

Deeper Drilling Confirms Murchison Resource Potential

Highlights

- Best intersection in the Murchison since deeper drilling programme commenced:
 - 7.1 metres at 25.6 g/t Au from 209 metres at Caustons deposit
 - Other intersections include:
 - 2.0 metres at 19.7 g/t Au from 115 metres,
 - 4.6 metres at 10.9 g/t Au from 210 metres
 - 2.5 metres at 8.4 g/t Au from 210 metres
 - 2.0 metres at 6.4 g/t Au from 137 metres, and
 - 4.6 metres at 4.0 g/t Au from 166 metres.
 - Deeper drilling programme ongoing
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Silver Lake Resources Ltd ("Silver Lake") is pleased to announce assay results from ongoing exploration at its Murchison Project (refer to figure 4).

Silver Lake's strategy is to develop a second mining operation in the Murchison with multiple mines feeding a central processing facility. A 1.2 million tonne per annum mill has been acquired for this project and a decision to mine in the Murchison is expected late in 2011.

The current planned open pit ore sources have been drilled out and the focus is now on extending resources, particularly below 100 metres depth, to sustain a 100,000 oz per annum operation. The Murchison Project has a current JORC resource of 15.5 million tonnes at 3.0 g/t for 1.50 million ounces of gold (refer to table 2).

Infill and extensional drilling programmes are currently in progress targeting strike and depth extensions to the planned underground mines at Caustons, Tuckabianna West, Comet and Lena.

Caustons

The Caustons South & Caustons Main deposits are planned to be mined from underground and have a current JORC resource of 1.8 million tonnes at 3.4 g/t Au for 194,300 ounces of gold (refer to figure 2 and table 2).

Infill drilling results have been received from the ongoing drilling programme (refer to table 1 and figures 1 & 3) with drill hole 11TUD020 intersecting 7.1 metres at 25.6 g/t Au from 209 metres depth. Several drill holes also intersected mineralisation in a hanging wall position (refer to table 1) to the main ore zone with drill hole 11TUD015 intersecting 2.0 metres at 19.7 g/t Au from 115 metres.

The planned infill drilling at Caustons is now complete and extensional drilling is in progress (refer to figure 2).

“We continue to update our feasibility study with the latest information to ensure we have a robust and optimised plan by the time we make the decision to mine” said Silver Lake’s Managing Director Les Davis.

“We are in the early stages of our deeper drilling programme and have had our best intersection to date of 7.1 metres at 25.6 g/t Au from 209 metres depth. There is only 3% of drill holes in our Murchison data base drilled deeper than 100 metres supporting our view that significant resource potential exists at depth” 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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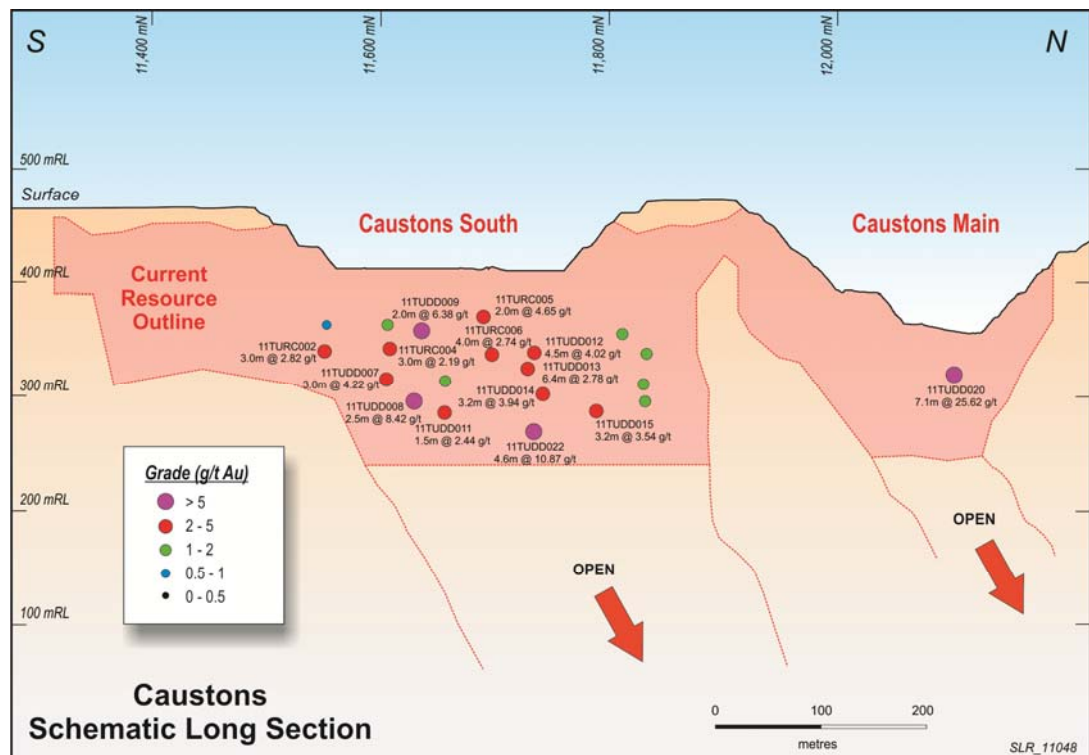


Figure 1: Schematic long section of Caustons showing recent intercepts (excludes hanging wall intercepts).

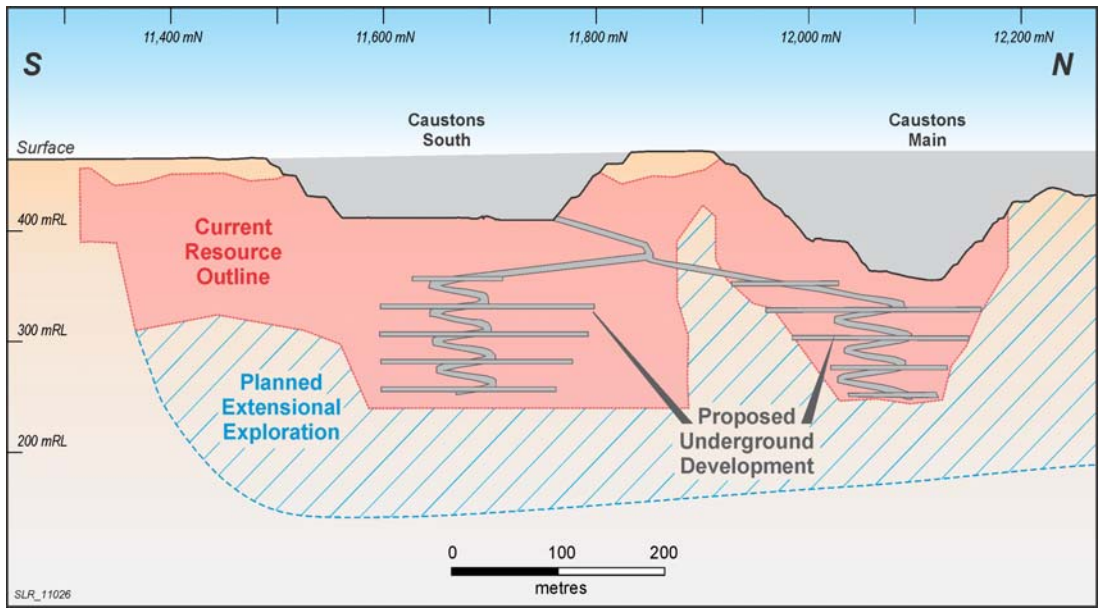


Figure 2: Schematic view of Caustons mine layout and extensional drilling programme.

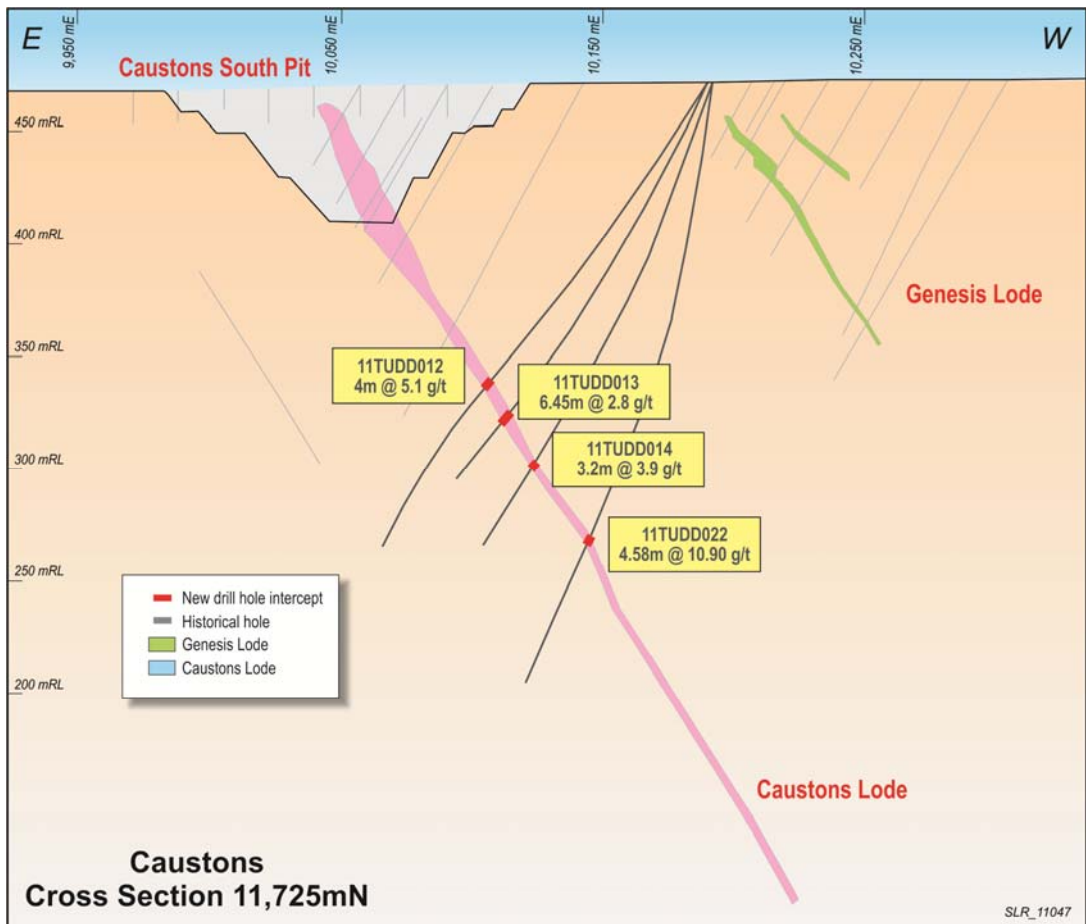


Figure 3: Cross section 11,725mN showing recent intercepts.

Hole ID	Northing	Easting	From (m)	To (m)	Down hole Interval (m)	Grade g/t Au	Area
11TUDD007	11606	10149	159.00	162.00	3.0	4.2	Caustons
11TUDD008	11629	10238	209.90	212.40	2.5	8.4	Caustons
11TUDD009	11649	10164	136.70	138.70	2.0	6.4	Caustons
11TUDD010	11651	10165	137.14	139.70	2.6	2.5	Caustons HW
11TUDD010			162.70	167.70	5.0	1.8	Caustons
11TUDD012	11734	10195	166.25	170.80	4.6	4.0	Caustons
11TUDD013	11735	10195	170.15	176.60	6.5	2.8	Caustons
11TUDD014	11737	10196	185.80	189.00	3.2	3.9	Caustons
11TUDD015	11788	10253	115.00	117.00	2.0	19.7	Caustons HW
11TUDD015			218.75	222.00	3.3	3.5	Caustons
11TUDD017	11830	10251	207.98	211.47	3.5	2.5	Caustons
11TUDD019	11962	10209	176.00	178.30	2.3	1.6	Caustons HW
11TUDD019			219.40	221.42	2.0	4.8	Caustons
11TUDD020	12195	10259	208.92	216.00	7.1	25.6	Caustons
11TUDD021	11623	10244	174.70	176.70	2.0	3.6	Caustons
11TUDD022	11739	10197	209.50	214.08	4.6	10.9	Caustons
11TURC002	11556	10135	144.00	147.00	3.0	2.8	Caustons
11TURC004	11607	10147	123.00	125.00	2.0	2.4	Caustons
11TURC004			140.00	142.00	2.0	3.2	Caustons
11TURC005	11698	10144	50.00	52.00	2.0	2.6	Caustons HW
11TURC005			122.00	124.00	2.0	4.7	Caustons
11TURC006	11696	10147	65.00	67.00	2.0	3.0	Caustons HW
11TURC006			137.00	141.00	4.0	2.7	Caustons
11TURC006			144.00	146.00	2.0	2.0	Caustons
11TURC009	11960	10209	130.00	132.00	2.0	2.2	Caustons

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

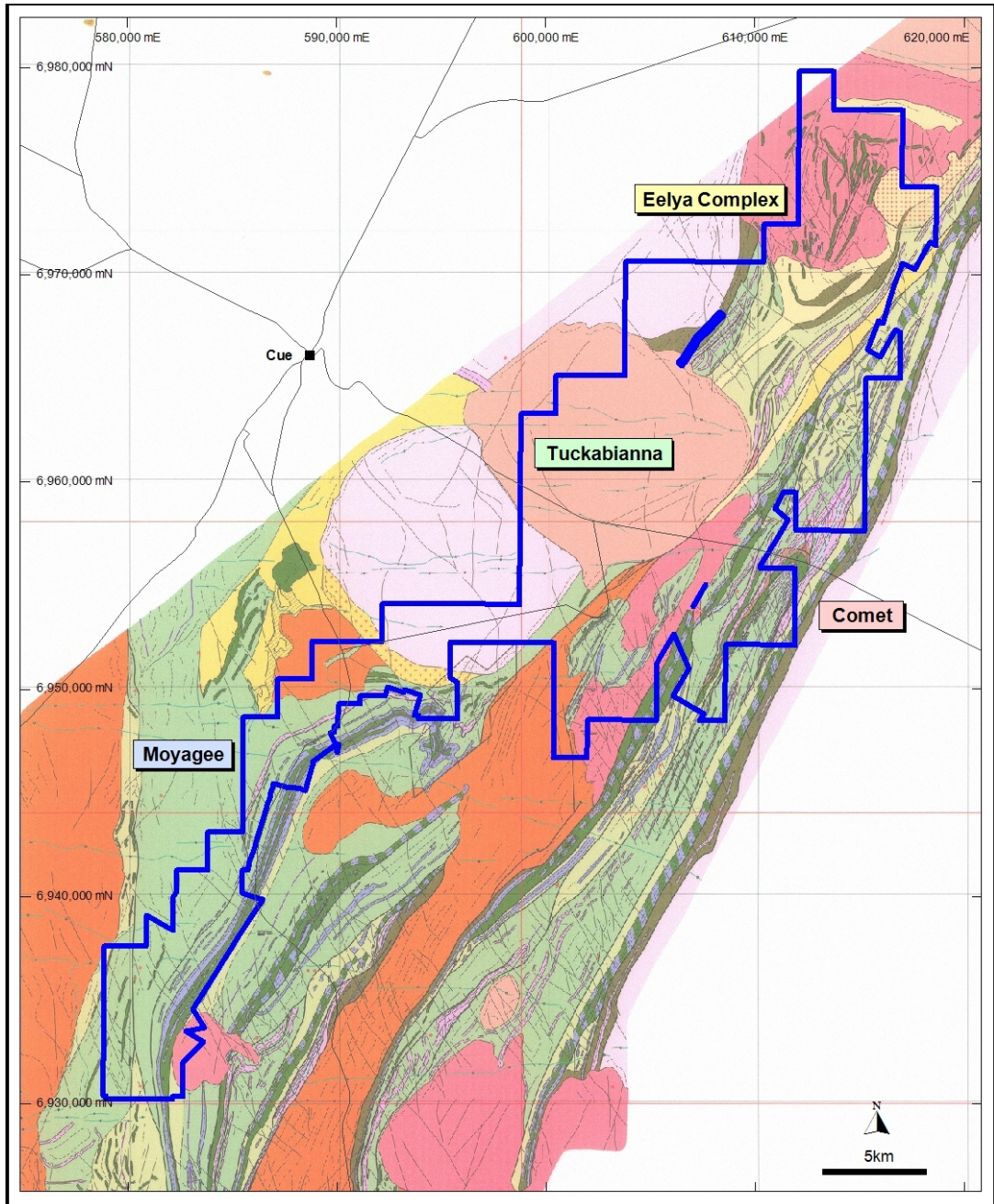


Figure 4: Murchison projects location plan.

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 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.

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	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