

Silver Lake Commences Costello Open Pit

Silver Lake Resources Ltd ("Silver Lake") is pleased to announce the commencement of the Costello Open Pit ("COP") located 2 kilometres south of Daisy Milano (refer to figure 1) at its Mount Monger Operations.

The COP Mining Contract has been awarded to GWH Equipment, a Kalgoorlie based earth moving contractor. The surface area has been cleared and grade control drilling is in progress (refer to figures 2 & 3).

Costello has a resource of 243,200 tonnes at 3.2 g/t Au for 25,000 oz (refer to table 1). Metallurgical test work has been completed and the ore is free milling and ideally suited for processing at the company's Lakewood Gold Processing Facility ("LGPF").

The open pit is predominately free dig and produces approximately 8,000 ounces of gold over a 4 month period. Given the mineralisation of the deposit commences within 7 metres of the surface the first ore will be produced in November 2010.

Previously announced exploration results included:

- 7 metres at 3.3 g/t Au from 7 metres,
- 9 metres at 14.8 g/t Au from 13 metres,
- 5 metres at 3.6 g/t Au from 16 metres,
- 2 metres at 15.6 g/t Au from 22 metres,
- 8 metres at 5.4 g/t Au from 30 metres,
- 9 metres at 4.5 g/t Au from 37 metres, and
- 5 metres at 24.2 g/t Au from 44 metres.

The remaining resource of 17,000 oz is being evaluated for extraction from underground. A larger open pit shell is not possible due to neighbouring tenement boundary constraints. Following completion of COP it is expected that Wombola Dam (which is undergoing a mining study) will be the next open pit production source at the Mount Monger Operations.

"It is pleasing to have a third ore source from open pit mining coming on line to complement our underground production at Daisy Milano and Daisy East" said Silver Lake's Managing Director Les Davis.

"This is a transitional year at our Mount Monger Operations as we debottleneck the underground operations by excavating the ventilation shaft plus bring more open pit ore sources into production" Mr Davis added.

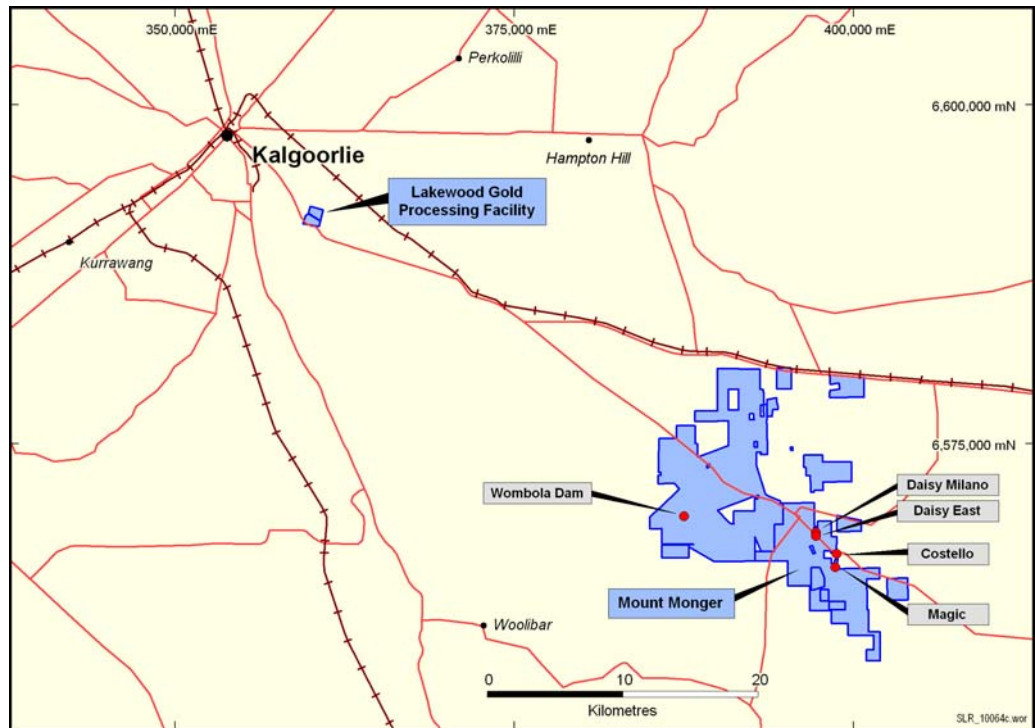


Figure 1: Mount Monger Operations showing location of Costello Open Pit.



Figure 2: Surface clearing at Costello Open Pit.



Figure 3: Grade control drilling in progress at Costello Open Pit.

For more information about Silver Lake and its projects please visit our web site at www.silverlakeresources.com.au.

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About Silver Lake Resources Ltd:

Silver Lake is an ASX 300 gold producing and exploration company with a resource base of 2.5 million oz in highly prospective regions including the Mount Monger goldfield and the Murchison (Tuckabianna, Comet, and Moyagee). Silver Lake's strategy is to develop large production centres at Mount Monger and at the Murchison with multiple mines at each centre.

Silver Lake's Mount Monger Operation contains the Daisy Milano and Daisy East underground mines and the Costello open pit located 50 km south east of Kalgoorlie.

Mount Monger has additional multi mine potential underpinned by emerging open pit production from Wombola Dam and Wombola Pit deposits. Furthermore the discoveries of Emma and the extension of the Rosemary lode show potential as near term production sources.

Gold ore from Mount Monger is transported to Silver Lake's 600,000 tpa Lakewood Gold Processing Facility located 5 km south east of Kalgoorlie and 45 km from the Daisy Milano mine.

In the Murchison ongoing exploration is focusing on extending current resources that have previously been constrained by limited drilling particularly below 100 metres depth. Our strategy is to delineate sufficient resources to sustain a 100,000 oz per annum operation.

Silver Lake's exploration programme is targeting¹ 5 million oz Au in resource.

Competent Person's Statement

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

1: 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.

Deposit	Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s
Daisy Milano	70.3	24.7	55.8	457.1	23.1	339.5	227.0	31.3	228.4	754.4	25.7	623.7
Daisy East	33.0	48.1	51.0	53.6	44.9	77.4	27.9	15.7	14.1	114.6	38.7	142.6
Christmas Flat	-	-	-	152.8	3.0	14.7	238.6	3.6	27.6	391.4	3.4	42.4
Costello	-	-	-	115.0	3.3	12.2	128.2	3.1	12.8	243.2	3.2	25.0
Lorna Doone	-	-	-	-	-	-	111.0	4.0	14.3	111.0	4.0	14.3
Magic	-	-	-	283.8	4.4	39.7	807.2	4.4	113.2	1,091.0	4.4	152.8
Wombola Pit ¹	-	-	-	132.2	2.6	11.1	171.0	2.9	15.7	303.0	2.8	26.8
Wombola Dam ¹	-	-	-	125.1	2.6	10.3	432.0	3.1	43.2	557.2	3.0	53.5
Total Mount Monger	103.3	32.2	106.9	1,320.0	11.9	504.9	2,142.7	6.8	469.3	3,565.7	9.4	1,081.0
Caustons	-	-	-	625.6	3.9	78.2	462.2	3.3	48.9	1,087.8	3.6	127.1
Caustons South	-	-	-	424.8	2.0	27.6	296.5	4.2	39.6	721.3	2.9	67.2
Tuckabianna	-	-	-	1,224.0	2.2	86.6	938.0	2.1	63.3	2,162.0	2.2	149.9
Friars	-	-	-	-	-	-	402.0	1.9	24.6	402.0	1.9	24.6
Jasper Queen	-	-	-	-	-	-	175.0	2.6	14.6	175.0	2.6	14.6
Gilt Edge	-	-	-	63.0	3.0	6.0	33.0	5.2	5.5	96.0	3.8	11.6
Genesis	-	-	-	353.7	1.8	20.2	11.8	2.4	0.9	365.5	1.8	21.2
Exodus	-	-	-	457.4	1.6	23.7	101.3	2.8	9.0	558.7	1.8	32.6
Julies Reward	-	-	-	461.3	3.2	46.7	254.7	3.4	27.8	716.0	3.2	74.6
Sherwood	-	-	-	-	-	-	349.0	2.2	24.9	349.0	2.2	24.9
Jaffas Folly	-	-	-	6.0	4.3	0.8	202.0	1.4	9.1	208.0	1.5	9.9
Little John	-	-	-	-	-	-	1,201.0	1.8	69.5	1201.0	1.8	69.5
TMC/Katies	-	-	-	-	-	-	850.0	1.9	51.9	850.0	1.9	51.9
Total Tuckabianna	-	-	-	3,615.8	2.5	289.9	5,276.4	2.3	389.7	8,892.2	2.4	679.6
Comet	36.0	0.6	0.7	2,776.2	3.7	325.5	1,150.3	2.5	91.5	3,962.5	3.3	417.8
Moyagee	-	-	-	-	-	-	820.2	8.5	224.2	820.2	8.5	224.2
Total Murchison	36.0	0.6	0.7	6,392.0	3.0	615.5	7,247.0	3.0	705.4	13,675.0	3.0	1,321.6
Rothsay	-	-	-	-	-	-	591.2	7.0	132.9	591.2	7.0	132.9
Total Silver Lake	139.4	24.0	107.6	7,711.7	4.5	1,120.4	9,980.8	4.1	1,307.5	17,831.9	4.4	2,535.5

Table 1: June 2010 Resource Inventory

Rounding may give rise to unit discrepancies in this table