silverlake RESOURCES

ANNUAL REPORT

For the year ended 30 June 2009

ABN 38 108 779 782

Highlights

2009	
July	Board approves low capital plan to expand capacity at Lakewood Gold Processing Facility to 600,000 tonnes per annum. Commenced ore production at Christmas Flat. Significant high grade near surface Au intersections at the Magic Deposit.
June	$10.7 million net profit after tax for first full year of operation. Payback of Daisy Milano Mine and Lakewood Gold Processing Facility. Commenced Christmas Flat project. Mount Monger producing at 60,000 oz Au per annum rates.
May	Discovery of Daisy East and Emma Au deposits. High grade Au intersections at Leslie.
March	Daisy Milano producing at expected 40,000 oz Au per annum rates.
February	Poured first pure tonne of gold (32,150 oz).
January	Resources additions at Mount Monger & Murchison bringing global resources to 1.5 million oz.
2008	
April	First gold dore produced at the Lakewood Gold Processing Facility from Daisy Milano ore.
April	Commissioning completed at the Lakewood Gold Processing Facility.
March	1Moz Au resource base achieved following the acquisition of Comet gold and Kurrajong nickel projects.
2007	
December	Ore production commenced from the Daisy Milano mine.
November	The 300,000 tonne per annum Lakewood Gold Processing Facility was acquired and an upgrade program commenced.
November	Silver Lake successfully completed a $30 million Initial Public Offering and commenced trading on the Australian Stock Exchange.
May	Silver Lake raises initial seed capital and recognises gold as an attractive sector in an increasingly unstable economic climate. Project acquisitions commence.

Corporate Directory

Directors

Paul Chapman	Non-Executive Chairman
Les Davis	Managing Director
Chris Banasik	Executive Director – Exploration and Geology
Brian Kennedy	Non-Executive Director
Peter Johnston	Non-Executive Director
David Griffiths	Non-Executive Director

Company Secretary

Peter Armstrong

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Solicitors

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1202 Hay Street
West Perth WA 6005

Share Register

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Auditors

KPMG
235 St George's Terrace
Perth WA 6000

Internet Address

www.silverlakeresources.com.au

ABN 38 108 779 782
ASX Code: SLR

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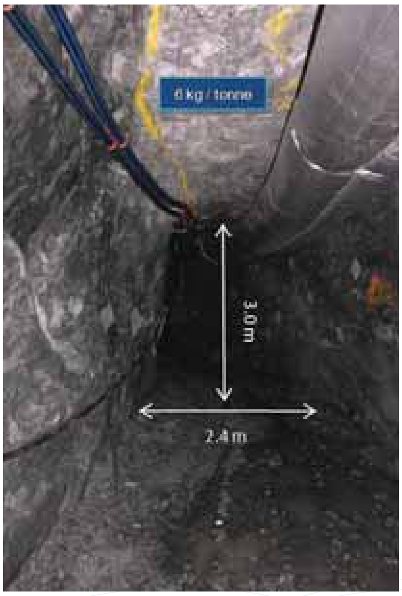

Chairman & Managing Director's Report

Dear fellow shareholder

Last year we set the following key objectives for the Company:

- maximise cash flow from the Mount Monger Operations to fund growth in the business;
- reduce our dependence on a single mine and bring multiple mines into production, some via open pits and other mines accessible from the existing Daisy Milano underground development;
- continue exploration at Mount Monger to create a large-scale production scenario; and
- progress the evaluation of the Murchison assets with a view to establishing a low capital production plan.

We are pleased to report our progress on these matters after completing our first full year of operations with a number of significant achievements:

- production rates from the Daisy Milano mine were increased to 150,000 tpa at a head grade of 10g/t Au and a full cost of A$780 per oz;
- ore production commenced at the Christmas Flat open pit and we moved from a single mine operation at Mount Monger;
- a pipeline of further open cut mining projects has been progressed with resources totalling 802,600 tonnes at 2.90 g/t Au for 74,900 oz all being near term mining operations with mill capacity now being our constraining factor;
- productivities at the Lakewood Gold Processing Facility were significantly improved and we have committed to an expansion of that facility to 600,000 tpa at a cost of A$4 million;
- resources at Mount Monger were increased after allowing for production and discoveries were made at Daisy East, Emma and Rosemary extension;
- resources at our Murchison projects increased to 0.97 million oz Au and exciting exploration targets were defined;
- we generated a NPAT of A$10.7 million and net cashflow of A$14.9 million; and
- we have maintained a strong balance sheet with cash and bullion of A$20 million and no debt or hedging at 30 June 2009.

We believe that we have surpassed our objectives for last year and remain focussed on growing the business into the future.

Silver Lake believes gold is an attractive business to be in. In the short term, the gold price will be driven by factors including uncertainty in world markets, political instability and switching from a weakening US dollar into gold. In the longer term, the fundamentals are strong as supply falls due to factors such as power restrictions in South Africa and demand swells with growing consumption from developing countries.

Pleasingly, some cost pressures have eased in the current environment particularly fuel costs. However, we remain committed to strong cost management and running a sustainable, high margin business.

Over the coming year we will consolidate on the foundation that we have established this year. We will also grow our business while maintaining a strong financial position. Accordingly, we have set ourselves the following key objectives next year:

- continue production of ~50,000 oz Au pa from Daisy Milano and extend the mine life beyond five years;
- complete mining of 10,000 oz Au from stage 1 of the Christmas Flat open pit and commence production from the Magic open pit;
- expand the Lakewood Gold Processing Facility to 600,000 tpa;
- complete mining studies for Christmas Flat stage 2, Lorna Doone and Costello open cut deposits;
- grow the resource base at Mount Monger with exploration targeting the Daisy Deeps, Daisy East, Emma, Rosemary and Leslie deposits;
- explore the high grade Murchison projects and delineate further resources to sustain a high margin operation; and
- maintain a strong balance sheet.

Silver Lake has cash flow, highly promising assets and a committed team with a proven track record to implement its strategy. We are committed to growing shareholder value.

On behalf of the Board, we would like to thank the Company's employees for their efforts and achievements during a challenging period. We would also like to acknowledge the support of our suppliers and our shareholders for their confidence in the Company.

Paul Chapman
Non-Executive Chairman
31 July 2009

Les Davis
Managing Director

Operations Report

Overview

Silver Lake Resources Limited ("Silver Lake" or "the Company") is a gold producing and exploration company with a resource base of 1.5 million oz Au in highly prospective regions including the Mount Monger goldfield and Murchison goldfield.

Silver Lake's strategy is to develop large production centres at Mount Monger and the Murchison with multiple mines at each centre.

Silver Lake's Mount Monger Operation contains the Daisy Milano underground mine and the Christmas Flat open pit located 50 km southeast of Kalgoorlie.

Mount Monger has additional multi mine potential underpinned by emerging open pit production from Magic, Costello and Lorna Doone deposits (refer to figure 2).

Furthermore, multiple new discoveries made adjacent to Daisy Milano infrastructure being Daisy East, Emma and Rosemary extension (refer to figure 5) will result in near term underground production sources.

Gold ore from Mount Monger is transported to Silver Lake's 300,000 tpa Lakewood Gold Processing Facility ("LGPF") located 5 km southeast of Kalgoorlie and 45 km from the Daisy Milano mine. The Company is currently mill constrained and has committed to expand LGPF to 600,000 tpa at an estimated cost of A$4 million.

The Company continues to review low capital milling options for the Murchison project. Ongoing exploration will focus on extending current resources that are constrained by limited drilling particularly below 100 metres depth with the strategy of delineating sufficient resources to sustain a high margin operation.

Silver Lake's exploration programme is targeting 2.5 million to 5 million oz Au in resource.

Safety

There was one (1) Lost Time Injury during the period at Daisy Milano when a sharp rock penetrated an airleg miner's safety boot. Silver Lake's Lost Time Injury Frequency Rate stands at 5.1.

Underground Mine Production

Production at Daisy Milano exceeded expectations during the period with high grade production of 150,820 tonnes at 10.0 g/t Au for 48,609 oz and low grade production of 9,043 tonnes at 1.6 g/t Au for 471 oz (refer to table 1).

During the period, the Company has successfully focused on increasing productivity on the mineralised structures whilst maintaining a selective mining method to minimise dilution.

Open Pit Production

The Christmas Flat Project located 1 kilometre north of Daisy Milano commenced in June 2009.

Stage 1 of the open pit is predominately free dig and produces approximately 10,000 oz at a grade of 4.5 g/t Au. Given the near surface mineralisation of the deposit the first ore was produced in July 2009.

A trial trench (refer to table 1) of 3,000 tonnes of ore at 2.0 g/t Au was mined during the period.

Operations Report

Mount Monger	Units	Full Year 08/09	Jun Qtr 2009	Mar Qtr 2009	Dec Qtr 2008	Sep Qtr 2008
Daisy Milano – High Grade						
Ore hoisted	Tonnes	150,820	48,099	45,420	31,986	25,315
Mined grade	g/t Au	10.0	8.9	11.2	9.7	10.5
Gold in ore hoisted	oz	48,609	13,706	16,328	10,006	8,569
Daisy Milano – Low Grade						
Ore hoisted	Tonnes	9,043	4,196	443	4,404	-
Mined grade	g/t Au	1.6	1.2	2.0	2.0	-
Gold in ore hoisted	oz	471	159	29	283	-
Christmas Flats – Open Pit						
Ore hoisted	Tonnes	3,000	3,000	-	-	-
Mined grade	g/t Au	2.0	2.0	-	-	-
Gold in ore hoisted	oz	193	193	-	-	-
Total Ore hoisted	Tonnes	162,863	55,295	45,863	36,390	25,315
Mined Grade	g/t Au	9.4	7.9	11.1	8.8	10.5
Gold in ore hoisted	oz	49,272	14,058	16,357	10,289	8,569

Table 1: Mine production statistics.

Processing

The 300,000 tonne per annum LGPF is located 5 km southeast of Kalgoorlie and 45 km from the Daisy Milano mine. The Company is currently mill constrained and has committed to expand LGPF to 600,000 tpa at an estimated cost of A$4 million.

160,103 tonnes were milled during the period at 9.7 g/t Au for 50,067 contained oz. Recovery was 95% resulting in 47,334 oz Au produced (refer to table 2).

Lakewood Gold Processing Facility	Units	Full Year 08/09	June Qtr 2009	Mar Qtr 2009	Dec Qtr 2008	Sep Qtr 2008
Ore Milled	Tonnes	160,103	54,775	40,120	37,948	27,260
Head grade	g/t Au	9.7	8.6	11.8	8.8	10.4
Contained gold	oz	50,067	15,102	15,181	10,709	9,075
Recovery	%	95	95	95	93	96
Gold produced	oz	47,334	14,289	14,385	9,966	8,694
Gold sold	oz	48,353	15,111	12,945	10,498	9,799

Table 2: Processing statistics.

Operations Report

Gold In Circuit

Gold in circuit at the end of the period totaled 1,653 oz.

Gold Sales

Gold sales for the period totaled 48,353 oz at an average realised price of A$1,200 oz.

Financial Result

The profit of the Group for the financial period, after providing for income tax amounted to $10,650,000 (2008: $3,664,000 loss).

At the end of the financial year the Group had $16,564,000 in cash (2008: $1,637,000), $1,975,500 in cash deposits to cover environmental bonds (2008: $1,799,000) and $1,500,000 in gold bullion (2008: $514,000).

Business Development

Mining studies are well advanced for the Magic, Costello and Lorna Doone deposits at Mount Monger that have a combined resource of 802,600 tonnes at 2.90 g/t Au for 74,900 oz. These deposits are planned to be mined via open pit with potential for underground operations at depth.

Exploration and Resources Report

Exploration Overview

Silver Lake's lease holding encompasses highly prospective tenement holdings in the Mount Monger and Murchison goldfields, along with the Rothsay and Copper Lakes projects (see figure 1). During the reporting period exploration activities have been undertaken at Mount Monger, Tuckabianna and Rothsay.

At Mount Monger exploration has been undertaken from underground as well as on the surface. The Daisy Milano orebody was extended down plunge via an underground diamond drilling programme conducted from the 23 stockpile within the Daisy Milano decline.

Underground drilling from the Daisy Milano 8 level intersected the extension of the Rosemary lode and also made two new discoveries. Daisy East and Emma were intersected approximately 40 metres and 70 metres from Daisy Milano respectively. All structures contain typical Daisy Milano style narrow vein mineralisation with sericite pyrite alteration.

Successful surface drilling programmes were also undertaken at the Leslie and Magic projects. The Leslie programme was designed to establish a geological base line for the area which has very little historical information and limited underground workings. The Magic programme was designed to infill around limited historic information.

At Tuckabianna, two geophysical programmes were undertaken. An Electrical Resistivity Imaging ("ERI") survey was undertaken to delineate any paleochannels which may exist in the area with the survey successfully identifying 15 paleochannels. In conjunction with the ERI survey the available historical geophysical data was reinterpreted which also highlighted 17 structural targets. There were a number of overlapping targets between the two surveys. The highest ranked paleochannel and structural targets will be tested via drilling programmes in the coming year.

At Rothsay, a SKYTEM survey was undertaken to establish the existence of shallow conductors to the north of the existing Rothsay underground resource. This programme will be followed up with surface drilling to target northern extensions to the Rothsay resource in the coming year.

Resources

A 20% increase to total gold resource ounces at the Mount Monger Operation was achieved from the Company's underground and surface drilling programmes, remodeling of the ore surfaces using digitised face mapping, extensive sampling and assay data and an improved interpretation of the nature of the orebody.

The high grade resource increase at Mount Monger confirms the estimated Daisy Milano mine life to be five years.

Silver Lake commenced its exploration programme at Mount Monger in January 2008 and is targeting 2Moz Au in resource at Mount Monger, and a further 3Moz Au at its Murchison projects.

Exploration and Resources Report

As at 30 June 2009, the Measured, Indicated and Inferred Mineral Resources were as follows:

	Measured Resources [1]			Indicated Resources [1]			Inferred Resources [1]			Total Resources [1]		
Deposit	Ore t (,000)	Grade g/t Au	Total Oz Au (,000)	Ore t (,000)	Grade g/t Au	Total Oz Au (,000)	Ore t (,000)	Grade g/t Au	Total Oz Au (,000)	Ore t (,000)	Grade g/t Au	Total Oz Au (,000)
Daisy Milano [2]	117.1	41.3	155.7	36.7	32.7	38.5	44.0	44.7	63.2	197.8	40.5	257.4
Christmas Flat [4]				206.5	3.5	23.0	247.2	3.5	28.1	453.7	3.5	51.1
Lorna Doone [3]							111.0	4.0	14.3	111.0	4.0	14.3
Costello [3]							94.0	3.7	11.2	94.0	3.7	11.2
Magic [3]				348.4	3.2	35.4	249.2	2.6	20.8	597.6	2.9	56.1
Total Mount Monger	117.1	41.3	155.7	591.6	5.1	97.0	745.4	5.7	137.5	1454.1	8.3	390.1
Comet [4]				1709.1	3.6	198.3	572.2	5.1	92.9	2281.2	4.0	291.2
Moyagee [4]							820.2	8.5	224.2	820.2	8.5	224.2
Tuckabianna [4]				2327.1	2.8	212.1	2393.2	3.1	237.9	4720.3	3.0	450.0
Total Murchison				4036.2	3.2	410.4	3785.6	4.6	554.9	7821.8	3.8	965.4
Rothsay [4]							591.2	7.0	132.9	591.2	7.0	132.9
Total Silver Lake	117.1	41.3	155.7	4627.8	3.4	507.4	5122.2	5.0	825.3	9867.1	4.7	1488.4

Table 3: Silver Lake Resource Inventory as at June 2009.

Notes

1. The figures quoted represent the geological resource. No "Modifying Factors" have been applied as per the 2004 edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code").

2. For the Daisy Milano Measured and Indicated Resource calculation, the geology model was formed by the incorporation of geological mapping, face production sampling and drill hole data. Mineralised veins down to a width of 0.1 metre are included in the resource model.

   For the Daisy Milano Inferred Resource calculation the geology model was extrapolated from 490 metres below the surface down to 570 metres below the surface, which is the bottom of the current mine plan.

3. The Magic, Costello and Lorna Doone resources incorporate oxide, transition and sulphide material. The models are based mainly on RC drilling with less than 10% diamond drill data.

4. Resources calculations for Christmas Flats, Comet, Moyagee, Tuckabianna and Rothsay were based on reviews of historical drilling data and a recalculation of resource models.

5. The information in this report that relates to Exploration Results and Mineral Resources 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.

6. Information that relates to exploration 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.

Exploration and Resources Report

Tenement Schedule

	Tenement							Area	
Project	Type	Number	Registered Holder	Holder %	Date Granted	Date Expiry	Renewal/ Application Date	Hectares	Blocks
Copper Lakes	E	45/2903	Rudd AP	100%			01/05/2006		78.0
Comet	E	21/0125	Cue Minerals Pty Ltd	100%	16/01/2008	15/01/2013		5890.00	19.0
	M	21/0008	Cue Minerals Pty Ltd	100%	16/05/1986	15/05/2028		47.68	
	M	21/0072	Cue Minerals Pty Ltd	100%	2/09/1991	01/09/2012		745.30	
	P	20/1931	Cue Minerals Pty Ltd	100%	29/12/2006	28/12/2010		31.45	
	P	21/0641	Cue Minerals Pty Ltd	100%	2/02/2007	01/02/2011		38.21	
	P	21/0642	Cue Minerals Pty Ltd	100%	2/02/2007	01/02/2011		98.66	
Kurrajong	E	20/0531	Cue Minerals Pty Ltd	100%	23/08/2006	22/08/2011		6820.00	22.0
	E	20/0573	Mavia Pty Ltd	100%	2/10/2008	01/10/2013	2/12/2004	930.00	3.0
	E	20/0616	Cue Minerals Pty Ltd	100%	22/01/2007	21/01/2012		9610.00	31.0
Lakewood	L	26/0234	Silver Lake Resources Ltd	100%	3/04/2008	02/04/2029		33.00	
	M	26/0242	Silver Lake Resources Ltd	100%	18/10/1988	17/10/2009		141.65	
	M	26/0367	Silver Lake Resources Ltd	100%	12/05/1993	11/05/2014		2.08	
Moyagee	M	21/0106	Silver Lake Resources Ltd	100%	19/05/1999	18/05/2020		935.00	
	M	21/0107	Silver Lake Resources Ltd	100%	19/05/1999	18/05/2020		642.85	
	M	58/0224	Silver Lake Resources Ltd	100%	29/08/1995	28/08/2016		320.00	
	M	58/0225	Silver Lake Resources Ltd	100%	29/08/1995	28/08/2016		154.00	
	E	21/0129	Silver Lake Resources Ltd	100%	30/01/2008	29/01/2013		5890.00	19.0
	E	58/0335	Silver Lake Resources Ltd	100%	4/06/2008	03/06/2013		2790.00	9.0
	P	21/0651	Silver Lake Resources Ltd	100%	8/10/2008	07/10/2012	31/08/2006	99.73	
	P	21/0652	Silver Lake Resources Ltd	100%	8/10/2008	07/10/2012	31/08/2006	100.23	
	P	21/0654	Silver Lake Resources Ltd	100%	12/09/2008	11/09/2012	31/08/2006	29.09	
	P	21/0655	Silver Lake Resources Ltd	100%	12/09/2008	11/09/2012	31/08/2006	3.36	
	P	21/0656	Silver Lake Resources Ltd	100%	12/09/2008	11/09/2012	31/08/2006	5.23	
	P	21/0657	Silver Lake Resources Ltd	100%	12/09/2008	11/09/2012	31/08/2006	174.43	
	P	21/0658	Silver Lake Resources Ltd	100%	12/09/2008	11/09/2012	31/08/2006	48.43	
	P	21/0662	Silver Lake Resources Ltd	100%	9/10/2008	08/10/2012	9/11/2006	69.19	
	P	21/0665	Silver Lake Resources Ltd	100%	9/10/2008	08/10/2012	9/11/2006	48.00	
	P	58/1372	Silver Lake Resources Ltd	100%	9/10/2008	08/10/2012	31/08/2006	7.24	
	P	58/1373	Silver Lake Resources Ltd	100%	9/10/2008	08/10/2012	31/08/2006	43.38	
	P	58/1374	Silver Lake Resources Ltd	100%	9/10/2008	08/10/2012	31/08/2006	52.24	
	P	58/1375	Silver Lake Resources Ltd	100%	9/10/2008	08/10/2012	31/08/2006	90.95	
Mt Monger	L	26/0215	Silver Lake Resources Ltd	100%	4/07/2000	03/07/2021		4.00	
	L	26/0246	Silver Lake Resources Ltd	100%			10/11/2008	3.00	
	M	25/0136	Silver Lake Resources Ltd	100%	1/02/1995	31/01/2016		84.71	
	M	26/0038	Silver Lake Resources Ltd	100%	20/10/1983	19/10/2025		12.36	
	M	26/0094	Silver Lake Resources Ltd	100%	8/10/1995	07/10/2027		9.56	
	M	26/0129	Silver Lake Resources Ltd	100%	17/03/1987	16/03/2029		24.10	
	M	26/0250	Silver Lake Resources Ltd	100%	12/01/1989	11/01/2010		314.75	
	M	26/0251	Silver Lake Resources Ltd	100%	12/01/1989	11/01/2010		331.85	

Exploration and Resources Report

	Tenement							Area	
Project	Type	Number	Registered Holder	Holder %	Date Granted	Date Expiry	Renewal/ Application Date	Hectares	Blocks
Mt Monger	M	26/0271	Silver Lake Resources Ltd	100%	31/03/1989	30/03/2010		18.20	
	M	26/0280	Silver Lake Resources Ltd	100%	7/09/1989	06/09/2010		13.52	
	M	26/0282	Silver Lake Resources Ltd	100%	22/05/1989	21/05/2010		27.56	
	M	26/0325	Silver Lake Resources Ltd	100%	22/01/1990	21/01/2011		15.83	
	M	26/0389	Silver Lake Resources Ltd	100%	20/03/1992	19/03/2013		77.00	
	M	26/0393	Silver Lake Resources Ltd	100%	24/06/1992	23/06/2013		67.82	
	M	26/0402	Silver Lake Resources Ltd	100%	29/10/1992	28/10/2013		475.80	
	M	26/0410	Silver Lake Resources Ltd	100%	18/11/1992	17/11/2013		11.20	
	M	26/0411	Silver Lake Resources Ltd	100%	25/01/1993	24/01/2014		10.00	
	M	26/0415	Silver Lake Resources Ltd	100%	8/02/1993	7/02/2014		2.05	
	M	26/0500	Silver Lake Resources Ltd	100%			23/08/1995	4.50	
	M	26/0636	Silver Lake Resources Ltd	100%	11/01/1999	10/01/2020		5.90	
	M	26/0665	Silver Lake Resources Ltd	100%	25/10/2000	24/10/2021		9.44	
	P	25/1872	Silver Lake Resources Ltd	100%	22/11/2007	21/11/2011		178.00	
	P	25/1873	Silver Lake Resources Ltd	100%	22/11/2007	21/11/2011		186.00	
	P	25/1962	Silver Lake Resources Ltd	100%	22/11/2007	21/11/2011		121.00	
	P	25/1963	Silver Lake Resources Ltd	100%	22/11/2007	21/11/2011		121.00	
	P	26/1987	Silver Lake Resources Ltd	100%	29/08/1991	28/08/1995		4.09	
	P	26/3253	Silver Lake Resources Ltd	100%	21/08/2006	20/08/2010		10.00	
	P	26/3417	Silver Lake Resources Ltd	100%	12/08/2008	11/08/2012		8.00	
	P	26/3501	Silver Lake Resources Ltd	100%			1/02/2007		
	P	26/3502	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		24.00	
	P	26/3503	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		9.71	
	P	26/3504	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		4.15	
	P	26/3505	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		134.00	
	P	26/3506	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		102.00	
	P	26/3507	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		70.00	
	P	26/3508	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		157.00	
	P	26/3509	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		157.00	
	P	26/3510	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		183.00	
	P	26/3511	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		158.00	
	P	26/3512	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		198.00	
	P	26/3513	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		177.00	
	P	26/3514	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		150.00	
	P	26/3515	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		179.00	
	P	26/3516	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		129.00	
	P	26/3517	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		122.00	
	P	26/3518	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		199.00	
	P	26/3519	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		121.00	
	P	26/3520	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		195.00	
	P	26/3521	Silver Lake Resources Ltd	100%	17/01/2008	16/01/2012		183.00	

Exploration and Resources Report

	Tenement							Area	
Project	Type	Number	Registered Holder	Holder %	Date Granted	Date Expiry	Renewal/ Application Date	Hectares	Blocks
Mt Monger	P	26/3522	Silver Lake Resources Ltd	100%	22/11/2007	21/11/2011		80.00	
Rothsay	E	59/1234	Silver Lake Resources Ltd	100%	29/01/2007	28/01/2012		310.00	1.0
	E	59/1262	Silver Lake Resources Ltd	100%	10/08/2007	9/08/2012		310.00	1.0
	E	59/1263	Silver Lake Resources Ltd	100%	10/08/2007	09/08/2012		310.00	1.0
	E	59/1455	Silver Lake Resources Ltd	100%	16/12/2008	15/12/2013	21/12/2007	310.00	1.0
	E	59/1494	Silver Lake Resources Ltd	100%			31/03/2008	1550.00	5.0
	E	59/1574	Silver Lake Resources Ltd	100%			11/03/2009	3720.00	12.0
	L	59/0024	Silver Lake Resources Ltd	100%	22/08/1989	21/08/2009		6.90	
	M	59/0039	Silver Lake Resources Ltd	100%	4/12/1986	03/12/2028		710.30	
	M	59/0040	Silver Lake Resources Ltd	100%	4/12/1986	03/12/2028		380.85	
	P	59/1745	Silver Lake Resources Ltd	100%	14/02/2007	13/02/2011		122.60	
	P	59/1746	Silver Lake Resources Ltd	100%	14/02/2007	13/02/2011		152.70	
	P	59/1747	Silver Lake Resources Ltd	100%	14/02/2007	13/02/2011		128.10	
Tuckabianna	E	20/0606	Silver Lake Resources Ltd	100%	08/08/2007	07/08/2012		6200.00	20.0
	E	20/0608	Silver Lake Resources Ltd	100%	08/08/2007	07/08/2012		1240.00	4.0
	M	20/0055	Silver Lake Resources Ltd	100%	19/05/1987	18/05/2029		344.25	
	M	20/0108	Silver Lake Resources Ltd	100%	06/05/1988	05/05/2009		932.70	
	M	20/0111	Silver Lake Resources Ltd	100%	06/05/1988	05/05/2009		240.05	
	M	20/0176	Silver Lake Resources Ltd	100%	10/04/1989	09/04/2010		322.55	
	M	20/0183	Silver Lake Resources Ltd	100%	05/09/1989	04/09/2010		7.88	
	M	20/0195	Silver Lake Resources Ltd	100%	16/05/1990	15/05/2011		784.35	
	M	20/0208	Silver Lake Resources Ltd	100%	04/12/1990	03/12/2011		819.75	
	M	20/0225	Silver Lake Resources Ltd	100%	09/01/1992	08/01/2013		10.03	
	M	20/0245	Silver Lake Resources Ltd	100%	15/09/1992	14/09/2013		100.00	
	M	20/0247	Silver Lake Resources Ltd	100%	26/10/2002	25/10/2013		9.99	
	M	20/0277	Silver Lake Resources Ltd	100%	29/08/1995	28/08/2016		707.35	
	P	20/2038	Silver Lake Resources Ltd	100%			16/10/2007	195.00	
	P	20/2039	Silver Lake Resources Ltd	100%			16/10/2007	186.00	
	P	20/2040	Silver Lake Resources Ltd	100%			16/10/2007	145.00	
	P	20/2041	Silver Lake Resources Ltd	100%			16/10/2007	128.00	
	P	20/2042	Silver Lake Resources Ltd	100%			16/10/2007	124.00	
	P	20/2043	Silver Lake Resources Ltd	100%			16/10/2007	156.00	

M= Mining Lease
E= Exploration License
P= Prospecting License
L = Miscellaneous License

Projects Report

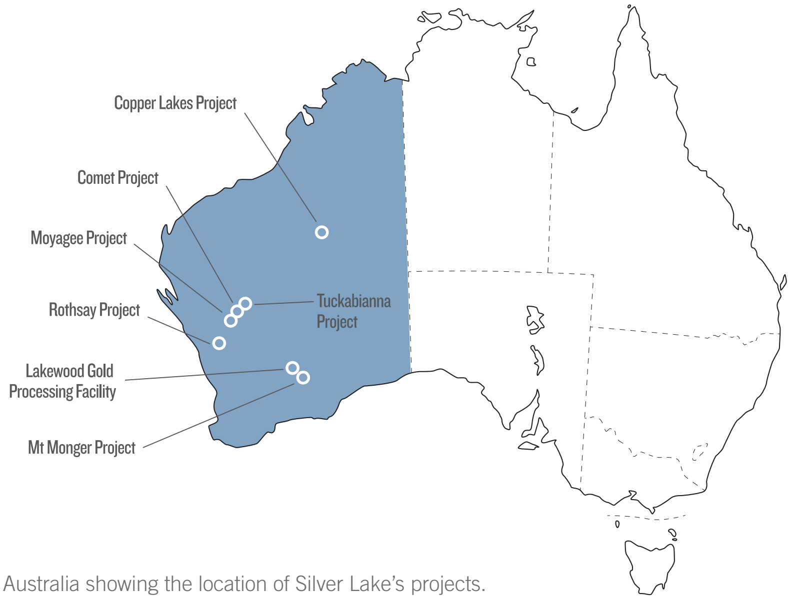

Figure 1: Map of Western Australia showing the location of Silver Lake's projects.

Mount Monger Goldfield – Western Australia (Silver Lake 100%)

The Mount Monger goldfield is situated within the terrane subdivision of the Eastern Goldfields Province located 50 km southeast of Kalgoorlie. Gold mining in the Mount Monger area began during the early 1900's. Production records indicate that the field has produced in excess of 400,000 oz Au. Since purchasing the Mount Monger tenements in December 2007 over 50,000 ounces of gold have been mined from the Mount Monger Operations. Only sub-cropping mineralisation appears to have been exploited by early miners, with historic workings in the field typically extending to depths of no greater than 80 metres below the surface.

The Mount Monger goldfield is accessible via the Mount Monger road which is bitumen for 15 km then an all weather road for the remaining 35 km. The project consists of 47 granted tenements covering 49 km^2 with another 3 tenements under application. All of the resources and historical workings lie within granted tenements. The Mount Monger lease package contains the Daisy Milano underground mine and the Christmas Flat open pit as well as other historical workings (currently not operating) (see figure 2).

Figure 2: Location plan - Daisy Milano, Christmas Flat and historical workings.

Daisy Milano Mine

The Daisy Milano gold deposit is hosted by a dilational zone within a north-south trending shear zone. The mineralisation occurs as a swarm of the thin quartz veins in two major lodes; typically less than two metres in width, dipping at about 80 degrees east, plunging to the south and lengthening in strike extent at depth.

The mine is accessed via a decline from the surface. The decline is well advanced ahead of ore development and stoping activities and currently extends down to a vertical depth of 500 metres. The decline is planned to be excavated down to a vertical depth of 570 metres, which is the current drilled extent of the resource.

The mineralised lodes observed underground have many similarities to lode structures of Kalgoorlie's Golden Mile (located to the northwest), in terms of the nature of shearing and veining, alteration assemblage and gold tenor.

Projects Report

Production and drilling to date has shown that the Daisy Milano orebody is defined by a quartz vein system hosted in andesite and porphyry. The combined strike length of the hangingwall and footwall lodes of the orebody is over 400 metres.

Figure 3: June 2009 Daisy Milano resource outlines.

Underground drilling will continue in the coming year from the 26 level and as the decline is developed. Deep drill holes are also planned down to 800 vertical metres to confirm structural continuity of the Daisy Milano ore system and the likely longevity of the life of mine beyond five years .

Christmas Flat Open Pit

The Christmas Flat Project (CFP) located 1 kilometre north of Daisy Milano commenced in June 2009.

Stage 1 of the open pit extracts near surface ore, is predominately free dig and produces approximately 10,000 oz at a grade of 4.5 g/t Au for a total cash cost (including capital) of A$700 per oz. First ore was produced in July 2009. Mining of Stage 1 is expected to be completed in 6 months and processing completed in 12 months.

The remaining resource of 41,000 oz Au at Christmas Flat (refer to figure 4) is being evaluated to be extracted by either an open pit cutback or from underground.

Progress during the period included completion of a new access road, top soil removal, construction of a ROM pad and completion of grade control drilling for the first five benches.

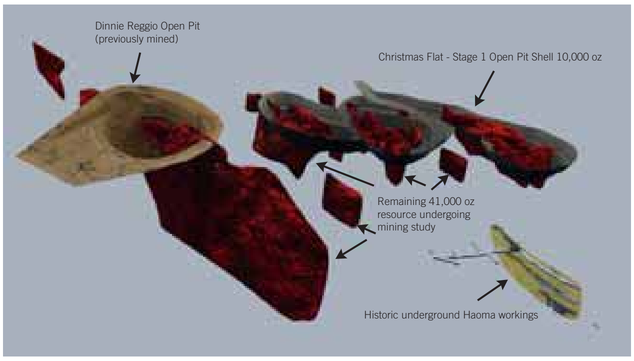

Figure 4: Schematic view of Christmas Flat open pit and remaining resource under evaluation.

Daisy East, Emma and Rosemary Deposits

In May 2009 an underground drilling programme commenced from the 8 level at Daisy Milano. This programme was targeting extensions to the Rosemary orebody which is an historical mine approximately 140 metres east of the Daisy Milano decline.

The drilling located two additional zones of gold mineralisation, Daisy East and Emma, that appear to be parallel to the Daisy Milano orebody spaced approximately 40 metres and 70 metres to the east (refer to figure 5 for location plan). The drilling also showed that the Rosemary orebody exists below the previously mined level. Figure 6 shows a plan view of the drill hole traces and figure 7 is a section looking north showing the interpreted positions of the newly discovered ore zones in relation to the Daisy Milano development.

In the coming year, an underground drilling programme covering 500 vertical metres will be carried out to extend the Daisy East, Emma and Rosemary lodes above and below the 8 level horizon. In addition a development drive will be extended to the east from the Daisy Milano 8 level exposing the Daisy East, Emma and Rosemary orebodies. Each ore surface will be strike driven to establish baseline data for structural continuity and grade variability.

Figure 5: Location plan - Daisy East, Emma and Rosemary.

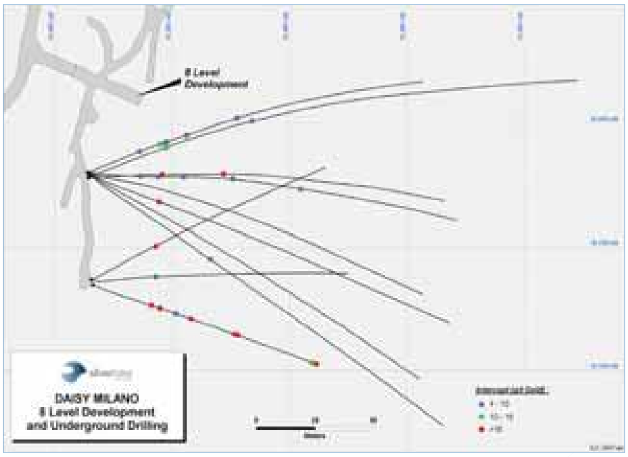

Figure 6: Plan view of Daisy Milano 8 level showing underground development and drill hole traces.

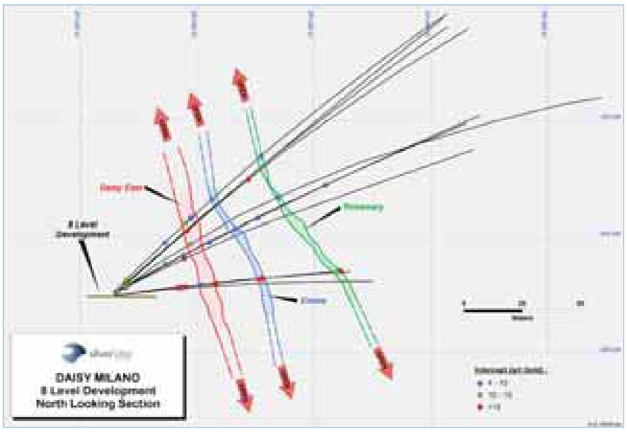

Figure 7: Section view showing interpreted positions of the orebodies.

Leslie Deposit

The Leslie area is approximately two kilometres north of the Daisy Milano mine and has been the site of historical small scale mining over the past 60 years (refer to figure 2). Historic production records show that Leslie produced 2,101 tonnes of ore at 21.8 g/t Au.

In May 2009 a programme of 16 reverse circulation drill holes were drilled in the Leslie area. Figure 8 is a west looking long section showing the results of the reverse circulation drilling programme.

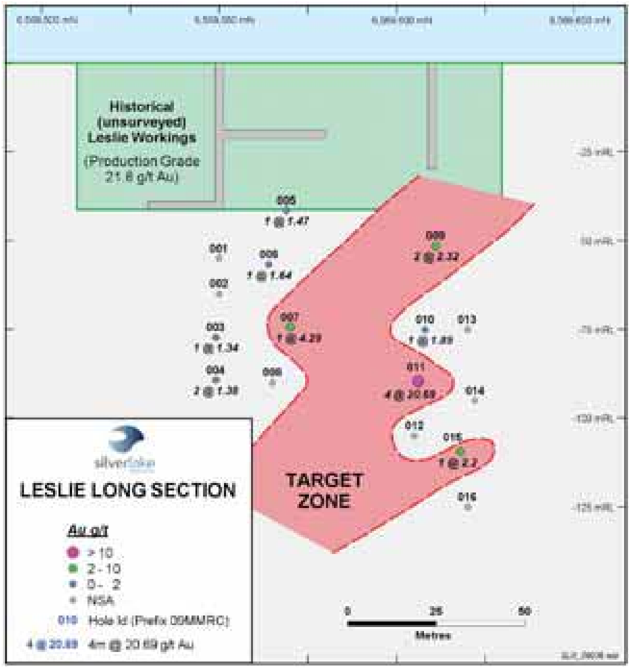

Figure 8: Leslie longsection showing drill hole locations and the high grade target zone.

The results from this programme are highly encouraging and the drilling suggests that the orebody is hosted within andesite and porphyry and dips steeply to the east with a shallow southerly plunge. This is typical of the other ore bodies in the Mount Monger area. These results have lead to the delineation of a target zone which will be tested via a diamond drill programme in the coming year.

Magic Deposit

The Magic project is located 3 kilometres south of the Daisy Milano mine. The resource is immediately east of the Mirror pit which was mined in the mid 1990's. (refer to figure 2)

In May 2009 a programme of 20 reverse circulation holes was drilled into the previously defined resource boundary. Some of the holes were drilled to test the down dip extent of the orebody and others to test the interpreted southern plunge of the orebody.

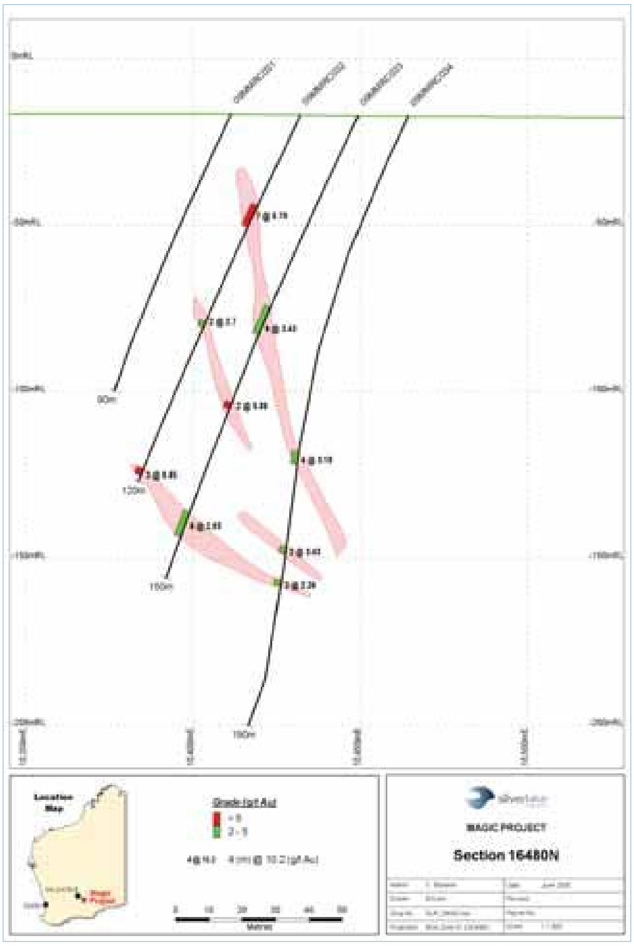

Figure 9: North looking section showing the main zone to the east and footwall mineralised zones.

This drilling programme was highly successful intersecting near-surface, thick, high grade mineralisation which continues at depth. This drilling information is being used to update the geological model and finalise the well advanced mining study and commence the regulatory processes. Metallurgical test work is underway and providing results are as expected this project could be in production early in 2010.

Murchison Goldfield - Western Australia (Silver Lake 100%)

Silver Lake's projects situated in the Murchison goldfield are located between the multi-million oz gold producing areas of Mount Magnet and Cue, 600 km northeast of Perth (see Figure 10).

Murchison assets consist of the Tuckabianna, Comet, and Moyagee projects with a combined resource of 7,821,800 tonnes at 3.80 g/t Au for 965,400 oz.

The data from the projects has been completely reviewed. This review consisted of all drill hole databases, available geophysical data and internal reports.

The Company continues to review low capital milling options for the Murchison project. Ongoing exploration will focus on extending current resources that are constrained by limited drilling particularly below 100 metres depth with the strategy of delineating sufficient resources to sustain a high margin operation.

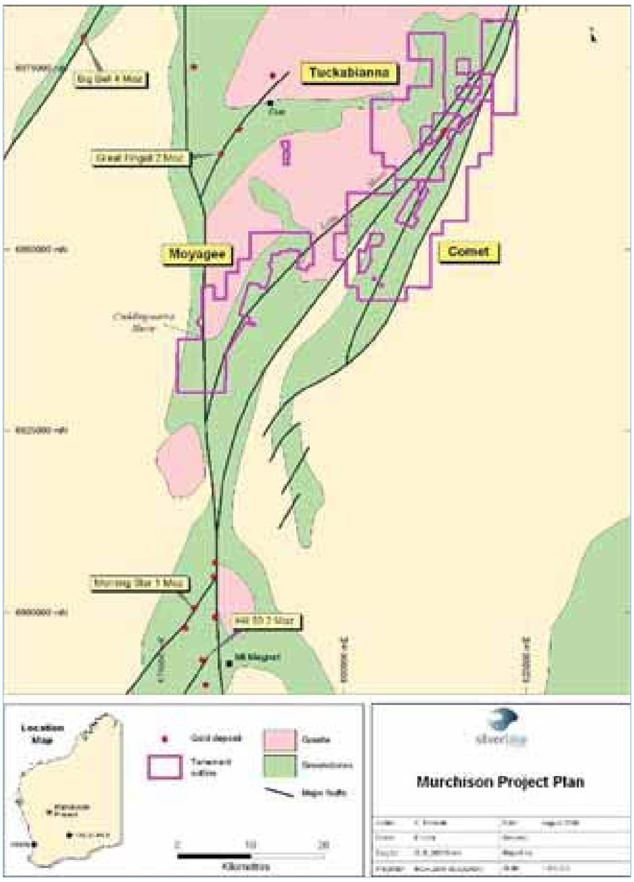

Figure 10: Location Plan - Tuckabianna, Comet and Moyagee.

Tuckabianna Project

Background

Gold was discovered at Tuckabianna in 1915 with intermittent small scale production from rich mineralised pods within the host banded iron formation. During the period leading up to the commencement of modern open pit mining operations in 1988, total gold production was 53,000 oz at an average grade of 18 g/t.

Between 1988 and 1997, approximately six million tonnes of ore was treated from the Tuckabianna area for total production exceeding 500,000 oz Au. Most of this production came from 17 different open pits located within the project area.

Exploration

In May 2009 a geophysical survey using an ERI was used in the northern portions of the Tuckabianna lease holding. The purpose of this survey was to attempt to identify the presence of paleochannels. The survey was extremely successful identifying 15 targets in a variety of areas. The four highest ranked targets will be tested by RC drilling in the coming year.

Figure 11: ERI survey image.

In conjunction with this survey a review of the existing aeromagnetic and electromagnetic data was completed. This review highlighted 17 targets over existing deposits in completely untested areas. As with the ERI survey the four highest ranked targets will be tested in the coming year using RC drilling.

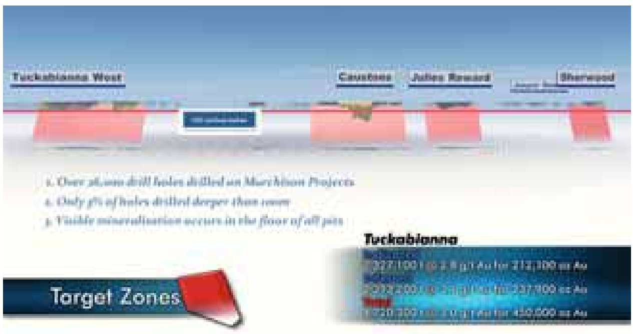

Figure 12: Schematic view of Tuckabianna deposits indicating the potential at depth.

Projects Report

Comet Project

Background

The Comet project is a pre-development gold project that also has advanced exploration targets. Mining activities commenced in the Comet project area in 1913 with underground mining being carried out until 1983. Before the 1980's, gold mining activities were largely limited to intermittent underground mining. In the late 1980's, open pit mining was undertaken at the Comet and Pinnacles deposits with production being 638,335 tonnes at 3.45 g/t Au. Up until 1996, the project area was subject to active mining operations.

Exploration

A series of diamond drill holes are planned in the coming year to the south and down dip of the existing Comet resource. This will confirm the current resource outline and possibly extend the resource in the direction of the strongest mineralised trend.

Kurrajong Nickel Project

The Kurrajong project sits directly to the east of the Company's Comet gold project near Cue, Western Australia. Several ultramafic peridotite horizons have been identified with anomalous geochemical signatures that indicate high potential for hosting komatiite style nickel sulphide mineralisation.

Moyagee Project

Background

Silver Lake's Moyagee project has been the subject of several phases of exploration since the early 1980's. Past gold production from the project area totaled 11,780 oz from 9,400 tonnes of ore, mainly from small high grade quartz veins.

Exploration

The shallow, high grade Lena prospect, at Moyagee, is the primary target for exploration in the coming year. A deep diamond drilling programme will commence in the coming year to test the dip and strike continuity of this resource which remains open at depth and to the north and south.

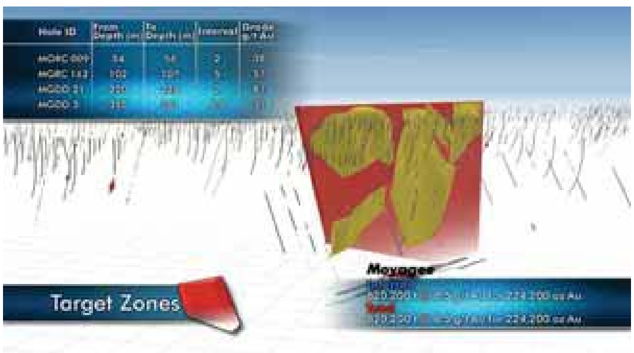

Figure 13: Schematic view of the Lena Deposit indicating target areas and previous significant drilling results.

OTHER

Rothsay Project

Background

The Rothsay gold deposit was first discovered in 1894 and several veins making up the deposit were mined up until 1994. It has been estimated that approximately 56,000 oz Au was produced from the small scale open pit and underground mining operations.

Location

The Rothsay project is located 300 km north-northeast of Perth and 70 km east of the wheat belt town of Perenjori. Access to the area is gained by gravel roads from Perenjori or Paynes Find. The project consists of eight granted tenements covering 25 km^2.

Exploration

Following the successful SKYTEM survey, a drilling programme will be conducted in the coming year to test the existing resource outline to the north and down dip.

Copper Lakes Project

The Copper Lakes project is located on the edge of the Great Sandy Desert approximately 520 km southeast of Port Hedland and approximately 200 km south of the Telfer copper-gold mine. Access to the project from Newman is via the unsealed Talawana track.

The project is located within the Rudall Complex, the Proterozoic core of the Paterson Orogen in the remote north of Western Australia. The Paterson Orogen is host to several major mineral deposits including Telfer (gold and copper), Nifty (copper) and Kintyre (uranium).

It is noteworthy that previous explorers reported assays from surface sampling programmes of up to 10 g/t Au, 26% Cu, and over 0.1% Co from the various locations on the project licence.

The Copper Lakes project is relatively under-explored, but this has not hindered the delivery of some very significant gold and copper assays from past exploration efforts. The project is still awaiting grant of the exploration tenement.

Directors' Report

The directors present their report on the consolidated entity consisting of Silver Lake Resources Limited ("Silver Lake" or "the Company") and the entities it controlled at the end of, or during the financial year ended 30 June 2009 ("the Group").

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. The directors were in office for the entire period unless otherwise stated.

Paul Chapman
B Comm, ACA, Grad Dip Tax, CFTP (Snr), MAICD, SA Fin
Non-Executive Chairman
Appointed 20 April 2004

Mr Chapman is a chartered accountant with over 20 years experience in the resources sector gained in Australia and the United States. Mr Chapman has experience across a range of commodity businesses including gold, nickel, uranium, manganese, bauxite/alumina and oil/gas.

Mr Chapman has held managing director and other senior management roles in public companies of various sizes and is Chairman of uranium explorer Encounter Resources Ltd (since 7 October 2005) and minerals explorer Rex Minerals Ltd (since 2007), and was a director of Albidon Ltd (from 18 April 2007 to 23 April 2009).

Les Davis
MSc (Min Econs)
Managing Director
Appointed 25 May 2007

Mr Davis has over 30 years industry experience including 17 years hands-on experience in mine development and narrow vein mining.

Mr Davis' career incorporates 13 years senior management experience including roles as Mine Manager, Technical Services Manager, Concentrator Manager, Resident Manager and GM Expansion Projects with organisations including WMC Resources Ltd, Reliance Mining Ltd and Consolidated Minerals Ltd.

Mr Davis has held no other directorships in publicly listed companies.

Chris Banasik
B App Sc (Physics), MSc (Econ Geol), Grad Dip Ed, MAusIMM
Executive Director – Exploration & Geology
Appointed 25 May 2007

Mr Banasik has over 21 years experience in the resource industry which includes 10 years hands-on experience in mine geology resource and reserve calculation and a history of successful exploration in the Kambalda region of Western Australia.

Mr Banasik has extensive experience in leading geology and exploration teams and managing drilling programmes, surveying, mine planning and other technical services through 11 years in management roles with WMC Resources Ltd, Reliance Mining Ltd and Consolidated Minerals Ltd.

Mr Banasik has held no other directorships in publicly listed companies.

Brian Kennedy
Cert Gen Eng
Non-Executive Director
Appointed 20 April 2004

Mr Kennedy has operated a successful resource consultancy for over 25 years and has worked in the coal, iron ore, nickel, gold and fertilizer industries. During this time Mr Kennedy managed large scale mining operations such as Kambalda and Mount Keith on behalf of WMC Resources Ltd.

Mr Kennedy was a founding shareholder and director of Reliance Mining Ltd, before its takeover by Consolidated Minerals Ltd.

Mr Kennedy has held no other directorships in publicly listed companies in the last three years.

Directors' Report

Peter Johnston
BA, FAICD, FAusIMM
Non-Executive Director
Appointed 22 May 2007

Mr Johnston's extensive management career spans 30 years. That time includes senior management roles at WMC Resources Ltd, Alcoa of Australia Limited and Lion Nathan Limited. Mr Johnston has been Chief Executive Officer/Director of Minara Resources Ltd since 20 November 2001. As Executive General Manager at WMC Resources Ltd for over eight years, Mr Johnston was at various times responsible for nickel and gold operations, Olympic Dam operations, Queensland Fertilizers Ltd and human resources.

Mr Johnston is an Executive Council member of the Chamber of Minerals and Energy, Chairman of the Nickel Institute, and a Director of the Minerals Council of Australia and Emeco Holdings Limited since 1 September 2006, and a member of the Australian Mines and Metals Association.

David Griffiths
B Bus
Non-Executive Director
Appointed 25 May 2007

Mr Griffiths has more than 30 years management and strategic communications experience developing from an initial focus on human resources and employee relations to broader, group-wide strategic roles. Previously Mr Griffiths was employed by WMC Resources Ltd and held the roles of Group Manager – Employee Relations and more recently, General Manager Corporate Affairs and Community Relations.

Currently, Mr Griffiths is the Managing Director of the communications strategy and public relations company Gryphon Management Australia Pty Ltd which he established in 2004. Gryphon Management assists companies to develop and implement strategic communication plans, human resources strategies and corporate reputation plans.

Mr Griffiths has held no directorships in publicly listed companies in the last three years.

Company Secretary

Peter Armstrong
ACIS, B Bus(Acct)
Appointed 16 January 2009

Mr Armstrong has over 30 years of accounting experience, including the last 25 years in the resources sector. He has extensive experience in senior commercial management roles with Normandy Mining, WMC and Newcrest. This experience involved working across a wide range of commodity businesses including gold, nickel, copper, coal and iron ore.

Committee Membership

As at the date of this report, the Company has an Audit Committee, Remuneration Committee and a Nomination Committee.

Those members acting on the committees of the Board during the year were:

Audit*	Remuneration*	Nomination*
David Griffiths (c)	Brian Kennedy (c)	Peter Johnston (c)
Peter Johnston	Peter Johnston	Brian Kennedy
Paul Chapman	David Griffiths	David Griffiths

(c) Designates the chairman of the committee

* Formed on 17 August 2007

Directors' Report

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director are as follows:

		Meetings of Committees		
	Director's Meetings	Audit	Remuneration	Nomination
Number of meetings held:	12	2	2	1
Number of meetings attended:				
Paul Chapman	12	2	*	*
Les Davis	12	*	*	*
Chris Banasik	12	*	*	*
Brian Kennedy	4**	1	2	1
Peter Johnston	12	2	2	1
David Griffiths	9	2	2	1

*Not a member of this committee
**Unable to attend due to overseas commitments

Directors' Interests

The relevant interest of each director in the share capital as notified by the directors to the Australian Stock Exchange in accordance with s205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Name of Director	Fully Paid Ordinary Shares	Unlisted Options
Paul Chapman	4,606,908	4,000,000
Les Davis	4,200,000	4,000,000
Chris Banasik	4,000,000	4,000,000
Brian Kennedy	4,075,377	4,000,000
Peter Johnston	4,318,253	4,000,000
David Griffiths	4,158,377	4,000,000

Note: Details of relevant interest of each director are outlined at Note 29 to the financial statements.

Principal Activities

The principal activities of the Group during the course of the financial year were exploration and evaluation of projects, gold mining from the Daisy Milano mine and gold processing at LGPF.

Corporate Structure

Silver Lake is a company limited by shares and is domiciled and incorporated in Australia.

Operating Review

The consolidated entity's operations are discussed in detail in the operations report contained in this annual report.

Review of Financial Condition

The profit of the Group for the financial period, after providing for income tax amounted to $10,650,000 (2008: $3,664,000 loss).

At the end of the financial year the Group had $16,564,000 in cash (2008: $1,637,000), $1,975,500 in cash deposits to cover environmental bonds (2008: $1,799,000) and $1,500,000 in gold bullion (2008: $514,000). Capitalised mineral exploration and evaluation expenditure is $28,741,000 (2008: $22,794,000) including capital development $3,649,000 (2008: $1,474,000).

Expenditure was principally directed to exploration for, and mining of gold in Western Australia.

Directors' Report

Capital Structure

As at the report date the Company had 153,574,424 fully paid ordinary shares and 26,341,250 options over ordinary shares on issue.

Cash from Operations

Details of the Cash from Operations are outlined in Note 15 of the financial statements.

Dividends

The Directors considered a dividend policy for the current fiscal year including the following factors:

- the Company has a number of immediate and significant value adding projects at its Mount Monger Operations;
- uncertainty around the global financial crisis and the need to maintain a strong balance sheet; and
- the absence of any franking credits.

Accordingly, it was decided that it is in the best interest of shareholders to defer a dividend. The Directors will review the Company's dividend policy on a regular basis.

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the Group during the financial period were as follows:

» A cash payment of $1.425 million was paid to Alloy Resources Limited for the completion of the purchase of the Comet Gold and Kurrajong nickel projects. This occurred on 1 July 2008. A deposit of $150,000 had already been paid to Alloy in the 2007/08 financial year.

» Mining commenced in June 2009 at the Christmas Flat open pit project at Mount Monger

Likely Developments and Expected Results

As at the date of this report Silver Lake has announced the following strategic initiatives, however, the results of these initiatives depend on the results of future exploration and evaluation and are inherently uncertain:

- Silver Lake plans to open further open pit ore sources at its Mount Monger Operations including the Magic, Costello, and Lorna Doone deposits, in order to increase utilisation of the LGPF; and
- the Company has continued a pre-feasibility study to determine strategies to open a second multi-source mining centre at its Murchison projects.

Further information on the likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because the directors believe disclosure would be likely to result in unreasonable prejudice to the Company.

Environmental Regulations and Performance

The Company's operations hold licences issued by the relevant regulatory authorities. These licences specify limits and regulate the management associated with the operations of the Company. At the date of this report the Company is not aware of any breach of those environmental requirements.

Share Options

During the financial year Silver Lake issued 361,500 unlisted options to acquire unissued shares to employees of the Company.

No ordinary shares were issued on the exercise of options.

As at the date of this report, the total unissued ordinary shares of the Company under option are:

Number of Options	Exercise Price ($)	Vesting Date	Expiry Date
24,200,000	$0.30	-	31 December 2012
1,480,000	$0.30	29 January 2009	29 January 2013 *
299,750	$0.33	14 March 2009	14 March 2013
361,500	$0.39	20 August 2009	20 August 2013

*165,000 options were exercised post balance sheet date.

Employees

The consolidated entity had 43 employees as at 30 June 2009. In addition, Silver Lake also engages contractors and consultants.

Indemnification and Insurance of Directors and Officers

The Company has agreed to indemnify the current officers and senior executives against any liability (other than the Company or related body corporate) that may arise from their position as directors and officers of the Company except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company has paid D&O insurance premiums of $10,918 in respect of liability of any current and future officers, and senior executives of the Company.

Silver Lake has not provided any insurance or indemnity to the auditor of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of Silver Lake or intervene in any proceeding to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Corporate Governance

In recognising the need for the highest standards of corporate behavior and accountability, the directors of Silver Lake support and have adhered to the principles of good corporate governance. The Company's corporate governance statement is contained in the following section of this annual report and on the Company's website.

Auditor's Independence

Section 307C of the Corporations Act 2001 requires Silver Lake's auditors, KPMG, to provide the directors of Silver Lake with an Independence Declaration in relation to the audit of the financial report for the year ended 30 June 2009. This Independence Declaration is attached to the Directors' Report and forms part of the Directors' Report.

Non-Audit Services

The following non-audit services were provided by the Company's auditor, KPMG. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. The Board is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act.

KPMG received the following amounts for the provision of non-audit services:

	2009 $	2008 $
Taxation services	33,000	20,450
Independent accountant's report	-	33,000

Directors' Report

Remuneration Report - Audited

Silver Lake chooses to remunerate and reward its directors, officers and employees in accordance with the Company's Remuneration Policy.

Emoluments of directors and senior executives are set by reference to payments made by other mining and exploration companies of similar size, and by reference to the skills and experience of the directors and executives. Details of the nature and amount of emoluments of each director of the Company are disclosed annually in the Company's annual report.

Remuneration Committee

The role of the Remuneration Committee and the Board of Directors of Silver Lake is to assist in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations on:

a) remuneration packages of executive directors, non-executive directors and senior executives; and

b) employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive and executive directors and senior management remuneration is separate and distinct.

Non-Executive Director Remuneration

The Company's policy is to remunerate non-executive directors at market rates (for comparable companies) for time, commitment and responsibilities. Fees for non-executive directors are not linked to the performance of the Company, however, to align directors' interests with shareholders' interests; directors are encouraged to hold shares in the Company. It is ensured that:

a) fees paid to non-executive directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;

b) non-executive directors are remunerated by way of fees (in the form of cash and/or superannuation benefits);

c) non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements; and

d) non-executive directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

Any change to the maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at a general meeting.

The remuneration of non-executive directors is detailed on page 25 of this report.

Executive Director Remuneration

Executive directors pay and reward consists of a base salary and performance incentives to ensure that:

a) executive remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives;

b) a proportion of executives' remuneration is structured in a manner designed to link reward to corporate and individual performances; and

c) recommendations are made to the Board with respect to the quantum of bonuses to be paid to executives.

Executive directors are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.

Remuneration Report – Audited (cont)

Senior Management

Senior managements' pay and reward consists of a base salary and performance incentives.

Senior management are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.

Incentive Plans and Benefits Programmes

It is the place of the Remuneration Committee to:

a) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Equity-based plans are provided to executives who are involved in the day to day operations. Except as otherwise delegated by the Board, the committee will act on behalf of the Board to administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising grants, in accordance with the terms of those plans; and

b) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and

c) continually review and if necessary improve any existing benefit programmes established for employees.

Director's Remuneration

The Constitution provides that the non-executive directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum from time to time determined by the Company in a general meeting. The directors' fees payable in aggregate to the non-executive directors of the Company are currently set at $500,000 per annum.

Non-Executive Letters of Engagement

All non-executive directors conduct their duties under the following terms:

- a non-executive director may resign from his position and thus terminate their contract on written notice to the Company;
- the Company may by resolution remove any director before the expiration of their period of office, and may by resolution appoint another person in their place. Payment is paid in lieu of the notice period (based on the fixed component of the non-executive director's remuneration) if termination is initiated by the Company, except where termination is initiated from serious misconduct; and
- the office of directors shall automatically become vacant without notice if serious misconduct has occurred.

In consideration of the services provided by Messrs Kennedy, Johnston and Griffiths, the Company will pay each $40,000 per annum plus statutory superannuation. In consideration of the services provided by Mr Chapman the Company will pay him $50,000 per annum plus statutory superannuation.

Messrs Chapman, Kennedy, Johnston and Griffiths are also entitled to fees or other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company. They may also be reimbursed for out of pocket expenses incurred as a result of their directorships.

Executive Employment Agreements

The Company has entered into service agreements with Mr Les Davis and Mr Chris Banasik (each an "Executive") on the following material terms and conditions. Terms defined in this section have the same meaning as contained in the service agreements.

Mr Davis was appointed to act as Managing Director of the Company for a minimum term of twenty four months commencing from 7 June 2007. This contract will continue on the same terms and conditions as initially agreed on 7 June 2007 until a new contract is negotiated. Mr Davis will receive base salary of $230,000 per annum plus the statutory superannuation to be reviewed annually or as agreed in writing between the Executive and the Company. Mr Davis may also receive an annual performance-based bonus of up to 25% of his current base salary, the performance criteria, assessment and timing of which will be negotiated annually with the Board.

Remuneration Report – Audited (cont)

Mr Banasik was appointed to act as Exploration and Geology Director of the Company for a minimum term of twenty four months commencing from 1 June 2007. This contract will continue on the same terms and conditions as initially agreed on 7 June 2007 until a new contract is negotiated. Mr Banasik will receive an annual base salary of $215,000 per annum plus the statutory superannuation to be reviewed annually or as agreed in writing between the Executive and the Company. Mr Banasik may also receive an annual performance-based bonus of up to 25% of his current base salary, the performance, assessment and timing of which will be negotiated annually with the Board.

Mr Armstrong was appointed to act as Company Secretary of the Company. Mr Armstrong will receive an annual base salary of $185,000 per annum plus the statutory superannuation to be reviewed annually or as agreed in writing between the Executive and the Company. Mr Armstrong may also receive an annual performance-based bonus of up to 20% of his current base salary, the performance, assessment and timing of which will be negotiated annually with the Board.

Mr Crockford was appointed to act as Resident Manager of the Mount Monger Operations. Mr Crockford will receive an annual base salary of $220,000 per annum plus the statutory superannuation to be reviewed annually or as agreed in writing between the Executive and the Company. Mr Crockford may also receive an annual performance-based bonus of up to 20% of his current base salary, the performance, assessment and timing of which will be negotiated annually with the Board.

The Executives can, at their sole discretion, elect for part of their remuneration to be paid in the form of benefits other than salary. The Company is required to provide such facilities, equipment, assistance and services as the Executives reasonably require and reimburse them for any expenses incurred by them in the course of their employment, including home telephone expenses, travel, accommodation and entertainment expenses, upon presentation of an itemised account to the Company.

The Service Agreements may be terminated by:

a) the Executive or the Company providing three months notice or, in the case of notice given by the Executive, any shorter period as the Company may agree in writing;

b) the death of the Executive;

c) the Company giving a notice of dismissal to the Executive as a result of the Executive's misconduct, willful neglect in the discharge of his duties, serious or persistent breach of the provisions of the Service Agreement, the Executive being charged with a criminal offence which in the reasonable opinion of the Chairman of the Board brings Silver Lake into disrepute; and

d) the Company or the Executive giving one months notice if by reason of the Executive's illness or incapacity his absence aggregates 26 weeks in any 52 consecutive weeks or the Executive becomes permanently incapable of performing the responsibilities and duties of his office.

If a notice is given under paragraph (a) above, then the Company may opt to pay the Executive the equivalent of any amount payable to the Executive during the remainder of the notice period and the appointment will terminate on the making of that payment.

If the Company makes a decision that could have a significant effect on the Executive's employment, such as major changes in its work force, then the Company must notify and discuss the changes with the Executive as soon as possible. In the event of redundancy, the Executives are entitled to a severance payment of a lump sum of three months fixed salary for up to 12 years of service.

Under the Service Agreement, the Executive is employed as a full-time employee of the Company and will consult with the Chairman of the Board annually regarding yearly programmes and goals, perform his duties and any additional duties as may be assigned by the Board from time to time.

The Executive is entitled to 20 business days' annual leave and at least the minimum level of long service leave prescribed by law.

Shareholding Qualifications

The directors are not required to hold any shares in Silver Lake under the Constitution.

Remuneration

Details of the remuneration of each director of Silver Lake and each of the executives of the Company who received the highest remuneration for the year ended 30 June 2009 are set out in the following table:

Remuneration Report – Audited (cont)

30 June 2009	Base Emolument $	Superannuation $	Other Benefit $	Options $	Total $	Value of options as proportion of remuneration %
Paul Chapman Non-Executive Chairman	50,000	4,500	-	-	54,500	-
Les Davis Managing Director	230,000	26,450	-	-	256,450	-
Chris Banasik Executive Director –	215,000	24,725	-	-	239,725	-
Brian Kennedy Non-Executive Director	40,000	3,600	-	-	43,600	-
Peter Johnston Non-Executive Director	40,000	3,600	-	-	43,600	-
David Griffiths Non-Executive Director	40,000	3,600	-	-	43,600	-
Gavin Cooke Company Secretary (To 31 March 2009)	73,350	-	-	-	73,350	-
Peter Armstrong Company Secretary (From 16 January 2009)	85,385	7,685	-	1,847	94,917	2.0%
David Crockford Resident Manager Mount Monger	220,000	19,800	-	36,292	276,092	13.1%
Total	993,735	93,960	-	38,139	1,125,834	3.4%

30 June 2008	Base Emolument $	Superannuation $	Other Benefit $	Options $	Total $	Value of options as proportion of remuneration %
Paul Chapman Non-Executive Chairman	40,807	3,673	-	-	44,480	-
Les Davis Managing Director	228,655	26,295	-	-	254,950	-
Chris Banasik Executive Director – Exploration & Geology	213,743	24,580	-	-	238,323	-
Brian Kennedy Non-Executive Director	34,538	3,108	-	-	37,646	-
Peter Johnston Non-Executive Director	34,538	3,108	-	-	37,646	-
David Griffiths Non-Executive Director	34,538	3,108	-	-	37,646	-
Gavin Cooke Company Secretary	103,480	-	-	-	103,480	-
Total	690,299	63,872	-	-	754,171	-

No key management person received remuneration which is performance related.

Remuneration Report – Audited (cont)

Options granted as compensation

Details on options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details of options that vested during the reporting period are as follows:

30 June 2009	Options Granted	Grant Date	Fair value per option	Exercise price per option	Expiry date	Options vested during 2009
Peter Armstrong Company Secretary (From 16 January 2009)	-	N/A	N/A	N/A	N/A	200,000
David Crockford Resident Manager Mount Monger	-	N/A	N/A	N/A	N/A	240,000
Total	-					440,000

Exercise of options granted as compensation

During the reporting period no shares were issued on the exercise of options previously granted as compensation.

Analysis of options as compensation

Details of vesting profiles of the options granted as remuneration to each key management person of the Group are detailed below:

	Options Granted				
30 June 2009	Number	Date	% vested in year	% forfeited in year	The date on which grant vests
Peter Armstrong Company Secretary (From 16 January 2009)	200,000	29 January 2008	100%	-%	29 January 2009
David Crockford Resident Manager Mount Monger	240,000	29 January 2008	100%	-%	29 January 2009

Analysis of movements in options

No options over ordinary shares in the Company held by key management were granted, exercised or lapsed during the reporting period.

Signed in accordance with a resolution of the directors.

Les Davis
Managing Director
31 July 2009

Auditor's Independence Declaration

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Silver Lake Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG.

KPMG

R Gambitta
Partner

Perth

31 July 2009

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

Corporate Governance

The Board of Directors' of Silver Lake Resources Limited ("Silver Lake" or "the Company") is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Silver Lake on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Australian Stock Exchange ("ASX") Listing Rules ("Listing Rules") require a listed entity to include in its annual report a statement on corporate governance practices disclosing the extent to which it has followed the "best practice" corporate governance recommendations set by the ASX Corporate Governance Council. If the entity has not followed any of the recommendations, it must identify them and give reasons why. It must state the period during which the recommendations were followed. For this purpose, Listing Rules Guidance Note 9A sets out the 8 essential corporate governance principles and the applicable "best practice recommendations".

The Company's Approach

The Board and senior management of Silver Lake are committed to acting responsibly, ethically and with high standards of integrity as the Company works to create shareholder value. To achieve this goal, the Board has developed and adopted corporate governance practices and policies that have been implemented throughout management and governance. This Corporate Governance Statement summarises these practices as they have been adopted by the Company.

Board of Directors

Guidelines for the nomination and selection of directors have been established to ensure the Board is well equipped to discharge its responsibilities and for the operation of the Board.

Board Role and Responsibilities

The Board has adopted a formal Board Charter which details the role of the Board, responsibilities and the conduct under which the Board operates.

The Board is collectively responsible for promoting the success of the Company by:

a) supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed, which includes but is not limited to (b) to (j);

b) ensuring the Company is properly managed for example by:

   i. appointing a Managing Director of the Company for a period and on terms as the directors see fit;

   ii. ratifying the appointment and, where appropriate, the removal of the chief financial officer and the company secretary;

   iii. input into and final approval of management's development of corporate strategy and performance objectives;

   iv. reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance; and

   v. monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;

c) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;

d) approving the annual budget;

e) monitoring the financial performance of the Company;

f) approving and monitoring financial and other reporting;

g) providing overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;

h) appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises; and

i) monitoring and ensuring compliance with all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.

Corporate Governance

Composition of the Board

Set out in the Directors' Report are the names of the directors of the Company in office at the date of the Statement.

The Board currently comprises six directors. Directors are selected by reference to their background and experience which is relevant to the business needs of the Company. New directors are invited to join the Board by the Chairman who makes the invitation based on recommendations made by the Nomination Committee and approved by the Board.

The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The Chairman is also responsible for shareholder communication and arranging Board performance evaluation.

It is a priority of the Board to achieve an appropriate balance between independent and non-independent representation on the Board. In making this determination, the Board takes into account the required skills and experience, in the context of the Company's operations and activities from time to time. In determining whether or not the directors are independent, the Board applies the criteria as set out in the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

The Company has a Managing Director, Mr Les Davis, who is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out his responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

Code of Conduct

The Company has a Code of Conduct which sets out the principles and standards which the Board, management and employees of the Company are encouraged to strive towards when dealing with each other, shareholders and the broad community. Any breach of the compliance with this Code of Conduct is to be reported directly to the Managing Director or Chairman.

The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff especially in relation to any areas of difficulty which arise from the Code of Conduct and any other ideas or suggestions for improvement of it.

Conflicts of Interest

In accordance with the Corporations Law, directors of the Company must keep the Board advised of any interest that could potentially conflict with those of the Company. All directors and executive officers of the Company who have material personal interest in a matter relating to the affairs of the Company are to give notice of the interest to the other directors.

Where the Board believes that a significant conflict exists, the director concerned will not receive relevant board papers and will not be present at the meeting whilst the item is considered.

Audit Committee

The Audit Committee is comprised of the following non-executive directors:

- Mr David Griffiths (Chairman);
- Mr Peter Johnston; and
- Mr Paul Chapman.

The Audit Committee does not have a majority of independent directors. The Board considers that its structure is, and will continue to be, appropriate in the context of the Company's size and scale of operations. The Company considers that the non-independent directors possess the skills and experience suitable for building the Company. Furthermore, the Board considers that in the current phase of the Company's growth, the Company's shareholders are better served by directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operations evolve, and may appoint independent directors as it deems appropriate.

Corporate Governance

The role of the Audit Committee is to:

- monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgments;
- review the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services;
- monitor and review compliance with the Company's Code of Conduct; and
- perform such other functions as assigned by law, the Company's Constitution, or the Board.

The particular responsibilities of the Audit Committee are set out in the Audit Committee Charter. The Audit Committee Charter is included on the Company's website.

The chairman of the Audit Committee is not the Chairman of the Company. The Audit Committee reports to the Board after each committee meeting.

Nomination Committee

The Nomination Committee comprises of three members, the majority are not independent directors:

- Mr Peter Johnston (Chairman);
- Mr Brian Kennedy; and
- Mr David Griffiths.

The chairman of the Nomination Committee is not the Chairman of the Company.

The particular responsibilities of the Nomination Committee are set out in the Nomination Committee Charter. The Nomination Committee Charter is included on the Company's website.

The role of the Nomination Committee is to nominate size and composition of the Board, identify and recommend individuals for nomination as members to the Board, and review the performance of the Board and ensure director competencies are met.

The committee meets at least twice a year and otherwise as required. Minutes of all meetings of the committee are to be kept and a report of actions taken to be given at each subsequent meeting of the full Board. Committee meetings will be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

Remuneration Committee

The Remuneration Committee comprises a minimum of three members, the majority being non-independent non-executive directors:

- Mr Brian Kennedy (Chairman);
- Mr Peter Johnston; and
- Mr David Griffiths.

The committee is chaired by a non-executive director and is not the Chairman of the Company.

The function of the Remuneration Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations on:

a. remuneration packages of executive directors, non-executive directors and senior executives; and

b. employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

The committee shall meet at least once a year and otherwise as required. Minutes of all meetings of the committee are to be kept and a report of actions taken to be given at each subsequent meeting of the full Board. Committee meetings will be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

The particular responsibilities of the Remuneration Committee are set out in the Remuneration Committee Charter. The Remuneration Committee Charter is included on the Company's website.

Corporate Governance

Trading in Company Securities

The Board has adopted a policy and procedure on dealing in Company's securities by directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information. It also provides that the written acknowledgement of the Chairman should be obtained prior to trading.

Shareholder Communications

The Board aims to ensure that the shareholders are informed of all major developments affecting the Company. All material and price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Law and ASX Listing Rules.

The Company places all relevant announcements made to the market including all past annual reports together with related information on its website www.silverlakeresources.com.au

The Company has in place a shareholder communication strategy, a copy of which is contained on the Company's website.

Continuous Disclosure

Detailed compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the Company. An officer of the Company has been appointed to be responsible for compliance. The Company treats its continuous disclosure obligations seriously and has implemented procedures that are designed to promote responsible decision-making and timely and balanced disclosure.

The Board is ultimately responsible for ensuring compliance by senior management and employees of the Company and endorses full regular communication with and between directors, the Managing Director, the Company Secretary, the external auditors, senior management, professional advisors, shareholders and other significant stakeholders.

The Company ensures that a member of the external auditor is represented at the annual general meeting to answer shareholder questions about the conduct of the audit and the preparation and procedure of the auditor's report.

Business Risk Management

The Company has established a risk management policy which sets out a framework for a system of risk management and internal compliance and control, whereby the Board delegates day-to-day management of risk to the Managing Director. The Managing Director, with assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

ASX Core Principles of Corporate Governance and ASX Guidelines

The ASX has published the eight essential corporate governance principles with guidelines to satisfy those core principles. Under ASX Listing Rules, listed companies are required to provide a statement in their annual report outlining the extent to which they have followed these best practice guidelines. The ASX core principles and guidelines are listed in the following table along with the Company's compliance to the corporate governance principles.

Corporate Governance

Principle 1: Lay solid foundations for management and oversight		
Recognise and publish the respective roles and responsibilities of Board and management.		
Recommendation		Comply
1.1	Establish and disclose the functions reserved to the Board and those delegated to management.	The Board is comprised of a Non-Executive Chairman, Managing Director, Exploration Director, and three Non-Executive Directors'. The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for briefing of all directors in relation to issues arising at Board meetings. The Chairman is also responsible for shareholder communication and arranging Board performance evaluation. The Managing Director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out his/her responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.
1.2	Disclose the process for evaluating the performance of senior executives.	Key performance indicators are set for all senior executives and they are measured against these on an regular basis. Performance review is currently being conducted.
1.3	Provide the information indicated in Guide to reporting on Principle 1.	See above.
Principle 2: Structure the Board to add value		
Have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.		
Recommendations		Comply
2.1	A majority of the Board should be independent directors.	The Board comprises of Mr Paul Chapman, Mr Les Davis, Mr Chris Banasik, Mr Brian Kennedy, Mr Peter Johnston and Mr David Griffiths as directors. Details of the directors are set out within this annual report. The Board does not have a majority of independent directors, as no director satisfies the test of independence as set out in 2.1 of the ASX Corporate Governance Principles and Recommendation Relationships Affecting Independent Status ("Independence Test"). The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each director has the relevant industry experience and specific expertise relevant to the Company's business and level of operations.
2.2	The Chairman should be an independent director.	The Chairman, Mr Paul Chapman, does not satisfy the test of independence as set out in 2.1 of the ASX Corporate Governance Principles and Recommendation Relationships Affecting Independent Status ("Independence Test"). While the Board recognises the importance of independence in decision making, it does not comply with Recommendation 2.2 as Mr Chapman does not satisfy paragraph one of the Independence Test insofar as Mr Chapman is a substantial shareholder of the Company. Details of Mr Chapman's shareholding are disclosed within this annual report. The Board believes that Mr Chapman is the most appropriate person for the position as Chairman because of his industry experience and proven track record as a public company director.
2.3	The roles of Chairman and chief executive officer should not be exercised by the same individual.	The role of Chairman is filled by Mr Paul Chapman (appointed 20/04/2004), and the role of chief executive officer is filled by Mr Les Davis (appointed 25/05/2007).
2.4	The Board should establish a Nomination Committee.	The Company established a Nomination Committee in 2007 which comprises of three members, the majority being non-executive directors.
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	The Chairman is responsible for conducting an annual review of the Board performance against appropriate measures.
2.6	Provide the information indicated in Guide to reporting on Principle 2.	See above.

Corporate Governance

Principle 3: Promote ethical and responsible decision-making		
Actively promote ethical and responsible decision-making.		
Recommendations		Comply
3.1	Establish a Code of Conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: 3.1.1 the practices necessary to maintain confidence in the Company's integrity 3.1.2 the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders 3.1.3 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Silver Lake has a Code of Conduct as well as internal policies and procedures aimed at providing guidance to directors and employees on the standards of personal and corporate behavior required of all Silver Lake personnel.
3.2	Establish and disclose the policy concerning trading in company securities by directors, officers and employees.	The Board has adopted a policy and procedure on dealing in the Company's securities by directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information. It also provides that the written acknowledgement of the Chairman should be obtained prior to trading.
3.3	Provide the information indicated in Guide to reporting on Principle 3.	See above.
Principle 4: Safeguard integrity in financial reporting		
Have a structure to independently verify and safeguard the integrity of the Company's financial reporting.		
Recommendations		Comply
4.1	The Board should establish an Audit Committee.	An Audit Committee was established in 2007. Audit matters are reviewed by the committee as a whole and approved by a resolution of the committee (where there is a conflict of interest those directors are abstained).
4.2	Structure the Audit Committee so that it consists of: only non-executive directors a majority of independent directors an independent Chairman who is not Chairman of the Board at least three members.	The Audit Committee includes three members, all non-executive directors. The Audit Committee does not have a majority of independent directors. The Audit Committee has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties.
4.3	The Audit Committee should have a formal charter.	The Company has an Audit Committee Charter, a copy of which is available on the Company's website.
4.4	Provide the information indicated in Guide to reporting on Principle 4.	See above.
Principle 5: Timely and balanced disclosure		
Promote timely and balanced disclosure of all material matters concerning the Company.		
Recommendations		Comply
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	The Board is able to meet on a monthly basis due to the size and structure of the Company for both management and board meetings to ensure compliance with ASX Listing Rule disclosure requirements. The full Board is accountable for ASX compliance.
5.2	Provide the information indicated in Guide to reporting on Principle 5.	See above.

Corporate Governance

Principle 6: Respect the rights of shareholders		
Respect the rights of shareholders and facilitate the effective exercise of those rights.		
Recommendations		Comply
6.1	Design and disclose a communications policy to promote effective communication with shareholders and encourage their participation at general meetings.	Detailed compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the Company. The Company has a policy that all shareholders and investors have equal access to Company information. All material and price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Law and ASX Listing Rules, copies of which are placed on the Company's website.
6.2	Provide the information indicated in Guide to reporting on Principle 6.	See above.
Principle 7: Recognise and manage risk		
Establish a sound system of risk oversight and management and internal control.		
Recommendations		Comply
7.1	Establish policies on risk oversight and management.	The Company has established a risk management policy which sets out the framework for a system risk management and internal compliance and control.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively.	Risk management and internal control systems are in place. Six monthly audits are conducted and non-compliance to these systems are reported to the Board.
7.3	The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the Board in writing that:	
	7.3.1 the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board	The Managing Director and Chief Financial officer are required to sign a declaration addressing the integrity of the financial statements and maintenance of financial records in accordance with s286 of the Corporations Act.
	7.3.2 the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.	As above.
7.4	Provide the information indicated in Guide to reporting on Principle 7.	See above.
Principle 8: Remunerate fairly and responsibly		
Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.		
Recommendations		Comply
8.1	The Board should establish a Remuneration Committee.	A Remuneration Committee was established in 2007 and consists of three non-executive directors'. Remuneration matters are reviewed by the committee and approved by resolution of the Board (with abstentions from relevant directors where there is a conflict of interest).
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	The different types of remuneration are clearly outlined in the annual report. Remuneration terms of all executive directors are governed by formal contracts. Fees for directors' are paid separately to all directors.
8.3	Provide the information indicated in Guide to reporting on Principle 8.	See above.

Directors' Declarations

1. In the opinion of the directors:

    a. the financial statements and notes of the Company and of the Group are in accordance with the Corporations Act 2001 including:

        i. giving a true and fair view of the Company's and Group's financial position as at 30 June 2009 and of their performance for the year then ended; and

        ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and Corporations Regulations 2001.

    b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2;

    c. the remuneration disclosures that are contained in the remuneration report in the directors report comply with Australian Accounting Standards AASB 124 related party disclosures, the Corporations Act 2001 and the Corporations Regulations 2001;

    d. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with s295A of the Corporations Act 2001 for the financial year ended 30 June 2009

The declaration is signed in accordance with a resolution of the Board of Directors.

Les Davis
Managing Director
31 July 2009

Independent Audit Report

KPMG

Independent auditor's report to the members of Silver Lake Resources Limited

Report on the financial report

We have audited the accompanying financial report of Silver Lake Resources Limited (the Company), which comprises the balance sheets as at 30 June 2009, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report of the Group, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Group's financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Silver Lake Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Silver Lake Resources Limited for the year ended 30 June 2009, complies with Section 300A of the *Corporations Act 2001*.

KPMG.

KPMG

R Gambitta
Partner

Perth

31 July 2009

Income Statements

For the year ended 30 June 2009

	Notes	GROUP 30 June 2009 $,000	GROUP 30 June 2008 $,000	COMPANY 30 June 2009 $,000	COMPANY 30 June 2008 $,000
Revenue	7	58,069	2,941	58,069	2,941
Cost of sales		(42,647)	(5,426)	(42,659)	(5,349)
Gross Profit/(Loss)		15,422	(2,485)	15,410	(2,408)
Other income	8	12	336	12	336
Administrative expenses	9	(1,885)	(1,909)	(1,885)	(1,909)
Results from operating activities		13,549	(4,058)	13,537	(3,981)
finance income		257	488	257	488
finance expenses		(221)	(94)	(209)	(94)
Net Finance Income	11	36	394	48	394
Profit/(Loss) Before Income Tax		13,585	(3,664)	13,585	(3,587)
Income tax expense	12	(2,935)	-	(2,935)	-
Profit/(Loss) Attributable to Members of the Company		10,650	(3,664)	10,650	(3,587)

		Cents Per Share	
Earnings/(Loss) Per Share			
Basic earnings/(loss) per share (cents per share)	13	6.94c	(3.40c)
Diluted earnings/(loss) per share (cents per share)	13	6.90c	(3.40c)

The above income statements should be read in conjunction with the accompanying notes.

Balance Sheets

As at 30 June 2009

	Notes	GROUP 30 June 2009 $,000	GROUP 30 June 2008 $,000	COMPANY 30 June 2009 $,000	COMPANY 30 June 2008 $,000
ASSETS					
Current Assets					
Cash and cash equivalents	14	16,564	1,637	16,564	1,637
Trade and other receivables	16	562	1,615	562	1,615
Inventories	17	2,459	4,256	2,459	4,256
Prepayments		64	69	64	69
Total Current Assets		19,649	7,577	19,649	7,577
Non-Current Assets					
Trade and other receivables	16	1,976	1,799	7,697	7,179
Investment in subsidiary		-	-	2,350	2,350
Property, plant and equipment	19	9,527	9,483	3,230	1,830
Exploration evaluation and development expenditure	18	28,741	22,794	26,849	22,794
Total Non-Current Assets		40,244	34,076	40,126	34,153
TOTAL ASSETS		59,893	41,653	59,775	41,730
LIABILITIES					
Current Liabilities					
Trade and other payables	20	8,810	5,685	8,810	5,685
Interest bearing liabilities	21	338	265	338	265
Employee benefits	22	229	121	229	121
Total Current Liabilities		9,377	6,071	9,377	6,071
Non-Current Liabilities					
Rehabilitation and restoration provision	24	2,303	1,104	2,177	1,104
Interest bearing liabilities	21	370	508	370	508
Deferred tax liability	12	2,273	-	2,204	-
Total Non-Current Liabilities		4,946	1,612	4,751	1,612
TOTAL LIABILITIES		14,323	7,683	14,128	7,683
NET ASSETS		45,570	33,970	45,647	34,047
EQUITY					
Share capital	26	38,033	37,373	38,033	37,373
Reserves	27	629	339	629	339
Retained profits/(Accumulated losses)		6,908	(3,742)	6,985	(3,665)
TOTAL EQUITY		45,570	33,970	45,647	34,047

The above balance sheets should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

	GROUP			
	Share Capital $,000	Option Reserve $,000	Retained Earnings $,000	Total Equity $,000
Balance at 1 July 2007	826	88	(78)	836
Profit/(Loss) for the period	-	-	(3,664)	(3,664)
Total recognised income and expense	-	-	(3,664)	(3,664)
Issue of ordinary shares net of transaction costs	36,547	-	-	36,547
Issue of options	-	251	-	251
Balance at 30 June 2008	37,373	339	(3,742)	33,970
Profit/(Loss) for the period	-	-	10,650	10,650
Total recognised income and expense	-	-	10,650	10,650
Share capital transaction cost	660	-	-	660
Issue of employee options	-	290	-	290
Balance at 30 June 2009	38,033	629	6,908	45,570

	COMPANY			
	Share Capital $,000	Option Reserve $,000	Retained Earnings $,000	Total Equity $,000
Balance at 1 July 2007	826	88	(78)	836
Profit/(Loss) for the period	-	-	(3,587)	(3,587)
Total recognised income and expense	-	-	(3,587)	(3,587)
Issue of ordinary shares net of transaction costs	36,547	-	-	36,547
Issue of options	-	251	-	251
Balance at 30 June 2008	37,373	339	(3,665)	34,047
Profit/(Loss) for the period	-	-	10,650	10,650
Total recognised income and expense	-	-	10,650	10,650
Share capital transaction cost	660	-	-	660
Issue of employee options	-	290	-	290
Balance at 30 June 2009	38,033	629	6,985	45,647

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows

For the year ended 30 June 2009

	Notes	GROUP 30 June 2009 $,000	GROUP 30 June 2008 $,000	COMPANY 30 June 2009 $,000	COMPANY 30 June 2008 $,000
Cash Flows From Operating Activities					
Cash receipts from customers		58,583	2,427	58,583	2,427
Cash paid to suppliers and employees		(33,905)	(6,199)	(33,903)	(6,199)
Net Cash From/(Used In) Operating Activities	15	24,678	(3,772)	24,680	(3,772)
Cash Flow From Investing Activities					
Interest received		257	488	257	488
Acquisition of plant and equipment		(1,800)	(9,902)	(1,568)	(2,171)
Acquisition of subsidiary		-	-	-	(2,350)
Loan to subsidiary to purchase property plant and equipment		-	-	(2,162)	(5,381)
Proceeds from sale of plant and equipment		-	410	-	410
Exploration, evaluation and development expenditure		(7,920)	(13,569)	(6,133)	(13,569)
Deposit for environmental bonds		(176)	(1,799)	(35)	(1,799)
Net Cash From/(Used In) Investing Activities		(9,639)	(24,372)	(9,641)	(24,372)
Cash Flows From Financing Activities					
Proceeds from borrowing		220	795	220	795
Repayment of borrowing		(285)	(22)	(285)	(22)
Interest paid		(47)	-	(47)	-
Proceeds from the issue of share capital		-	30,110	-	30,110
Payments of transaction costs		-	(1,943)	-	(1,943)
Net Cash From/(Used In) Financing Activities		(112)	28,940	(112)	28,940
Net increase in cash and cash equivalents		14,927	796	14,927	796
Cash and cash equivalents at 1 July		1,637	841	1,637	841
Cash and Cash Equivalents at 30 June	14	16,564	1,637	16,564	1,637

The above statements of cash flows should be read in conjunction with the accompanying notes.

1. Reporting Entity

Silver Lake Resources Limited ("Silver Lake" or "the Company") is a company domiciled in Australia. The address of the Company's registered office is 31 Malcolm St, West Perth WA 6005. The Consolidated Financial statements of the Company as at and for the year ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "Group Entities"). The Group primarily is involved in the production of gold and minerals exploration.

2. Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian Accounting interpretations) adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The consolidated financial report of the Group and the financial report of the Company comply with International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board ("IASB").

The financial statements were approved by the Board of Directors on 31 July 2009.

3. Basis of Preparation

(a) Functional and presentation currency

The financial report is prepared in Australian dollars, which is the functional currency of the Company and its subsidiaries. The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(b) Basis of measurement

The financial report is presented on the historical cost basis.

(c) Use of estimates and judgements

The preparation of a financial report requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances. The results of which forms the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Note 12 – Utilisation of tax losses.
- Note 4 (d)(ii) – Amortisation of development expenditure
- Note 4 (d)(iii) – Reserves and resources
- Note 4(l) – Closure and rehabilitation

4. Significant Accounting Policies

The accounting policies applied by the Company in this financial report are the same as those applied by the Company in its financial report as at and for the year ended 30 June 2008.

(a) Basis of Consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

In the Company's financial statements, investments in subsidiaries are carried at cost.

(b) Non-Derivative Financial Instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(c) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable the future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that is no longer probable that the related tax benefit will be realised.

(i) Tax Consolidation

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity from 11 November 2007. The head entity within the tax-consolidation group is Silver Lake Resources Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'seperate taxpayer within the group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable (receivable) to/(from) other entities in the tax-consolidated group. Any differences between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that the future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(d) Exploration and Evaluation and Development Expenditure

(i) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- exploration and evaluation activities in the area have not, at balance date, resulted in booking economically recoverable reserves, and active operations in, or relating to, this area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(ii) Mine Properties/Mine Development

Mine properties represents the acquisition cost and/or accumulated exploration, evaluation and development expenditure in respect of areas of interest in which mining has commenced.

Mine development costs are deferred until commercial production commences. When commercial production is achieved mine development is transferred to mine properties, at which time it is amortised on a unit of production basis over minable resources.

Open pit waste removal costs incurred in the development of a mine before production commences are capitalised as part of the mine development costs, which are subsequently amortised over the life of the open pit resource.

Underground development expenditure incurred in respect of a mine development after the commencement of production, such expenditure is carried forward as part of mine development only when substantial future economic benefits are established, otherwise such is classified as part of production and expensed as incurred.

The Group applies the units of production method for amortisation of its life of mine specific assets, which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. These calculations require the use of estimates and assumptions in relation to reserves and resources , metallurgy and the complexity of future capital development requirements; changes to these estimates and assumptions will impact the amortisation charge in the income statement and asset carrying values.

The Group uses ounces produced over JORC compliant resources as its basis for depletion of mine properties. In the absence of reserves the Group believes resources in the best measure as evidenced by historical conversion of resources to reserves. The Group applies a discount of 20% to ounces within the inferred resource category and 10% to ounces in the indicated resource category when adopting the units of production method to reflect the risk of conversion from the inferred and indicated categories to reserves.

(iii) Reserves and Resources

Resources are estimates of the amount of gold product that can be economically extracted from the Group's properties. In order to calculate resources, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, future capital requirements short and long term commodity prices and exchange rates.

Estimating the quantity and/or grade of resources requires the size, shape and depth of ore bodies to be determined by analysing geological data. This process may require complex and difficult geological judgments and calculations to interpret the data.

The Group determines and reports ore resources under the Australian Code of Reporting for Mineral Resource and Ore Reserves December 2004, known as the JORC Code. The JORC Code requires the use of reasonable assumptions to calculate resources. Due to the fact that economic assumptions used to estimate resources change from period to period, and geological data is generated during the course of operations, estimates of resources may change from period to period. Changes in reported resources may affect the Group's financial results and financial position in a number of ways, including:.

- Asset carrying values may be impacted due to changes in estimates of future cash flows.
- Amortisation charged in the income statement may change where such charges are calculated using the units of production basis.
- Decommissioning, site restoration and environmental provisions may change due to changes in estimated resources after expectations about the timing or costs of these activities change.

(e) Plant and Equipment

Items of plant and equipment are stated at their cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative period is as follows:

	Period
Buildings	10 Years
Plant and equipment	3-5 Years
Office furniture and fittings	3-15 Years
Light vehicles	3-5 Years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Capital works in progress is not depreciated until it is ready for use.

(f) Employee Benefits

(i) Defined Contribution Superannuation Funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

(ii) Other Long-Term Employee Benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated [Commonwealth Government] bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method.

(iii) Short-Term Benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Share-Based Payment Transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

(g) Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

(h) Lease Payments

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the contingency no longer exists and the lease adjustment is known.

(i) Finance Income and Expenses

Interest income comprises interest income on funds invested and is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings and unwinding of the discount on provisions. All borrowing costs are recognised in profit and loss using the effective interest method.

(j) Goods and Services Tax (“GST”)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (“ATO”). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flow on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(k) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(l) Closure and rehabilitation

The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of relevant authorities and the Group’s environmental policies. Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation and at the time of closure in connection with disturbances at the reporting date. Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

The timing of the actual closure and rehabilitation expenditure is dependent upon a number of factors such as the life and nature of the asset, the operating licence conditions and the environment in which the mine operates. Expenditure may occur before and after closure and can continue for an extended period of time dependent on closure and rehabilitation requirements. The majority of the expenditure is expected to be paid over periods of up to 5 years. Closure and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Significant judgements and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in property, plant and equipment and depreciated accordingly. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognised in financial expenses. Closure and rehabilitation provisions are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the undepreciated capitalised cost of the related assets, in which case the capitalised cost is reduced to nil and the remaining adjustment is recognised in the income statement. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved. Factors influencing those changes include:

- revisions to estimated reserves, resources and lives of operations
- regulatory requirements and environmental management strategies
- changes in the estimated costs of anticipated activities, including the effects of inflation and movements in foreign exchange rates
- movements in interest rates affecting the discount rate applied

(m) Earnings Per Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated as net earnings attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for bonus issues. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(n) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(o) Inventory

Inventories of broken ore, gold in circuit and work in progress are physically measured or estimated and valued at the lower of cost and net realisable value.

The cost comprises direct materials, labour and transportation expenditure in bringing such inventories to their existing location and condition, together with an appropriate portion of fixed and variable overhead expenditure based on weighted cost incurred during the period in which such inventories were produced.

Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to perform the sale. Inventories of consumable supplies and spare parts are expected to be used in production are valued at cost. Obsolete or damaged inventories of such items are valued at net realisable value.

Insurance and capital (or recirculating) spare parts are capitalised and depreciated over the same remaining life as the equipment with which they are associated.

(p) Impairment

(i) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The impairment losses are recognised in profit and loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss. An impairment loss is reversed if the reversal can relate objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit and loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories, exploration and evaluation expenditure and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at the reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(q) Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. The Group's business segment is the mining and exploration of gold mineralisation and operating in one geographical segment being Western Australia. The business segments are based on the Group's management and internal reporting structure.

(r) New Standards and Interpretations Not Yet Adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of the initial application. They are available for early adoption at 30 June 2008, but have not been applied in preparing this financial report:

- AASB 8 Operating Segments introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Group's 30 June 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. The Group has not yet determined the potential effect of the revised standard on the Group's disclosures;

- Revised AASB 101 Presentation of Financial Statements introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised statement does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the revised standard on the Group's disclosures;

- Revised AASB 123 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the Group's 30 June 2010 financial statements and will constitute a change in accounting policy for the Group. In accordance with the transitional provisions the Group will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. The Group has not yet determined the potential effect of the revised standard on future earnings;

- Amended AASB 127 Consolidation and Separate Financial Statements changes the accounting for investments in subsidiaries. Key changes include: the remeasurement to fair value of any previous/retained investment when control is obtained/lost, with any resulting gain or loss being recognised in profit and loss; and the treatment of increases in ownership interest after control is obtained as transactions with equity holders in their capacity as equity holders. The revised standard will become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the revised standard on the Group's financial report; and

- AASB 2008-1 Amendments to Australian Accounting Standards – Share-based Payment: Vesting Conditions and Cancellations changes the measurement of share-based payments that contain non-vesting conditions. AASB 2008-1 becomes mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the revised standard on the Group's financial report.

- AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements process and 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.

5. Financial Risk Management

(a) Overview

This note presents information about the Company's and Group's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Company and the Group does not generally use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. The Board does however regularly review the use of derivatives and opportunities for their use within the Group. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Presently, the Group undertakes gold mining, exploration and evaluation activities exclusively in Australia. At the balance sheet date there were no significant concentrations of credit risk.

(i) Cash and Cash Equivalents

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

(ii) Trade and Other Receivables

The Group's trade and other receivables relate mainly to gold sales and GST refunds. The Group has determined that its exposure to trade receivable credit risk is low as customers; they are perceived to be reliable and have short contractual payment terms. Management does not expect any counterparty to fail to meet its obligations.

The Company and Group have not established an allowance for impairment.

(c) Exposure to Credit Risk

The carrying amount of the Company and the Group's financial assets represents the maximum credit exposure. The Company and the Group's maximum exposure to credit risk at the reporting date were:

	CONSOLIDATED Carrying Amount		COMPANY Carrying Amount	
	2009 $,000	2008 $,000	2009 $,000	2008 $,000
Trade and other receivables	2,538	3,414	2,397	3,414
Intercompany loan receivables	-	-	5,862	5,380
Cash and cash equivalents	16,564	1,637	16,564	1,637
Total	19,102	5,051	24,823	10,431

None of the Group's receivables are past due (2008: nil).

(d) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds generated from operations and by continuously monitoring forecast and actual cash flows.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

GROUP 30 JUNE 2009

	Carrying Amount $,000	Contractual Cash Flows $,000	6 Mths or Less $,000	6-12 Mths $,000	1-2 Years $,000	2-5 Years $,000
Interest bearing liabilities	708	800	192	192	358	58
Trade and other payables	8,810	8,810	8,810	-	-	-
Total	9,518	9,610	9,002	192	358	58

COMPANY 30 JUNE 2009

	Carrying Amount $,000	Contractual Cash Flows $,000	6 Mths or Less $,000	6-12 Mths $,000	1-2 Years $,000	2-5 Years $,000
Interest bearing liabilities	708	800	192	192	358	58
Trade and other payables	8,810	8,810	8,810	-	-	-
Total	9,518	9,610	9,002	192	358	58

GROUP 30 JUNE 2008

	Carrying Amount $,000	Contractual Cash Flows $,000	6 Mths or Less $,000	6-12 Mths $,000	1-2 Years $,000	2-5 Years $,000
Interest bearing liabilities	773	884	152	152	303	277
Trade and other payables	5,685	5,685	5,685	-	-	-
Total	6,458	6,569	5,837	152	303	277

	COMPANY 30 JUNE 2008					
	Carrying Amount $,000	Contractual Cash Flows $,000	6 Mths or Less $,000	6-12 Mths $,000	1-2 Years $,000	2-5 Years $,000
Interest bearing liabilities	773	884	152	152	303	277
Trade and other payables	5,685	5,685	5,685	-	-	-
Total	6,458	6,569	5,837	152	303	277

(e) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group only has exposure to interest rate risk.

(f) Interest Rate Risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents and its interest bearing liabilities), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Group ensures that as far as possible it maintains excess cash and cash equivalents in short terms deposit at interest rates maturing over 90 day rolling periods.

(i) Profile

At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments were:

	CONSOLIDATED Carrying Amount		COMPANY Carrying Amount	
	2009 $,000	2008 $,000	2009 $,000	2008 $,000
Fixed Rate Instruments				
Financial liabilities				
Equipment loan	(708)	(773)	(708)	(773)
Total	(708)	(773)	(708)	(773)
Variable Rate Instruments				
Financial assets				
Cash and cash equivalents	16,564	1,637	16,564	1,637
Environmental bonds	1,976	1,799	1,835	1,799
Total	18,540	3,436	18,399	3,436

(ii) Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

(iii) Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	GROUP			
	Profit or Loss		Equity	
	100bp Increase $,000	100bp Decrease $,000	100bp Increase $,000	100bp Decrease $,000
30 June 2009				
Variable rate instruments	130	(130)	130	(130)

	COMPANY			
	Profit or Loss		Equity	
	100bp Increase $,000	100bp Decrease $,000	100bp Increase $,000	100bp Decrease $,000
30 June 2009				
Variable rate instruments	129	(129)	129	(129)

	GROUP			
	Profit or Loss		Equity	
	100bp Increase $,000	100bp Decrease $,000	100bp Increase $,000	100bp Decrease $,000
30 June 2008				
Variable rate instruments	24	(24)	24	(24)

	COMPANY			
	Profit or Loss		Equity	
	100bp Increase $,000	100bp Decrease $,000	100bp Increase $,000	100bp Decrease $,000
30 June 2008				
Variable rate instruments	24	(24)	24	(24)

(g) Fair Values

The carrying amounts of financial assets and liabilities for the Company and the Group approximate fair value.

(h) Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

6. Segment Reporting

The Group operates in one business segment, gold exploration, mining and production, and operates in one geographical segment, being Western Australia.

7. Revenue

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Gold sales	57,965	2,935	57,965	2,935
Silver sales	104	6	104	6
Total Sales	58,069	2,941	58,069	2,941

8. Other Income

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Profit on sale of plant and equipment	-	335	-	335
Other income	12	1	12	1
Total Income	12	336	12	336

9. Administrative Expenses

The following expenses were incurred during the period:

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Salaries and on costs	956	838	956	838
Consultants	225	278	225	278
Professional fees	112	94	112	94
Travel and accommodation	101	85	101	85
Contractors	177	239	177	239
Rental expense	120	63	120	63
Other	194	312	194	312
Total	1,885	1,909	1,885	1,909

10. Personnel Expenses

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Wages and salaries	4,230	2,003	4,230	2,003
Other associated personnel expenses	399	165	399	165
Superannuation contributions	550	171	550	171
Increase in liability for annual leave	108	121	108	121
Employee option expenses	290	251	290	251
Total	5,577	2,711	5,577	2,711

Personnel expenses included in cost of goods sold is $4,621,000 (2008: $1,873,000).

11. Finance Income and Expenses

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Interest income on cash at bank	257	488	257	488
Finance Income	257	488	257	488
Interest expense on financial liabilities	(44)	(3)	(44)	(3)
Unwind of discount on site rehabilitation provision	(177)	(91)	(165)	(91)
Finance expense	(221)	(94)	(209)	(94)
Net Finance Income and Expense	36	394	48	394

12. Income Tax Expense

(a) Recognised in the Income Statement

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Current Tax Expense				
Current income tax	815	(5,208)	884	(5,185)
Current year tax losses not recognised	-	5,208	-	5,185
	815	-	884	-
Deferred Income Tax Expense				
Origination and reversal of temporary differences	2,273	4,035	2,204	4,035
Unused tax loss not recognised	-	(4,035)	-	(4,035)
Changes in previously unrecognised temporary differences	(153)	-	(153)	-
	2,120	-	2,051	-
Income tax expense reported in income statement	2,935	-	2,935	-
Income Tax Recognised Directly in Equity				
Share capital transaction costs	660	-	660	-
Numerical Reconciliation Between Tax Expenses and Pre-Tax Profit				
Profit/(Loss) before tax	13,585	(3,664)	13,585	(3,587)
Income tax benefit using the domestic corporation tax rate of 30% (2007: 30%)	4,076	(1,099)	4,076	(1,076)
Increase in income tax expense due to non-deductible expenses	88	76	157	76
Decrease in income tax due to:				
Tax incentives	(261)	-	(261)	-
Current year losses for which no deferred tax asset was recognised	-	(1,173)	-	(1,150)
Recognition of previously unrecognised tax losses	(815)	-	(884)	-
Changes in unrecognised temporary differences	(153)	(150)	(153)	(150)
Income Tax Expense on Pre-Tax Net Profit	2,935	-	2,935	-

(b) Deferred Tax Assets and Liabilities

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Deferred tax assets and liabilities are attributable to the following:				
Deferred Tax Assets/(Liabilities)				
Inventories	(129)	(108)	(129)	(108)
Exploration and evaluation expenditure	(3,606)	(4,427)	(3,648)	(4,427)
Mine properties	(3,603)	-	(3,603)	-
Property, plant and equipment	(333)	114	(79)	114
Accrued expenses	17	18	17	18
Provisions	760	368	618	368
Share issue costs	447	-	447	-
Tax losses recognised	4,174	4,035	4,174	4,035
Net Tax Liabilities	(2,273)	-	(2,204)	-

(c) Tax Losses

At 30 June 2009 the Company has $13,911,077 (2008: $17,439,675) of tax losses that are available for offset against future taxable profits of the Company. The unrecognised deferred tax asset arising on tax losses at 30 June 2009 is nil (2008: $1,173,000).

The potential benefit of carried forward tax losses will only be obtained if assessable income is derived of a nature and, of an amount sufficient to enable the benefit from the deductions to be realised or the benefit can be utilised by the Group providing that:

(i) the provisions of deductibility imposed by law are complied with; and

(ii) no change in tax legislation adversely affect the realisation of the benefit from the deductions.

13. Earnings Per Share

Basic earnings per share

The earnings per share at 30 June 2009 was based on the profit attributable to ordinary shareholders of $10,650,000 (2008: Loss $3,664,000) and the weighted average number of ordinary shares outstanding as at 30 June 2009 of 153,409,424 (2008: 107,814,000).

	GROUP	GROUP
	30 June 2009 '000	30 June 2008 '000
Weighted Average Number of Ordinary Shares		
Issued ordinary shares at 1 July	153,409	24,276
Issue of seed capital	-	1,170
Issue of shares pursuant to fund raising	-	64,384
Issued to acquire tenements	-	17,984
Total	153,409	107,814

Diluted earnings per share

The diluted earnings per share at 30 June 2009 was based on the profit attributable to ordinary shareholders of $10,650,000 (2008: Loss $3,664,000) and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 154,243,000 (2008: 107,814,000).

	GROUP	GROUP
	30 June 2009 '000	30 June 2008 '000
Weighted Average Number of Ordinary Shares		
Weighted average number of ordinary shares	153,409	107,814
Effect of share options on issue	834	-
Total	154,243	107,814

14. Cash and Cash Equivalents

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Cash at bank and on hand – unrestricted	16,564	1,637	16,564	1,637
Total	16,564	1,637	16,564	1,637

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 5.

15. Reconciliation of Cash Flows From Operating Activities

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Cash Flow From Operating Activities				
Profit/(Loss) for the period	13,585	(3,664)	13,585	(3,587)
Adjustments for:				
Depreciation	2,127	354	538	277
Amortisation	3,076	230	3,076	230
Net finance expenses	(36)	(394)	(48)	(394)
Profit on sale of asset	-	(335)	-	(335)
Equity-settled share-based payments	290	251	290	251
Toll fees with subsidiary	-	-	1,603	-
Income tax expense	2	-	-	-
Operating profit/(loss) before changes in working capital and provisions	19,044	(3,558)	19,044	(3,558)
Change in trade and other receivables	1,052	(1,612)	1,052	(1,612)
Change in inventories	1,797	(4,256)	1,797	(4,256)
Change in trade and other payables	2,711	5,605	2,711	5,605
Change in prepayments	5	(69)	5	(69)
Change in provisions	108	121	110	121
Interest paid	(39)	(3)	(39)	(3)
Total	24,678	(3,772)	24,680	(3,772)

16. Trade and Other Receivables

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Current				
Bullion sale receivable	-	514	-	514
Other receivables	562	1,101	562	1,101
	562	1,615	562	1,615
Non-Current				
Environmental bonds on deposit*	1,976	1,799	1,835	1,799
Intercompany loans	-	-	5,862	5,380
	1,976	1,799	7,697	7,179
Total	2,538	3,414	8,259	8,794

The Groups exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 5.

* Relates to security deposits to cover bank guarantees for mining lease bonds.

17. Inventories

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Materials and supplies – at cost	533	352	533	352
Ore stocks – at cost	818	-	818	-
Ore stocks – net realisable value	-	1,631	-	1,631
Gold in circuit – at cost	1,108	-	1,108	-
Gold in circuit – net realisable value	-	2,273	-	2,273
Total	2,459	4,256	2,459	4,256

18. Exploration, Evaluation and Development Expenditure

During the twelve months ended 30 June 2009 the Company expended and capitalised the following on exploration, evaluation and development assets:

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Exploration and Evaluation Phase				
Cost brought forward	7,328	20	7,328	20
Capitalised during the year	5,280	21,530	3,388	21,530
Transferred to development phase	(719)	(14,222)	(719)	(14,222)
Balance at 30 June	11,889	7,328	9,997	7,328

The ultimate recoupment of deferred exploration and evaluation expenditure carried forward is dependent upon the successful development and exploitation, or alternatively sale, of the respective areas of interest at an amount greater than or equal to the carrying value.

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Development Phase Cost Brought Forward	-	-	-	-
Transfer from exploration phase	719	14,222	719	14,222
Expenditure during the year	654	1,474	654	1,474
Transferred to production phase	(1,373)	(15,696)	(1,373)	(15,696)
Balance at 30 June	-	-	-	-

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Production Phase Cost Brought Forward	15,466	-	15,466	-
Transfer from development phase	1,373	15,696	1,373	15,696
Expenditure during the year	3,007	-	3,007	-
Amortisation expense	(2,994)	(230)	(2,994)	(230)
Balance at 30 June	16,852	15,466	16,852	15,466
Total	28,741	22,794	26,849	22,794

19. Property, Plant and Equipment

	GROUP						COMPANY					
	Land & Building	Plant & Equipment	Motor Vehicle	Office Furniture & Equipment	Capital In Progress	Total	Land & Building	Plant & Equipment	Motor Vehicle	Office Furniture & Equipment	Capital In Progress	Total
Cost												
Balance 1 July 2007	-	-	-	7	-	7	-	-	-	7	-	7
Additions	168	9,049	183	208	294	9,902	168	1,318	183	208	294	2,171
Disposals	-	(118)	-	-	-	(118)	-	(118)	-	-	-	(118)
Balance 30 June 2008	168	8,931	183	215	294	9,791	168	1,200	183	215	294	2,060
Balance 1 July 2008	168	8,931	183	215	294	9,791	168	1,200	183	215	294	2,060
Additions	10	451	216	7	1,487	2,171	10	218	216	7	1,487	1,938
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance 30 June 2009	178	9,382	399	222	1,781	11,962	178	1,418	399	222	1,781	3,998
Depreciation												
Balance at 1 July 2007	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	10	293	24	25	-	352	10	215	24	25	-	274
Disposals	-	(44)	-	-	-	(44)	-	(44)	-	-	-	(44)
Balance 30 June 2008	10	249	24	25	-	308	10	171	24	25	-	230
Balance at 1 July 2008	10	249	24	25	-	308	10	171	24	25	-	230
Depreciation expense	15	1,998	63	51	-	2,127	15	409	63	51	-	538
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance 30 June 2009	25	2,247	87	76	-	2,435	25	580	87	76	-	768
Carrying Amount												
At 1 July 2007	-	-	-	7	-	7	-	-	-	7	-	7
At 30 June 2008	158	8,682	159	190	294	9,483	158	1,029	159	190	294	1,830
At 1 July 2008	158	8,682	159	190	294	9,483	158	1,029	159	190	294	1,830
At 30 June 2009	153	7,135	312	146	1,781	9,527	153	838	312	146	1,781	3,230

20. Trade and Other Payables

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Trade payables	7,427	5,434	7,427	5,434
Other payables	1,383	251	1,383	251
Total	8,810	5,685	8,810	5,685

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 5.

21. Interest Bearing Liabilities

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Current Liability				
Finance leases				
Equipment loan – Crushing Plant*	265	265	265	265
Equipment loan – Motor Vehicles	73	-	73	-
	338	265	338	265
Non-Current Liability				
Equipment loan – Crushing Plant*	243	508	243	508
Equipment loan – Motor Vehicles	127	-	127	-
	370	508	370	508
Total	708	773	708	773

* An equipment loan was arranged for $795,000 to purchase the mobile crushing plant for Lakewood Gold Processing Facility. The loan is a fixed interest loan over three years.

22. Employee Benefits

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Current				
Liability for annual leave	229	121	229	121
Total	229	121	229	121

23. Share Based Payments

During the 30 June 2008 financial year the Group established a share option programme that entitles employees to purchase shares in the Company.

The terms and conditions of the grants are as follows:

	Number	Vesting Conditions	Contractual Life
Grant Date/Entitlement			
Options granted – 24 January 2008	1,935,000	1 year service	5 years
Options granted – 14 March 2008	636,560	1 year service	5 years
Options granted – 20 August 2008	361,500	1 year service	5 years
Total Share Options	2,933,060		

The number of weighted average exercise prices of share options is as follows:

	Weighted Average Exercise Price 2009	Number of Options 2009	Weighted Average Exercise Price 2008	Number of Options 2008
Outstanding at 1 July	$0.30	26,771,560	$0.30	24,200,000
Forfeited during period	$0.32	(626,810)	-	-
Granted during the period	$0.39	361,500	$0.31	2,571,560
Outstanding at 30 June	$0.30	26,506,250	$0.30	26,771,560
Exercisable at 30 June	$0.30	26,144,750	-	-

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes option pricing model, incorporating the probability of the relative total shareholder return vesting condition being met, with the following inputs:

	Issued 29 January 2008	Issued 14 March 2008	Issued 20 August 2008
Fair Value of Share Options and Assumptions			
Fair value at grant date	25.293c	22.752c	14.763c
Share price	35.0c	31.5c	21.5c
Exercise price	30.0c	33.0c	39.0c
Volatility	86.49%	89.47%	98.87%
Risk free rate	6.37%	6.7%	5.66%
Expiry date	24 January 2013	14 March 2013	20 August 2013

24. Provisions

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Closure and Rehabilitation				
Opening balance at 1 July	1,104	-	1,104	-
Provisions acquired during the year	78	1,013	78	1,013
Revision to closure costs	1,299	-	1,160	-
Unwind of discount	(177)	(91)	(165)	(91)
Closing Balance at 30 June	2,303	1,104	2,177	1,104

A provision of $77,802 was acquired during the year ended 30 June 2009 in respect of the Group's obligation to rehabilitate disturbed ground on its Comet tenements.

25. Operating Leases

The Group leases its office space in West Perth under a non-cancellable operating lease. The lease is for three years from 17 December 2007 at a cost of $100,000 per annum.

26. Share Capital

	Group and Company	
	Number	$,000
Movements in Issued Capital		
Balance as at 30 June 2007	24,276,090	826
Issue of seed capital for cash at $0.10 (1,000,000) and $0.05 (200,000)	1,200,000	110
Issue of shares pursuant to fund raising for cash at $0.30	100,000,000	30,000
Acquisition costs of Mount Monger tenements at $0.30	20,000,000	6,000
Acquisition costs of Rothsay tenements at $0.30	1,000,000	300
Acquisition costs of Tuckabianna tenements at $0.30	3,333,334	1,000
Issued under Parekh Deed at $0.30	2,000,000	600
Issued under Rudd Agreement at $0.30	1,600,000	480
Costs in connection with fund raising	-	(1,943)
Balance as at 30 June 2008	153,409,424	37,373
Shared capital transaction costs	-	660
Balance as at 30 June 2009	153,409,424	38,033

27. Reserves

	Number	$,000
Movement in Options Reserve		
Balance as at 1 July 2007	24,200,000	88
29/01/2008 – Employee option issue	1,935,000	209
14/03/2008 – Employee option issue	636,560	42
Balance as at 30 June 2008	26,771,560	339
Balance at 1 July 2008	26,771,560	339
Expensed - 29/01/2008 – Employee option	-	248
Expensed - 14/03/2008 – Employee option	-	48
20/08/2009 – Employee option issue	361,500	47
Options Forfeited	(626,810)	(53)
Balance as at 30 June 2009	26,506,250	629

The fair value of options vesting during the period and recognised in the income statement was $343,000.

28. Commitments

The Group holds various mineral titles which require a total minimum exploration expenditure of $1,575,660 in the 2009/2010 financial year.

The Group rents its communications network which connects Perth Office to operational sites under a non-cancellable rent agreement. The agreement is for three years from 01 may 2009 at a cost of $62,400 per annum.

29. Related Parties

(a) Key Management Personnel Compensation

The key management personnel compensation included in “personnel expenses” is as follows:

	GROUP		COMPANY	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Short-term employee benefits	920	587	920	587
Post employment benefits	94	64	94	64
Share based payments	38	-	38	-
Total	1,052	651	1,052	651

(b) Individual Directors and Executives Compensation Disclosures

Information regarding individual directors and executive’s compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 is provided in the remuneration report section of the Directors’ Report. The difference between the remuneration report section of the Director’s Report and Note 29(a) is due to Gavin Cooke’s remuneration being excluded from Note 29(a) as he was not considered a key management person.

(c) Transactions With Key Management Personnel

A number of key management persons hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company, or its subsidiaries, in the reporting period. The terms and conditions of the transactions with management persons were no more favorable than those available, or might be reasonably expected to be available, on similar transactions to non-director related entities on an arm’s length basis.

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

	Transaction Value Twelve Months Ended		Balance Outstanding	
	30 June 2009 $,000	30 June 2008 $,000	30 June 2009 $,000	30 June 2008 $,000
Expenses				
Gryphon Management – Administrative Services*	1	81	-	-
Donberth Pty Ltd – Project Management Services**	-	224	-	148
Total	1	305	-	148

* A company controlled by David Griffiths – non-executive director for consulting services.
** A company controlled by Brian Kennedy – non-executive director for project management services.

(d) Movement in Options

The movement during the reporting period in the number of options over ordinary shares in Silver Lake held, directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

Key Management Person	Held at 1 July 2007	Granted as Compen-sation	Options Exercised	Options Acquired	Held at 30 June 2009	Vested During The Year	Vested and Exercisable at 30 June 2009
Paul Chapman	4,000,000	-	-	-	4,000,000	-	4,000,000
Les Davis	4,000,000	-	-	-	4,000,000	-	4,000,000
Chris Banasik	4,000,000	-	-	-	4,000,000	-	4,000,000
Brian Kennedy	4,000,000	-	-	-	4,000,000	-	4,000,000
Peter Johnston	4,000,000	-	-	-	4,000,000	-	4,000,000
David Griffiths	4,000,000	-	-	-	4,000,000	-	4,000,000
Peter Armstrong	200,000	-	-	-	200,000	200,000	200,000
David Crockford	240,000	-	-	-	240,000	240,000	240,000
Total	24,440,000	-	-	-	24,440,000	440,000	24,440,000

Key Management Person	Held at 1 July 2007	Granted as Compen-sation	Options Exercised	Options Acquired	Held at 30 June 2008	Vested During The Year	Vested and Exercisable at 30 June 2008
Paul Chapman	4,000,000	-	-	-	4,000,000	-	4,000,000
Les Davis	4,000,000	-	-	-	4,000,000	-	4,000,000
Chris Banasik	4,000,000	-	-	-	4,000,000	-	4,000,000
Brian Kennedy	4,000,000	-	-	-	4,000,000	-	4,000,000
Peter Johnston	4,000,000	-	-	-	4,000,000	-	4,000,000
David Griffiths	4,000,000	-	-	-	4,000,000	-	4,000,000
Total	24,000,000	-	-	-	24,000,000	-	24,000,000

(e) Movement in Shares

The movement during the reporting period in the number of ordinary shares in Silver Lake held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Key Management Person	Held at 1 July 2008	Granted as Compensation	Shares Exercised	Shares Acquired	Held at 30 June 2009
Paul Chapman	4,606,908	-	-	-	4,606,908
Les Davis	4,000,000	-	-	200,000	4,200,000
Chris Banasik	4,000,000	-	-	-	4,000,000
Brian Kennedy	4,075,377	-	-	-	4,075,377
Peter Johnston	4,318,253	-	-	-	4,318,253
David Griffiths	4,158,377	-	-	-	4,158,377
Peter Armstrong	460,000	-	-	-	460,000
David Crockford	-	-	-	-	-
Total	25,618,915	-	-	200,000	25,818,915

Key Management Person	Held at 1 July 2007	Granted as Compensation	Shares Exercised	Shares Acquired	Held at 30 June 2008
Paul Chapman	4,276,015	-	-	330,893	4,606,908
Les Davis	4,000,000	-	-	-	4,000,000
Chris Banasik	4,000,000	-	-	-	4,000,000
Brian Kennedy	4,000,075	-	-	75,302	4,075,377
Peter Johnston	4,000,000	-	-	318,253	4,318,253
David Griffiths	4,000,000	-	-	158,377	4,158,377
Total	24,276,090	-	-	882,825	25,158,915

(f) Subsidiaries

Loans are made by the Company to wholly owned subsidiaries for capital purchases. Loans outstanding between the Company and its subsidiaries have no fixed date of repayment and are non-interest bearing. During the financial year ended 30 June 2009, such loans to subsidiaries totaled $5,862,000 (2008: $5,380,000).

30. Subsequent Events

There has not been any matter or circumstance that has arisen since the end of the interim financial period that has significantly affected the operations of the Company, the results of these operations, or the state of affairs of the Company in future financial periods.

31. Auditors Remuneration

	2009 $	2008 $
Audit and review of the Company's financial statements	112,000	90,000
Taxation services	33,000	20,450
Independent accountant's report	-	33,000
Total	145,000	143,450

32. Group Entities

The Company controlled the following subsidiaries:

Subsidiaries	Country of Incorporation	Ownership Interest	
		2009	2008
Pericles Resources Pty Ltd	Australia	100%	100%
Cue Minerals Pty Ltd	Australia	100%	100%

ASX Additional Information For the year ended 30 June 2009

At 30 June 2009 the Company had issued the following equity securities:

	Fully Paid Ordinary Shares	Options	Option Exercise	Option Expiry
Quoted Securities:	129,512,659	Nil		
Unquoted Securities:				
Restricted until 14 November 2009	23,896,765	20,999,998	$0.30	31/12/2012
Other unquoted securities:		3,200,002	$0.30	31/12/2012
		1,645,000	$0.30	29/01/2013
		299,750	$0.33	14/03/2013
		361,500	$0.39	20/08/2013
Total all Securities	153,409,424	26,506,250		

Distribution of holders

			Fully Paid Ordinary Shares	Options
1	-	1,000	47	-
1,001	-	5,000	516	-
5,001	-	10,000	420	-
10,001	-	100,000	1,042	4
100,001	-	and over	152	19
Total Holders			2,177	23

There are no holders of less than a marketable parcel of shares.

Voting Rights of Securities

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there is only one class of Shares), at meetings of Shareholders of Silver Lake:

a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes as bears the same proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited).

Options do not carry any voting rights.

ASX Additional Information For the year ended 30 June 2009

Substantial Shareholders

As at 30 June 2009 the substantial holders disclosed to the Company were:

Registered Holder	Beneficial Owner	Number of Shares	Percentage of Issued Shares
HSBC Custody Nominees (Australia) Ltd	Eye Management Pty Ltd	15,175,000	9.89%
ANZ Nominees Ltd	Sprott Asset Management Inc.	11,948,702	7.79%

Top 20 Holders of Quoted Securities

Registered Holder	Number of Quoted Securities	Percentage of Issued Shares
HSBC Custody Nominees (Australia) Limited – GSCO ECA	15,175,000	9.89%
ANZ Nominees Limited	7,633,151	4.98%
HSBC Custody Nominees (Australia) Limited	7,092,800	4.62%
BRGM Nominees Pty Ltd (BRGM Unit Account	5,000,000	3.26%
National Nominees Limited	3,103,850	2.02%
Goldfields Hotel Pty Ltd (Exchange Hotel Unit Trust)	2,666,667	1.74%
RJ Custodians Pty Ltd	2,650,000	1.73%
Goldfields Hotel PTY Ltd	2,124,000	1.38%
Mellett Super Pty Ltd	2,076,185	1.35%
Forbar Custodians Limited	1,542,153	1.01%
Howba Pty Ltd	1,461,499	.95%
Citicorp Nominees Pty Limited	1,197,371	.78%
Bramor Superannuation Pty Ltd	1,000,000	.65%
Mr William Gordon Martin and Mrs Beverley Michelle Martin	1,000,000	.65%
Domain Investment Holdings P/L	1,000,000	.65%
Mr Alan Paul Rudd	850,000	.55%
Tectonic Resources NL	800,000	.52%
UBS Wealth Management Australia Nominees PTY Ltd	776,584	.51%
Mrs Tanya Swick	753,760	.49%
Mr Jorge Bernhard	753,760	.49%
	58,656,780	38.24%

ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives, which are exploration and evaluation of projects, gold mining from the Daisy Milano mine and gold processing at Lakewood Gold Processing Facility.

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