

## Magic Continues To Deliver Significant Thick High Grade Intersections

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### Highlights

- Highly prospective location with large resource potential
- High grade intercepts north and south of previous drill section and outside of current resource
- Significant intersections including:
  - 6.4 metres at 28.7 g/t Au from 109 metres
    - including 1.4 metres at 102.9 g/t Au
  - 1.3 metres at 23.5 g/t Au from 49 metres
  - 3.4 metres at 6.3 g/t Au from 115 metres
- Mineralisation remains open to the south and at depth

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Silver Lake Resources Ltd ("Silver Lake") is pleased to announce assay results from ongoing exploration at its Mount Monger Operations (refer to figure 1).

Assay results (refer to table 1) have been received from an ongoing drilling programme at the Magic deposit located 3 kilometres south of the Daisy Milano mine.

As at June 2010 Magic had a resource of 1.1 million tonnes at 4.4 g/t Au for 152,800 ounces (refer to table 2) and is subject to an extensive exploration programme to further delineate and extend the resource. There is currently one diamond and one RC rig drilling continuously at the deposit.

The latest drilling results intersected significant mineralisation including 6.4 metres at 28.7 g/t Au and 1.3 metres at 23.5 g/t Au outside of the current resource (refer to figure 2). These intercepts are located north and south of the previous drill section containing thick high grade mineralisation as announced 7 September 2010.

"The large resource potential of the Magic deposit and surrounding mineralisation in the immediate area is becoming evident by the drill hole" said Silver Lake's Managing Director Les Davis.

"This deposit has the potential to be a real game changer and enhance the growth potential at our Mount Monger Operations" Mr Davis added.

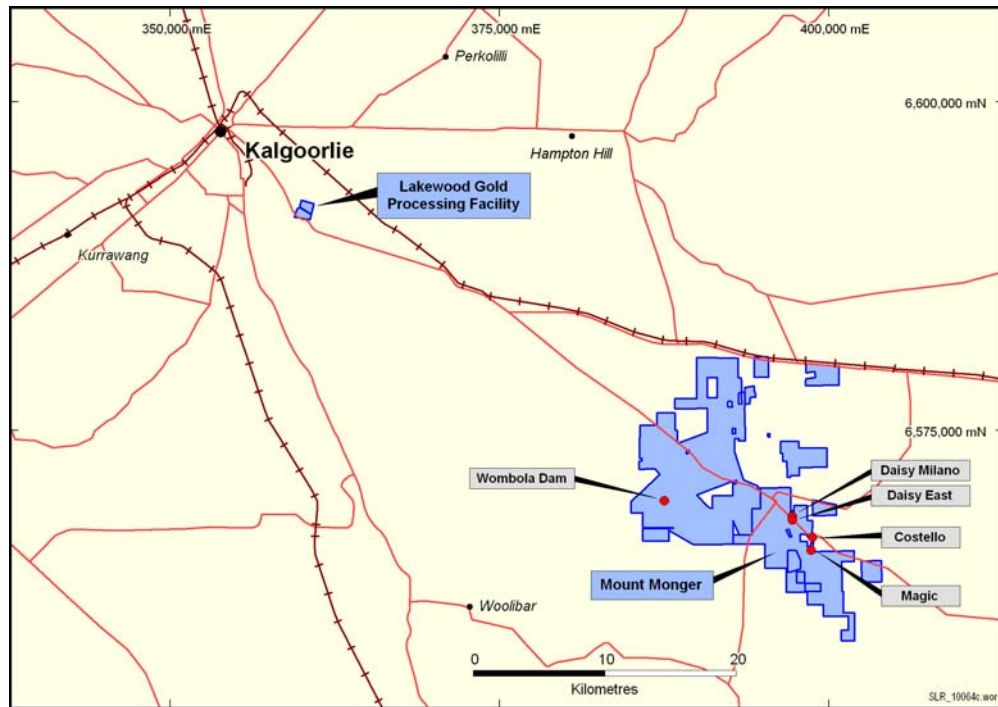


Figure 1: Mount Monger Operations location plan.

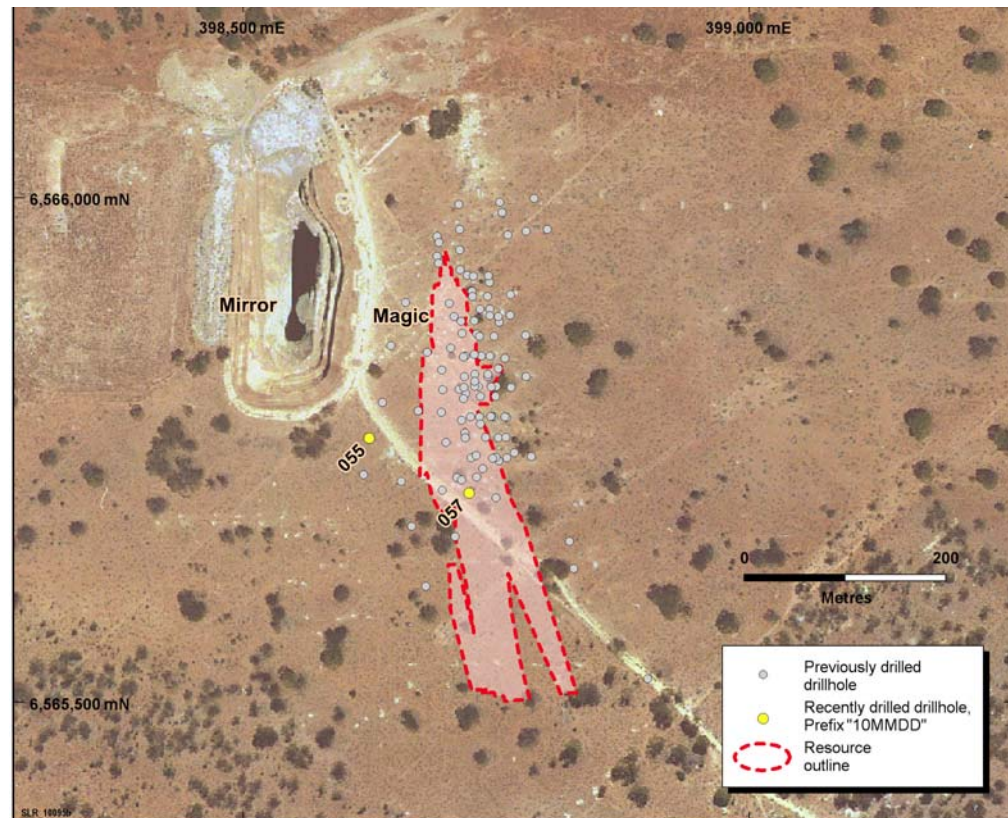


Figure 2: Drill collar location plan.

Hole ID	Northing	Easting	From (m)	To (m)	Down hole Interval (m)	Grade g/t Au
10MMDD055	6565774	398570	109.1	115.5	6.4	28.7
	including		109.1	110.5	1.4	102.9
10MMDD057	6565709	398696	48.9	50.2	1.3	23.5
10MMDD057	6565714	398659	115.3	118.7	3.4	6.3

Table 1: Drilling and assay results for Magic greater than 4 g/t Au.

For more information about Silver Lake and its projects please visit our web site at [www.silverlakeresources.com.au](http://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 targeting<sup>1</sup> 5 million oz Au in resource.

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#### 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.*

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Notes to Table 1:

- Assay method is 40 gram fire assay.

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 <sup>1</sup>	-	-	-	132.2	2.6	11.1	171.0	2.9	15.7	303.0	2.8	26.8
Wombola Dam <sup>1</sup>	-	-	-	125.1	2.6	10.3	432.0	3.1	43.2	557.2	3.0	53.5
<b>Total Mount Monger</b>	<b>103.3</b>	<b>32.2</b>	<b>106.9</b>	<b>1,320.0</b>	<b>11.9</b>	<b>504.9</b>	<b>2,142.7</b>	<b>6.8</b>	<b>469.3</b>	<b>3,565.7</b>	<b>9.4</b>	<b>1,081.0</b>
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
<b>Total Tuckabianna</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,615.8</b>	<b>2.5</b>	<b>289.9</b>	<b>5,276.4</b>	<b>2.3</b>	<b>389.7</b>	<b>8,892.2</b>	<b>2.4</b>	<b>679.6</b>
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
<b>Total Murchison</b>	<b>36.0</b>	<b>0.6</b>	<b>0.7</b>	<b>6,392.0</b>	<b>3.0</b>	<b>615.5</b>	<b>7,247.0</b>	<b>3.0</b>	<b>705.4</b>	<b>13,675.0</b>	<b>3.0</b>	<b>1,321.6</b>
Rothsay	-	-	-	-	-	-	591.2	7.0	132.9	591.2	7.0	132.9
<b>Total Silver Lake</b>	<b>139.4</b>	<b>24.0</b>	<b>107.6</b>	<b>7,711.7</b>	<b>4.5</b>	<b>1,120.4</b>	<b>9,980.8</b>	<b>4.1</b>	<b>1,307.5</b>	<b>17,831.9</b>	<b>4.4</b>	<b>2,535.5</b>

Table 2: June 2010 Resource Inventory

*Rounding may give rise to unit discrepancies in this table*