ANNUAL REPORT

FOR THE YEAR ENDED
30 JUNE 2014

silverlake
RESOURCES

ABN: 38 108 779 782

YEAR IN REVIEW
2014

- » Revenue up 43.5% from $215,743,000 to $309,661,000
- » Statutory loss of $170.4 million and EBITDA before significant items $26.3 million*
- » Total ore mined up 23.4% from 1,586,606 tonnes to 1,957,091 tonnes
- » Total ore processed up 66.5% from 1,809,908 tonnes to 3,013,886 tonnes
- » Total gold sold up 43.9% from 151,060 ounces to 217,348 ounces
- » Mount Monger Operations recorded an EBITDA of $58.1 million with gold production at an all-in sustaining cost of A$1,070 per ounce
- » Murchison Gold Operations placed on care and maintenance allowing the Company to focus capital on further optimising and funding growth projects at the low cost Mount Monger Operations
- » Group's strategy revolves around conducting all processing through the Randalls Mill. Expressions of interest are currently being sought for the Lakewood Mill (either outright sale or toll treatment option)
- » Ore sourced from a combination of sources including the Daisy Complex and Cock-eyed Bob underground mines, the Maxwells open pit and surface stockpiles
- » June 2014 JORC resource totals 5.7 million ounces gold, 133,600 tonnes copper and 10.5 million ounces silver
- » June 2014 JORC reserve totals 1.1 million ounces gold, 74,700 tonnes copper and 8.5 million ounces silver

* See page 25 for explanation of EBITDA before significant items

CORPORATE DIRECTORY

Directors

Paul Chapman
Non-Executive Chairman

Les Davis
Managing Director

Chris Banasik
Executive Director – Exploration and Geology

Luke Tonkin
Executive Director - Operations

David Griffiths
Non-Executive Director

Peter Johnston
Non-Executive Director

Brian Kennedy
Non-Executive Director

Company Secretary

Peter Armstrong

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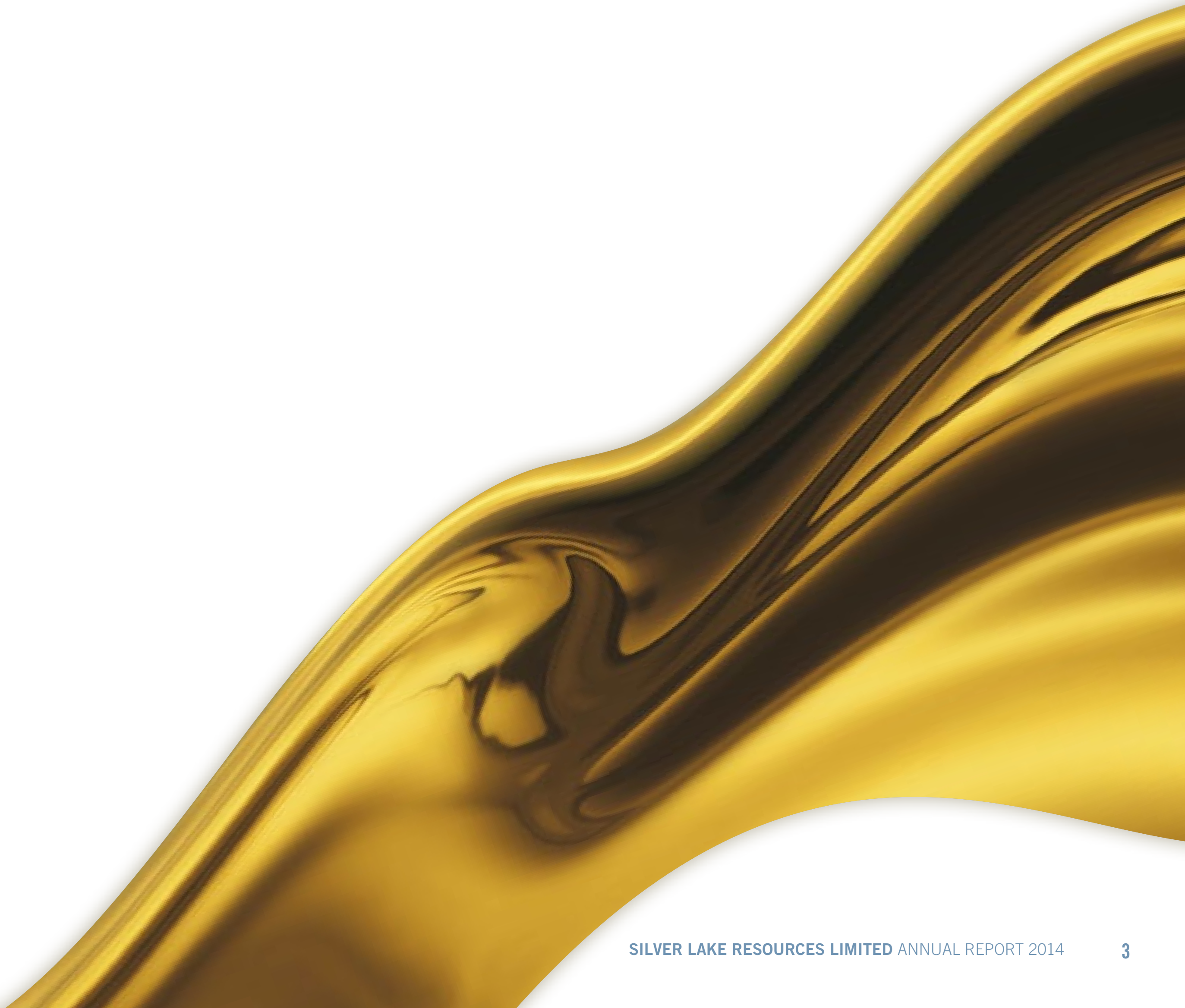

DEAR FELLOW SHAREHOLDER

As previously advised Silver Lake's strategy has been to build a significant resource base and produce from multiple mines and multiple mills.

Specific objectives were set last year in line with our strategy as follows:

- Achieve milled production of 120,000 to 130,000 oz Au from the Mount Monger Operations;
- Achieve milled production of 60,000 to 70,000 oz Au from the Murchison Gold Operations;
- Complete final metallurgical test work at the Magic gold deposit allowing an economic analysis on the viability of treatment at our existing mills;
- Continue limited exploration across the Group focusing on short term, high impact outcomes; and
- Maintain a strong balance sheet through prudent capital, cost and cashflow management.

All of these objectives were set with the overriding objective of maintaining health and safety as a priority.

Performance against these objectives was as follows:

- From a safety perspective, there were four lost time injuries during the period. All incidents were thoroughly investigated and preventative measures put in place to reduce the likelihood of similar occurrences. The year on year Group Lost Time Injury Rate increased to 3.17 at 30 June 2014 (above the Gold Industry Performance target of 2.50), whilst the year on year Group Total Recordable Injury Rate decreased from 21.1 to 19.8 by 30 June 2014.
- During the year ore was sourced from a combination of sources including the Daisy Complex and Cock-eyed Bob underground mines, the Maxwells open pit and surface stockpiles. Mined production from the Mount Monger Operations was 1.0 million tonnes at 4.1 g/t Au for 135,760 ounces, a 12% increase on the previous year.
- Milled production from the Mount Monger Operations increased 28% to 170,800 oz, exceeding the set objective by 31%. During the year it was announced that our current and longer term operating strategy revolves around the Randalls Mill, located 15km south-east of the Daisy Complex. Accordingly, it was decided that all ore processing would be conducted through the Randalls Mill with the Lakewood Mill placed on care and maintenance. Expressions of interest are currently being sought for the Lakewood Mill, presenting an outstanding opportunity for interested parties to either toll treat their ore through or to purchase outright.
- Milled production from the Murchison Gold Operations amounted to 44,066 oz due to the decision to place the project on care and maintenance. On 20 January 2014, Silver Lake announced a strategic review of the Murchison Gold Operations. The fall in gold price in mid-2013 resulted in the deferment of capital required to access higher grade, underground Reserves and focus production on lower grade open pit Reserves. Production and unit costs from the project had been disappointing, particularly given the prevailing gold price environment. Several options were evaluated as part of the strategic review culminating in the decision to place the Murchison Gold Operations on care and maintenance. This preserves a number of strategic options for the Company, including recommencing operations in the event of a higher sustainable gold price.
- Group production for the year totalled 214,866 oz, a 42% increase on the previous year.
- Final metallurgical test work at the Magic gold deposit was deferred in order to preserve cashflow.
- Exploration across the Group focused on preserving the exploration portfolio and improving near term production outcomes.
- The balance sheet came under pressure during the year due to a sustained lower gold price, a strong Australian Dollar and the decision to place the Murchison Gold Operations on care and maintenance. A non-cash impairment of A$91.2 million was recognised due to a number of factors including the assessment of exploration and development assets at Mount Monger and the decision to place the Murchison Gold Operations and the Lakewood Mill on care and maintenance. In addition, it was decided to de-recognise deferred tax assets (relating primarily to prior year tax losses) of A$53.1 million. Following these adjustments, capital raisings, cost and cashflow management and the implementation of a hedging program, the balance sheet is now in a stronger position.
- The Group recorded a net loss after tax for the year of $170.4 million. The result was significantly impacted by a lower average gold price for the year (as compared to the prior period), $91.2 million of asset and inventory impairments and a $53.1 million tax expense relating to the de-recognition of deferred tax assets.

The business has been restructured to protect against the downside of a weaker Australian dollar gold price. The core focus of the Group is now on the Mount Monger Operations. Accordingly, we have set ourselves the following key objectives for the next twelve months:

- Achieve milled production of 125,000 to 135,000 oz Au from the Mount Monger Operations;
- Finalise expressions of interest process for the Lakewood Mill;
- Seek expressions of interest for joint venture partners or similar outcomes for the Great Southern and Copper Lakes projects;
- Pursue measures to minimise care and maintenance costs at the Murchison Gold Operations;

- Conduct a strategic review of exploration across the Group focusing on optimising near term production as well as longer term but high impact projects; and
- Maintain a strong balance sheet through prudent capital, cost and cashflow management.

Again, all of these objectives are to be achieved with the overriding objective of maintaining health and safety as a priority.

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

Paul Chapman
Non-Executive Chairman

Les Davis
Managing Director

OVERVIEW

Silver Lake is an all-Australian, ASX listed gold producing and exploration company with multiple mines and multiple treatment plants operating in the Eastern Goldfields and Murchison districts of Western Australia.

Silver Lake's land position in Western Australia covers 5,000 sqkm of highly prospective, under explored tenements containing gold, silver and copper.

Silver Lake currently has JORC Resources and JORC Ore Reserves containing:

» 5.7 million ounces of gold inclusive of 1.1 million ounces of reserve;

» 10.5 million ounces of silver; and

» 133,600 tonnes of copper.

Group Financial Overview

The Group recorded a net loss after tax for the year of $170.438 million (2013: loss of $319.288 million). The result was significantly impacted by:

» a lower average gold price for the year (as compared to the prior period);

» $91.2 million of asset and inventory impairments;

» an operating loss of $31.511 million from the Murchison Operations, which have now been placed on care and maintenance; and

» a tax expense of $53.142 million relating to derecognition of deferred tax assets.

The Mount Monger Operations continued to generate strong cash flows for the year, recording an EBITDA for the year of $58.072 million. Full details of the asset impairments can be found in the notes to the Financial Statements.

A reconciliation between the statutory loss after tax and the Group's underlying operating results is tabled on page 25. This reconciliation is an unaudited non-IFRS measure that, in the opinion of the Board, provides useful information to assess the operating performance of the Group. As noted in the table, the Group's EBITDA (before significant items) was $26.343 million for the year (2013 $41.487 million). The decrease in EBITDA (before significant items) is primarily due to:

» A lower average gold price as compared to the prior period. The average realised sale price for the year was A$1,421/oz (2013: A$1,529/oz)

» Poor performance from the Murchison Gold Operations which recorded an operating loss (before depreciation and amortisation) of $31.511 million for the year (including costs associated with placing the operations on care and maintenance).

Gold sales for the year were 217,348 oz, an increase of 44% compared to the previous corresponding period. Mining and production statistics for the Group for the year ended 30 June 2014 are detailed in Table 1 and Table 2.

Overview of Operations

Silver Lake's Mount Monger Operation contains the Daisy Complex and Cock-eyed Bob underground mines and the Maxwells open pit mine. The Mount Monger Operation also includes significant ore stockpiles from the Salt Creek and Maxwells mines.

Mount Monger has additional multi-mine potential underpinned by work programmes to advance the following deposits towards production:

» Majestic open pit followed by Imperial underground mine;

» Wombola Dam open pit;

» Maxwells underground mine;

» Upper areas to the east and west of Daisy Milano;

» Lorna Doone open pit; and

» Magic underground mine.

Gold ore from the Mount Monger Operation is transported to either the Lakewood processing facility, located 5 km south east of Kalgoorlie, or to the Randalls treatment plant, located 60 km south east of Kalgoorlie. The Lakewood facility has a capacity of 0.8 million tonnes per annum with the Randalls facility able to process 1.2 million tonnes per annum. The Company's long term strategy revolves around the Randalls treatment plant with the Lakewood facility being placed on care and maintenance in July 2014.

Mining and production statistics for the Mount Monger Operations for the year ended 30 June 2014 are detailed in Table 3 and Table 4.

As announced to the ASX on 27 February 2014, the Murchison Gold Operations have been placed on care and maintenance.

The fall in gold price in mid-2013 resulted in the deferment of capital required to access higher grade, underground reserves and focus production on lower grade open pit reserves. Since operations began, production costs from the Murchison have been disappointing and given the prevailing gold price environment, the Murchison Operations diverted both human and financial capital from higher value, lower risk projects in the Mount Monger region.

Several options were evaluated as part of the Board's strategic review of the project, culminating in the decision to place the Murchison Gold Operations on care and maintenance in the June 2014 quarter. This preserves a number of strategic options for the Group, including recommencing operations in the event of a higher sustainable gold price. The estimated cost to place the Murchison Gold Operations on care and maintenance is A$12.0 million for redundancy payments and mining contract restructuring expenses. At 30 June 2014, $6.0 million of this total had been paid.

The decision to place the operations on care and maintenance was an indicator of asset impairment at 31 December 2013. As a result of the assessment, the Company recorded an impairment charge of $41.6 million at 31 December 2013 (includes inventory impairment of $1.6 million). Full details of the impairments are included in the notes to the financial statements. Mining and production statistics for the Murchison operations for the year ended 30 June 2014 are detailed in Table 5 and Table 6.

In the Great Southern, Silver Lake owns the large Kundip and Munglinup exploration projects covering over 2,500 sqkm. Over the coming years, Silver Lake intends to increase regional gold exploration in the area.

Gold Mining and Production Statistics

Group Operations - Mining	Units	FY 2014	FY 2013
Underground			
Ore mined	Tonnes	400,779	559,768
Mined grade	g/t Au	6.2	4.7
Contained gold in ore	Oz	79,774	84,375
Open Pit			
Ore mined	Tonnes	1,556,312	1,026,838
Mined grade	g/t Au	2.0	1.8
Contained gold in ore	Oz	101,088	60,852
Total ore mined	Tonnes	1,957,091	1,586,606
Mined grade	g/t Au	2.9	2.8
Contained gold in ore	Oz	180,862	145,227

Table 1

Group Operations - Processing	Units	FY 2014	FY 2013
Ore milled	Tonnes	3,013,886	1,809,908
Head grade	g/t Au	2.4	2.8
Contained gold in ore	Oz	229,939	161,010
Recovery	%	93	94
Gold produced	Oz	214,866	151,296
Gold refined and sold	Oz	217,348	151,060

Table 2

Mount Monger - Mining	Units	FY 2014	FY 2013
Underground			
Ore mined	Tonnes	400,779	559,768
Mined grade	g/t Au	6.2	4.7
Contained gold in ore	Oz	79,774	84,375
Open Pit			
Ore mined	Tonnes	627,547	531,332
Mined grade	g/t Au	2.8	2.1
Contained gold in ore	Oz	55,986	36,604
Total ore mined	Tonnes	1,028,326	1,091,100
Mined grade	g/t Au	4.1	3.4
Contained gold in ore	Oz	135,760	120,979

Table 3

Mount Monger - Processing	Units	FY 2014	FY 2013
Ore Milled	Tonnes	1,931,486	1,367,318
Head grade	g/t Au	2.9	3.2
Contained gold in ore	Oz	180,417	141,655
Recovery	%	95	94
Gold produced	Oz	170,800	133,364

Table 4

Murchison - Mining	Units	FY 2014	FY 2013
Open Pit			
Ore mined	Tonnes	928,765	495,506
Mined grade	g/t Au	1.5	1.5
Contained gold in ore	Oz	45,102	24,248

Table 5

Murchison - Processing	Units	FY 2014	FY 2013
Ore Milled	Tonnes	1,082,400	442,590
Head grade	g/t Au	1.4	1.4
Contained gold in ore	Oz	49,523	19,355
Recovery	%	89	93
Gold produced	Oz	44,066	17,932

Table 6

Environment

The Company continued to develop its environmental management practices over the past year. A 'process driven' approach was conducted focussing on procedural implementation of work activities to manage environmental risk. Fundamental to this change in operations was the implementation of a Surface Disturbance Permit process to ensure all statutory requirements are addressed when undertaking new activities and clearing of native vegetation.

Training of site based environmental personnel and increased general training and awareness sessions have facilitated a greater control on environmental risk at a site level. Environmental hazard reporting was also encouraged with the issue of hazard reporting cards. Working within the boundaries of the Silver Lake Integrated Management System (SLIMS) has also allowed a more seamless feel across the disciplines of OHS and Environment.

Development and project approvals have been sought and granted in a number of areas including the Wombola Dam open pit cutback, Maxwells waste rock dump expansion and abandonment bund, Daisy Milano power station, water supply from the Daisy Milano Complex open pits and the Katies/TMC project area (Murchison). Native Vegetation Clearing Permits were also granted including those relating to the Great Southern Region. Further development projects commenced including the Salt Creek 'In Pit' tailings storage facility which removed the requirement to clear 40 ha of native vegetation.

Statutory Mine Closure Plans were submitted addressing rehabilitation of disturbance across all leases. One Mine Closure Plan was approved with the others awaiting assessment by the DMP.

The extent of disturbance across all leases was collated for the Mine Rehabilitation Fund Levy calculation and unconditional performance bonds were surrendered.

Energy saving initiatives such as EnerNOC's Demand Side Management continued to be utilised at both the Lakewood and Randalls Gold Processing facilities and the transfer of the power station from the Murchison to Mount Monger will result in a reduction in greenhouse gas emissions in future periods. NPI and NGER calculations were in line with previous submissions.

Safety

From a safety perspective, there were four lost time injuries during the period. All incidents were thoroughly investigated and preventative measures put in place to reduce the likelihood of similar occurrences. The year on year Group Lost Time Injury Rate (LTIR) increased to 3.17 at 30 June 2014 (above the Gold Industry Performance target of 2.50), whilst the year on year Group Total Recordable Injury Rate (TRIR) decreased from 21.1 to 19.8 by 30 June 2014.

During the year there has been a steady decline in the total number of all injuries reported across the business.

OHS achievements over the past year included:

» Establishment of an OHS Business Improvement Plan;

» Establishment of improved work standards for document management and incident and workers compensation management; and

» Establishment of a risk based monitoring approach to noise and atmospheric management.

The Group is targeting a 20% reduction in TRIR in 2015 and will continue its commitment to create a safe working environment.

STRATEGY

The Group's short term strategy is to maximise cash flow thereby strengthening the balance sheet and improving liquidity. This will be achieved by:

- Maximising free cashflow from the low cost, high grade Mount Monger Operations;
- Commencing production from the Wombola Dam open pit in September 2014;
- Placing the Murchison Gold Operations on care and maintenance in July 2014;
- Directing exploration expenditure to high impact, cash generating projects; and
- Finalise expression of interest campaign for the Lakewood Mill either for an outright sale or toll treatment option.

Processing all available ore sources through the Randalls Mill maximises head grade at the higher throughput Randalls facility and reduces unit cost per tonne milled and transport costs compared to processing at the Lakewood Mill. As a low cost, high margin operation, Mount Monger provides Silver Lake with significant growth opportunities. The Randalls mill has capacity of 1.2mtpa and is being fed with underground ore from the Daisy Complex, Cock-eyed Bob and surface stockpiles. The FY2014 unaudited all-in sustaining cash costs at Mount Monger was A$1,070/oz.

Silver Lake has multiple near term options to develop the Mount Monger Operations that are under review including:

- Majestic open pit followed by Imperial underground mine;
- Maxwells underground mine;
- Upper areas to the east and west of Daisy Milano;
- Lorna Doone open pit; and
- Magic underground mine.

These deposits have work programmes in place to advance towards production and are in various stages of evaluation. Production rates at the Mount Monger Operations may be increased subject to the outcomes of these final evaluations.

Key risks in being able to deliver on the Group's strategy include:

- Price and demand for gold - It is difficult to accurately predict future demand and gold price movements and such movements may adversely impact on the Group's profit margins, future development and planned future production
- Exchange rates - The majority of the Group's sales will provide for payment in Australian dollars with reference to the US dollar gold price, while the majority of costs will be in Australian dollars. Therefore, revenue will be related to the US dollar gold price and may be affected by the AUD:USD foreign exchange rate
- Reserves and Resources - The Mineral Resources and Ore Reserves for the Group's assets (refer Tables 7 to 12) are estimates only and no assurance can be given that any particular recovery level will in fact be realised
- Operations - The Group's gold mining operations are subject to operating risks that could result in decreased production, increased costs and reduced revenues. Operational difficulties may impact the amount of gold produced, delay deliveries or increase the cost of mining for varying lengths of time.

Randalls Gold Processing Facility

Truck descending into the Daisy Complex portal

EXPLORATION, RESOURCES & RESERVES REPORT

Silver Lake's lease holdings encompass highly prospective tenements in the Eastern Goldfields, Murchison and Great Southern districts of Western Australia (refer to Figure 1). During the reporting period exploration activities have been undertaken in the Eastern Goldfields, the Murchison and at the Great Southern projects.

At Mount Monger exploration focused on reviewing existing targets and re-evaluating the potential of areas not previously highlighted as target areas. Surface drilling will continue in the coming year in the Lorna Doone/Spinifex area, Majestic West, Imperial, Harrys Hill, Rumbles and Lucky Bay. Underground drilling will also focus on infilling the down plunge continuation of Haoma West, Haoma and Daisy Deeps.

In the Murchison activity focused on prospect review, geological mapping and geochemical sampling.

At Tuckabianna activities focused on the target areas isolated from the known mineralisation trends. In addition mapping and geochemical surveys continued throughout the lease holding.

At the Eelya Complex geochemical sampling and geophysical data analysis continued. Over the coming year exploration drilling will be targeted to test the reinterpretations at Mount Eelya and Eelya South.

Exploration at Comet and Moyagee was confined to ongoing mapping and geochemical sampling. Heritage clearance was obtained for further exploration in the Lake Austin area on the previously identified geophysical targets. The exploration plan for FY2015 includes testing these targets and geochemical targets in the Comet area.

In September 2013, Silver Lake Resources purchased the Quinns tenements from Caravel Minerals Limited. Evaluation and confirmation of known gold and base metals occurrences and targets was the focus for the year and will continue over the next year.

Great Southern exploration involved reinterpretation of historical data and continued mapping and sampling of the entire lease package. This work has highlighted many areas that require follow up closer spaced geochemical data and a review of the existing geophysical information. The drilling plan in FY2015 will involve infill and extension of existing resources within the Kundip area.

RESOURCES AND RESERVES

The total Mount Monger June 2014 JORC resource (including JORC 2012 compliant and JORC 2004 compliant) is 30.2 million tonnes at 3.8 g/t Au for 3.7 million oz (refer to Table 7 and Table 9). The 2014 JORC reserve (including JORC 2012 compliant and JORC 2004 compliant) is 6.2 million tonnes at 3.1 g/t Au for 0.6 million oz (refer to Table 8 and Table 10).

In the Murchison the June 2014 JORC resources (including JORC 2012 compliant and JORC 2004 compliant) total 14.4 million tonnes at 2.2 g/t Au for 1.0 million oz (refer to Table 7 and Table 9). As the Murchison Gold Operation was placed on care and maintenance it was decided not to report a reserve for 2014.

The Great Southern June 2014 JORC resources (all JORC 2004 compliant) total 16.0 million tonnes at 2.0 g/t for 1 million ounces (refer Table 9). The Gold reserve (JORC 2004 compliant) for the Great Southern totals 7.4 million tonnes at 1.8 g/t for 442,100 oz (refer Table 10).

The Great Southern and Hollandaire resource (JORC 2004 compliant) inventory of copper and silver are listed in Table 11. The base metals reserves (JORC 2004 compliant) for the Great Southern and Hollandaire are listed in Table 12.

2014 Deposit	Measured Resources Ore t '000s	Measured Resources Grade g/t Au	Measured Resources Total Oz Au '000s	Indicated Resources Ore t '000s	Indicated Resources Grade g/t Au	Indicated Resources Total Oz Au '000s	Inferred Resources Ore t '000s	Inferred Resources Grade g/t Au	Inferred Resources Total Oz Au '000s	Total Resources Ore t '000s	Total Resources Grade g/t Au	Total Resources Total Oz Au '000s
Daisy Milano	160.0	13.8	70.9	394.0	23.5	298.0	1,230.0	10.3	406.2	1,784.0	13.5	775.1
Haoma	195.0	11.4	71.6	220.0	16.6	117.5	447.0	10.5	150.5	862.0	12.3	339.6
Haoma West							403.2	20.8	269.4	403.2	20.8	269.4
Wombola Dam	42.8	4.4	6.0	264.0	3.4	28.9	141.0	3.3	14.9	447.8	3.5	49.8
Total Mount Monger	397.8	11.6	148.5	878.0	15.7	444.4	2,221.2	11.8	841.0	3,497.0	12.8	1,433.9
Maxwells				257.3	3.9	32.1	494.8	2.9	46.2	752.1	3.2	78.3
Cock-Eyed Bob	361.0	3.8	43.7	655.0	2.4	50.0	1,790.0	2.8	161.0	2,806.0	2.8	254.7
Total Randalls	361.0	3.8	43.7	912.3	2.8	82.1	2,284.8	2.8	207.2	3,558.1	2.6	333.0
Caustons				885.8	2.2	62.7	1,764.7	2.2	123.1	2,650.5	2.2	185.8
Tuckabianna				1,215.6	1.9	75.8	1,487.2	1.8	85.1	2,702.9	1.9	160.9
TMC / Katies				299.0	2.5	24.0	316.0	2.5	25.0	615.0	2.5	49.0
Total Tuckabianna				2,400.5	2.1	162.5	3,567.9	2.0	233.2	5,968.4	2.1	395.7
Pinnacles	60.1	1.5	2.9	1,130.0	1.7	61.8	1,090.0	1.7	59.7	2,280.1	1.7	124.4
Total Comet	60.1	1.5	2.9	1,130.0	1.7	61.8	1,090.0	1.7	59.7	2,280.1	1.7	124.4
Lena				433.4	2.0	27.6	839.3	1.8	48.6	1,272.7	1.9	76.2
Total Moyagee				433.4	2.0	27.6	839.3	1.8	48.6	1,272.7	1.9	76.2
Total Silver Lake	818.9	7.4	195.1	5,754.1	4.2	778.4	10,003.3	4.3	1,389.7	16,576.3	4.4	2,363.2

Table 7: *JORC 2012 Compliant Gold Resource Inventory as at June 2014. Rounding may give rise to unit discrepancies in this table.*

2014 Deposit	Proved Reserves Ore tonnes '000s	Proved Reserves Grade	Proved Reserves Total '000s	Probable Reserves Ore tonnes '000s	Probable Reserves Grade	Probable Reserves Total '000s	Total Reserves Ore tonnes '000s	Total Reserves Grade	Total Reserves Total '000s
Daisy Milano	57.6	5.6	10.3	200.2	11.6	74.8	257.8	10.3	85.1
Haoma	131.6	4.5	19.1	593.0	6.6	126.1	724.6	6.2	145.2
Wombola Dam	54.3	2.5	4.4	161.9	2.2	11.7	216.2	2.3	16.1
Total Mount Monger	243.5	4.3	33.8	955.1	6.9	212.6	1,198.6	6.4	246.4
Cock-eyed Bob				38.8	5.5	6.8	38.8	5.5	6.8
Total Randalls				38.8	5.5	6.8	38.8	5.5	6.8
Total Reserve	243.5	4.3	33.8	993.9	6.9	219.4	1,237.4	6.4	253.2

Table 8: *JORC 2012 Compliant Gold Reserve Inventory as at June 2014. Rounding may give rise to unit discrepancies in this table.*

Notes to Tables 7 and 8

Competent Person's Statement

1. The figures quoted in Table 7 represent the geological resource. No "Modifying Factors" have been applied as per the 2012 edition of the *Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* ("JORC Code"). The figures quoted in Table 8 represent the ore reserve. Modifying factors have been applied as per 2012 edition of the *Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* ("JORC Code")

2. The information in this report that relates to Exploration Results and Mineral Resources and Reserves is based on information compiled by:
   · Mr Christopher Banasik for Maxwells, Caustons, Tuckabianna, TMC/Katies, Pinnacles, Lena
   · Mr Matthew Karl for Daisy Milano, Haoma, Haoma West, Wombola Dam, Cock Eyed Bob

   Both are Members of the Australasian Institute of Mining and Metallurgy. Mr Banasik and Mr Karl are full time employees of Silver Lake Resources Ltd, and have sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr Banasik and Mr Karl have given their consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

3. 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.

2014	Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
Deposit	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s
Christmas Flat							424.2	3.4	45.9	424.2	3.4	45.9
Dinnie Reggio							294.2	5.7	54.2	294.2	5.7	54.2
Majestic				1,930.0	2.2	139.0	563.0	1.5	27.6	2,493.0	2.1	166.6
Imperial				188.0	10.0	60.5	132.0	5.5	23.2	320.0	8.1	83.7
Fingals				131.0	2.7	11.2	1,043.0	2.3	76.8	1,174.0	2.3	88.0
Costello							111.0	4.0	14.3	111.0	4.0	14.3
Lorna Doone				209.0	2.9	19.4	1,082.0	4.5	157.2	1,291.0	4.3	176.6
Magic/Mirror				762.0	3.0	74.5	1,150.0	4.9	182.0	1,912.0	4.2	256.5
Wombola Pit				48.4	3.2	4.9	45.5	2.9	4.2	93.9	3.0	9.1
Hammer and Tap							350.2	2.4	27.4	350.2	2.4	27.4
Total Mount Monger				3,268.4	2.9	309.5	5,195.1	3.7	612.8	8,463.5	3.4	922.3
Salt Creek Stockpile	773.3	1.2	30.7							773.3	1.2	30.7
Santa Area				4,368.0	2.1	293.3	1,507.0	2.7	128.4	5,875.0	2.2	421.7
Lucky Bay				159.0	5.2	26.4	4.0	7.5	1.0	163.0	5.2	27.4
Rumbles							645.0	1.4	28.4	645.0	1.4	28.4
Anomaly A				158.0	2.7	13.8	73.0	1.7	4.0	231.0	2.4	17.8
Randalls Dam				107.0	2.1	7.2	6.0	1.2	0.2	113.0	2.1	7.5
Total Randalls	773.3	1.2	30.7	4,792.0	2.2	340.7	2,235.0	2.3	162.1	7,800.3	2.1	533.4
Main Zone				1,888.0	2.4	145.1	26.0	2.1	1.8	1,914.0	2.4	146.9
Harry's Hill				1,780.0	2.3	134.2	18.0	1.9	1.1	1,798.0	2.3	135.3
French Kiss				1,906.0	1.9	115.8	39.0	2.1	2.7	1,945.0	1.9	118.5
Spice							104.0	4.0	13.5	104.0	4.0	13.5
Tank/Atriedes				622.0	1.9	37.0	60.0	1.9	3.7	682.0	1.9	40.7
Italia/Argonaut				409.0	1.4	18.8				409.0	1.4	18.8
Total Aldiss				6,605.0	2.1	450.9	247.0	2.9	22.8	6,852.0	2.2	473.7
Jasper Queen							175.0	2.6	14.6	175.0	2.6	14.6
Gilt Edge							95.8	3.1	9.4	95.8	3.1	9.4
Sherwood							527.0	2.1	35.1	527.0	2.1	35.1
Little John							1,201.0	1.8	68.7	1,201.0	1.8	68.7
Total Tuckabianna							1,998.8	2.0	127.9	1,998.8	2.0	127.9
Comet				1,205.4	4.9	191.7	252.2	4.2	34.2	1,457.6	4.8	225.9
Lunar/Solar							64.6	1.2	2.5	64.6	1.2	2.5
Total Comet				1,205.4	4.9	191.7	316.9	3.6	36.7	1,522.3	4.7	228.4
Leviticus							42.2	6.0	8.1	42.2	6.0	8.1
Numbers							278.0	2.5	22.0	278.0	2.5	22.0
Break of Day							335.7	1.9	20.6	335.7	1.9	20.6
Total Moyagee							655.8	2.4	50.8	655.8	2.4	50.8
Hollandaire				473.0	1.4	20.9	44.6	1.1	1.6	517.6	1.3	22.5
Rapier South							171.3	2.2	11.9	171.3	2.2	11.9
Total Eelya				473.0	1.4	20.9	215.9	1.9	13.4	688.9	1.5	34.3
Kundip				4,390.0	3.4	481.3	4,550.0	2.1	307.2	8,940.0	2.7	788.5
Trilogy	310.0	2.4	23.9	5,750.0	0.7	136.4	180.0	0.8	4.5	6,240.0	0.8	164.8
Queen Sheba							801.7	1.9	49.0	801.7	1.9	49.0
Total Great Southern	310.0	2.4	23.9	10,140.0	1.9	617.7	5,531.7	2.0	360.6	15,981.7	2.0	1,002.3
Total Silver Lake	1,083.3	1.6	54.6	26,483.8	2.3	1,931.4	16,396.3	2.6	1,387.1	43,963.4	2.4	3,373.1

Table 9: *JORC 2004 Compliant Gold Resource Inventory as at June 2014. Rounding may give rise to unit discrepancies in this table.*

2014	Proved Reserves			Probable Reserves			Total Reserves		
Deposit	Ore tonnes '000s	Grade	Total '000s	Ore tonnes '000s	Grade	Total '000s	Ore tonnes '000s	Grade	Total '000s
Majestic				694.5	2.3	52.4	694.5	2.3	52.4
Imperial				238.1	7.6	58.1	238.1	7.6	58.1
Mirror/Magic				416.6	2.9	38.7	416.6	2.9	38.7
Wombola Pit				15.7	1.8	0.9	15.7	1.8	0.9
Total Mount Monger				1,364.9	3.4	150.1	1,364.9	3.4	150.1
Salt Creek				773.3	1.2	30.7	773.3	1.2	30.7
Santa Anna				1,567.0	1.7	86.2	1,567.0	1.7	86.2
Lucky Bay				123.0	4.9	19.2	123.0	4.9	19.2
Total Randalls				2,463.3	1.7	136.1	2,463.3	1.7	136.1
Harry's Hill				1,135.0	2.4	86.5	1,135.0	2.4	86.5
Total Aldiss				1,135.0	2.4	86.5	1,135.0	2.4	86.5
Kundip				2,810.0	3.4	307.2	2,810.0	3.4	307.2
Trilogy	310.0	2.2	22.0	4,320.0	0.8	112.9	4,630.0	0.9	134.9
Total Great Southern	310.0	2.2	22.0	7,130.0	1.8	420.1	7,440.0	1.8	442.1
Total Reserve	310.0	2.2	22.0	12,093.2	2.0	792.7	12,403.2	2.0	814.7

Table 10: *JORC 2004 Compliant Gold Reserve Inventory as at June 2014. Rounding may give rise to unit discrepancies in this table.*

Notes to Tables 9 and 10

Competent Person's Statement

1. The figures quoted in Table 9 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"). The figures quoted in Table 10 represent the ore reserve. Modifying factors have been applied as per 2004 edition of the *Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* ("JORC Code").

2. The information in this report that relates to Exploration Results and Mineral Resources and Reserves is based on information compiled by Mr Christopher Banasik who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Banasik is a full time employee of Silver Lake Resources Ltd, and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 edition of the JORC Code. Mr Banasik has given his consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

3. 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 driller at the Daisy Complex

	Measured Resources					Indicated Resources					Inferred Resources					Total Resources				
	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit
Kundip Project																				
Silver						4,390.0	2.5	g/t Ag	353.9	oz	4,550.0	2.1	g/t Ag	314.2	oz	8,940.0	2.3	g/t Ag	668.1	oz
Copper						4,390.0	0.4	% Cu	15.6	t	4,550.0	0.3	% Cu	14.7	t	8,940.0	0.3	% Cu	30.2	t
Trilogy Project																				
Silver	310.0	41.2	g/t Ag	406.6	oz	5,750.0	48.0	g/t Ag	8,859.6	oz	180.0	12.0	g/t Ag	73.4	oz	6,240.0	47.0	g/t Ag	9,339.7	oz
Copper	310.0	0.3	% Cu	0.9	t	5,750.0	1.1	% Cu	62.3	t	180.0	0.8	% Cu	1.4	t	6,240.0	1.0	% Cu	64.6	t
Hollandaire Project																				
Silver						1,925.4	6.2	g/t Ag	386.5	oz	728.2	4.6	g/t Ag	108.8	oz	2,653.6	5.8	g/t Ag	495.3	oz
Copper						1,891.3	2.0	% Cu	37.1	t	122.4	1.4	% Cu	1.7	t	2,013.7	1.9	% Cu	38.8	t
Total Resource																				
Silver	310.0	40.8	g/t Ag	406.6	oz	12,065.4	24.7	g/t Ag	9,600.0	oz	5,458.2	2.8	g/t Ag	495.4	oz	17,833.6	18.3	g/t Ag	10,503.0	oz
Copper	310.0	0.3	% Cu	0.9	t	12,031.3	1.0	% Cu	114.9	t	4,852.4	0.4	% Cu	17.8	t	17,193.7	0.8	% Cu	133.6	t

Table 11: *JORC 2004 Compliant Base Metals Resource Inventory as at June 2014. Rounding may give rise to unit discrepancies in this table.*

	Proved Reserves					Probable Reserves					Total Reserves				
	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit
Kundip Project															
Silver						2,810.0	2.7	g/t Ag	243.9	oz	2,810.0	2.7	g/t Ag	243.9	oz
Copper						2,810.0	0.4	% Cu	10.7	t	2,810.0	0.4	% Cu	10.7	t
Trilogy Project															
Silver	310.0	45.0	g/t Ag	448.5	oz	4,320.0	55.0	g/t Ag	7,637.7	oz	4,630.0	54.3	g/t Ag	8,086.2	oz
Copper	310.0	0.4	% Cu	1.2	t	4,320.0	1.1	% Cu	48.1	t	4,630.0	1.1	% Cu	49.3	t
Hollandaire Project															
Silver						574.0	8.2	g/t Ag	150.9	oz	574.0	8.2	g/t Ag	150.9	oz
Copper						441.8	3.3	% Cu	14.7	t	441.8	1.1	% Cu	14.7	t
Total Reserve															
Silver	310.0	45.0	g/t Ag	448.5	oz	7,704.0	32.4	g/t Ag	8,032.6	oz	8,014.0	32.9	g/t Ag	8,481.1	oz
Copper	310.0	0.4	% Cu	1.2	t	7,571.8	1.0	% Cu	73.4	t	7,881.8	0.9	% Cu	74.7	t

Table 12: *JORC 2004 Compliant Base Metals Reserve Inventory as at June 2014. Rounding may give rise to unit discrepancies in this table.*

Notes to Tables 11 and 12

Competent Person's Statement

1. The figures quoted in Table 11 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"). The figures quoted in Table 12 represent the ore reserve. Modifying factors have been applied as per 2004 edition of the *Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* ("JORC Code").

2. The information in this report that relates to Exploration Results and Mineral Resources and Reserves is based on information compiled by Mr Christopher Banasik who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Banasik is a full time employee of Silver Lake Resources Ltd, and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 edition of the JORC Code. Mr Banasik has given his consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

3. 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.

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

MOUNT MONGER OPERATIONS – WESTERN AUSTRALIA

The Mount Monger Operations (refer to Figure 2) are situated within the terrane subdivision of the Eastern Goldfields Province located 50 km southeast of Kalgoorlie. Following the merger with Integra Mining Limited in January 2013, the Mount Monger operations now include the Randalls operations and the Aldiss exploration project.

Gold mining in the Mount Monger area began during the early 1900's. Production records indicate that the field produced in excess of 400,000 oz Au prior to 2007. Since the Company listed on the ASX in November 2007 a further 565,000 oz of gold has 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 18 kilometres then an all-weather road for the remaining 32 km. The project consists of 312 granted tenements and 20 tenements under application covering approximately 1900 sq km. All of the resources and historical workings lie within granted tenements.

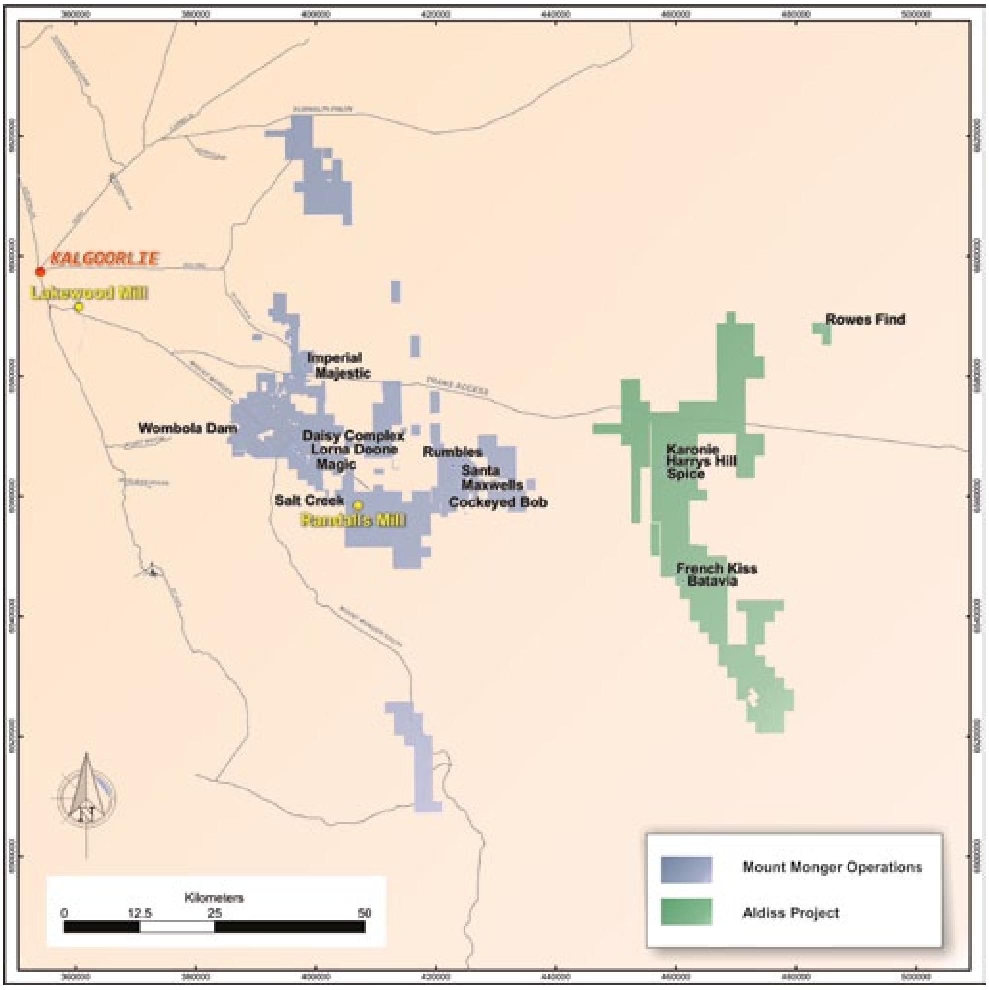

Figure 2: *Location plan – Mount Monger goldfield.*

Daisy Complex

The Daisy Complex consists of multiple ore sources and historic mines accessed from the same underground infrastructure (refer to Figure 3). Ore sources currently in production include Daisy Milano, Haoma, Western Make, Stanley and Rosemary.

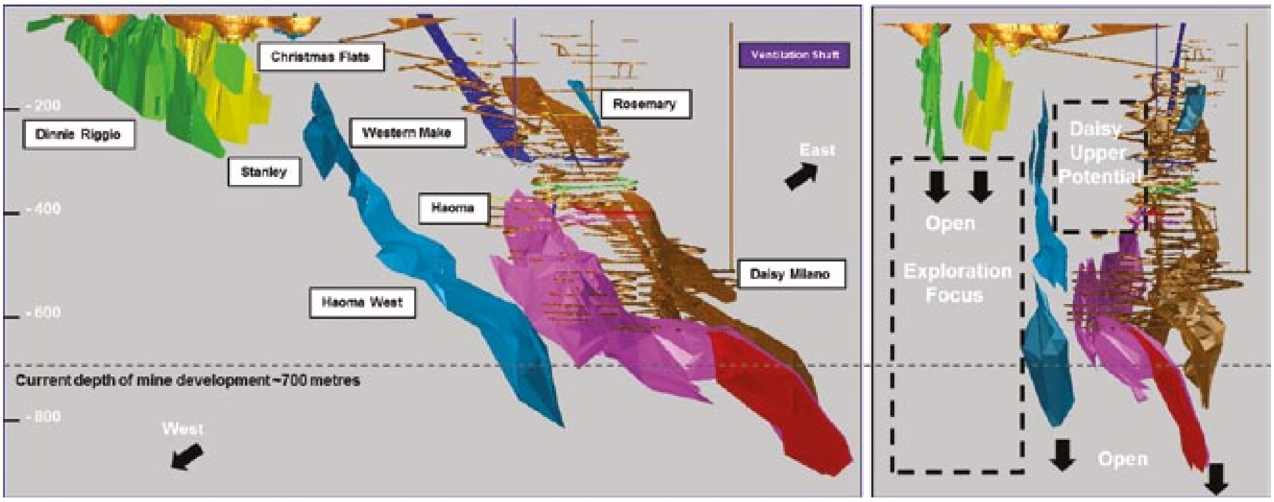

Figure 3: *Schematic view showing location of various deposits which have been defined in the Daisy Complex (not to scale).*

Daisy Milano

The Daisy Milano deposit (refer to Figure 3) is hosted by a dilational zone within a north-south trending shear zone and as at June 2014 has a JORC 2012 compliant resource of 1.8 million tonnes at 13.5 g/t Au for 775,100 oz (refer to Table 7) and a probable reserve of 257,800 tonnes at 10.3 g/t Au for 85,100 oz (refer to Table 8). The mineralisation occurs as a swarm of 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 which is currently developed to 700 metres below the surface. The area of the mine above 500 metres depth is referred to as Daisy Upper and the area below 500 metres is referred to as Daisy Deeps.

Haoma

The Haoma deposit (refer to Figure 3) is located west of the Daisy Milano deposit and as at June 2014 has a JORC 2012 compliant resource of 862,000 tonnes at 12.3 g/t Au for 339,600 oz (refer to Table 7) and a probable reserve of 724,600 tonnes at 6.2 g/t Au for 145,200 oz (refer to Table 8).

Mining to date has shown Haoma to be composed of narrow vein mineralisation that is mined selectively by the same method used at Daisy Milano however some portions of the ore surface contain up to three mineralised veins that at times are close enough together to be mined in the one drive.

Haoma West

The Haoma West deposit (refer to Figure 3) is located approximately 80 metres west of the Haoma deposit and has been defined by drilling between the 15 level and the 35 level of the Daisy Milano decline, this has confirmed a maiden JORC resource. As at June 2014 Haoma West has a JORC resource of 403,200 tonnes at 20.8 g/t Au for 269,400 oz (refer to Table 7).

Underground diamond drilling is planned from dedicated drilling positions to increase the confidence in the existing resource base at Daisy Complex. The drilling programme will commence in FY2015.

Rosemary

The Rosemary deposit is located east of the Daisy Milano deposit (refer to Figure 3). It is accessed from a drive from the 6 level at Daisy Milano. The deposit is currently being mined selectively on a small scale and there is currently no resource classified at Rosemary.

Stanley

The Stanley deposit (refer to Figure 3) was defined by limited underground workings accessed from the Daisy Milano decline on the 4 level. Underground drilling and further underground development has shown the Stanley deposit to have significant potential. The drilling programme conducted in 2013 has defined the deposit between the 4 level and the 10 level.

Wombola Dam and Wombola Pit

The Wombola Pit and Wombola Dam deposits are located 5 kilometres north west of Daisy Milano (refer to Figure 2) and as at June 2014 have a JORC resource (including JORC 2012 compliant and JORC 2004 compliant) of 541,700 tonnes at 3.3 g/t Au for 58,900 oz (refer to Table 7 and Table 9) and for Wombola Dam a probable reserve (JORC 2012 Compliant) of 216,200 tonnes at 2.3 g/t Au for 16,100 oz. (refer to Table 8).

Lorna Doone / Spinifex

No change was made to the resource inventory at Lorna Doone during the reporting period. A RC and diamond drill programme has commenced to infill the upper portions of the existing resource to determine if an open pit cut back of the existing historical workings is feasible. Following this a deeper diamond drill programme will commence to extend and infill the deeper parts of the resource to determine if an underground operation is feasible.

Maxwells

Mining at the Maxwells open pit was completed in June 2014 and subject to further drilling and evaluation there is potential for Maxwells to develop underground. As at June 2014 the Maxwells deposit has a JORC 2012 compliant resource of 752,100 tonnes at 3.2 g/t Au for 78,300 oz (refer to Table 7).

Cock-eyed Bob

The Cock-eyed Bob underground mine (refer to Figure 2) was in production for the full year with development on two levels testing the continuity of mineralisation to the south. This development has shown that the geology of the deposit becomes more complex with the mineralised lodes becoming dislocated and discontinuous. As at June 2014 Cock-eyed Bob has a JORC 2012 compliant resource of 2.8 million tonnes at 2.8 g/t Au for 254,700 oz (refer to Table 7) and a probable reserve of 38,800 tonnes at 5.5 g/t Au for 6,800 oz (refer to Table 8).

Randalls Banded Iron Formation

Part of Silver Lake's strategy at Randalls is to unlock the potential of the Banded Iron Formation (BIF) deposits.

The BIF host rock at Randalls covers an area of over 30 kilometres and the gold distribution along the BIF has the potential to contain further gold deposits similar to the Santa, Maxwells & Cock-eyed Bob deposits.

Several significant intersections have been made within the 30 kilometre BIF host rock (refer to Figure 4) that require follow up drilling. A combination of mining the Cock-eyed Bob underground deposit and targeted drilling along the 30 kilometre BIF host rock will assist in unlocking the potential of this area.

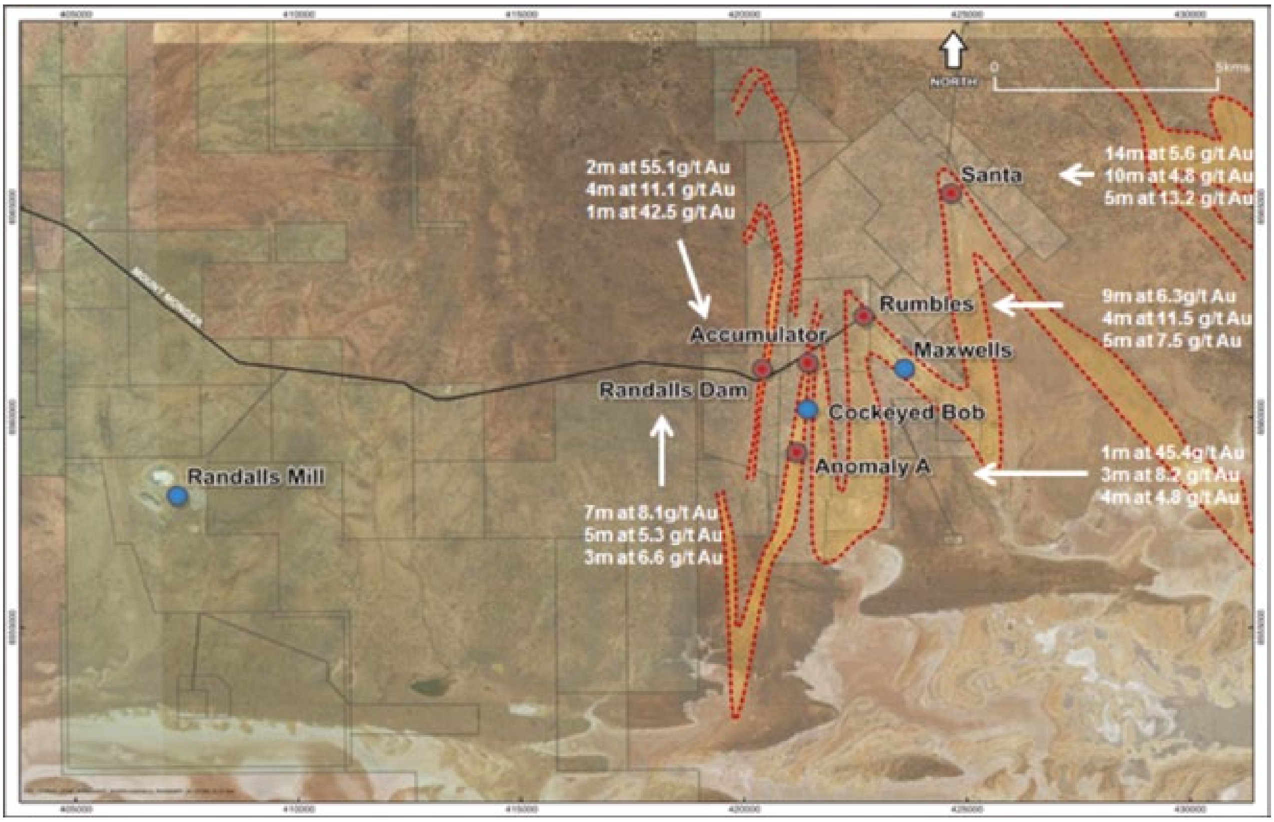

Figure 4: *Aerial view of 30 kilometre BIF host rock at Randalls.*

Majestic/Imperial

The Majestic/Imperial deposits are located at the southern end of the Kurnalpi Terrane (formerly the Gindalbie Terrane) on the western limb of the Bulong Anticline (refer to figure 2). Gold mineralisation occurs within a small granitic pluton just to the west of the larger Juglah Monzogranite. The monzogranite was emplaced into a sequence of felsic to intermediate volcanic and volcaniclastic rocks.

The Majestic mineralisation contains copper, bismuth, gold and silver and is hosted in a felsic granodiorite weathered to a depth of between 20 and 60 metres. The mineralisation is concealed beneath a zone of chemical depletion comprising the pallid to lower saprolite domains and is covered by a thin layer of unconsolidated transported sediments. There is a supergene gold horizon developed along the lower saprolite to fresh rock interface 20 to 50 metres beneath the surface.

Discrete zones of strong foliation associated with north-west trending structures appear to limit the main north-trending mineralised structures. Most of the primary gold mineralisation is associated with north-trending, west-dipping, brittle fracturing of the host granodiorite. Some mineralisation is also associated with north-west-trending, south-west-dipping planes of ductile foliation within the granodiorite.

Mineralisation is usually associated with silica, sericite, albite, alteration and/or quartz veining containing fine grained chalcopyrite and pyrite. Primary mineralisation is characterised by elevated copper, bismuth, gold and silver grades.

Secondary supergene mineralisation occurs along the fresh rock to saprolite interface.

Work performed during the year included a review of the mine plans for Majestic and Imperial. As a result of this review a programme of infill and extensional drilling on the Imperial deposit and the Majestic West area is planned in the coming year. Negotiations regarding the purchase of the remaining 15% of the project from Newcrest advanced to the stage where 100% ownership by Silver Lake Resources will be complete by December 2014.

Mount Monger Regional Exploration

In the coming year programmes are planned to test targets at Majestic West, Harrys Hill West, Lucky Bay and Rumbles. In addition, ongoing soil sampling and mapping of the Mount Monger area will continue.

Murchison Goldfield - Western Australia

Silver Lake's projects situated in the Murchison goldfield of Western Australia are located south east of the town of Cue, 600 km north east of Perth (refer to Figure 5) and consist of the Tuckabianna, Comet, and Moyagee projects which as at June 2014 have a combined JORC resource (including JORC 2012 compliant and JORC 2004 compliant) of 13.7 million tonnes at 2.2 g/t Au for 1.0 million oz (refer to Table 7 and Table 9). The Murchison operation has been placed on care and maintenance and subsequently a reserve has not been declared as at June 2014.

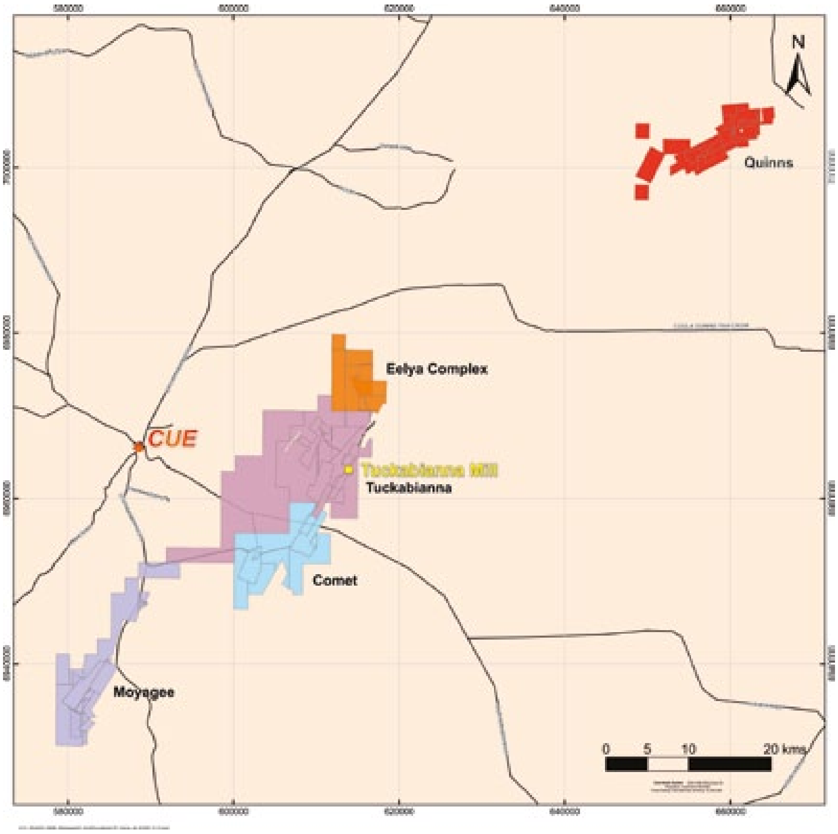

Figure 5: *Location Plan - Tuckabianna, Comet, Moyagee, Eelya complex and Quinns*.

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 Au.

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

As at June 2014 the JORC resource (including JORC 2012 compliant and JORC 2004 compliant) for Tuckabianna totals 7.9 million tonnes at 2.0 g/t Au for 523,600 oz (refer to Table 7 and Table 9). Exploration activity for the year comprised review of existing and historical data, review of geophysical data and soil sampling.

The plan for FY2015 is to test targets identified from the review with RC drilling.

Comet Project

Background

Mining activities commenced in the Comet 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 for 71,000 oz. Up until 1996, the project area was subject to active mining operations.

Exploration

As at June 2014 the JORC resource (including JORC 2012 compliant and JORC 2004 compliant) for the combined Comet project totalled 3.8 million tonnes at 2.9 g/t Au for 352,800 oz (refer to Table 7 and Table 9). Exploration for the year was confined to soil sampling and geological mapping.

The plan for the coming year is to drill test the Vostok anomaly which was defined in 2012.

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 totalled 11,780 oz Au from 9,400 tonnes of ore, mainly from small high grade quartz veins.

Exploration

The Moyagee project is proximal to the 35 km long Lena Shear zone. A programme of infill drilling targeting critical areas of the Lena deposit was performed to improve confidence in the resource. This work showed that the resource was more discontinuous than previously interpreted leading to a reduction of the Lena resource. As at June 2014 JORC resource (including JORC 2012 compliant and JORC 2004 compliant) for Moyagee totals 1.9 million tonnes at 2.0 g/t Au for 126,900 oz (refer Table 7 and Table 9). Exploration activity for the year was confined to soil sampling and geological mapping.

In the coming year the plan is to drill test the geophysical targets defined in 2012.

Eelya Complex

Background

The Eelya Hill project is at the northern end of the Company's Murchison project (refer to Figure 5). At its core is a granodiorite which is described as 'unusual' by the Geological Survey of Western Australia because it has the field relationships of apost-tectonic granite, yet is completely recrystallised. It is flanked by felsic schists composed of varying amounts of muscovite, sericite, quartz, chlorite and minor pyrite.

Exploration

No new work was completed on the Hollandaire project during the year.

As at June 2014 the Hollandaire deposit JORC resource totalled 517,600 tonnes at 1.3 g/t Au for 22,500oz (refer to Table 9), 2.65 million tonnes at 5.8 g/t Ag for 495,300 oz and 2.01 million tonnes at 1.9 % Cu for 38,800 tonnes (refer to Table 11). As at June 2014 the JORC reserve totalled 574,000 tonnes at 8.2 g/t Ag for 150,900 oz and 441,800 tonnes at 1.1 % Cu for 14,700 tonnes (refer to Table 12).

The remainder of the Eelya complex contains untested and anomalous zones which have undergone minimal testing. Throughout the year exploration geologists continued to map and sample the lease package.

Drilling proposals for the three best ranked targets in the area have been generated and the plan is to drill these over the coming year.

Great Southern Project

Background

The Great Southern Gold Project ("Great Southern") provides an exciting advanced gold exploration project for Silver Lake. Great Southern has two discreet exploration projects, Kundip and Munglinup which cover over 2,500 sqkm of tenements located in south east of Western Australia (refer to Figure 6).

Kundip Mining Centre

The Kundip Mining Centre ("Kundip") (refer to Figure 6) has a current JORC resource of 1 million ounces of gold, 10 million ounces of silver and 95,000 tonnes of copper that contain two main ore bodies within 10km of each other that have been subject to a Definitive Feasibility Study ("DFS").

The Trilogy orebody is a polymetallic deposit located on cleared freehold farmland. At this stage, Silver Lake does not view Trilogy as a priority and will not be pursuing the DFS to develop Trilogy. As such, no further work will be performed on the DFS.

Kundip constitutes a number of high-grade gold ore bodies. These deposits have been mined in the past on a small scale producing 121,000t @ 18.0 g/t Au for 68,000 oz from both underground and open pit sources that are underexplored at depth and along strike.

There is significant regional potential at Kundip for further high-grade gold deposits to be identified through a systematic and ramped up exploration campaign.

Kundip has a current JORC resource of 8.9 million tonnes at 2.7 g/t Au for 788,500 ounces (refer to Table 9). As at June 2014 the JORC probable reserve for Kundip is 2.8 million tonnes at 3.4 g/t Au for 307,200 ounces with an average copper grade of 0.4% (refer to Table 10).

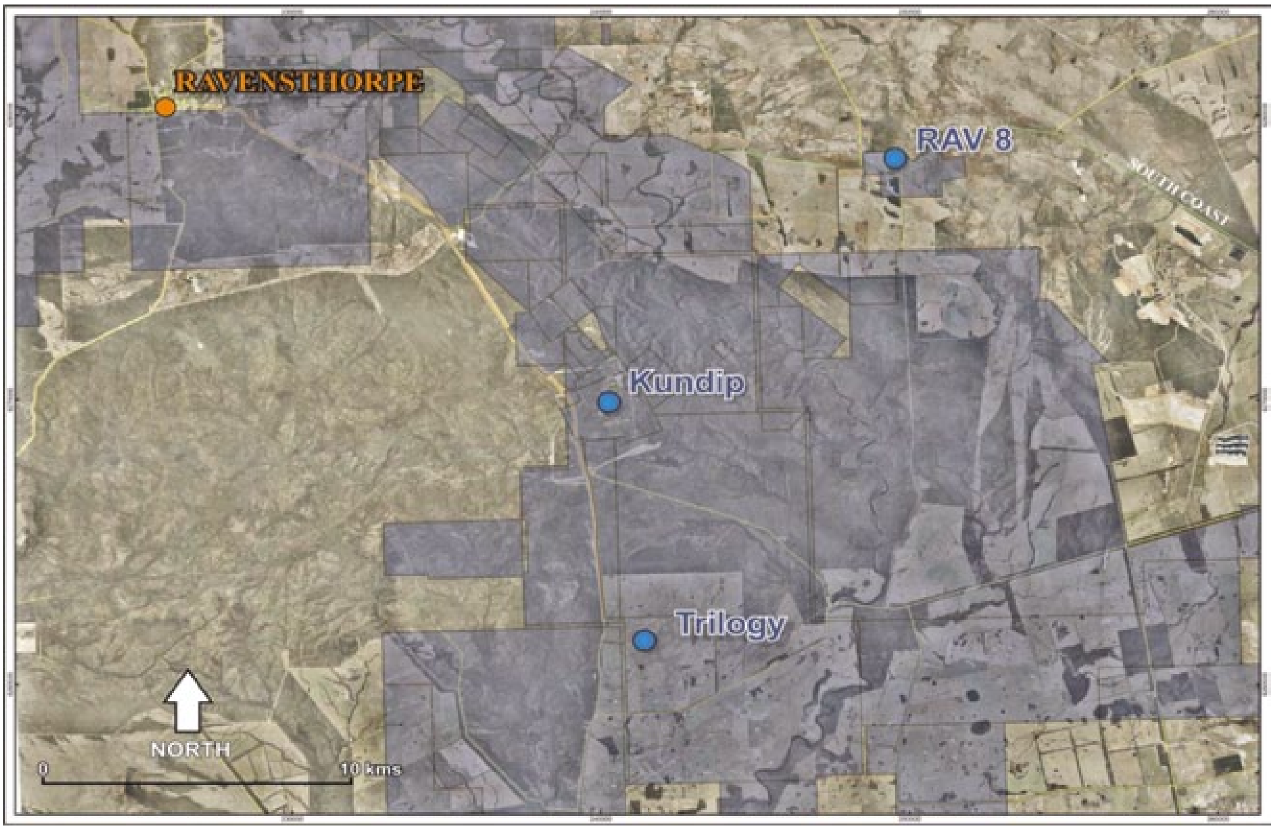

Figure 6: *Aerial view of Kundip, Trilogy & Rav 8.*

Exploration for the coming year will focus on infill and extension of the existing resources in the Kundip area. Also extensive mapping and soil sampling will continue on other leases surrounding Kundip and Ravensthorpe.

Munglinup Project

Munglinup is a large greenfield exploration project covering over 1,600 sqkm located in the Albany Fraser belt. This is one of Australia's most significant gold belts and hosts the 5Moz Tropicana deposit located approximately 500 kilometres to the north east. A soil sampling programme on the road verges in the Munglinup lease package was performed to identify some potential geochemical targets. Areas of broad anomalism for gold and base metals were identified.

During the year an airborne magnetics survey was flown over the lease area. The results of the survey and also the radiometrics data gathered will be used to generate target areas to be followed up with closer spaced soil sampling.

Copper Lakes Project

The Copper Lakes project is located on the edge of the Great Sandy Desert approximately 520 kilometres south east of Port Hedland and approximately 200 kilometres 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. An exploration licence was granted in 2011. During the year a review of the available geophysical data was undertaken. The existing data is from a variety of sources taken over many years. In the coming year the plan is to generate a program that will target the most prospective areas using a combination of airborne and ground based geophysical techniques.

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 2014 ("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, MAICD, AAusIMM
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 West Australian based copper explorer Encounter Resources Ltd (since 7 October 2005), past Chairman of copper/gold explorer Rex Minerals Ltd (resigned 31 December 2013), and past Director of Phillips River Mining Ltd (resigned 26 March 2014).

Mr Chapman has held no other Directorships in public listed companies in the last three years.

Les Davis

MSc (Min Econs)
Managing Director
Appointed 25 May 2007

Mr Davis has over 35 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 General Manager Expansion Projects with organisations including WMC Resources Ltd, Reliance Mining Ltd and Consolidated Minerals Ltd. Mr Davis is a past Director of Phillips River Mining Ltd (resigned 26 March 2014) and a past Director of Paringa Resources Limited (resigned 12 September 2012).

Mr Davis has held no other Directorships in public listed companies in the last three years.

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 25 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 is a past Director of Phillips River Mining Ltd (resigned 26 March 2014).

Mr Banasik has held no other Directorships in public listed companies in the last three years.

Luke Tonkin

BEng, Min Eng, MAusImm
Director of Operations
Appointed 14 October 2013

Mr Tonkin is a mining engineering graduate of the Western Australian School of Mines and his extensive operations and management career spans 28 years within the minerals and mining industry. He is a past Chairman of the Western Australian School of Mines Advisory Board. Mr Tonkin has held senior management roles at WMC Resources Ltd, Sons of Gwalia Ltd and was Managing Director of Mount Gibson Iron Ltd for 7 years. Most recently he was Chief Executive Officer and Managing Director of Reed Resources Ltd.

Mr Tonkin is a past director of Mount Gibson Iron Ltd (resigned 16 December 2011) and Reed Resources Ltd (resigned 30 September 2013).

Mr Tonkin has held no other Directorships in public listed companies in the last three years.

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 is a past Director of Phillips River Mining Ltd (resigned 26 March 2014). Mr Griffiths is a director (since 7 January 2014) and past Chairman of Paringa Resources Limited (from 7 September 2012 to 7 January 2014).

Mr Griffiths has held no other Directorships in public listed companies in the last three years.

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 was appointed Head of Global Nickel Assets for Glencore in May 2013. He was previously Chief Executive Officer/Director of Minara Resources Pty Ltd. As Executive General Manager at WMC Resources Ltd for over 8 years, Mr Johnston was at various times responsible for nickel and gold operations, Olympic Dam operations, Queensland Fertilisers Ltd and human resources.

Mr Johnston is a Director of Tronox Limited and a past Director of Phillips River Mining Ltd (resigned 26 March 2014). Mr Johnston is a Director and past Chairman of the Nickel Institute, past Chairman of the Minerals Council of Australia, past President of the Chamber of Minerals and Energy and past Vice President of the Australian Mines & Metals Association.

Mr Johnston has held no other Directorships in public listed companies in the last three years.

Brian Kennedy

Cert Gen Eng
Non-Executive Director
Appointed 20 April 2004

Mr Kennedy has operated a successful resource consultancy for over 30 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. More recently Mr Kennedy was Senior Vice President at Anglo Gold Ashanti Limited.

Mr Kennedy was a founding shareholder and Director of Reliance Mining Ltd, before its takeover by Consolidated Minerals Ltd. Mr Kennedy is a past Director of Phillips River Mining Ltd (resigned 26 March 2014).

Mr Kennedy has held no other Directorships in public 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 Resources Ltd 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)	Peter Johnston (c)	Brian Kennedy (c)
Paul Chapman	David Griffiths	David Griffiths
Peter Johnston	Brian Kennedy	Peter Johnston

(c) Designates the Chairman of the committee

DIRECTORS' MEETINGS

The number of meetings of Directors (including committee meetings) held during the year and the number of meetings attended by each Director are as follows:

		Meetings of Committees		
	Directors' Meetings	Audit	Remuneration	Nomination
Number of meetings held:	24	4	2	1
Number of meetings attended:				
Paul Chapman	24	4	*	*
Les Davis	24	*	*	*
Chris Banasik	19	*	*	*
Luke Tonkin**	14	*	*	*
David Griffiths	21	4	2	1
Peter Johnston	19	2	2	1
Brian Kennedy	22	*	2	1

**Not a member of this committee*
*** Commenced employment on 14 October 2013*

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	5,334,294	-
Les Davis	4,525,294	-
Chris Banasik	4,250,294	-
Luke Tonkin	-	2,000,000
David Griffiths	4,393,671	-
Peter Johnston	4,621,194	-
Brian Kennedy	4,790,746	-

Note: Details of the relevant interest of each Director are outlined in the Remuneration Report.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were gold mining and processing from the Mount Monger and Murchison Operations, copper and gold exploration and evaluation of projects.

CORPORATE STRUCTURE

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

OPERATING OVERVIEW

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

REVIEW OF FINANCIAL CONDITION

The Group recorded an after tax loss for the financial period of $170.438 million (2013: loss of $319.288 million). This loss includes a number of significant items, such as the impairment of non-current assets, that in the opinion of the directors need adjustment to enable shareholders to obtain an understanding of the results from operations. The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) excluding these significant items are outlined in the table below:

Reconciliation of Statutory Loss after Tax to EBITDA (excluding significant items) - unaudited	30 June 2014 $'000	30 June 2013 $'000
Statutory loss after tax for the year:	(170,438)	(319,288)
Adjustments for:		
Income tax	53,142	(51,620)
Depreciation and amortisation	47,855	47,473
Impairment of inventories	1,576	30,683
Non-current asset impairments	89,624	320,913
Other	4,584	13,326
EBITDA (excluding significant items)	26,343	41,487

At the end of the financial year the Group had $23.937 million in cash (2013: $12.673 million), $8.216 million in gold bullion (2013: $6.518 million) and bonds receivable of $1.883 million.

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

CAPITAL STRUCTURE

As at the report date the Company had 503,233,971 fully paid ordinary shares on issue.

CASH FROM OPERATIONS

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

DIVIDENDS

No dividend has been paid or declared by the Company up to the date of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following significant changes in the state of affairs of the Company occurred during the period:

- The Company announced on 27 February 2014 that it would be placing the Murchison Gold Operations on care and maintenance in the June 2014 quarter. This process was substantially completed by 31 July 2014.
- In FY2015, all production will centre around the Randalls processing facility. As a result, a review is currently taking place on toll treatment through or outright sale of the Lakewood processing facility.

Other than noted elsewhere in this report, there were no other significant changes in the state of affairs of the Group that occurred during the year under review.

LIKELY DEVELOPMENTS

The Company will continue to pursue maximising free cashflow from the low cost, high grade Mount Monger Operations. This will include directing exploration expenditure to high impact, cash generating projects, a number of which are currently under review.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Company's operations hold licenses issued by the relevant regulatory authorities. These licenses 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, 2,000,000 new options to acquire ordinary shares were issued to Luke Tonkin, Director of Operations (refer to Remuneration Report for further details).

No ordinary shares were issued on the exercise of options during the financial year.

EMPLOYEES

The consolidated entity had 169 employees as at 30 June 2014 (2013: 258). In addition, Silver Lake also engages contractors and consultants.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify the current Directors and Officers 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 Directors' & Officers' insurance premiums in respect of liability of any current and future Officers, and senior executives of the Company. The amount paid cannot be disclosed due to confidentiality requirements.

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

PROCEEDINGS ON BEHALF OF THE COMPANY

At the date of this report there are no leave applications or proceedings brought on behalf of the Group under section 237 of the Corporations Act 2001.

CORPORATE GOVERNANCE

In recognising the need for high 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 financial 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 2014. This Independence Declaration is attached to the Directors' Report and forms a part of the Directors' Report.

NON-AUDIT SERVICES

During the year KPMG, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements.

The Board is satisfied that the provision of non-audit services is compatible with, and did not compromise the general standard of independence for auditors imposed by the Corporations Act 2001 for the following reasons:

» All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and

» The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risk and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for audit and non-audit services provided during the year are set out below:

	2014 $	2013 $
Services other than audit and review of financial statements		
Taxation services	159,030	233,970
Other assurance related services	-	42,000
	159,030	275,970
Audit and review of financial statements	227,220	238,058
Total paid to KPMG	386,250	514,028

SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

LETTER FROM THE REMUNERATION COMMITTEE CHAIR (UNAUDITED)

Dear Shareholder

On behalf of the Board, we are pleased to provide the Company's Remuneration Report for the year ended 30 June 2014.

In the 2013 financial year the Company made several major investment decisions with the acquisition of Integra Mining Limited and the commencement of operations in the Murchison. Following these decisions there has been a sustained fall in the gold price which has resulted in a challenging operating environment. I would like to thank all our employees for recognising this and agreeing to a 7.5% salary reduction in July 2013. I would also like to thank the Board who agreed to a 10% reduction in July 2013.

In financial year 2013, the Board exercised its discretion and did not award any STI or LTI payments. After carefully considering the current operating environment, the Board has again decided to exercise its discretion and not award any STI or LTI payments for financial year 2014.

There were two changes to the Executive team during the year, with the appointment of Mr Luke Tonkin as the Director of Operations on 14 October 2013 and the departure of Mr Robert Humphryson, Chief Operating Officer, on 3 April 2014. Details of these changes are set out in the report that follows.

In conclusion I would like to thank all employees for their support over the past year and advise that the Company remains committed to rewarding employees appropriately to ensure strong performance in the best interests of the Company and its shareholders.

P. B. Johnston.

Peter Johnston

Chairman, Remuneration Committee

REMUNERATION REPORT (AUDITED)

Contents:

1. BASIS OF PREPARATION

This remuneration report has been prepared and audited in accordance with the requirements of the Corporations Act 2001 and the applicable accounting standards. All references to dollars in this remuneration report are to Australian Dollars unless otherwise specified.

2. KEY MANAGEMENT PERSONNEL

Key management personnel (KMP) comprise those persons with authority and responsibility for planning, directing and controlling the activities of the Company. This includes the executive directors, officers, senior management and non-executive directors (NEDs) of the Company. In this report, 'Executives' refers to individuals identified as KMP, excluding NEDs and the Chairman.

A list of all NEDS and Executives for FY14 is set out below:

Name	Position	Term as KMP
Paul Chapman	Non-Executive Chairman	Full year
David Griffiths	Non-Executive Director	Full year
Peter Johnston	Non-Executive Director	Full year
Brian Kennedy	Non-Executive Director	Full year
Les Davis	Managing Director	Full year
Chris Banasik	Director – Exploration & Geology	Full year
Luke Tonkin	Director of Operations	Appointed 14 October 2013
Peter Armstrong	Chief Financial Officer & Company Secretary	Full year
Robert Humphryson	Chief Operating Officer	Ceased as KMP on 3 April 2014

There have been no changes to KMP since the end of the reporting period up to the date on which the financial report was authorised for issue.

3. REMUNERATION SNAPSHOT

a. FY14 Remuneration in Review

There has been continued pressure on the global gold sector. While the major restructuring of our business in 2013 was to position the Company to endure a prolonged period of depressed gold prices, the Company continued to manage its operational costs and capital expenditure in FY14.

A dedicated executive team is committed to seeing the Company through this challenging period. The Board believes that the Company's remuneration framework is broadly aligned with market practice and that executive remuneration in FY14 was reasonable, given the prevailing gold price environment and experience of Executives. In summary:

Remuneration element	Details
Fixed remuneration	Effective from 1 July 2013, all Directors voluntarily reduced their base salary by 10% and other KMP's voluntarily reduced by 7.5%: Les Davis from $550,000 down to $495,000 Chris Banasik $385,000 down to $346,500 Peter Armstrong $325,000 down to $300,625
Short-term incentive (STI)	While the Company focuses on cash conservation and is not in a dividend payable position, it was thought appropriate that Executives forgo any entitlements to bonuses. No bonuses were paid to executives during FY14.
Long-term incentive (LTI)	No LTI grants were made to Executives during FY14. Mr Luke Tonkin received a grant of 2 million options as part of his sign-on arrangement, outside of the LTI Plan. Mr Tonkin's appointment is critical to the coordination and optimisation of operational synergies and assessing the Company's extensive project pipeline. The exercise prices of the Options granted to Mr Tonkin have been set at a premium (between 40% - 70%) and will expire 4 years from grant date.

In line with Executives and effective from 1 July 2013, NEDs also took a voluntary 10% reduction in fees.

b. Key Changes to Remuneration for FY15

No changes are anticipated to the executive remuneration framework for FY15. However, taking into consideration the feedback received from proxy advisors and key stakeholders, the Board will undertake a review of the Company's remuneration arrangements and seek assistance from remuneration consultants to ensure that the Company's remuneration framework is:

- Enhanced to achieve the Company's strategic objectives;
- Aligned to best practice and the market;
- Simple to administer and understand; and
- Effective in linking executive rewards with the Company's performance and experience of executives.

There will be no changes to the NED remuneration framework and following on from the 10% reduction in fees taken in 2013, NED fees will remain unchanged for FY15.

4. REMUNERATION GOVERNANCE

a. Board and Remuneration Committee Responsibility

The Remuneration Committee assists the Board to ensure that the Company develops and implements remuneration policies and frameworks that:

- Facilitate achievement of the Company's strategic objectives;
- Are aligned with best practice; and
- Fulfil the Board's responsibilities to shareholders.

The Remuneration Committee is primarily responsible for making recommendations to the Board on:

a) Remuneration packages of Executive Directors, Non-Executive Directors and Officers; and

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

The Corporate Governance Statement provides further information on the role of this committee.

b. Remuneration Principles

The Company's remuneration strategy and structure is reviewed by the Board and the Remuneration Committee for business appropriateness and market suitability on an ongoing basis.

KMP are remunerated and rewarded in accordance with the Company's remuneration policies (outlined in further detail below).

c. Engagement of Remuneration Consultants

During the period the Board used AUSREM, an independent consulting company, to provide remuneration advice for the employment of Mr Luke Tonkin. The advice provided by AUSREM was free from undue influence by members of the KMP to whom the recommendation relates (AUSREM reported directly to the Chairman of the Remuneration Committee).

AUSREM was paid $2,406.25 for this advice.

d. 2013 AGM Voting Outcome and Comments

The Company received more than 95% "yes" votes on its remuneration report for FY13. The Company has received feedback that some shareholders would like additional details on the achievement of KPIs resulting in the payment of STI and the performance measures used for the LTI.

For FY14 there were no STI or LTI awards made – the Board is currently reviewing its remuneration strategy, with any changes to be disclosed in the FY15 remuneration report. As no STI's or LTI's were awarded there were no performance criteria to be disclosed for FY14.

5. REMUNERATION IN CONTEXT

The sustained fall in the gold price has resulted in a downturn in the global gold industry and created a challenging operating environment. This operating environment increases the challenges the Company faces in attracting, motivating and retaining its staff. It is therefore important that the remuneration policies and framework are well designed to meet the prevailing downturn within the industry.

6. FY14 EXECUTIVE REMUNERATION

a. Executive Remuneration Strategy and Policy

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent;
- Aligned to the Company's strategic and business objectives and the creation of shareholder value;
- Transparent and easily understood; and
- Acceptable to shareholders.

The Company's approach to remuneration ensures that remuneration is competitive, performance-focused, clearly links appropriate reward with desired business performance, and is simple to administer and understand by Executives and shareholders.

In line with the remuneration policy, remuneration levels and arrangements are reviewed annually to ensure alignment to the market and the Company's stated objectives.

The Executive remuneration framework has three components:

- Fixed remuneration in the form of base salary, superannuation and benefits;
- Short-term incentive (STI) in the form of cash bonus; and
- Long-term incentive (LTI) in the form of Performance Rights.

The remuneration mix for Executives (for on-target performance) is set out below. As previously noted the STI and LTI plans have had no awards made for FY14.

Target remuneration mix

Executive	Fixed remuneration	STI	LTI
Les Davis (Managing Director)	50%	25%	25%
Luke Tonkin (Director of Operations)	62%	19%	19%
Chris Banasik (Director – Exploration & Geology)	62%	19%	19%
Peter Armstrong (Chief Financial Officer & Company Secretary)	62%	19%	19%
Robert Humphryson (Chief Operating Officer until 3 April 2014)	62%	19%	19%

b. Fixed Remuneration

Fixed remuneration is set at a level that is aligned to market benchmarks and reflective of Executives' skills, experience, responsibilities and performance.

When positioning base pay, the Company aims to position fixed remuneration at the 50th to 75th percentile, and total remuneration also at the 50th to 75th percentile, of the market. This is to ensure that the Company's remuneration arrangements remain competitive against peer companies to assist with the retention and attraction of key talent.

Executive remuneration is benchmarked annually to ASX-listed companies of similar size (by market capitalisation), revenue base, employee numbers and profitability. Specific reference is also made to the mining and exploration sectors. However, for the period commencing 1 July 2013, Executives voluntarily reduced their base salary by up to 10% as part of the Company's need to manage its operational costs and capital expenditure in FY14 and as a result the benchmarking was not performed.

c. Short-Term Incentive (STI) Arrangements

The purpose of the STI plan is to link Company performance, Executive performance, and Executive reward.

The STI plan provides eligible employees with the opportunity to earn a cash bonus if certain financial hurdles and agreed key performance indicators (KPIs) are achieved. The Company must also be cash-flow positive, from normal operating and sustaining capital activities (excluding enhancement activities), for the applicable performance period, for any STI to be paid.

All Executives are eligible to participate in the STI plan. Target STI opportunity for FY14 is set out below. STI awards are capped at 100% of target opportunity.

FY14 Target STI opportunity

Role Level	Target STI Opportunity
Managing Director	50% of base salary
Other Executives	30% of base salary

Each year the Remuneration Committee sets the KPIs for the Executives. Ordinarily, the KPIs would include measures relating to the Group and the individual (60/40 weighting), and include financial, production, people, safety and risk measures.

However, due to the Company's continued focus on cash conservation it was thought appropriate that Executives forgo any entitlements to bonuses. No bonuses were paid to executives during FY14. The Company is currently reviewing the operation of the STI plan with any changes to the plan to be communicated in the FY15 remuneration report.

FY14 STI OUTCOMES

Executive	Target STI Opportunity	STI Paid	STI Forfeited
Les Davis (Managing Director)	$247,500 (50% of Total Fixed Remuneration)	Nil	$247,500
Luke Tonkin (Director of Operations)	$120,000 (30% of Total Fixed Remuneration)	Nil	$120,000
Chris Banasik (Director – Exploration & Geology)	$103,950 (30% of Total Fixed Remuneration)	Nil	$103,950
Peter Armstrong (Chief Financial Officer & Company Secretary)	$90,188 (30% of Total Fixed Remuneration)	Nil	$90,188
Robert Humphryson (Chief Operating Officer until 3 April 2014)	$99,071 (30% of Total Fixed Remuneration)	Nil	$99,071

d. Long-Term Incentive (LTI) Arrangements

The Company implemented an LTI plan in 2012 to assist in the attraction and retention of experienced, qualified staff. This plan was approved by shareholders at the 2012 Annual General Meeting.

The LTI plan allows the Company to issue rights to acquire shares (to be granted in the form of Performance Rights) to employees of the Company as determined by the Board from time to time. No dividends or voting rights are attached to Performance Rights. If the performance conditions are met at the end of the three-year performance period, the relevant portion of Performance Rights automatically vests and Executives receive a share for each vested Performance Right.

The Company is currently reviewing the operation of the LTI plan with any changes to be communicated in the FY15 remuneration report.

No LTI grants have been made under the LTI plan since it was approved at the 2012 AGM due to the current gold price environment and as a result, no peer Group comparison has been conducted.

e. Service Agreements

A summary of the key terms of service agreements for Executives in FY14 is set out below.

All Executives are entitled to participate in the Company's STI and LTI plans.

There is no fixed term for Executive service agreements. The Company may terminate service agreements immediately for cause, in which case the Executive is not entitled to any payment other than the value of fixed remuneration and accrued leave entitlements up to the termination date.

Summary of the key terms of Executive service agreements

Executive	Total remuneration package	Termination of service agreement
Les Davis (Managing Director)	$495,000 plus 12% superannuation STI equivalent to 50% of base salary LTI equivalent to 50% of base salary	» Either the Executive or the Company may terminate the Executive's employment for any reason upon providing six months' notice to the other party in writing. In this case, the Executive is not entitled to any termination payments. The Company retains the right to terminate the Executive's employment immediately, by making a payment equal to six months pay in lieu of the notice period. » When the Executive's position is made redundant and his employment is terminated as a result of that redundancy, the Company will pay the Executive a severance payment equal to 12 months of the Executive's total remuneration package, provided that he has at least 1 year continuous service with the Company. » The Company may summarily dismiss the Executive for serious misconduct. In this case, the Company does not need to provide notice to the Executive and the Executive is only entitled to be paid for the time worked up to the time of dismissal. In this case, the Executive is not entitled to any termination payments.
Luke Tonkin (Director of Operations)	$400,000 plus 12% superannuation STI equivalent to 30% of base salary LTI equivalent to 30% of base salary	» Either the Executive or the Company may terminate the Executive's employment for any reason upon providing six months' notice to the other party in writing. In this case, the Executive is not entitled to any termination payments. The Company retains the right to terminate the Executive's employment immediately, by making a payment equal to six months pay in lieu of the notice period. » When the Executive's position is made redundant and his employment is terminated as a result of that redundancy, the Company will pay the Executive a severance payment equal to 12 months of the Executive's total remuneration package, provided that he has at least 1 year continuous service with the Company. » The Company may summarily dismiss the Executive for serious misconduct. In this case, the Company does not need to provide notice to the Executive and the Executive is only entitled to be paid for the time worked up to the time of dismissal. In this case, the Executive is not entitled to any termination payments.
Chris Banasik (Director – Exploration and Geology)	$346,500 plus 12% superannuation STI equivalent to 30% of base salary LTI equivalent to 30% of base salary	» Either the Executive or the Company may terminate the Executive's employment for any reason upon providing six months' notice to the other party in writing. In this case, the Executive is not entitled to any termination payments. The Company retains the right to terminate the Executive's employment immediately, by making a payment equal to six months pay in lieu of the notice period. » When the Executive's position is made redundant and his employment is terminated as a result of that redundancy, the Company will pay the Executive a severance payment equal to 12 months of the Executive's total remuneration package, provided that he has at least 1 year continuous service with the Company. » The Company may summarily dismiss the Executive for serious misconduct. In this case, the Company does not need to provide notice to the Executive and the Executive is only entitled to be paid for the time worked up to the time of dismissal. In this case, the Executive is not entitled to any termination payments.
Peter Armstrong (Chief Financial Officer & Company Secretary)	$300,625 plus 12% superannuation STI equivalent to 30% of base salary LTI equivalent to 30% of base salary	» Either the Officer or the Company may terminate the Officer's employment for any reason upon providing three months' notice (or any shorter period as the Company may agree) to the other party in writing. » The Company retains the right to terminate the Officer's employment immediately, by making a payment equal in lieu of the notice period. » Officers are entitled to a severance payment of a lump sum of between three to six months fixed salary.
Robert Humphryson (Chief Operating Officer) Ceased employment 3 April 2014	$330,235 plus 9.25% superannuation STI equivalent to 30% of base salary LTI equivalent to 30% of base salary	» Either the Officer or the Company may terminate the Officer's employment for any reason upon providing three months' notice (or any shorter period as the Company may agree) to the other party in writing. » The Company retains the right to terminate the Officer's employment immediately, by making a payment equal in lieu of the notice period. » Officers are entitled to a severance payment of a lump sum of between three to six months fixed salary.

f. Executive Remuneration Paid

Details of the remuneration of each Director, Officer and Senior Manager of Silver Lake who received the highest remuneration for the year ended 30 June 2014 are set out in the following table:

		Short Term				Post-Employment	Other Long Term		Total	Proportion of Remuneration Performance Related	Value of Options as Proportion of Remuneration
		Base Emolument $	STI Cash Payment $ (A)	Termination Benefits $	Total Benefits $	Superannuation Benefits $	Options $	Other Benefits $ (E)	$	%	%
Les Davis Managing Director	2014	492,499	-	-	492,499	59,654	-	-57,987	494,166	-	-
	2013	524,999	-	-	524,999	63,000	-	-	587,999	-	-
Chris Banasik Director Exploration & Geology	2014	343,999	-	-	343,999	39,925	-	-11,571	372,353	-	-
	2013	377,500	-	-	377,500	45,300	-	-	422,800	-	-
Luke Tonkin (B) Director of Operations	2014	265,563	-	-	265,563	18,744	216,000	20,152	520,459	41.5	41.5
	2013	-	-	-	-	-	-	-	-	-	-
Peter Armstrong CFO & Company Secretary	2014	303,437	-	-	303,437	36,412	-	5,986	345,835	-	-
	2013	315,713	-	-	315,713	37,886	-	-	353,599	-	-
Robert Humphryson (C) Chief Operating Officer	2014	255,838	-	143,256	399,094	23,665	-	-	422,759	-	-
	2013	357,000	-	-	357,000	32,130	-	-	389,130	-	-
Total	2014	1,661,336	-	143,256	1,804,592	178,400	216,000	-43,420	2,155,572	-	-
Total	2013	1,575,212	-	-	1,575,212	178,316	-	-	1,753,528	-	-

A) No short-term incentive payments were awarded for the year ended 30 June 2014. Short-term incentive payments are determined based on the criteria defined in Section 6(c) of the Remuneration Report.

B) Mr Tonkin commenced employment on 14 October 2013.

C) Mr Humphryson ceased employment on 3 April 2014. The termination benefits included $33k of annual leave and $110k of redundancy payments.

D) Base emoluments may not agree with annual remuneration figures quoted above as the amounts depend on the number of fortnightly pay periods occurring during the year.

E) Represents annual leave and long service leave entitlements, measured on an accrual basis, and reflects the movement in the entitlements over the 12 month period.

g. Link Between Company Performance, Shareholder Wealth Generation and Remuneration

In considering the Group's performance and benefits for shareholder wealth, the Remuneration Committee have regard to factors such as growth in the scale of the Group's operations as well as the following indices in respect of the current and previous financial years.

	2014	2013	2012	2011	2010
Gold produced (oz)	214,866	151,296	82,531	63,425	60,146
Net Assets ($m)	276.341	360.661	193.963	91.373	75.545
Revenue ($m)	309.661	215.743	135.338	89.982	69.073
Profit/(Loss) after tax attributable to shareholders ($m)	(170.438)*	(319.288)*	31.175	15.790	11.782
Closing share price at 30 June	$0.51	$0.59	$2.81	$2.00	$1.75
Dividend paid	-	-	-	-	-

** Includes impairments on inventories and other non-current assets*

Profit after tax is considered as one of the financial performance targets in setting short-term incentive targets. Profit/(loss) amounts for 2010 to 2014 have been calculated in accordance with Australian Accounting Standards (AASBs).

The overall level of compensation takes into account the performance of the Group over a number of years.

The Group achieved significant profit and share price growth between 2009 and 2012 and remuneration of key management personnel increased accordingly over those years. As a result of the financial performance of the Group in 2013 (driven by the dramatic drop in the gold price), the Directors voluntarily assumed a 10% reduction to their remuneration effective 1 July 2013. Furthermore, no STI's or LTI's were awarded in FY13 or FY14.

7. FY14 NON-EXECUTIVE DIRECTOR (NED) REMUNERATION

a. NED Remuneration Policy

The Company's policy is to remunerate NEDs at market rates (for comparable ASX listed companies) for time, commitment and responsibilities. Fees for NEDs 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 NEDs are within the aggregate amount approved by shareholders at the Company's annual general meeting;

b) NEDs are remunerated by way of fees (in the form of cash and/or superannuation benefits);

c) NEDs are not provided with retirement benefits other than statutory superannuation entitlements; and

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

Fees paid to NEDs cover all activities associated with their role on the Board and any sub-committees. No additional fees are paid to NEDs for being a Chair or Member of a sub-committee. However, NEDs are 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.

b. NED Fee Pool and Fees

The Company's Constitution provides that the NEDs 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. Directors' fees payable in aggregate to the NEDs of the Company is currently capped at $1,000,000 per annum.

Effective 1 July 2013, NEDs voluntarily reduced their fees by 10% as part of the Company's need to manage its operational costs and capital expenditure in FY14. Fees for FY14 are set out below.

FY14 NED Fees

» Chairman - $180,000 plus 9.25% superannuation;

» NED - $81,000 plus 9.25% superannuation.

c. NED Fees Paid

Details of the remuneration of each NED for the year ended 30 June 2014 is set out in the following table:

		Short Term				Post-Employment	Other Long Term			
		Base Emolument $	STI Cash Payment $	Termination Benefits $	Total Benefits $	Superannuation Benefits $	Options $	Total $	Proportion of Remuneration Performance Related %	Value of Options as Proportion of Remuneration %
Paul Chapman	2014	177,500	-	-	177,500	16,649	-	194,149	-	-
Non-Executive Chairman	2013	189,999	-	-	189,999	17,100	-	207,099	-	-
David Griffiths	2014	78,499		-	78,499	7,492	-	85,991	-	-
Non-Executive Director	2013	87,500	-	-	87,500	7,875	-	95,375	-	-
Peter Johnston	2014	78,499		-	78,499	7,492	-	85,991	-	-
Non-Executive Director	2013	87,500	-	-	87,500	7,875	-	95,375	-	-
Brian Kennedy	2014	78,499		-	78,499	7,492	-	85,991	-	-
Non-Executive Director	2013	87,500	-	-	87,500	7,875	-	95,375	-	-
Total	2014	412,997	-	-	412,997	39,125	-	452,122	-	-
Total	2013	452,499	-	-	452,499	40,725	-	493,224	-	-

Movement in Options

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

Key Management Person	Held at 1 July 2013	Granted as Compensation	Options Exercised	Options Sold	Held at 30 June 2014	Vested During The Year	Vested and Exercisable at 30 June 2014
Paul Chapman	-	-	-	-	-	-	-
Les Davis	-	-	-	-	-	-	-
Chris Banasik	-	-	-	-	-	-	-
Luke Tonkin (i)	-	2,000,000	-	-	2,000,000	-	-
David Griffiths	-	-	-	-	-	-	-
Peter Johnston	-	-	-	-	-	-	-
Brian Kennedy	-	-	-	-	-	-	-
Peter Armstrong	-	-	-	-	-	-	-
Rob Humphryson	-	-	-	-	-	-	-
Total	-	2,000,000	-	-	2,000,000	-	-

(i) Employee options (equity-settled)

On 14 October 2013 the Group granted Mr Luke Tonkin, Executive Director of Operations, a total of 2,000,000 employee options as part of his employment agreement which were approved by shareholders at the Annual General Meeting on 15 November 2013. The total expense recognised in the Statement of Profit or Loss for these options for the period ended 30 June 2014 was $216,000. Details of the options are summarised in the following table:

	Tranche A	Tranche B	Tranche C
Number of options	400,000	600,000	1,000,000
Exercise price	$0.94	$1.03	$1.14
Issue date	14 October 2013	14 October 2013	14 October 2013
Vesting date	15 January 2015	15 January 2016	15 January 2017
Expiry date	14 October 2017	14 October 2017	14 October 2017

The inputs used in the measurement of the fair values at grant date were as follow:

	Tranche A	Tranche B	Tranche C
Valuation at grant date	$0.36	$0.34	$0.33
Share price at grant date	$0.67	$0.67	$0.67
Volatility	80%	80%	80%
Risk free rate	3.03%	3.03%	3.03%
Expected dividends	-	-	-

The fair value of the options was measured using a binomial option pricing model. A Black Scholes option pricing model was used to validate the valuation prices calculated by the binomial option pricing model. Whilst there are no performance conditions attached to the exercise of these options, the exercise price of the options have been set at a premium (between 40%-70%) to the prevailing share price at date of grant.

Movement in Shares

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

Key Management Person	Held at 1 July 2013	Shares Acquired	Shares Exercised	Shares Sold	Held at 30 June 2014
Paul Chapman	5,099,000	235,294	-	-	5,334,294
Les Davis	4,290,000	235,294	-	-	4,525,294
Chris Banasik	4,015,000	235,294	-	-	4,250,294
Luke Tonkin	-	-	-	-	-
David Griffiths	4,158,377	235,294	-	-	4,393,671
Peter Johnston	4,368,253	252,941	-	-	4,621,194
Brian Kennedy	4,555,452	235,294	-	-	4,790,746
Peter Armstrong	499,959	-	-	-	499,959
Robert Humphryson	-	-	-	-	-
Total	26,986,041	1,429,411	-	-	28,415,452

Key Management Person	Held at 1 July 2012	Shares Acquired	Shares Exercised	Shares Sold	Held at 30 June 2013
Paul Chapman	4,746,908	352,092	-	-	5,099,000
Les Davis	4,200,000	90,000	-	-	4,290,000
Chris Banasik	4,000,000	15,000	-	-	4,015,000
David Griffiths	4,158,377	-	-	-	4,158,377
Peter Johnston	4,318,253	50,000	-	-	4,368,253
Brian Kennedy	4,075,452	480,000	-	-	4,555,452
Peter Armstrong	499,959	-	-	-	499,959
Robert Humphryson	-	-	-	-	-
Total	25,998,949	987,092	-	-	26,986,041

Signed in accordance with a resolution of the Directors.

Les Davis

Managing Director
29 August 2014

APPROACH TO CORPORATE GOVERNANCE

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

The following governance related documents can be found on the Company's website at www.silverlakeresources.com.au, under the section marked "Corporate", "Corporate Governance":

Charters

- Board
- Audit Committee
- Nomination Committee
- Remuneration Committee

Policies and Procedures

- Selection and Appointment of Directors
- Performance Evaluation
- Code of Conduct
- Compliance Procedures for ASX Listing Rule Disclosure Requirements (summary)
- Selection, Appointment and Rotation of External Auditor
- Shareholder Communication Strategy
- Risk Management Policy (summary)
- Trading in Company Securities
- Diversity Policy

Board of Directors

Roles and Responsibilities of the Board and Senior Executives

(Recommendations: 1.1, 1.3)

The Board's primary role is the protection and enhancement of long-term shareholder value.

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter.

The Board is responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring its financial performance, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, directly to the Chairman or the lead independent director, as appropriate.

Skills, Experience, Expertise and Period of Office of Each Director

(Recommendation: 2.6)

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report.

The Board considers that the mix of skills and diversity for which it is looking to achieve in membership of the Board is represented by the Board's current composition, as the directors possess the skills and expertise necessary to look at taking on new Company projects, improving the Company's projects and growing the Company. The mix of skills and expertise of the current Board includes expertise in the following areas: mining, geological, commercial, engineering, human resources, native title and public relations.

Director Independence

(Recommendations: 2.1, 2.2, 2.3, 2.6)

The Board has a majority of directors who are independent.

The Board considers the independence of directors having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds.

The Board has agreed on the following guidelines, as set out in the Company's Board Charter for assessing the materiality of matters:

- Balance sheet items are material if they have a value of more than 5% of pro-forma net assets.
- Profit and loss items are material if they will have an impact on the current year operating result of 5% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 5% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 5%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost which triggers any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

The independent directors of the Company are Paul Chapman (Chairman), Peter Johnston, Brian Kennedy and David Griffiths. These directors are independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

The non-independent directors of the Company are Les Davis, the Company's Managing Director, Chris Banasik, the Company's Director Exploration & Geology and Luke Tonkin, the Company's Director of Operations.

Independent Professional Advice and Access to Company Information

(Recommendation: 2.6)

Each director has the right of access to all relevant company information and to the Company's executives.

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chairman for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice. A copy of the advice received by the director is made available to all other members of the Board.

Selection and (Re) Appointment of Directors

(Recommendation: 2.6)

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 Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Each director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of directors is not automatic.

The Company's policy and procedure for the selection and appointment of directors is disclosed on the Company's website.

To assist in the execution of its responsibilities, the board has established a number of board committees including a Nomination Committee, an Audit Committee and a Remuneration Committee. These committees have written mandates and operating procedures, which are reviewed on a regular basis. The board has also established a framework for the management of the Group including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

Board Committees

Nomination Committee

(Recommendations: 2.4, 2.6)

The Board has established a Nomination Committee comprising three independent non-executive directors – Mr Brian Kennedy (Chairman of the committee since 28 August 2011), Mr Peter Johnston and Mr David Griffiths.

The Nomination Committee held one meeting during the Reporting Period, which all committee members attended.

The Board has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee.

The Company's Nomination Committee Charter is disclosed on the Company's website.

Audit Committee

(Recommendations: 4.1, 4.2, 4.3, 4.4)

The Board has adopted an Audit Committee Charter, approved by the Board, which describes the role, composition, functions and responsibilities of the Audit Committee. All members must be non-executive directors with a majority being independent. The Chairperson may not be the Chairperson of the Board. The committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Group.

The internal and external auditors, the chief executive officer and the chief financial officer, are invited to audit committee meetings at the discretion of the committee.

During the year the members of the Audit Committee were three independent non-executive directors – David Griffiths (Chairman), Peter Johnston and Paul Chapman.

The Audit Committee is structured in compliance with Recommendation 4.2.

Details of each of the director's qualifications are set out in the Directors' Report. All of the members of the Audit Committee consider themselves to be financially literate and have relevant industry experience.

The Audit Committee held four meetings during the Reporting Period. Messrs Griffiths and Chapman attended all four with Mr Johnston attending two.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee and any recommendations are made to the Board.

The Company's Audit Committee Charter and procedure for the selection, appointment and rotation of external auditor are disclosed on the Company's website.

Remuneration Committee

(Recommendations: 8.1, 8.2, 8.3, 8.4)

The remuneration committee reviews and makes recommendations to the board on remuneration packages and policies applicable to the executive officers and directors themselves of the Company and of other Group executives for the Group. It is also responsible for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies.

The Board has established a Remuneration Committee comprising three independent non-executive directors, Peter Johnston (Chairman of the Remuneration Committee since 28 August 2011), Brian Kennedy and David Griffiths. The Remuneration Committee is structured in accordance with Recommendation 8.2, and at all times during the Reporting Period comprised solely non-executive directors in compliance with ASX Listing Rule 12.8.

The Remuneration Committee held two meetings during the Reporting Period, which all committee members attended.

The Board has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee.

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

The Company's policy is to remunerate non-executive directors at market rates (for comparable ASX listed 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.

Executive directors and senior executive pay and rewards consist of a base salary and performance incentives to ensure that:

(a) 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 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 incentive payments to be paid by the Remuneration Committee.

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

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

The Company's Remuneration Committee Charter is disclosed on the Company's website.

Trading in Company's Securities by Directors and Employees

The Company's Policy for Trading in Company Securities includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

Performance Evaluation

Senior Executives

(Recommendations: 1.2, 1.3)

The Managing Director is responsible for evaluating the performance of senior executives. An appraisal form is completed by each senior executive and the Managing Director, and a meeting is then held between the Managing Director and the senior executive to review performance and set personal objectives for the following year.

During the reporting period senior executives were assessed against budgeted KPI's and no changes were made to existing remuneration levels and nil STI's were awarded.

Board, its Committees and Individual Directors

(Recommendations: 2.5, 2.6)

The Group has a formal process to educate new directors about the nature of the business, current issues, the corporate strategy, the culture and values of the Group, also the expectations of the Group concerning performance of directors. In addition Directors are also educated regarding meeting arrangements and director interaction with each other, senior executives and other stakeholders. Directors also have the opportunity to visit Group facilities and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

The Chairman is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors. The Remuneration Committee and Chairman are responsible for evaluating the performance of the Managing Director.

The Board, its committees and individual directors are subject to ongoing evaluation by the Chairman.

The Managing Director's performance is evaluated as part of his annual remuneration review, at which his performance is reviewed against established objectives.

The Company's process for performance evaluation is disclosed on the Company's website.

Ethical and Responsible Decision Making

Conflict of Interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. The Board has developed procedures to assist directors to disclose potential conflicts of interest.

Where the Board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered. Details of director related entity transactions with the Group are set out in Note 34 to the consolidated financial statements.

Code of Conduct

(Recommendations: 3.1, 3.5)

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company's Code of Conduct is disclosed on the Company's website.

Diversity

(Recommendations: 3.2, 3.3, 3.4, 3.5)

In 2012, the Company established a Diversity Policy which included requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress towards achieving them.

For its 2013 Workplace Gender Equality Agency report, the Company set the objective of meeting or exceeding the industry female participation rate, subject to its policy of recruiting and promoting on merit and individual skills. As at 30 June 2013, Silver Lake had 22% females in its workforce compared with an industry participation rate of 18.8% (Source: 2013 CME Diversity in Resources Survey) and this rose to 23.1% as at 30 June 2014.

The proportion of female employees in the Company is set out in the following table:

	Proportion of females
Board representation	0 out of 7 (0%)
Management representation	3 out of 18 (17%)
Group representation	39 out of 169 (23%)

The Company's Diversity Policy is disclosed on the Company's website.

Continuous Disclosure

(Recommendations: 5.1, 5.2)

The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance.

Continuous disclosure obligations is a standing agenda item at Board meetings.

A summary of the Company's compliance procedures for ASX Listing Rule Disclosure Requirements is disclosed on the Company's website.

Shareholder Communication

(Recommendations: 6.1, 6.2)

The Company has designed a communications strategy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

The Company's shareholder communication strategy is disclosed on the Company's website.

Risk Management

(Recommendations: 7.1, 7.2, 7.3, 7.4)

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks with the assistance of senior management. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director has unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board has established a separate Audit Committee to monitor and review the integrity of financial reporting and the Company's internal financial control systems and risk management systems.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

» The Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval;

» The Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and

» The Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

The Company has established a formal and documented system to manage its material business risks. The Company holds strategy and risk review meetings at least annually at Board level, the operational level and exploration level. At these meetings the Company's material business risks are identified and risk management strategies established. In addition, the process of management of material business risks is allocated to members of senior management. The Managing Director is responsible for reporting to the Board as to the outcome of the meetings at the operational and exploration levels.

The categories of risk identified by the Company and reported on as part of its systems and processes for managing material business risk include financial, operational, human capital, political, technological, economic cycle, legal and compliance.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Company's management of its material business risks for the reporting period.

The Managing Director and the Chief Financial Officer have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Monthly actual results are reported against budgets approved by the directors and revised forecasts for the year are prepared regularly.

A summary of the Company's Risk Management Policy is disclosed on the Company's website.

DIRECTORS' DECLARATION

1. In the opinion of the Directors:

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

        i) Giving a true and fair view of the Group's financial position as at 30 June 2014 and of its 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 from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2014.

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

L Davis

Les Davis

Managing Director
29 August 2014

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 2014 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

Brent Steedman
Partner

Perth

29 August 2014

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 consolidated statement of financial position as at 30 June 2014, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 39 comprising a summary of significant accounting policies and other explanatory information 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2 (a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply 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 of the financial report that gives a true and fair view 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, a true and fair view which is consistent with our understanding of the Group's financial position and of its 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 the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

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

Report on the remuneration report

We have audited the Remuneration Report included in pages 24 to 38 of the directors' report for the year ended 30 June 2014. 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 2014, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Brent Steedman
Partner

Perth

29 August 2014

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2014

	Notes	30 June 2014 $'000	30 June 2013 $'000
Revenue	7	309,661	215,743
Cost of sales	8	(331,814)	(243,622)
Gross loss		(22,153)	(27,879)
Other income		202	232
Gain on dilution of investment		1,847	2,003
Gain on gold put options and forwards		-	4,337
Business combination expense		(306)	(15,448)
Impairment losses	23	(89,624)	(320,913)
Share of losses of equity accounted investments	21	-	(121)
Administrative expenses	9	(8,828)	(8,901)
Results from operating activities		(118,862)	(366,690)
Finance income		5,110	866
Finance costs		(3,544)	(5,084)
Net finance income / (costs)	11	1,566	(4,218)
Loss before income tax		(117,296)	(370,908)
Income tax (expense)/benefit	12	(53,142)	51,620
Loss for the year		(170,438)	(319,288)
Total comprehensive loss for the year		(170,438)	(319,288)
Loss attributable to:			
Owners of the company		(170,438)	(319,288)
Total comprehensive loss attributable to:			
Owners of the company		(170,438)	(319,288)
		Cents Per Share	*Cents Per Share*
Loss per share			
Basic loss per share	13	(38.01)	(104.43)
Diluted loss per share	13	(38.01)	(104.43)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to these consolidated financial statements.

As at 30 June 2014

	Notes	30 June 2014 $'000	30 June 2013 $'000
Current assets			
Cash and cash equivalents	14	23,937	12,673
Trade and other receivables	16	13,093	3,442
Inventories	17	28,350	55,219
Prepayments		154	394
Total current assets		65,534	71,728
Non-current assets			
Exploration evaluation and development expenditure	18	233,547	269,134
Property, plant and equipment	19	67,918	130,932
Investments	20	9,770	838
Investments in equity accounted investee	21	-	2,722
Deferred tax assets	12	-	53,142
Total non-current assets		311,235	456,768
Total assets		376,769	528,496
Current liabilities			
Trade and other payables	24	45,055	62,855
Interest bearing liabilities	25	3,207	53,235
Employee benefits	26	1,884	2,497
Total current liabilities		50,146	118,587
Non-current liabilities			
Interest bearing liabilities	25	9,615	9,619
Rehabilitation and restoration provision	28	40,667	39,629
Total non-current liabilities		50,282	49,248
Total liabilities		100,428	167,835
Net assets		276,341	360,661
Equity			
Share capital	29	699,564	613,662
Reserves	30	216	-
Retained earnings		(423,439)	(253,001)
Total equity		276,341	360,661

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes to these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

	Notes	Share Capital $'000	Option Reserve $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 July 2012		127,676	13	66,274	193,963
Total comprehensive loss for the year		-	-	(319,288)	(319,288)
Total comprehensive loss		-	-	(319,288)	(319,288)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners of the Company					
Issue of ordinary shares net of costs and tax	29	15,113	-	-	15,113
Issue of shares as consideration for acquisition of subsidiary	29	469,839	-	-	469,839
Exercise of share options	30	1,034	(13)	13	1,034
Total contributions by and distributions to owners of the Company		485,986	(13)	13	485,986
Balance at 30 June 2013		613,662	-	(253,001)	360,661

For the year ended 30 June 2014

	Notes	Share Capital $'000	Option Reserve $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 July 2013		613,662	-	(253,001)	360,661
Total comprehensive loss for the year		-	-	(170,438)	(170,438)
Total comprehensive loss		-	-	(170,438)	(170,438)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners of the Company					
Issue of ordinary shares net of costs and tax	29	85,902	-	-	85,902
Issue of share options	30	-	216	-	216
Total contributions by and distributions to owners of the Company		85,902	216	-	86,118
Balance at 30 June 2014		699,564	216	(423,439)	276,341

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to these consolidated financial statements.

For the year ended 30 June 2014

	Notes	30 June 2014 $'000	30 June 2013 $'000
Cash flows from operating activities			
Cash receipts from customers		301,470	218,171
Cash paid to suppliers and employees		(275,824)	(162,222)
Income and other taxes paid		(1,178)	(2,050)
Net cash from operating activities	15	24,468	53,899
Cash flow from investing activities			
Interest received		349	866
Acquisition of plant and equipment		(8,276)	(101,287)
Proceeds from sale of property, plant and equipment		15	-
Proceeds from sale of investment		135	-
Exploration, evaluation and development expenditure		(35,527)	(67,442)
Refund of environmental bonds		-	7,486
Cash acquired on acquisition of subsidiary		-	7,559
Acquisition of investment		-	(659)
Acquisition of investment in associate		-	(1,431)
Business combination expenditure		-	(1,448)
Net cash used in investing activities		(43,304)	(156,356)
Cash flows from financing activities			
Proceeds from the issue of share capital	29	85,902	-
Proceeds from exercise of options		-	1,034
Payment of funding facility fee		-	(382)
Proceeds from borrowing		-	55,000
Repayment of borrowing		(53,726)	(3,865)
Interest paid		(2,076)	(4,906)
Net cash from financing activities		30,100	46,881
Net increase/(decrease) in cash and cash equivalents		11,264	(55,576)
Cash and cash equivalents at 1 July		12,673	68,249
Cash and cash equivalents at 30 June	14	23,937	12,673

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes to the consolidated financial statements.

1. REPORTING ENTITY

Silver Lake Resources Limited ("Silver Lake" or "the Company") is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2014 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "Group Entities") and the Group's interests in associates.

2. BASIS OF PREPARATION

a) Statement of Accounting

The consolidated financial statements are general purpose financial statements which have 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 statements comply with International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board ("IASB").

The consolidated financial statements were approved by the Board of Directors on 29 August 2014.

b) Basis of Measurement

The financial statements are presented on the historical cost basis except for the following items in the statement of financial position:

- » Investments which have been measured at fair value;
- » Equity settled share based payment arrangements have been measured at fair value;
- » Inventories which have measured at the lower of cost or net realisable value;
- » Exploration, evaluation and development assets which have measured at recoverable value;
- » Assets and liabilities acquired as a result of a business acquisition which have been measured at fair value.

c) Functional and Presentation Currency

These consolidated financial statements are 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 that Class Order, all financial information has been rounded off to the nearest thousand dollars, unless otherwise stated.

d) Use of Judgements and Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting 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 judgements 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, and have a significant risk of resulting in a material adjustment within the next financial year, are described in the following notes:

- » Note 3 (c)(i) Exploration and evaluation expenditure carried forward
- » Note 3 (c)(ii) Amortisation of development expenditure
- » Note 3 (c)(iii) Reserves and resources
- » Note 3 (g) Impairment of assets
- » Note 3 (j) Closure and rehabilitation
- » Note 3 (q) Income Tax

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

a) Basis for Consolidation

i. Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; less
- The net recognised amount (generally fair value) of the identifiable assets and liabilities assumed.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Goodwill that arises on the acquisition of subsidiaries is included in intangible assets.

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

iii. Investments in Associates and Joint Ventures (Equity-Accounted Investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement, over the net assets of the arrangement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and joint ventures are accounted for using the equity method (equity-accounted investees) and are initially recognised at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustment to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the interest, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discounted except to the extent that the Group has an obligation or has made payments on behalf of the investee.

iv. Joint Operation Arrangements

The Group has investments in joint operations but they are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not in themselves generate revenue and profit. The joint operations are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint operation assets. The joint operations do not hold any assets and accordingly the Group's share of exploration evaluation and development expenditure is accounted for in accordance with the policy set out in Note 3 (c).

v. Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b) Financial Instruments

The Group initially recognises loans and receivables on the date when they originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

i. Non-Derivative Financial Instruments

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated at such on initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transactions costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

Financial asset designated at fair value through profit or loss comprise investments in equity securities that otherwise would have been classified as available-for-sale.

Other non-derivative financial instruments

Non-derivative financial instruments comprise 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 at amortised costs.

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. 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.

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

ii. Derivative Financial Instruments

The Group occasionally uses derivative financial instruments such as gold options and gold forward contracts to manage the risks associated with commodity price.

The sale of gold under such hedge instruments is accounted for using the 'own use exemption' under AASB 139 Financial Instruments and as such all hedge revenue is recognised in the Profit and Loss and no fair value adjustments are subsequently made to sales yet to be delivered under the hedging program.

The fair value of derivative financial instruments that are traded on an active market is based on quoted market prices at the statement of financial position date. The fair value of financial instruments not traded on an active market is determined using appropriate valuation techniques. 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. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

c) Exploration, Evaluation and Mining Assets

i. Exploration and Evaluation Expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Group in connection with the exploration for and evaluation of minerals resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Accounting for exploration and evaluation expenditures is assessed separately for each 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred.

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; and
- Exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources, and active and significant 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.

Exploration and evaluation assets include:

- Acquisition of rights to explore;
- Topographical, geological, geochemical and geophysical studies;
- Exploration drilling, trenching and sampling; and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation assets only to the extent that those costs can be related directly to the operational activities in the area of interest to which the exploration and evaluation assets relate. In all other instances, these costs are expensed as incurred.

Exploration and evaluation assets are classified as intangible. As the assets are not yet ready for use, they are not depreciated. Assets that are classified as tangible assets include:

- Piping and pumps;
- Tanks; and
- Exploration vehicles and drilling equipment.

Assets that are classified as intangible assets include:

- Drilling rights;
- Acquired rights to explore;
- Exploration drilling costs; and
- Trenching and sampling costs.

Exploration and evaluation assets are transferred to Development Assets once technical feasibility and commercial viability of an area of interest is demonstrable. Exploration and evaluation assets are tested for impairment, and any impairment loss is recognised, prior to being reclassified.

Impairment testing of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

» The term of exploration license in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;

» Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted or planned;

» Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resource and the decision was made to discontinue such activities in the specific area; or

» Sufficient data exists to indicate that, although a development in the specific area of interest is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When a potential impairment is indicated, an assessment is performed for each CGU which is no larger than the area of interest. The Group performs impairment testing in accordance with accounting policy 3(g).

ii. Mine Properties and Mining Assets

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 based on ounces mined over the total estimated resources related to this area of interest.

Significant factors considered in determining the technical feasibility and commercial viability of the project are the completion of a feasibility study, the existence of sufficient resources to proceed with development and approval by the board of Directors to proceed with development of the project.

Development expenditure is capitalised as either a tangible or intangible asset depending on the nature of the costs incurred.

Development expenditure includes the following:

» Reclassified exploration and evaluation assets;

» Direct costs of construction;

» Pre-production stripping costs; and

» An appropriate allocation of overheads and borrowing costs incurred during the construction phase.

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, once transferred to mine properties.

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

The Group applies the units of production method for amortisation of its mine properties, 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. These estimates and assumptions are reviewed annually; changes to these estimates and assumptions may impact the amortisation charge in the income statement and asset carrying values which would be adjusted if appropriate on a prospective basis.

The Group uses ounces mined 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 mine 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 (2004 and 2012), 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; and
- Recognition of deferred tax assets, including tax losses.

d) Deferred Stripping Costs

Stripping costs incurred in the development of a mine before production commences are capitalised as part of the mine development costs and amortised over the life of the mine on a unit of production basis.

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. During the production phase, stripping costs (production stripping costs) can be incurred both in relation to the production and the inventory period, and the creation of improved access and mining flexibility in relation to ore to be mined in the future. The former are included as part of the costs of inventory, while the latter are capitalised as a stripping activity asset, where certain criteria are met. Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between production stripping which relates to the extraction of inventory and that that relates to the creation of a stripping activity asset.

Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components for the ore bodies in each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and also to determine the expected volumes of waste to be stripped and ore to be mined in each of these components. These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans, and therefore the identification of components, will vary between mines for a number of reasons including the geological characteristics of the ore body, the geographical location and/or financial considerations.

Judgement is also required to identify a suitable measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The group considers that the ratio of the expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of the ore body, to be the most suitable measure.

Furthermore, judgements and estimates are also used to apply the units of production method determining the depreciable lives of the stripping activity asset(s).

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.

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 Group 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 and is calculated on either a reducing balance basis or 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. Depreciation of the processing plant is based on the life of the mine.

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

	Period
Buildings	10 Years
Haul roads	10 Years
Plant and equipment	3-10 Years
Office furniture and equipment	3-15 Years
Motor vehicles	3-5 Years

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

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

f) Inventory

Inventories of broken ore, gold in circuit, gold bullion 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.

Consumables and spare parts are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to specific stock items identified.

g) 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 asset's original effective interest rate.

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. 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 the reversal is recognised in profit and loss.

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.

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 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 that cannot be tested individually 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 and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

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. An impairment loss in respect of goodwill is not reversed.

h) 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 incurred.

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 government bonds that have maturity dates approximating the terms of the Group's obligations.

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 Group 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 Group as the benefits are taken by the employees.

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.

i) 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 discount rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

j) 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 when the Group has a present obligation and it is probable that rehabilitation/restoration costs will be incurred at a future date, which generally arises 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, as 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. 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, to the extent that it is probable that future economic benefits associated with the rehabilitation, decommissioning and restoration expenditure will flow in the entity, the corresponding cost is capitalised as an asset. The capitalised cost of closure and rehabilitation activities is recognised in exploration evaluation and mine properties and property, plant and equipment as appropriate and depreciated/amortised accordingly. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognised in finance 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, where it is probable that future economic benefits will flow to the entity, 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; and

» The timing of cash flows.

At each reporting date the rehabilitation and restoration provision is remeasured to reflect any of these changes.

k) Assets Held for Sale

Assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are measured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

l) 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.

m) Lease Payments

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

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.

n) 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 in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset that necessarily takes a substantial period to get ready of its intended use or sale. In this case, borrowing costs are capitalised as part of the cost of the qualifying asset.

o) 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.

p) Earnings Per Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated as profit/loss attributable ordinary shareholders of the Company divided by the weighted average number of ordinary shares. 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, including share options granted to employees.

q) 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 for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they 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.

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. The head entity within the tax-consolidation group is Silver Lake Resources Limited.

Current tax expense/benefit, 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 'separate 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 are 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.

r) 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 as applicable.

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.

s) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Managing Director to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, corporate expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill, but including exploration evaluation and mining assets.

t) New Standards and Interpretations Not Yet Adopted

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements follows:

» AASB 2013-3: Amendments to AASB 136-Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

The amendment removes extra disclosure requirements with regard to the measurement of the recoverable amount of impaired assets.

» AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Liabilities (June 2012) (applicable for annual reporting periods commencing on or after 1 January 2014).

The amendments to AASB 132 clarify when an entity has a legally enforceable right to set-off financial assets and liabilities permitting entities to present balances net on the balance sheet.

» AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2015).

AASB 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

In AASB 9 (December 2010), the AASB added requirements for the classification and measurement of financial liabilities that are generally consistent with the equivalent requirements in AASB 139 except in respect of the fair value option; and certain derivatives linked to unquoted equity instruments. The AASB also added the requirements in AASB 139 in relation to the derecognition of financial assets and financial liabilities to AASB 9.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards, and has not assessed the full impact of these amendments at the date of this report.

4. CHANGES IN ACCOUNTING POLICIES

Except for the changes below, the Group has consistently applied the accounting policies set out in Note 3 to all periods presented in these consolidated financial statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with date of initial application of 1 July 2013.

a. Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

b. AASB 10 Consolidated Financial Statements (2011)

c. AASB 11 Joint Arrangements

d. AASB 12 Disclosure of Interests in Other Entities

e. AASB 13 Fair Value Measurement

f. AASB 119 Employee Benefits (2011)

g. Recoverable Amount Disclosures for Non-Financial Assets (amendments to AASB 136) (2013)

These revised standards have had no material impact on the Group's Financial Statements.

5. DETERMINATION OF FAIR VALUE

A number of the Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Property, Plant and Equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. The fair value of items in plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Inventories

The fair value of inventories is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale.

Equity Securities

The fair values of investments in equity securities are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique.

6. SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any operating segments with discrete financial information. The Group does not have any customers, other than the Perth Mint and its bankers, and all the group assets and liabilities are located within Australia. The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

7. REVENUE

	30 June 2014 $'000	30 June 2013 $'000
Gold sales	308,943	215,050
Silver sales	645	543
Other revenue	73	150
Total	309,661	215,743

Included in current year gold sales is 12,501 ounces of gold sold (at an average price of A$1,527/ounce) under a hedging program entered into in March 2014. Under this program, the Company will sell 50,000 ounces of gold evenly between April 2014 and March 2015 at an average forward price of A$1,536/ounce. At 30 June 2014, there is a further 37,499 ounces left to be delivered under the program. The sale of gold under this hedge is accounted for using the 'own use exemption' under AASB 139 Financial Instruments and as such all hedge revenue is recognised in the Profit and Loss and no mark to market valuation is performed on undelivered ounces.

8. COST OF SALES

	30 June 2014 $'000	30 June 2013 $'000
Mining and processing costs	251,591	143,432
Impairment of carrying value of inventories	1,576	30,683
Amortisation	31,941	32,883
Depreciation	15,914	14,590
Salaries and on-costs	21,300	15,385
Royalties	9,492	6,649
	331,814	243,622

9. ADMINISTRATION EXPENSES

	30 June 2014 $'000	30 June 2013 $'000
Salaries and on-costs	5,231	4,894
Consultants and contractors	843	1,733
Professional fees	419	402
Travel and accommodation	261	316
Business development expenditure	811	-
Rental expense	866	691
Other corporate costs	397	865
Total	8,828	8,901

10. PERSONNEL EXPENSES

	30 June 2014 $'000	30 June 2013 $'000
Wages and salaries	24,503	24,513
Other associated personnel expenses	2,028	1,165
Superannuation contributions	2,202	2,039
Total	28,733	27,717

Personnel expenses included in cost of sales is $21.300 million (2013: $15.385 million).

11. FINANCE INCOME AND EXPENSES

	30 June 2014 $'000	30 June 2013 $'000
Interest income	349	866
Change in fair value of listed investment	4,761	-
Finance income	5,110	866
Impairment of listed investment	(398)	(2,435)
Impairment of equity accounted listed investment	-	(591)
Impairment of other non-current asset	-	(200)
Interest expense on financial liabilities	(3)	(1,352)
Interest expense on interest bearing liabilities	(2,073)	(382)
Unwind of discount on provision	(1,070)	(124)
Finance costs	(3,544)	(5,084)
Net finance income/(costs)	1,566	(4,218)

12. TAXES

a) Income Tax

	30 June 2014 $'000	30 June 2013 $'000
Current tax expense		
Current income tax	(22,362)	(29,733)
Adjustment for prior years	(2,322)	(1,048)
	(24,684)	(30,781)
Deferred income tax expense		
Origination and reversal of temporary differences	77,826	(20,839)
Income tax expense/(benefit) reported in profit or loss	53,142	(51,620)
Numerical reconciliation between tax expenses and pre-tax profit		
Loss before tax	(117,296)	(370,908)
Income tax using the corporation tax rate of 30% (2013: 30%)	(35,189)	(111,272)
Increase/(decrease) in income tax expense due to non-deductible items	(1,628)	34,367
Adjustment for prior years	(2,322)	(1,048)
Changes in unrecognised temporary differences	92,281	26,333
Income tax expense/(benefit) on pre-tax net loss	53,142	(51,620)

b) Deferred Tax Assets and Liabilities

	30 June 2014 $'000	30 June 2013 $'000
Deferred tax assets and liabilities are attributable to the following:		
Deferred tax assets/(liabilities)		
Receivables	(140)	(213)
Inventories	(1,622)	(1,073)
Exploration, evaluation and mining assets	2,428	3,764
Property, plant and equipment	31,536	17,113
Investments	-	(837)
Accrued expenses	6,129	4,254
Provisions	565	967
Share issue costs	2,642	3,108
Tax losses	77,076	52,392
	118,614	79,475
Less deferred tax asset not recognised	(118,614)	(26,333)
Net deferred tax assets	-	53,142

c) Tax Losses

At 30 June 2014 the Company has $256.92 million (2013: $174.64 million loss) tax losses that are available for offset against future taxable profits of the Company. The Group has not recorded these carry forward tax losses that equate to unrecognised deferred tax asset at 30 June 2014 of $77.07 million (2013: $26.33 million).

The potential benefit of carried forward tax losses will only be obtained if taxable profits are 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 provided that:

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

ii) No change in tax legislation adversely affects the realisation of the benefit from the deductions.

In accordance with the Group's accounting policies for deferred taxes, a deferred tax asset is recognised for unused tax losses only if it is probable that future taxable profits will be available to utilise those losses.

Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This includes estimates and judgments about commodity prices, ore resources, exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

13. EARNINGS PER SHARE

Basic Earnings Per Share

The earnings per share at 30 June 2014 was based on the loss attributable to ordinary shareholders of $170.438 million (2013: loss of $319.288 million) and the weighted average number of ordinary shares outstanding as at 30 June 2014 of 448,415,209 (2013: 305,747,413).

	30 June 2014 '000	30 June 2013 '000
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	379,049	220,264
Issue of shares pursuant to fund raising	69,366	5,186
Issue of shares as consideration for acquisition of subsidiary	-	78,550
Issue of shares on exercise of options	-	1,747
Total	448,415	305,747

Diluted Earnings Per Share

Potential ordinary shares were not considered to be dilutive as the Group made a loss for the year and the exercise of potential shares would not increase this loss.

14. CASH AND CASH EQUIVALENTS

	30 June 2014 $'000	30 June 2013 $'000
Cash at bank and on hand – unrestricted	23,937	12,673
Total	23,937	12,673

In addition to cash at bank at 30 June 2014, the Company also had bullion receivables of $8.216 million and outstanding bonds of $1.883 million, both of which are recognised within trade and other receivables (refer Note 16). The Group's exposure to interest rate risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 32.

15. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	30 June 2014 $'000	30 June 2013 $'000
Cash flow from operating activities		
Loss after tax	(170,438)	(319,288)
Adjustments for:		
Depreciation	15,914	14,590
Amortisation	31,941	32,883
Gain on dilution of investment	(1,847)	(2,003)
Gain on gold put options and forwards	-	(4,337)
Impairment of carrying value of inventories	1,576	30,683
Impairment of property, plant and equipment	46,808	66,965
Impairment of exploration and development expenditure	42,816	143,587
Impairment of goodwill	-	110,361
Share of equity accounted losses	-	121
Net finance (income)/expenses	(3,293)	4,218
Proceeds from the sale of non-current assets	(150)	-
Income tax expense/(benefit)	53,142	(51,620)
Operating profit before changes in working capital and provisions	16,469	26,160
Change in trade and other receivables	(9,651)	2,196
Change in inventories	25,293	8,571
Change in prepayments	240	(313)
Change in trade and other payables	(7,132)	18,630
Change in provisions	(751)	705
Income tax paid	-	(2,050)
Total	24,468	53,899

16. TRADE AND OTHER RECEIVABLES

	30 June 2014 $'000	30 June 2013 $'000
Current		
Trade receivables	8,216	-
GST receivable	2,492	2,466
Convertible note receivable	-	385
Other receivables	2,385	591
Total	13,093	3,442

The Group's exposure to interest rate risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 32.

17. INVENTORIES

	30 June 2014 $'000	30 June 2013 $'000
Materials and supplies – at cost	5,406	4,822
Ore stocks – at cost	4,373	11,461
Ore stocks – at net realisable value*	12,863	27,181
Gold in circuit and bullion on hand – at cost	1,302	4,847
Gold in circuit and bullion on hand – at net realisable value*	4,406	6,908
Total	28,350	55,219

**At the reporting date the Group carried out an impairment review of inventory and impaired inventory to its net realisable value where applicable.*

During the year, as a result of the material decline in the gold price, the Group impaired $1.576 million (2013 $30.683 million) of inventory using its policy of valuing at the lower of cost and net realisable value. This impairment has been included within cost of sales.

18. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

During the year ended 30 June 2014 the Group incurred and capitalised the following on exploration, evaluation and development expenditure:

	30 June 2014 $'000	30 June 2013 $'000
Exploration and evaluation phase		
Cost brought forward	55,880	28,150
Capitalised during the year	9,073	18,934
Acquired during the year	-	19,200
Increase in rehabilitation provision	-	10,948
Impairment	(1,886)	(7,424)
Transferred to development phase	-	(13,928)
Balance at 30 June	63,067	55,880

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.

A regular review is undertaken of each area of interest within exploration and evaluation to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine the technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

During the impairment review for the year ended 30 June 2014, the recoverable amount of certain assets was assessed as lower than the carrying amount which resulted in an impairment charge of $1.886 million on exploration and evaluation assets.

	30 June 2014 $'000	30 June 2013 $'000
Development phase		
Cost brought forward	81,296	32,692
Transfer from exploration and evaluation phase	-	13,928
Expenditure during the year	-	10,633
Acquired during the year	-	165,043
Impairment	(5,000)	(83,747)
Transferred to production phase	-	(57,253)
Balance at 30 June	76,296	81,296

	30 June 2014 $'000	30 June 2013 $'000
Production phase		
Cost brought forward	131,958	59,849
Transfer from development phase	-	57,253
Expenditure during the year	29,991	36,320
Increase in rehabilitation provision	106	7,917
Acquired during the year	-	55,494
Amortisation expense	(31,941)	(32,883)
Impairment	(35,930)	(51,992)
Balance at 30 June	94,184	131,958
Total	233,547	269,134

See Note 23 for details of the impairment review of mine development and production assets.

19. PROPERTY, PLANT AND EQUIPMENT

	Notes	Land & Building $'000	Plant & Equipment $'000	Haul Roads $'000	Motor Vehicles $'000	Office Furniture & Equipment $'000	Capital Work In Progress $'000	Total $'000
Cost								
Balance 1 July 2012		13,827	39,349	-	643	822	16,392	71,033
Additions		2,513	4,824	-	222	-	93,731	101,290
Acquisitions		2,343	46,500	3,560	931	897	1,647	55,878
Transfers		1,293	103,018	-	843	112	(105,266)	-
Disposals		-	(3)	-	-	-	-	(3)
Balance 30 June/1 July 2013		19,976	193,688	3,560	2,639	1,831	6,504	228,198
Additions		-	4,578	1	78	113	3,438	8,208
Transfers		18	6,141	-	20	1	(6,180)	-
Reclassification of assets		-	(1,555)	-	-	-	(874)	(2,429)
Disposals		(6,005)	-	-	(180)	-	-	(6,185)
Balance 30 June 2014		13,989	202,852	3,561	2,557	1,945	2,888	227,792
Depreciation								
Balance at 1 July 2012		166	14,717	-	445	383	-	15,711
Depreciation expense	8	1,917	11,458	356	511	348	-	14,590
Impairment loss		1,240	65,725	-	-	-	-	66,965
Balance 30 June/1 July 2013		3,323	91,900	356	956	731	-	97,266
Depreciation expense	8	1,426	12,599	712	662	515	-	15,914
Impairment loss	23	5,264	41,546	-	-	-	-	46,808
Disposal		-	-	-	(114)	-	-	(114)
Balance 30 June 2014		10,013	146,045	1,068	1,502	1,246	-	159,874
Carrying amount								
At 1 July 2012		13,661	24,632	-	198	439	16,392	55,322
At 30 June 2013		16,653	104,160	3,204	1,683	375	4,857	130,932
At 30 June 2014		3,976	56,807	2,493	1,055	699	2,888	67,918

20. INVESTMENTS

	30 June 2014 $'000	30 June 2013 $'000
Investments in listed entities – at fair value	9,770	838

Movements as follows:

Balance at 1 July	838	-
Investments acquired through acquisition of Integra Mining Ltd	-	2,614
Investment in Auricup Pty Ltd	-	500
Investment in Phillips River Mining Ltd	-	159
Transfer of investment previously accounted for as an associate (see Note 21)	2,722	-
Gain on dilution of investment	1,847	-
Change in fair value	4,363	(2,435)
Balance at 30 June	9,770	838

21. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

	30 June 2014 $'000	30 June 2013 $'000
Investment in Paringa Resources Limited	-	2,722

As a result of ownership dilution, the Company's investment in Paringa Resources Limited ceased being accounted for as an equity accounted investee during the year and was transferred to investments in listed entities measured at fair value (see Note 20).

22. GOODWILL

	30 June 2014 $'000	30 June 2013 $'000
Opening balance	-	-
Acquisition of Integra Mining Limited	-	110,361
Impairment charge	-	(110,361)
Balance at 30 June	-	-

Goodwill was recognised in 2013 as a result of the acquisition of Integra Mining Limited as follows:

	$'000
Total consideration transferred	469,839
Fair value of identifiable net assets	(359,478)
Goodwill	110,361

The following summarises the consideration transferred and the fair value of assets and liabilities acquired as part of the Integra acquisition during the 2013 financial year:

Consideration Transferred

	$'000
Equity Instruments Issued (150,108,264 fully paid ordinary shares)	469,839

Equity instruments issued

The fair value of the fully paid ordinary shares issued was based on the closing share price of the Company at 21 December 2013 of $3.13 per share, being the date of acquisition of shares.

Identifiable Assets Acquired and Liabilities Assumed

	$'000
Cash and cash equivalents	7,559
Trade and other receivables	3,433
Inventories	70,398
Property plant and equipment	55,878
Exploration, evaluation and development expenditure	222,954
Available-for-sale investments	2,614
Deferred tax asset	27,164
Trade and other payables	(12,260)
Employee provisions	(1,084)
Derivative financial instrument	(4,337)
Rehabilitation provision	(12,841)
Total net identifiable assets	359,478

The goodwill was attributable mainly to the synergies expected to be achieved from integrating Integra into the Group's existing mining operations. The balance was subsequently impaired at 30 June 2013.

23. IMPAIRMENT TESTING FOR NON-CURRENT ASSETS

Results of Impairment Testing

	Notes	30 June 2014 $'000	30 June 2013 $'000
Mount Monger CGU	23.2	21,529	194,108
Murchison CGU	23.2	39,888	117,717
Property, plant and equipment	19	12,020*	1,664
Long term development and mine assets	23.1	14,301	-
Exploration assets	18	1,886	7,424
Total impairment		89,624	320,913

* As a result of placing the Lakewood processing facility on care and maintenance, an impairment of $12.020 million has been recorded at 30 June 2014.

23.1 Long Term Development and Mine Assets

Long term development and production phase assets that relate to unmined resources are constantly assessed in light of current economic conditions. Assumptions on the economic returns on and timing of specific production options may impact on the timing of development of these assets. The carrying values of these assets are assessed at balance date based on implied market values against their existing resource and reserve base and an assessment made on the likelihood of recoverability from the successful development or sale of the asset.

As a result of changes to operating and capital cost assumptions and closure of the Lakewood processing facility, long term development assets (recorded within the development and production phase in Note 18) were removed from the Mount Monger CGU assessment and were impaired by $14.301 million at 30 June 2014. This impairment charge is reflected as part of the total impairments in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

23.2 Cash Generating Units (CGU's)

Management of the Group has identified two CGUs, the Mt Monger operations and the Murchison operations.

Mount Monger CGU

In assessing whether mine properties and mine development costs have been impaired, the carrying amount of the CGU is compared with its recoverable amount. In accordance with the Group's accounting policy, recoverable amount is assessed as the higher of fair value less costs to sell and value in use. The Group has adopted value in use in its assessment, using 10 year discounted cash flows.

A number of factors represented indicators of impairment as at 30 June 2014, including a reduction in the gold price outlook and the Company's market capitalisation relative to its book value. As a result the Company assessed the recoverable amount of the Mount Monger CGU.

The key assumptions in addition to the life of mine plans used in the discounted cash flow valuation are the gold price, the Australian dollar exchange rate against the US dollar and the discount rate.

Gold price and AUD:USD exchange rate assumptions are estimated by management, with reference to external market forecasts and updated at least annually. For this review, the forecast gold price was estimated at US$1,232–US$1,302/oz. and the forecast exchange rate of US$0.83 to US$0.89 per A$1.00, based on a forward curve over the life of the mines. Significant changes to either the forecast gold price or the forecast exchange rate may have an impact on the carrying value of the CGU in future periods.

A discount rate of 11% was applied to the post tax cash flows expressed in nominal terms. The discount rate was derived from the Group's post tax weighted average cost of capital (WACC), with appropriate adjustments made to reflect the risks specific to the CGU.

The impairment testing carried out at 30 June 2014 resulted in a total impairment charge to the CGU of $21.529 million. This impairment charge is reflected as part of the total impairments in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and is summarised below.

	30 June 2014 $'000	30 June 2013 $'000
Mine development assets	5,000	83,747
Mine production assets	16,529	-
Goodwill	-	110,361
Total impairment for Mt Monger CGU	21,529	194,108

Murchison CGU

The Murchison CGU comprises mine properties, mine development assets and property plant and equipment associated with the Murchison Gold Operations. Due to disappointing production costs to date and the prevailing gold price environment, it was determined that the Murchison CGU was impaired at 31 December 2013.

On 27 February 2014, the Company announced it was placing the Murchison Gold Operations on care and maintenance in the June 2014 quarter. As a result, the Company has adopted fair value less costs to sell in its determination of recoverable value (previously, value in use was used). Fair value was determined using an independent valuation of the Murchison Processing Facility (due to disappointing production costs to date and the prevailing gold price environment, no fair value was assigned to the Murchison's mine property assets). The independent valuation provided a range of values, with management adopting the lower end of the range due to the negative conditions previously mentioned. As a result of this review, an impairment charge of $39.888 million has been recorded against the Murchison CGU.

This impairment expense is reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and is summarised below:

	30 June 2014 $'000	30 June 2013 $'000
Mine production assets	5,100	51,992
Property, plant and equipment	34,788	65,725
Total impairment for Murchison CGU	39,888	117,717

24. TRADE AND OTHER PAYABLES

	30 June 2014 $'000	30 June 2013 $'000
Trade payables	31,924	44,959
Stamp duty payable	-	14,000
Other payables	13,131	3,896
Total	45,055	62,855

During the period stamp duty liability was reclassified as an interest bearing liability (see Note 25). The Group's exposure to liquidity risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 32.

25. INTEREST BEARING LIABILITIES

	30 June 2014 $'000	30 June 2013 $'000
Current liability		
Finance lease	-	1,214
Equipment loan – motor vehicles	-	22
Stamp duty	3,207	-
Bank Facility	-	51,999
	3,207	53,235
Non-current liability		
Finance lease	-	9,618
Equipment loan – motor vehicles	-	1
Stamp duty	9,615	-
	9,615	9,619
Total	12,822	62,854

During the year the Company's stamp duty liability was reclassified as an interest bearing liability (previously disclosed as Other Payables). The stamp duty liability is now payble over four years and incurs 10.7% interest per annum.

The Group's exposure to interest rate and liquidity risk arising from these interest bearing liabilities is disclosed in Note 32.

26. EMPLOYEE BENEFITS

	30 June 2014 $'000	30 June 2013 $'000
Current		
Liability for annual leave	1,399	1,982
Liability for long service leave	485	515
Total	1,884	2,497

27. SHARE BASED PAYMENTS

Employee Options (Equity-Settled)

On 14 October 2013 the Group granted Mr Luke Tonkin, Executive Director of Operations, a total of 2,000,000 employee options as part of his employment agreement which were approved by shareholders at the Annual General Meeting on 15 November 2013. The total expense recognised in the Statement of Profit or Loss for these options for the period ended 30 June 2014 was $216,000. Details of the options are as follows:

	Tranche A	Tranche B	Tranche C
Number of options	400,000	600,000	1,000,000
Exercise price	$0.94	$1.03	$1.14
Issue date	14 October 2013	14 October 2013	14 October 2013
Vesting date	15 January 2015	15 January 2016	15 January 2017
Expiry date	14 October 2017	14 October 2017	14 October 2017

The inputs used in the measurement of the fair values at grant date were as follow:

	Tranche A	Tranche B	Tranche C
Valuation at grant date	$0.36	$0.34	$0.33
Share price at grant date	$0.67	$0.67	$0.67
Volatility	80%	80%	80%
Risk free rate	3.03%	3.03%	3.03%
Expected dividends	-	-	-

The fair value of the options was measured using a binomial option pricing model. A Black Scholes option pricing model was used to validate the valuation prices calculated by the binomial option pricing model. Whilst there are no performance conditions attached to the exercise of these options, the exercise price of the options have been set at a premium (between 40%-70%) to the prevailing share price at date of grant.

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

	Weighted Average Exercise Price 2014	Number of Options 2014	Weighted Average Exercise Price 2013	Number of Options 2013
Outstanding at 1 July	-	-	$0.30	3,447,010
Forfeited during period	-	-	-	-
Granted during the period	1.07	2,000,000	-	-
Exercised during the period	-	-	$0.30	(3,447,010)
Outstanding at 30 June	1.07	2,000,000	-	-
Exercisable at 30 June	-	-	-	-

28. PROVISIONS

	30 June 2014 $'000	30 June 2013 $'000
Closure and rehabilitation		
Opening balance at 1 July	39,629	7,799
Additional provisions during the year	106	18,865
Provision acquired on acquisition of subsidiary	-	12,841
Unwind of discount	1,070	124
Rehabilitation payment	(138)	-
Closing balance at 30 June	40,667	39,629

29. SHARE CAPITAL

	Number	$'000
Movements in issued capital		
Balance as at 1 July 2012	220,264,064	127,676
Shares issued on exercise of options	3,447,010	1,034
Shares issued from capital raising net of costs	5,229,412	15,113
Shares issued as consideration for acquisition of subsidiary	150,108,264	469,839
Balance as at 30 June 2013	379,048,750	613,662
Shares issued from capital raising net of costs	124,185,221	85,902
Balance as at 30 June 2014	503,233,971	699,564

Shares issued during the year comprised 58,546,008 shares issued under the capital raising announced on 27 August 2013 and 65,639,213 shares issued under the capital raising announced on 27 February 2014. All shares issued are fully paid and equity raising costs of $3.246 million were incurred in the process.

30. OPTION RESERVES

	Number	$'000
Movement in options reserve		
Balance as at 1 July 2012	3,447,010	13
Options exercised	(3,447,010)	(13)
Balance as at 30 June 2013	-	-
Balance at 1 July 2013	-	-
Options granted	2,000,000	216
Options exercised	-	-
Balance as at 30 June 2014	2,000,000	216

31. OPERATING LEASES

The Company leases assets for operations including plant and office premises. The leases have an average life of 1 to 4 years. At 30 June 2014, the future minimum lease payments under non-cancellable leases were payable as follows:

	2014 $'000	2013 $'000
Less than one year	5,005	4,257
Between one and five years	14,494	13,219
More than 5 years	-	1,764
	19,499	19,240

32. FINANCIAL RISK MANAGEMENT

a) Overview

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

The Group does not generally use any form of derivatives. 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.

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 major Australian financial institutions.

ii. Trade and Other Receivables

The Group's trade and other receivables relate mainly to gold sales, environmental bonds on deposit and GST refunds. The Group has determined that its exposure to trade receivable credit risk is low, as customers are considered to be reliable and have short contractual payment terms. Management does not expect any counterparty to fail to meet its obligations. Environmental bonds are cash held on deposit with major Australian financial institutions.

The Group has not established an allowance for impairment.

c) Exposure to Credit Risk

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

	Carrying Amount	
	2014 $'000	**2013 $'000**
Trade and other receivables	13,093	3,442
Cash and cash equivalents	23,937	12,673
Total	37,030	16,115

None of the Group's receivables are past due (2013: 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.

In March 2014 the Company entered into a hedging programme whereby the Company will sell 50,000 ounces of gold evenly between April 2014 and March 2015 at an average forward price of A$1,536/ounce. At 30 June 2014, there is a further 37,499 ounces left to be delivered under the program. The sale of gold under this hedge is accounted for using the 'own use exemption' under AASB 139 Financial Instruments and as such all hedge revenue is recognised in the Profit and Loss and no mark to market valuation is performed on undelivered ounces.

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

30 June 2014	Carrying Amount $'000	Contractual Cash Flows $'000	6 Months or Less $'000	6-12 Months $'000	1-2 Years $'000	2-5 Years $'000	More Than 5 Years $'000
Trade and other payables	45,055	45,055	45,055	-	-	-	-
Stamp duty	12,822	15,324	2,189	2,189	4,378	6,568	-
Total	57,877*	60,379	47,244	2,189	4,378	6,568	-

30 June 2013	Carrying Amount $'000	Contractual Cash Flows $'000	6 Months or Less $'000	6-12 Months $'000	1-2 Years $'000	2-5 Years $'000	More Than 5 Years $'000
Finance leases	10,855	23,092	2,225	2,225	4,431	9,372	4,839
Bank facility	51,999	52,961	44,907	8,054	-	-	-
Trade and other payables	62,855	62,855	62,855	-	-	-	-
Total	125,709*	138,908	109,987	10,279	4,431	9,372	4,839

** The carrying value at balance date approximates fair value*

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 and equity price risk.

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-term high interest bearing deposits.

i. Profile

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

	Carrying Amount	
	2014 $'000	2013 $'000
Fixed rate instruments		
Financial liabilities		
Finance lease	-	(10,832)
Equipment loans	-	(23)
Stamp duty liability	(12,822)	-
Total	(12,822)	(10,855)
Variable rate instruments		
Financial assets		
Cash and cash equivalents	23,937	12,673
Financial liabilities		
Bank facility	-	(51,999)
Total	23,937	(39,326)

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 after tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or Loss/Equity	
	100bp Increase $'000	100bp Decrease $'000
30 June 2014		
Variable rate instruments	168	(168)

	Profit or Loss/Equity	
	100bp Increase $'000	100bp Decrease $'000
30 June 2013		
Variable rate instruments	(275)	275

Equity Price Risk

Equity investments are long-term investments that have been classified as financial assets at fair value through profit or loss. The Group is exposed to insignificant equity price risk arising from its equity investments. A change of 100 basis points in the share price of the investments would have a $0.977 million impact to the profit or loss before tax.

f) Fair Values

The carrying amounts of financial assets are valued at year end at their quoted market price.

g) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business through future exploration and development of its projects.

At 30 June 2014, the Company had no bank debt (2013: $51.999 million) and no finance lease liabilities (2013: $10.832 million).

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. The Group is not subject to externally imposed capital requirements.

33. CAPITAL COMMITMENTS

The Group has capital commitments of $5.06 million (2013: $15.07 million) in the next financial year relating to the acquisition of property plant and equipment. In addition, the Group has $9.2 million (2013: $6.88 million) of commitments relating to minimum exploration expenditure on its various tenements.

34. RELATED PARTIES

a) Key Management Personnel Compensation

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

	30 June 2014 $'000	30 June 2013 $'000
Short-term employee benefits	2,217	2,028
Post-employment benefits	390	219
Total	2,607	2,247

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.

During the period, 2,000,000 incentive options were issued to Mr. Luke Tonkin, Executive Director of Operations, as part of his employment agreement. See Note 27 for further details of this related party transaction.

c) Transactions with Key Management Personnel

On 12 March 2014, Silver Lake signed an agreement to sell all of its shares in Phillips River Mining Limited (Phillips River) to Kiwanda Group LLC. As a result, Silver Lake directors Paul Chapman, Les Davis, Chris Banasik, David Griffiths, Peter Johnston and Brian Kennedy (all directors of Phillips River) stepped down from the board of Phillips River on 26 March 2014.

During the year ended 30 June 2014, $2,904 (2013: NIL) was paid (and expensed in the Profit and Loss) to Gryphon Management for consultancy services, a company controlled by David Griffiths, a Non-Executive Director. At 30 June 2014, there are no amounts outstanding in this regard.

35. GROUP ENTITIES

The Company controlled the following subsidiaries:

Subsidiaries	Country of Incorporation	Ownership Interest	
		2014	2013
Cue Minerals Pty Ltd	Australia	100%	100%
Silver Lake (Integra) Pty Ltd	Australia	100%	100%

36. JOINT OPERATIONS

The Group has the following interests in unincorporated joint operations:

Joint Operation	Principal Activities	Joint Operation Parties	Group Interest	
			2014	2013
Cowarna Joint Operation	Exploration	SLR/Alacer Gold	90.0%	90.0%
Glandore Joint Operation	Exploration	SLR/Alacer Gold	*20.0%	*20.0%
Newcrest Joint Operation	Exploration	SLR/Newcrest	85.0%	85.0%
Peter's Dam Joint Operation	Exploration	SLR/Rubicon	64.6%	64.6%
Erayinia Joint Operation	Exploration	SLR/Image Resources	81.7%	81.7%
Queen Lapage Joint Operation	Exploration	SLR/Rubicon	56.5%	56.5%

** 20% earning to 90% (based on amount of exploration funded)*

The joint operations are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not in themselves generate revenue and profit. The joint operations are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint operation assets. The joint operations do not hold any assets and accordingly the Company's share of exploration evaluation and development expenditure is accounted for in accordance with the policy set out in Note 3 (a) (iv).

37. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

38. AUDITOR'S REMUNERATION

	2014 $	2013 $
KPMG:		
Audit and review of the Company's financial statements	227,220	238,058
Taxation services	159,030	233,970
Other assurance related services	-	42,000
Other audit and assurance firms:		
Other assurance related services	22,810	60,672
Total	409,060	574,700

39. PARENT ENTITY

As at, and throughout the financial year ended 30 June 2014 the parent company of the Group was Silver Lake Resources Limited.

	30 June 2014 $'000	30 June 2013 $'000
Results of the parent entity		
Loss for the year	(105,528)	(344,177)
Total comprehensive loss for the year	(105,528)	(344,177)
Financial position of parent entity at year end		
Current assets	43,173	36,056
Total assets	509,923	519,349
Current liabilities	43,692	108,060
Total liabilities	193,822	183,838
Total equity of the parent entity comprising of:		
Share capital	699,564	613,662
Option reserve	216	-
Accumulated losses	(383,679)	(278,151)
Total equity	316,101	335,511

The parent entity has capital commitments of $5.06 million (2013: $15.07 million) in the next financial year relating to the acquisition of property plant and equipment. In addition, the parent entity has $6.84 million (2013: $2.25 million) of commitments relating to minimum exploration expenditure on its various tenements.

At 30 June 2014 the Company had 503,233,971 fully paid ordinary shares on issue and 2,000,000 outstanding options.

DISTRIBUTION OF HOLDERS

			Fully Paid Ordinary Shares	Options
1	-	1,000	1,843	-
1,001	-	5,000	6,267	-
5,001	-	10,000	2,781	-
10,001	-	100,000	4,154	-
100,001	-	and over	451	1
Total Holders			**15,496**	**1**

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

** Details of the options outstanding:*

	Tranche A	Tranche B	Tranche C
Number of options	400,000	600,000	1,000,000
Exercise price	$0.94	$1.03	$1.14
Issue date	14 October 2013	14 October 2013	14 October 2013
Vesting date	15 January 2015	15 January 2016	15 January 2017
Expiry date	14 October 2017	14 October 2017	14 October 2017

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.

SUBSTANTIAL SHAREHOLDERS

As at 7 October 2014 the substantial holders disclosed to the Company were:

Registered Holder	Beneficial Owner	Number of Shares	Percentage of Issued Shares
Van Eck Associates Corporation	Van Eck Associates Corporation	75,263,605	14.96%

TOP 20 HOLDERS OF QUOTED SECURITIES (EXCLUDING DIRECTORS)

As at 7 October 2014, the top 20 holders of quoted securities (excluding Directors of the Company) were:

Holder Name	Number Held	Percentage
National Nominees Ltd	84,113,256	16.71%
HSBC Custody Nominees	49,916,709	9.92%
J P Morgan Nominees Australia	46,597,892	9.26%
Citicorp Nominees Pty Ltd	8,879,737	1.76%
Mr Carl Eric Holt &	3,549,358	0.71%
Gary B Branch Pty Ltd	3,104,000	0.62%
Superlife Trustee Nominees Ltd	2,627,500	0.52%
IQ Rental & Finance Pty Ltd	1,910,000	0.38%
ABN Amro Clearing Sydney	1,859,028	0.37%
BNP Paribas Noms Pty Ltd	1,847,868	0.37%
Map Captial Pty Ltd	1,750,000	0.35%
Bramor Superannuation Pty Ltd	1,600,000	0.32%
S A Coupe Pty Ltd	1,600,000	0.32%
Mr Yonghong Sun	1,552,775	0.31%
Bell Potter Nominees Ltd	1,313,885	0.26%
CS Fourth Nominees Pty Ltd	1,212,073	0.24%
B & K Bosnich	1,070,000	0.21%
Mr Philip John Hulme	1,001,822	0.2%
Mr Stacey Radford	1,000,000	0.2%
Aurum (NSW) Pty Ltd	1,000,000	0.2%
	217,505,903	43.22%

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