

Ventilation Shaft Completed On Time & On Budget

Silver Lake Resources Ltd ("Silver Lake") is pleased to announce that the 520 metre deep ventilation shaft at its Mount Monger Operations has been completed on time and for the budgeted amount of A\$5.0 million (refer to figures 1, 2 & 3).

Background

Silver Lake is targeting to increase production from the 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).

There are two key requirements for achieving this production target:

1. Successful completion of the 520 metre deep ventilation shaft within the Daisy Milano infrastructure. This debottlenecks the underground operations allowing increased production from the independent mines at Daisy Milano, Daisy East, Rosemary and other near mine production sources.
2. Upgrade and debottlenecking of the Lakewood Gold Processing Facility to 1 million tonnes per annum by September 2012 Quarter. This project is underway and on target.

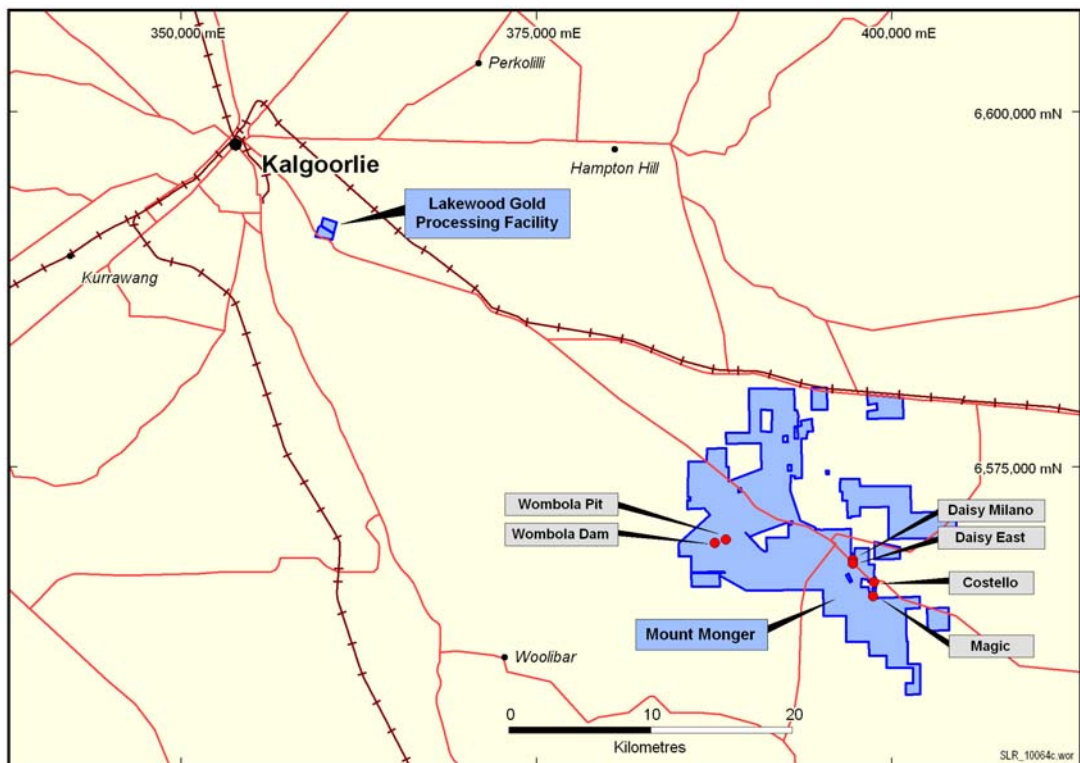


Figure 1: Mount Monger Operations location plan.

Current Status - Underground Operations

Production is currently being sourced from three independent mines: Daisy Milano, Daisy East and initial ore development at Rosemary. These are all accessed from existing infrastructure (refer to figure 2). Diamond drilling is in progress at Haoma and multiple mineralised structures west of Daisy Deeps (refer to figure 2). Several drill holes have been submitted for assaying with results due within two weeks.

Furthermore, the historic mining areas at Daisy Milano above the 12 level covering ~320 vertical metres (refer to figure 2) have been inaccessible due to the primary ventilation system exhausting through these areas. Now that the ventilation shaft has been completed, plans are in place to re-enter these areas. Previous production records and accounts of previous operators indicate there is potential for additional near term production sources and resource extensions from these areas.

Current Status - Lakewood Gold Processing Facility Expansion

A first stage commitment has been made to expand the Lakewood Gold Processing Facility to 700,000 tonnes per annum by December 2011 at a cost of A\$7.0 to A\$8.0 million. Progress to date is as follows:

- Documentation for the approvals process has been submitted to the regulatory authorities;
- Engineering scope is nearing completion;
- Refurbishment of girth gear & electric motor has commenced; and
- Removal and relocation of a 1.6 megawatt mill from our wholly owned milling facility located 30 km north of Leonora is in progress.

Commitment to the second stage upgrade increases capacity to 1 million tonnes per annum by the September 2012 quarter.

“Our Three Daisy Milano strategy is built around having three independent mines accessed from existing infrastructure and each producing approximately 60,000 ounces per annum by 2014. The successful completion of the ventilation shaft removes the constraint on our underground operations.” said Silver Lake’s Managing Director Les Davis.

“We are currently mill constrained and our focus is now on completing the Lakewood Gold Processing Facility expansion to 700,000 tonnes per annum by December 2011 and up to 1 million tonnes per annum by September 2012 quarter” 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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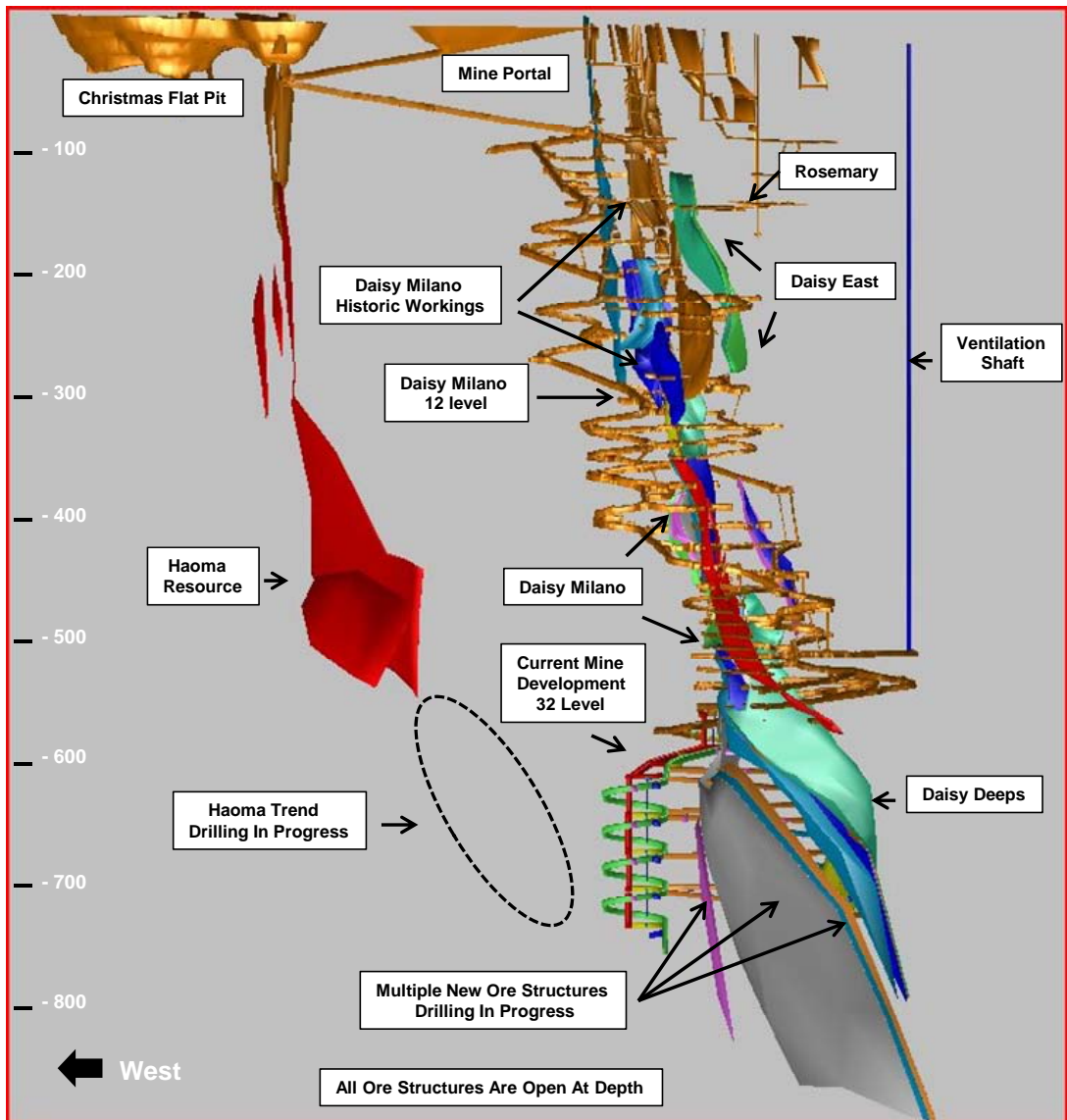


Figure 2: Schematic view of Daisy Milano, Daisy East, Rosemary & Haoma showing completed ventilation shaft.



Figure 3: Photo of ventilation shaft collar and primary fan installation.

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, Daisy East and Rosemary underground mines 50 km south east of Kalgoorlie.

Mount Monger has additional multi mine potential underpinned by emerging open pit production from the Wombola Dam, Wombola Pit and Magic deposits. Furthermore the extension of the Haoma lode shows potential as another near term production source.

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. This facility is currently being expanded to 700,000 tonnes per annum by December 2011 and up to 1 million tonnes per annum by September 2012 quarter.

In the Murchison Silver Lake's strategy is to develop a second mining operation with multiple mines feeding a central processing facility. Accordingly, the focus is on extending resources, particularly below 100 metres depth, to sustain a 100,000 oz per annum operation. A 1.2 million tonne per annum mill has been acquired for this project. A decision to mine in the Murchison is expected late in 2011.

Silver Lake's exploration programme is targeting¹ 5 million oz Au in resource by June 2012. In addition, there is significant potential to increase the resource beyond that target over time.

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