totalled 6.6 million ounces inclusive of 1.8 million ounces of ore reserves as detailed below.

	Meas	sured Reso	ources	Indic	ated Resor	urces	Infe	rred Resou	rces	Total Resources			
	Ore	Grade	Total	Ore	Grade	Total	Ore	Grade	Total	Ore	Grade	Total	
Deposit	t	g/t Au	Oz Au	t	g/t Au	Oz Au	t	g/t Au	Oz Au	t	g/t Au	Oz Au	
	'000s		'000s	'000s		'000s	'000s		'000s	'000s		'000s	
Total Mount Monger	3,371.5	4.3	466.6	21,528.3	3.2	2,191.3	9,093.3	3.8	1,098.9	33,993.1	3.4	3,756.8	
Hollandaire	-	-	-	-	-	-	1,100.0	0.5	18.0	1,100.0	0.5	18.0	
Total Murchison	36.0	0.6	0.7	8,474.0	3.2	879.0	11,960.0	2.7	1,028.0	20,470.0	2.9	1,907.7	
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	3,717.5	4.1	491.2	40,142.3	2.9	3,688.0	25,783.3	2.9	2,438.6	69,643.1	3.0	6,616.8	

	Prov	ed Rese	rves	Proba	able Rese	erves	Tot	al Reser	/es
	Ore			Ore			Ore		
	tonnes	Grade	Total	tonnes	Grade	Total	tonnes	Grade	Total
	'000s		'000s	'000s		'000s	'000s		'000s
Mount Monger	2,415.7	1.7	129.6	7,564.4	3.3	793.4	9,980.1	2.9	923.0
Murchison	77.0	1.0	2.5	4,871.3	2.7	424.8	4,948.3	2.7	427.3
Great Southern	310.0	2.2	22.0	7,130.0	1.8	420.1	7,440.0	1.8	442.1
Total Ore Reserve	2,802.7	1.7	154.1	19,565.7	2.6	1,638.3	22,368.4	2.5	1,792.4

Table 1: JORC Gold Resources & Ore Reserves as of June 2012.

Rounding may give rise to unit discrepancies in this table

		Measu	red Resourc	es			Indicate	ed Resource	s			d 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 2: September 2012 base metal resource

Rounding may give rise to unit discrepancies in this table