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**ASX ANNOUNCEMENT** **6 July 2011**

# Significant Intersection: 17.6 Metres at 23.6 g/t Au West Of Daisy Deeps

## Highlights

- **Ongoing drilling confirms multiple high grade mineralised structures located between Daisy Deeps & Haoma that remain open along strike and at depth**
- **Significant thick high grade intersection of 17.6 metres at 23.6 g/t Au located 30 metres west of Daisy Deeps and 50 metres below current mine development**
- **Other significant intersections include:**
  - **2.6 metres at 100.6 g/t Au,**
  - **2.2 metres at 57.1 g/t Au, and**
  - **1.4 metres at 24.5 g/t Au.**
- **Multiple structures west of Daisy Deeps are located outside of current resource**

Silver Lake Resources Ltd ("Silver Lake") is pleased to announce assay results from ongoing exploration at its Mount Monger Operations (refer to figure 3).

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 2).

Production is being sourced from four independent mines accessed from the same infrastructure: Daisy Milano, Daisy East, Rosemary & Haoma (refer to figures 2 & 3).

Significant assay results (refer to table 1 and figure 1) have been received from the ongoing underground diamond drilling programme targeting multiple mineralised structures between Daisy Deeps & Haoma (refer to figure 2) that are outside the current resource.

The latest assay results include a significant intersection of 17.6 metres at 23.6 g/t Au located 30 metres west of Daisy Deeps and 50 metres below the current mine development (refer to figures 1 & 2). Drilling is ongoing and further assays are expected within a month.

"The historic endowment of Daisy Milano is ~1,000 ounces per vertical metre. These multiple mineralised structures have the potential to significantly increase the endowment per vertical metre and deliver enhanced production rates as the mine develops at depth" said Silver Lake's Managing Director Les Davis.

"An increase in ounces per vertical metre that are accessible and produced from the same decline infrastructure will result in lower capital development costs per ounce" Mr Davis added.

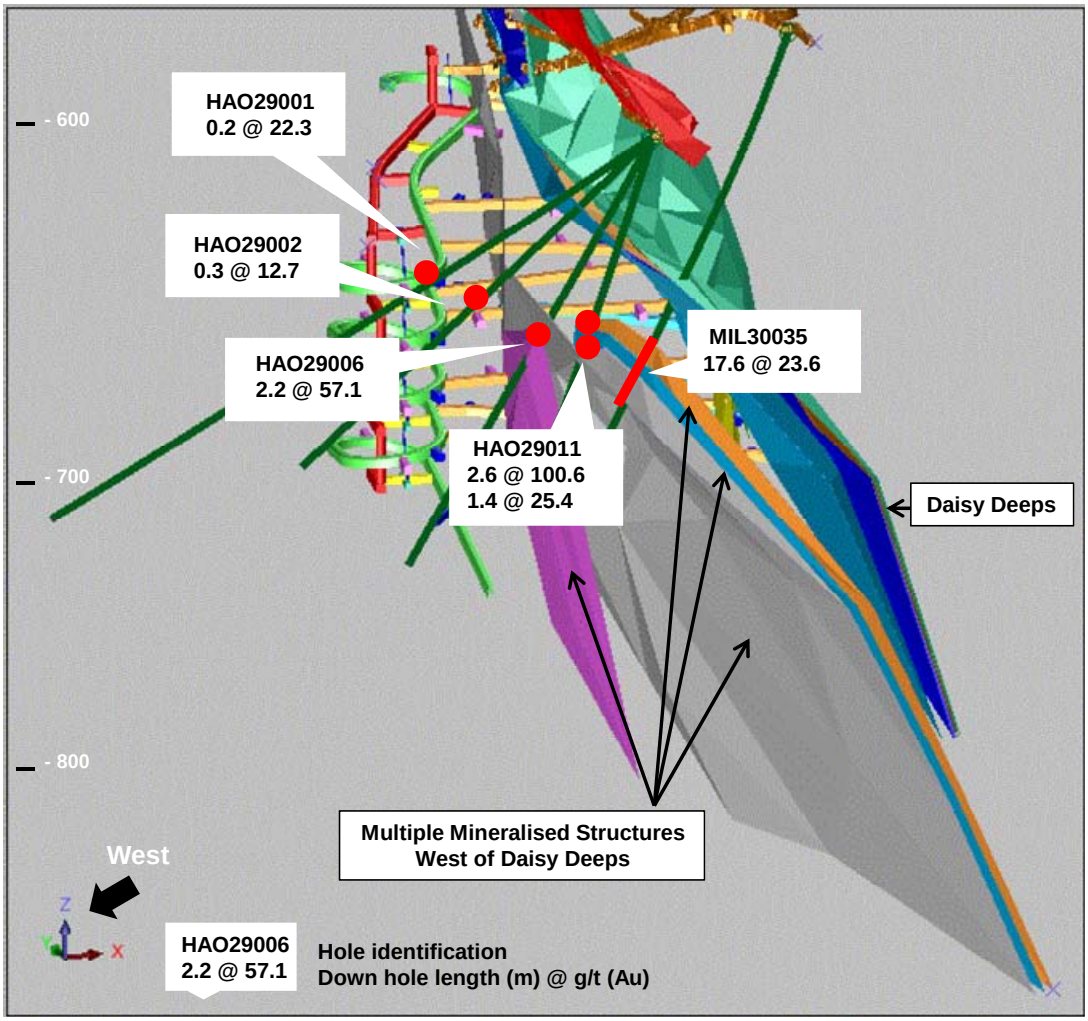


Figure 1: Schematic view of multiple mineralised structures showing recent intercepts (not to scale).

| Hole ID | Northing | Easting | From (m) | To (m) | Down hole Interval (m) | Grade g/t Au |
|---|---|---|---|---|---|---|
| MIL30035 | 18497 | 10296 | 277.40 | 295.00 | 17.6 | 23.6 |
| HAO29001 | 18626 | 10207 | 169.40 | 169.64 | 0.2 | 22.3 |
| HAO29002 | 18616 | 10235 | 154.78 | 155.04 | 0.3 | 12.7 |
| HAO29006 | 18564 | 10265 | 130.13 | 132.35 | 2.2 | 57.1 |
| HAO29011 | 18499 | 10269 | 133.12 | 135.74 | 2.6 | 100.6 |
| | 18495 | 10266 | 141.87 | 143.29 | 1.4 | 25.4 |

Table 1: Drilling and assay results for new mineralised structures west of Daisy Deeps greater than 3 g/t Au.

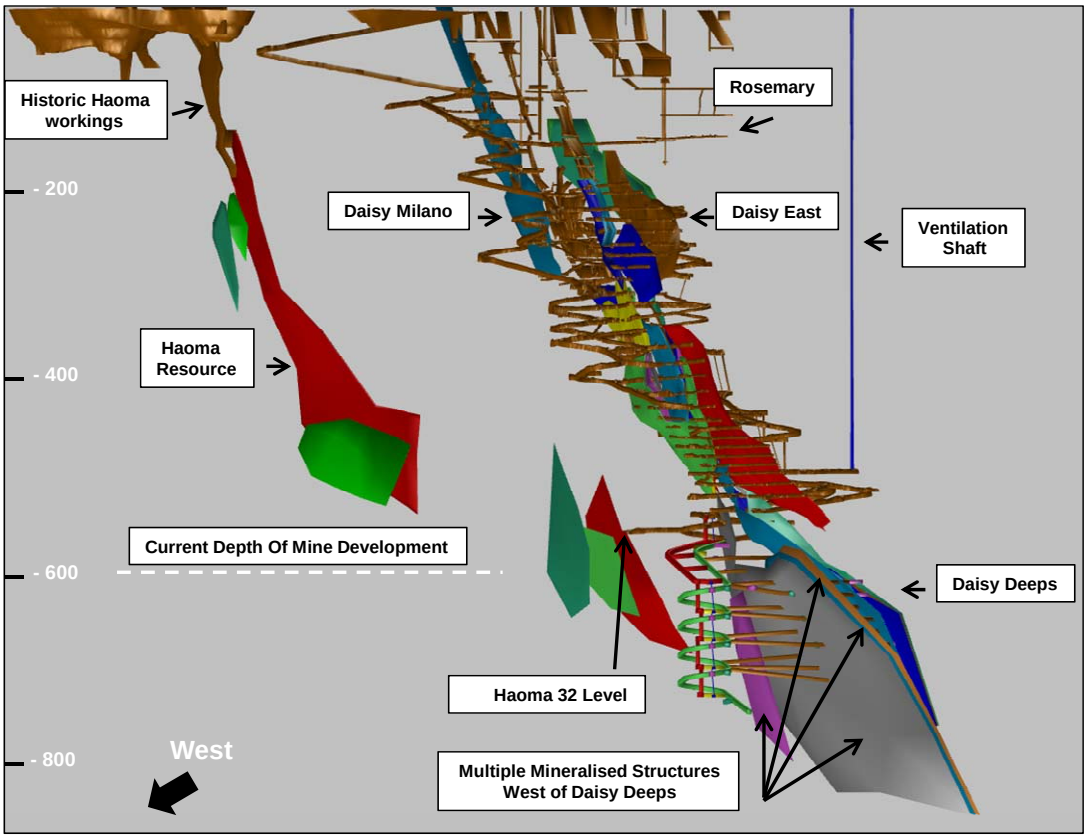


**Figure 2: Schematic view showing location of Daisy Milano, Daisy East, Rosemary and Haoma mines including multiple mineralised structures west of Daisy Deeps (not to scale).**

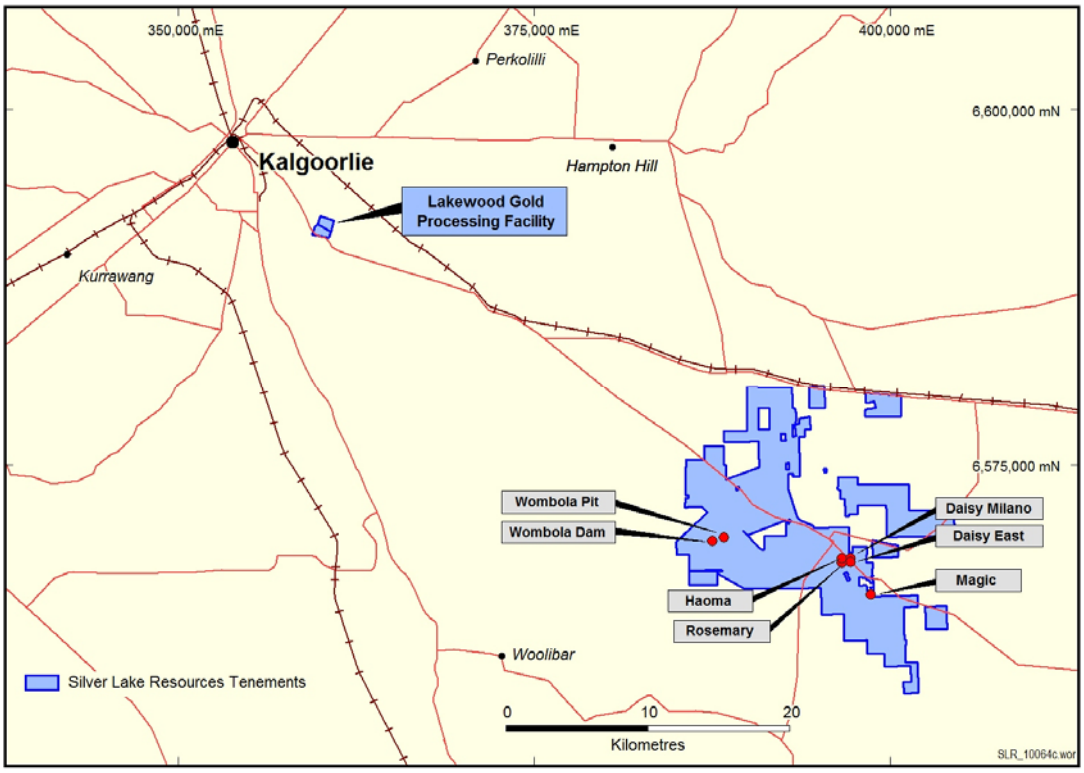


**Figure 3: Mount Monger Operations location plan.**

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 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, Rosemary & Haoma 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.

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 targeting[1] 5 million oz Au in resource by June 2012. In addition, there is significant potential to increase the resource beyond that target over time.

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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 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.*

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Notes to Table 1:
- Assay method is 40 gram fire assay.

| | Measured Resources | | | Indicated Resources | | | Inferred Resources | | | Total Resources | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Deposit** | **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 2: December 2010 Resource Inventory

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