

ASX ANNOUNCEMENT

14 December 2010

Drilling Results Support Underground Potential of Tuckabianna West

Highlights

- Tuckabianna West is delivering highly encouraging results:
 - Multiple mineralised zones contained within the deposit
 - Drilling to date has defined the mineralised zones over a 300 metre vertical depth beneath the previously mined open pit
 - Mineralisation remains open to the north, south and at depth
 - Strike extent to date averages 350 metres in length
- High grade results including:
 - 3.0 metres at 18.3 g/t Au from 143 metres
 - 3.9 metres at 15.4 g/t Au from 170 metres
 - 2.0 metres at 16.2 g/t Au from 94 metres
 - 9.0 metres at 5.7 g/t Au from 370 metres
 - 3.2 metres at 7.9 g/t Au from 290 metres
 - 4.8 metres at 4.5 g/t Au from 329 metres
- Upgraded resource to be announced in January 2011

Silver Lake Resources Ltd ("Silver Lake") is pleased to announce assay results from the Tuckabianna West deposit at the Murchison project.

Silver Lake's accelerated exploration is targeting to significantly increase resources at its Murchison Project in Western Australia (refer to figure 1). This project already has a combined resource of 13.7 million tonnes at 3.0 g/t Au for 1.3 million ounces (refer to table 2).

The Tuckabianna deposits are based around the 13 km long main and parallel zones that are subject to an ongoing drill programme (refer to figure 2). These deposits already have a resource of 8.9 million tonnes at 2.4 g/t Au for 680,000 oz (refer to table 2) and have previously produced 375,000 oz of gold from open pit mines.

Current resources have been constrained by limited drilling, particularly at depth, as only 3% of drill holes in the area are deeper than 100 metres (refer to figure 3).

The Tuckabianna West deposit was the highest yielding open pit gold mine in the field producing 157,000 oz and has a current resource of 150,000 oz (refer to table 2). The open pit was mined to a depth of 110 metres (refer to figure 4).

Assay results (refer to table 1) have been received from the ongoing surface drilling programme. These results indicate continuous high grade mineralisation on multiple lodes beneath the previously mined open pit. The high grade intersections range from 94 metres to 420 metres below the surface and remain open to the north, south and at depth (refer to figures 4 and 5).

The next phase of drilling is designed to infill the current mineralised envelope.

A resource upgrade for this deposit will be announced as part of the company's next resource upgrade in January 2011.

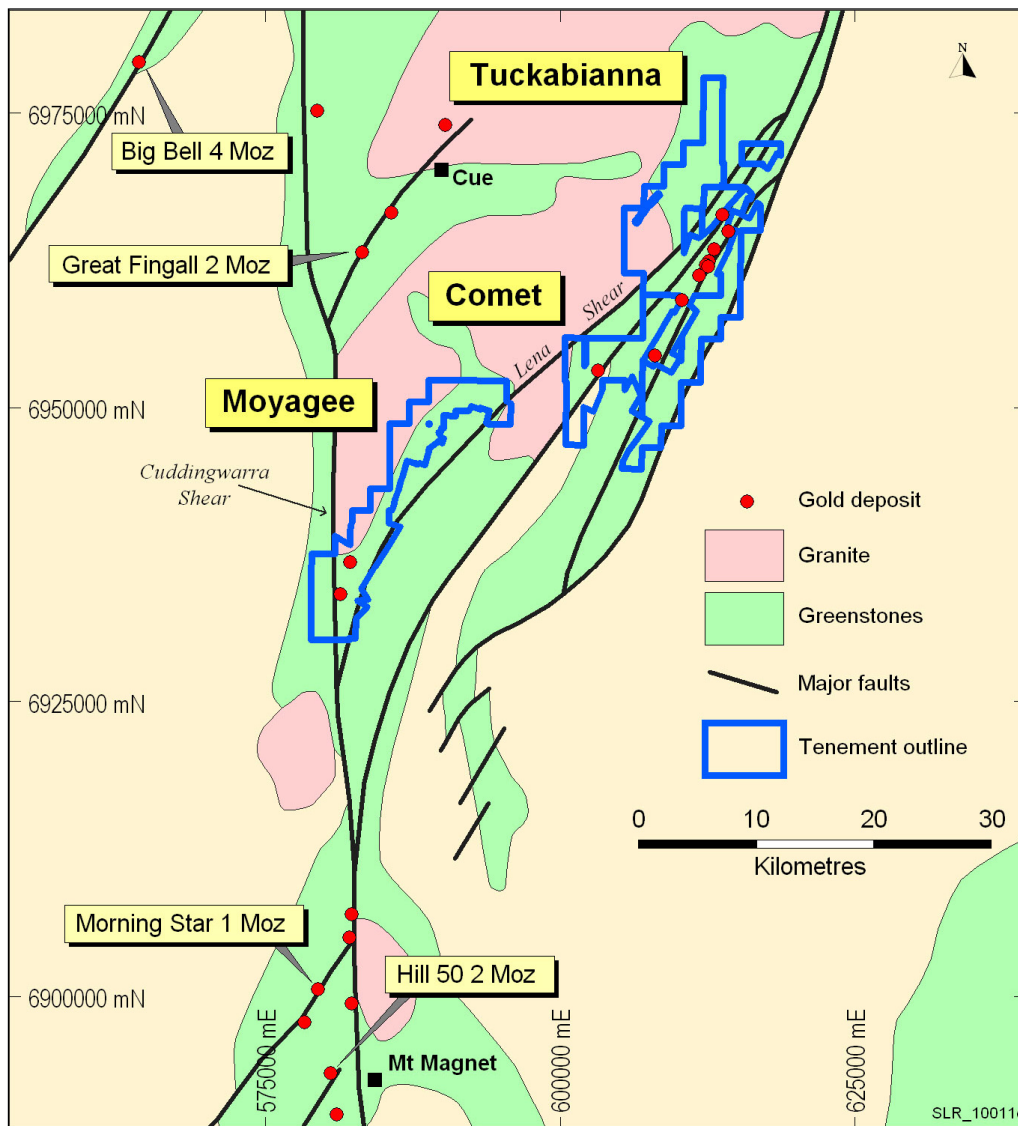


Figure 1: Murchison projects location plan.

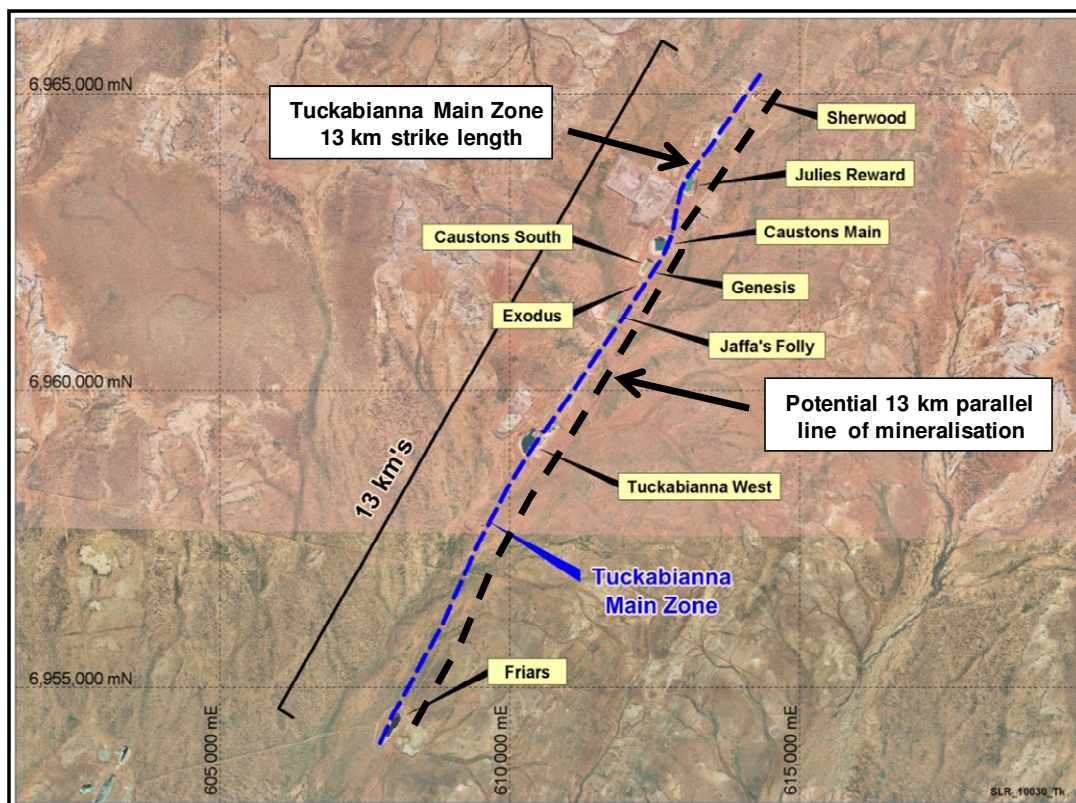


Figure 2: Aerial view of the 13km long Tuckabianna main and parallel zones where previous open pit mines on the main zone produced 375,000 oz of gold.

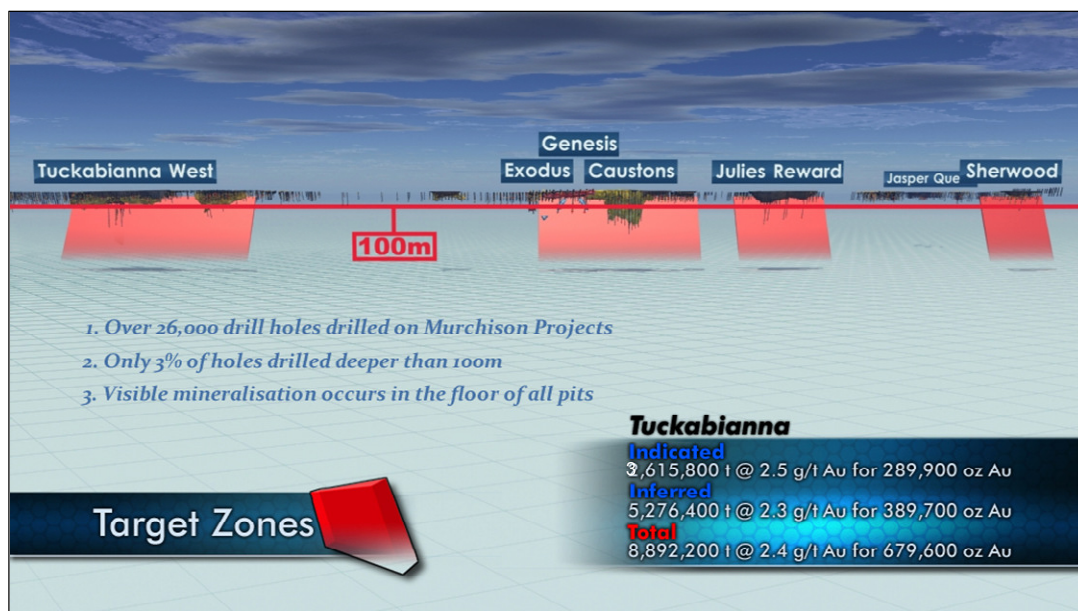


Figure 3: Schematic view of Tuckabianna showing limited drilling below 100 metres depth.

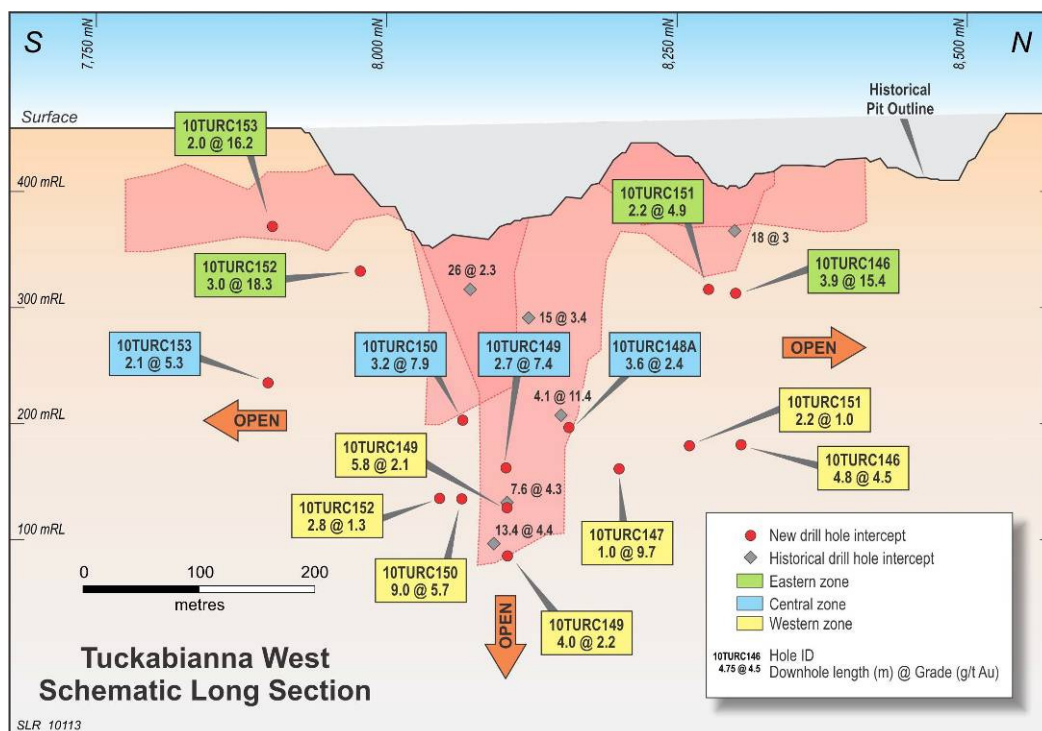


Figure 4: Tuckabianna West Long section showing latest intercepts in multiple zones.

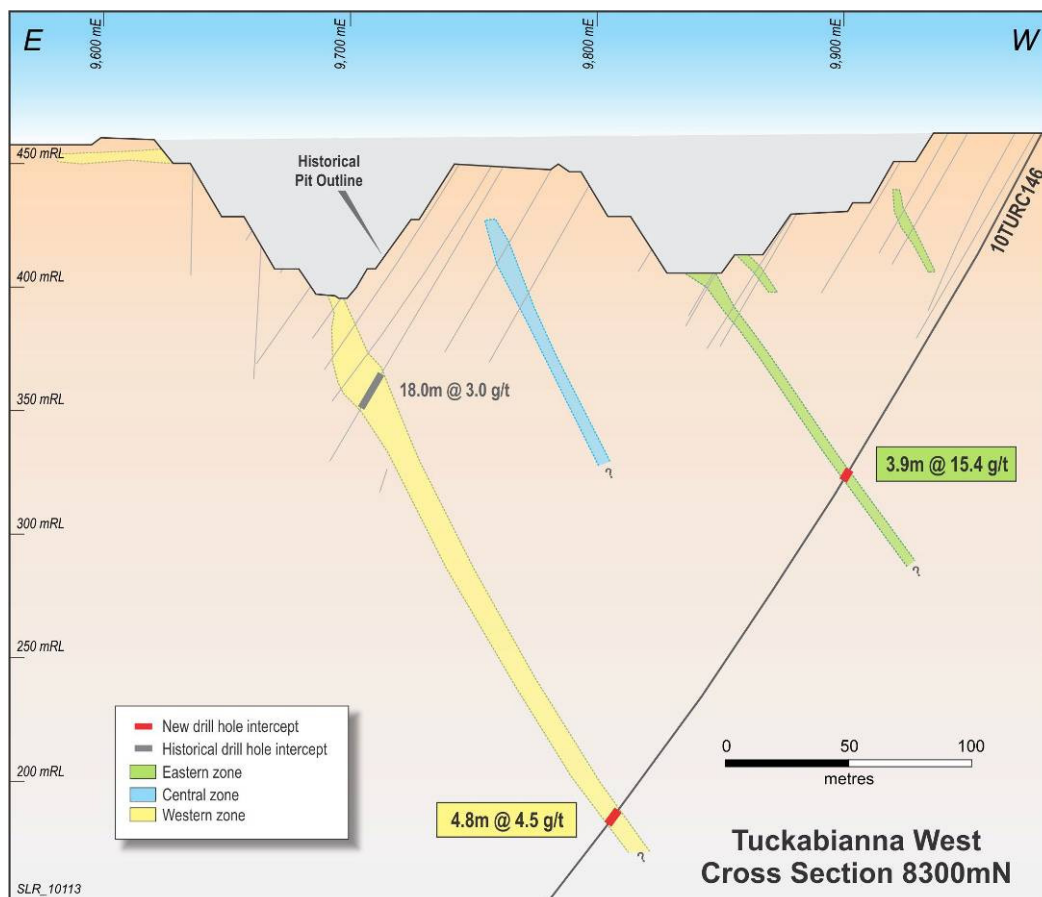


Figure 5: Tuckabianna West cross section 8300mN showing interpreted mineralised zones.

| Hole ID | Mine Grid Northing | Mine Grid Easting | Mine Grid mRL | From (m) | To (m) | Down hole Interval (m) | Grade g/t Au |
|------------|--------------------|-------------------|---------------|----------|--------|------------------------|--------------|
| 10TURC146 | 8295 | 9980 | 462 | 170.1 | 174.0 | 3.9 | 15.4 |
| 10TURC146 | 8295 | 9980 | 462 | 329.0 | 333.8 | 4.8 | 4.5 |
| 10TURC147 | 8201 | 10007 | 459 | 359.2 | 360.1 | 1.0 | 9.7 |
| 10TURC148A | 8197 | 9999 | 458 | 331.4 | 335.0 | 3.6 | 2.4 |
| 10TURC149 | 8099 | 9998 | 457 | 330.7 | 333.4 | 2.7 | 7.4 |
| 10TURC149 | 8099 | 9998 | 457 | 369.2 | 375.0 | 5.8 | 2.1 |
| 10TURC149 | 8099 | 9998 | 457 | 420.0 | 424.0 | 4.0 | 2.2 |
| 10TURC150 | 8061 | 9968 | 457 | 290.3 | 293.6 | 3.2 | 7.9 |
| 10TURC150 | 8061 | 9968 | 457 | 370.0 | 379.0 | 9.0 | 5.7 |
| 10TURC151 | 8295 | 9977 | 461 | 168.4 | 170.6 | 2.2 | 4.9 |
| 10TURC151 | 8295 | 9977 | 461 | 331.0 | 333.2 | 2.2 | 1.0 |
| 10TURC152 | 7926 | 9938 | 455 | 143.0 | 146.0 | 3.0 | 18.3 |
| 10TURC152 | 7926 | 9938 | 455 | 373.5 | 376.3 | 2.8 | 1.3 |
| 10TURC153 | 7902 | 9925 | 455 | 94.0 | 96.0 | 2.0 | 16.2 |
| 10TURC153 | 7902 | 9925 | 455 | 255.9 | 258.0 | 2.1 | 5.3 |

Table 1: Drilling and assay results for Tuckabianna West greater than 1 g/t Au.

“These latest results support our view that large resources exist beyond the previous shallow drilling in the Murchison. This is the first phase of deeper drilling at Tuckabianna West and we are highly encouraged on the underground potential of this deposit” said Silver Lake’s Managing Director Les Davis.

“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” Mr Davis added.

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, Wombola Pit and the Magic, deposit. Furthermore the extension of the Haoma and Rosemary lodes 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 and production targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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 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 West | - | - | - | 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 2: June 2010 Resource Inventory

Rounding may give rise to unit discrepancies in this table