

Production To Commence From Wombola Dam

Silver Lake Resources Ltd ("Silver Lake") is pleased to announce that production from Wombola Dam open pit ("WDP") part of its Mount Monger Operations will commence in September 2011 (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 1).

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).

The Wombola Dam deposit is located 5km north west of the Daisy Milano mine and has a current JORC gold resource of 557,200 tonnes at 3.0 g/t for 53,500 ounces (refer to table 1) and has been subject to a mining study.

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.

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. Approximately 45% of the gold will be extracted through the gravity circuit with remaining gold recovered through the CIL circuit for an overall recovery of 91%.

All project approval documentation has been submitted to the regulatory authorities and final approval is expected early August 2011. The deposit is planned to be mined in two stages.

Stage 1 - Starter Pit

The starter pit (refer to figure 2) is predominately transitional/fresh (hard) rock and produces ~ 13,000 recovered ounces over a 9 month period at a strip ratio of 4.8:1 (waste:ore) at a cash operating cost of A\$432 per ounce.

The WDP Mining Contract has been awarded to GWH Equipment, a Kalgoorlie based earth moving contractor. Given the near surface nature of the mineralisation production commences in the first month and the project has a payback period of 3 months.

Commencing the project in September 2011 allows additional ore stock available for feed in readiness for stage 1 upgrade of Lakewood Mill to 700,000 tpa in December 2011 which is tracking to plan.

The starter pit extracts less than 30% of the total resource down to a depth of ~35 metres.

Stage 2 - Big Pit

At completion of the starter pit further drilling will be carried out below 30 metres depth within the completed starter pit shell and grade control and depth drilling will be carried out within the conceptual big pit shell. This drilling is expected to complete the mining study for stage 2.

Whilst the drilling and mining study for stage 2 is being completed it is expected, subject to a decision to mine, to commence production at Wombola Pit.

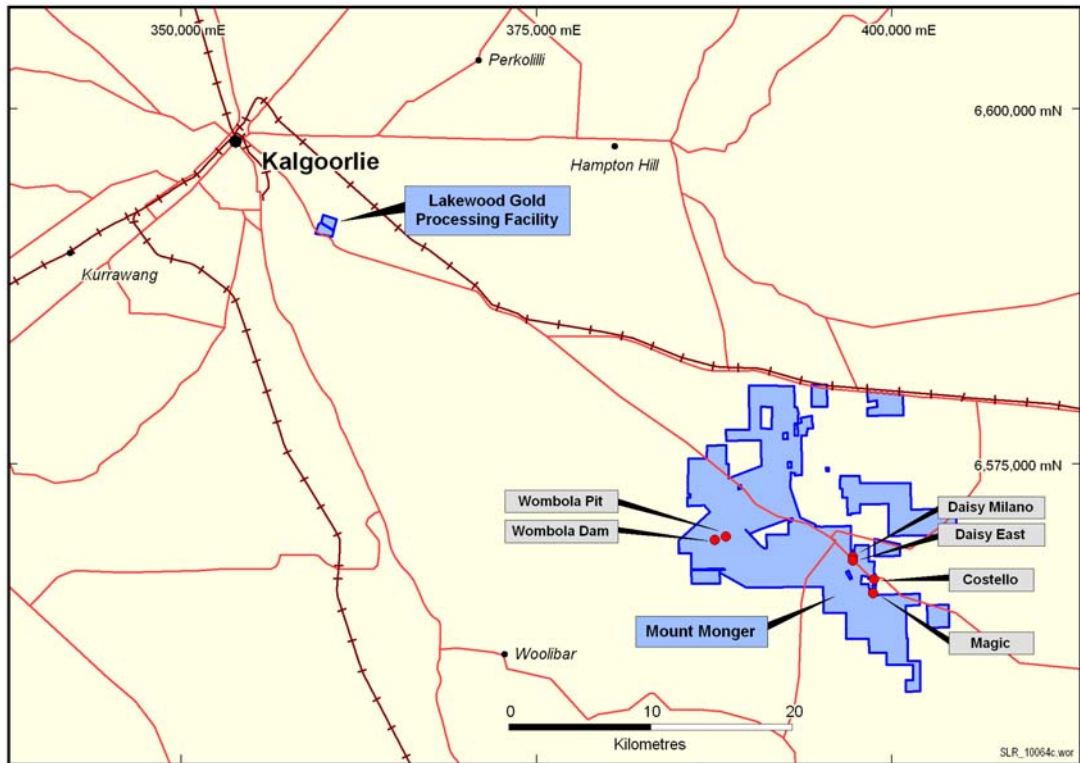


Figure 1: Mount Monger Operations location plan.

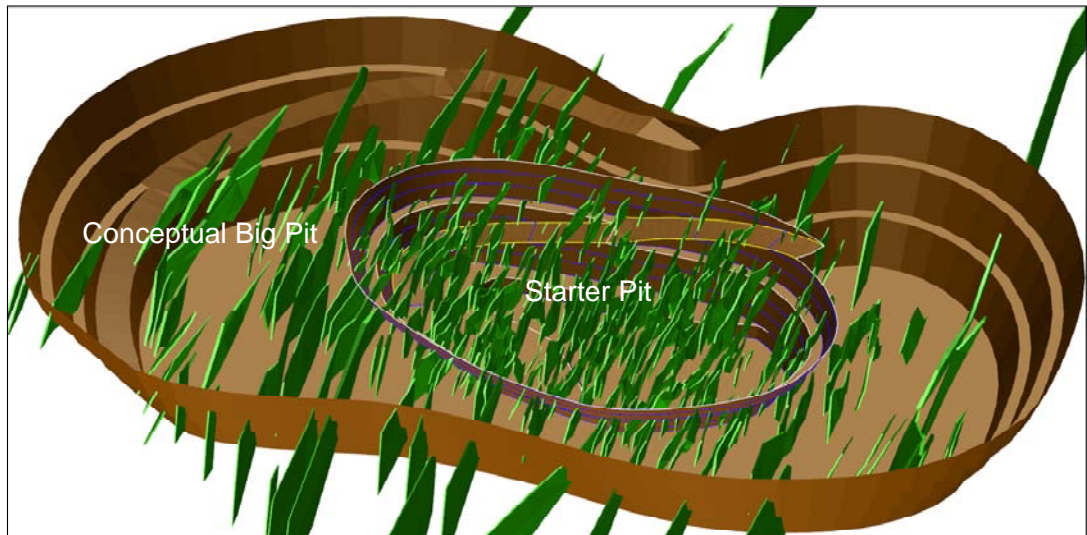


Figure 2: Schematic view of Wombola Dam starter pit and conceptual big pit showing multiple stacked lodes. Dimensions of the starter pit are 250 metres long and 150 metres wide. Dimensions of the conceptual big pit are 420 metres long by 250 metres wide.

“We have successfully completed two open pits at our Mount Monger Operations to date. The Wombola Dam project has long life, a low strip ratio and is low cost” said Silver Lake’s Managing Director Les Davis.

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 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