

Wombola Pit - Resource Definition Drilling Down To 30 Metres Complete

Highlights

- Resource definition drilling at Wombola Pit complete down to 30 metres
- Resource definition drilling continues to deliver highly encouraging results including:
 - 2.0 metres at 17.0 g/t Au from 7 metres;
 - 1.0 metre at 20.3 g/t Au from 2 metres;
 - 1.0 metre at 23.5 g/t Au from 24 metres;
 - 2.0 metres at 6.8 g/t Au from 25 metres; and
 - 2.0 metres at 6.3 g/t Au from 7 metres;
- Resource remains open at depth
- Decision to mine expected in December 2011 quarter

Silver Lake Resources Ltd ("Silver Lake") is pleased to announce assay results from ongoing drilling at its Mount Monger Operations (refer to figure 1).

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 currently being sourced from four independent underground mines accessed from the same infrastructure: Daisy Milano, Daisy East, Rosemary & Haoma (refer to figure 1).

Assay results (refer to table 1 and figure 2) have been received from a RC resource definition drilling programme at the Wombola Pit deposit located 5km north west of the Daisy Milano mine (refer to figure 1).

The Wombola Pit deposit has a current JORC gold resource of 303,000 tonnes at 2.8 g/t for 26,800 ounces (refer to table 2) and previously produced 87,000 tonnes at 2.9 g/t Au for 8,000 ounces.

Gold mineralisation occurs primarily within multiple narrow, steep north-west dipping structures hosted within the Wombola dolerite intrusive associated with narrow "en echelon" style stockwork quartz veining.

Results from the resource definition drilling programme down to 30 metres depth will be used to complete the mining study. A decision to mine is expected in the December 2011 quarter.

Metallurgical test work has been completed and the ore is free milling and ideally suited for processing at the Lakewood Gold Processing Facility located 40km away.

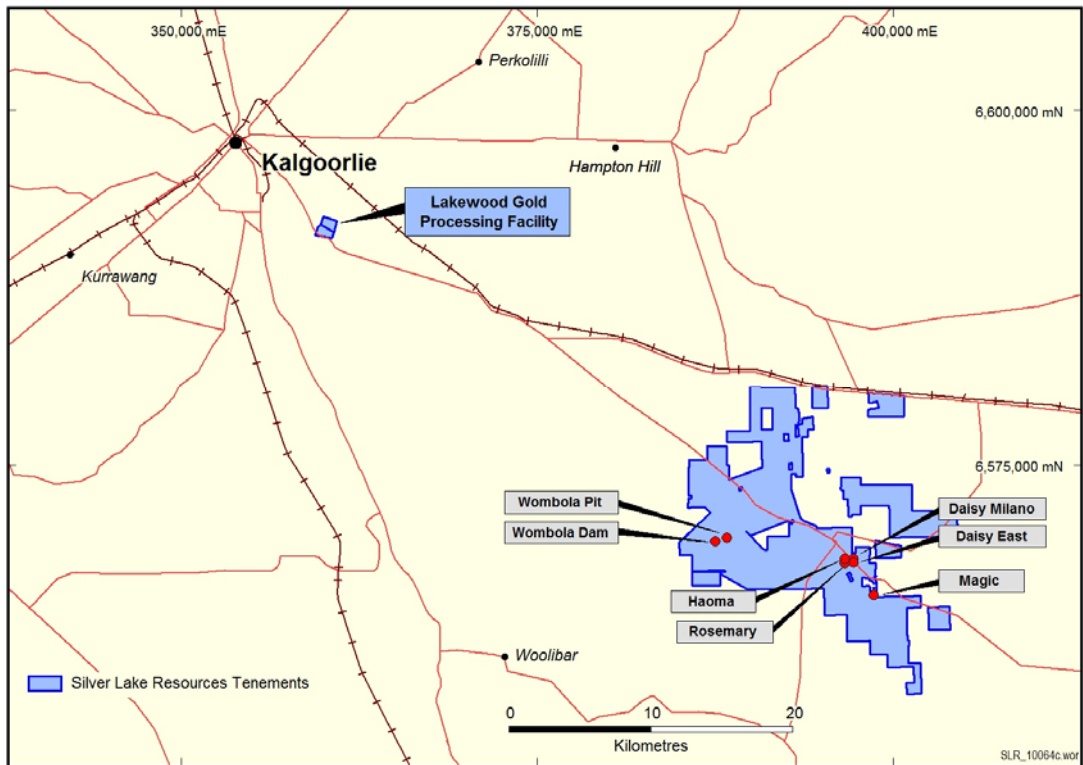


Figure 1: Mount Monger Operations location plan.

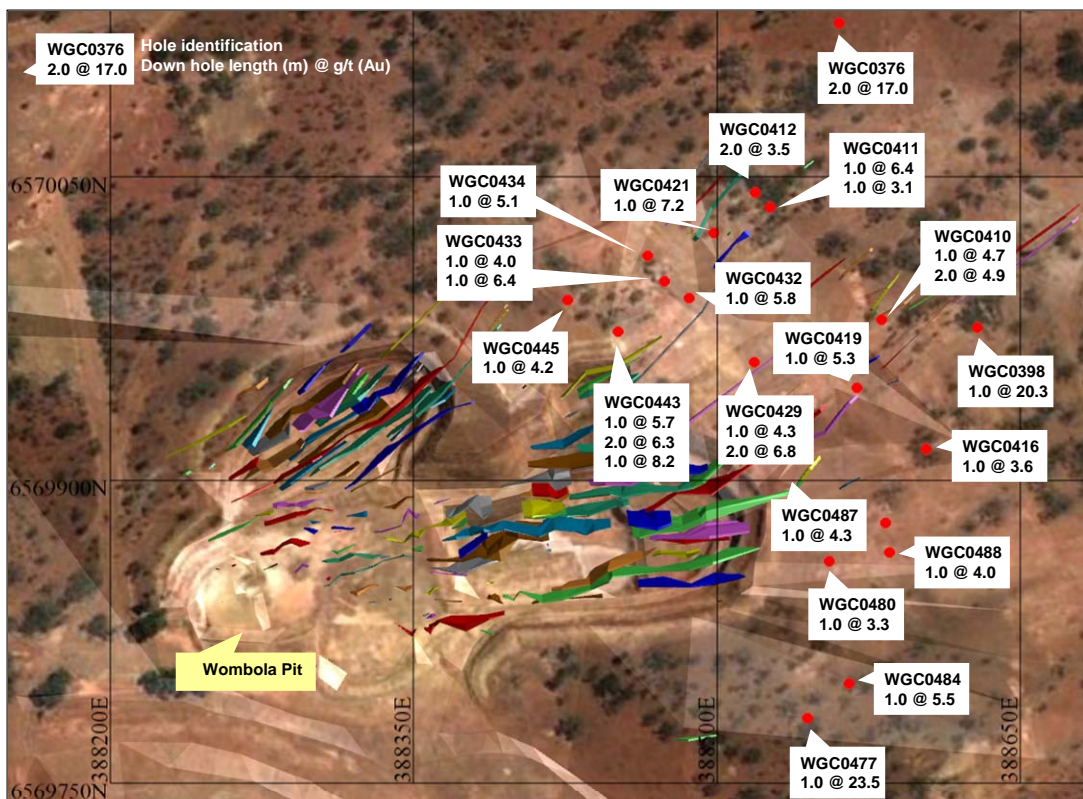


Figure 2: Areal view of Wombola Pit showing recent intercepts >3 g/t Au and multiple stacked lodes within and extending outside the current pit shell.

“We are being presented with multiple ore sources to complement the Lakewood Mill expansion to 1 million tonnes per annum which is progressing to plan” said Silver Lake’s Managing Director Les Davis.

“The mining study is nearing completion for Wombola Dam and a decision to mine is expected this quarter followed by a decision to mine Wombola Pit in the December 2011 quarter” Mr Davis added.

Hole ID	Northing	Easting	From (m)	To (m)	Down hole Interval (m)	Grade g/t Au
WGC0376	6570126	388560	7.0	9.0	2.0	17.0
WGC0398	6569975	388629	2.0	3.0	1.0	20.3
WGC0416	6569979	388581	7.0	8.0	1.0	3.6
WGC0419	6570035	388526	16.0	17.0	1.0	5.3
WGC0410	6570042	388519	8.0	9.0	1.0	4.7
	6570042	388519	11.0	13.0	2.0	4.9
WGC0412	6569915	388603	20.0	22.0	2.0	3.5
WGC0411	6569945	388569	1.0	2.0	1.0	6.4
	6569945	388569	18.0	19.0	1.0	3.1
WGC0421	6570022	388498	7.0	8.0	1.0	7.2
WGC0429	6569958	388519	13.0	14.0	1.0	4.3
	6569958	388519	25.0	27.0	2.0	6.8
WGC0432	6569990	388486	10.0	11.0	1.0	5.8
WGC0433	6569998	388474	5.0	6.0	1.0	4.0
	6569998	388474	24.0	25.0	1.0	6.4
WGC0434	6570011	388466	3.0	4.0	1.0	5.1
WGC0487	6569973	388451	5.0	6.0	1.0	4.3
WGC0488	6569989	388426	15.0	16.0	1.0	4.0
WGC0445	6569782	388545	4.0	5.0	1.0	4.2
WGC0443	6569860	388555	2.0	3.0	1.0	5.7
	6569860	388555	7.0	9.0	2.0	6.3
	6569860	388555	28.0	29.0	1.0	8.2
WGC0480	6569799	388565	20.0	21.0	1.0	3.3
WGC0477	6569879	388583	24.0	25.0	1.0	23.5
WGC0484	6569864	388585	8.0	9.0	1.0	5.5

Table 1: Drilling and assay results for Wombola Pit greater than 3 g/t Au.

Notes to Table 1: There are numerous intersections between 1 g/t Au and 3 g/t Au from the resource definition drilling programme that will also be used to update the geological resource model to finalise the mining study.

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

For further information please contact

Les Davis
Managing Director
+61 8 6313 3800
contact@silverlakeresources.com.au

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