

ASX ANNOUNCEMENT

6 April 2011

Two stage expansion of Lakewood Gold Processing Facility to 1 million tonnes per annum

Silver Lake Resources Ltd ("Silver Lake") is pleased to announce its commitment to a progressive upgrade of the Lakewood Gold Processing Facility ("LGPF") to 1 million tonnes per annum (refer to figure 1). The company will be progressing required approvals to upgrade LGPF to 700,000 tonnes per annum by December 2011 ("Stage 1") and up to 1 million tonnes per annum by the September 2012 Quarter ("Stage 2").

The current capacity of LGPF is 400,000 tonnes per annum of hard rock or 600,000 tonnes per annum of soft rock. The facility is currently operating at maximum hard rock capacity from ore sources at the nearby Mount Monger Operations.

By undertaking this expansion, Silver Lake is targeting to increase production from its Mount Monger Operations to 200,000 ounces per annum by 2014 via mining from multiple underground and open pit ore sources. Silver Lake's Mount Monger Operations have a current JORC resource of 4.73 million tonnes at 8.7 g/t for 1.33 million ounces of gold (refer to table 1).

Stage 1 of the upgrade to 700,000 tonnes per annum of hard rock involves the following scope of works:

- relocation, refurbishment and recommissioning of a 1.6 megawatt Morgard-Shammer ball mill owned by the company located north of Leonora (refer to figure 2);
- duplication of existing gravity circuit;
- construction of 1,500m³ leach tank and modifications to current CIL circuit;
- upgrade to materials handling system; and
- upgrade to power supply to feed 1.6 megawatt mill.

Budget estimate for the Stage 1 upgrade is A\$7.0 to A\$8.0 million.

Stage 2 of the upgrade from 700,000 tonnes per annum of hard rock to 1 million tonnes per annum of blended rock involves the following scope of works:

- upgrade of current crushing circuit to 1mtpa;
- expansion of the tailings storage facilities; and
- tie in of the current 640 kilowatt mill as a regrind mill.

Budget estimate for the Stage 2 upgrade is A\$4.0 to A\$5.0 million.

Both stages of the upgrade will be funded from cash reserves.

"The expansion is supported by our ongoing exploration success and current mine plans at the nearby Mount Monger Operations. With the completion of the ventilation shaft in the June 2011 quarter, underground production from Daisy East will be ramping up and mining studies are looking very positive for open pit production from Wombola Dam, Wombola Pit and Magic" said Silver Lake's Managing Director, Les Davis.

“Part of the 2.5mtpa processing facility we acquired in 2010 will be used for the upgrade and delivers another low capital, quick payback outcome for the business” Mr Davis added.

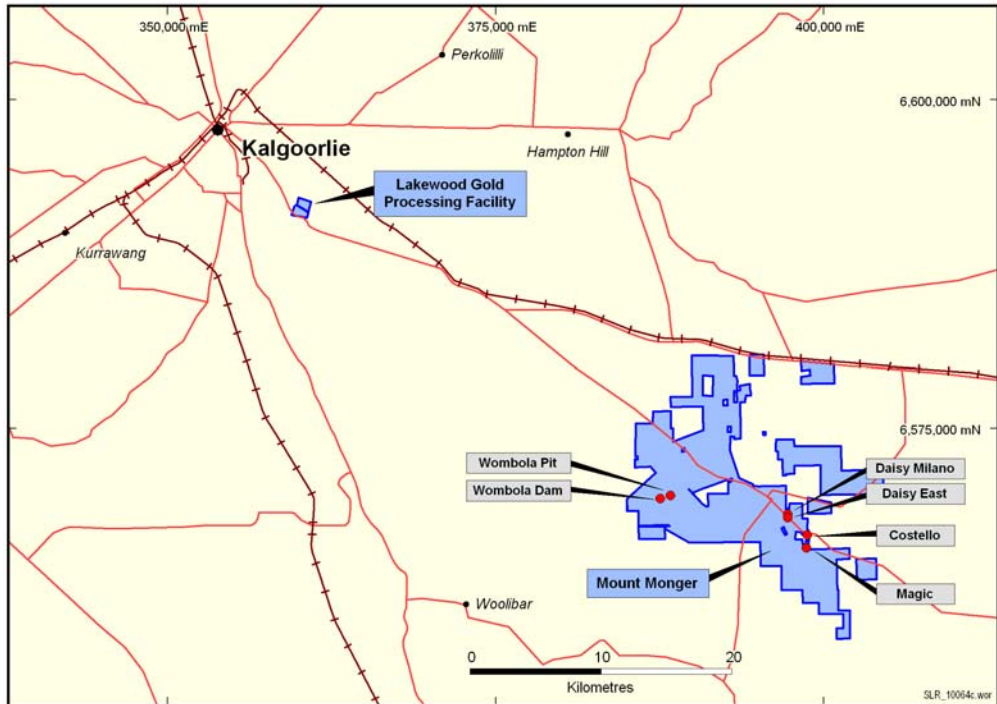


Figure 1: Mount Monger Operations location plan.

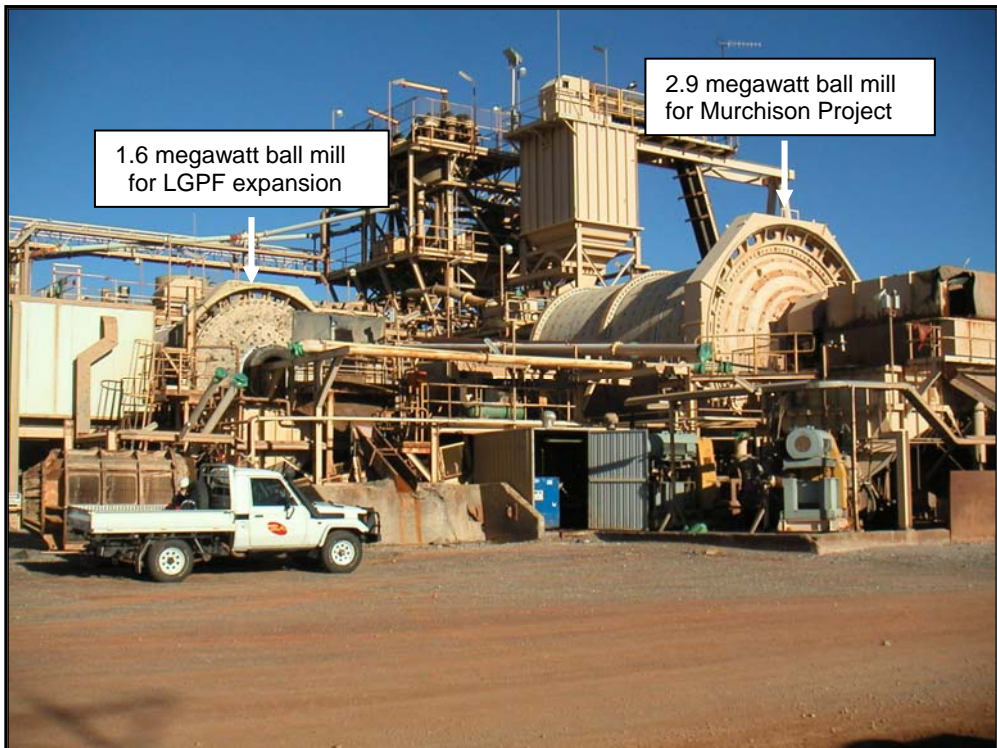


Figure 2: 2.5mtpa milling infrastructure showing 1.6 megawatt mill to be relocated to Lakewood Gold Processing Facility.

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

For further information please contact

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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 3.0 million oz in highly prospective regions including the Mount Monger goldfield and the Murchison. 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 Magic, Wombola Dam and Wombola Pit deposits. Furthermore the extension of the Rosemary and Haoma 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.

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	38.0	24.7	30.1	457.1	23.1	339.5	227.0	31.3	228.4	722.0	25.8	598.0
Daisy East	28.2	48.1	43.5	53.6	44.9	77.4	27.9	15.7	14.1	109.7	38.3	135.1
Christmas Flat	-	-	-	338.6	4.1	44.1	448.5	6.3	91.3	787.1	5.4	135.4
Haoma	-	-	-	-	-	-	109.3	18.7	65.6	109.3	18.7	65.6
Costello	-	-	-	81.2	3.3	8.6	128.2	3.1	12.8	209.4	3.2	21.4
Lorna Doone	-	-	-	-	-	-	111.0	4.0	14.3	111.0	4.0	14.3
Magic	-	-	-	749.2	4.1	98.3	1,070.9	5.2	178.0	1,820.1	4.7	276.3
Wombola Pit	-	-	-	132.2	2.6	11.1	171.0	2.9	15.7	303.0	2.8	26.8
Wombola Dam	-	-	-	125.1	2.6	10.3	432.0	3.1	43.2	557.2	3.0	53.5
Total Mount Monger	66.1	34.7	73.7	1937.1	9.5	589.2	2,725.6	7.6	663.3	4,728.7	8.7	1,326.2
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	-	-	-	1,658.0	2.2	117.3	1,822.0	2.9	169.9	3,480.0	2.6	287.2
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	-	-	-	476.0	2.1	32.1	626.0	2.4	47.9	1,102.0	2.3	80.0
Total Tuckabianna	-	-	-	4,425.8	2.4	352.8	5,936.4	2.6	492.2	10,462.2	2.5	845.0
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	-	-	-	-	-	-	1,088.4	7.0	245.8	1,088.4	7.0	245.8
Total Murchison	36.0	0.6	0.7	7,302.0	2.9	678.3	8,175.2	3.2	829.6	15,513.2	3.0	1,508.6
Rothsay	-	-	-	-	-	-	591.2	7.0	132.9	591.2	7.0	132.9
Total Silver Lake	102.1	22.7	74.4	9,239.1	4.3	1,267.5	11,491.9	4.4	1,625.7	20,833.1	4.4	2,967.6

Table 1: December 2010 Resource Inventory

Rounding may give rise to unit discrepancies in this table