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ASX ANNOUNCEMENT **7 September 2011**

Copper Exploration Update - Hollandaire

Highlights

- **Diamond drilling commenced at Eelya Complex targeting four large electromagnetic conductors located from surface geophysics**
- **Two diamond drill holes completed at Hollandaire**
- **Drill hole 11HODD004 intersected 2 metres of massive sulphide at ~ 96 metres depth and 0.8 metres of massive sulphide at ~110 metres depth**
- **Drill hole 11HODD006 intersected 23 metres of disseminated mineralisation at approximately 100 metres depth**

Silver Lake Resources Ltd ("Silver Lake") is pleased to announce an update on exploration activities at the Murchison project located 600 km North of Perth (refer to figure 7).

Background – Eelya Complex

The Eelya Complex (refer to figure 6) part of the Murchison project has been stripped of its laterite by erosion, exposing moderately weathered bedrock. The granodiorite which forms the core of the complex is described as unusual by the Geological Survey of Western Australia because it has the field relationships of a post-tectonic granite yet it is completely recrystallised. It is flanked by felsic schists composed of varying amounts of muscovite, sericite, quartz, chlorite and minor pyrite. This region has the potential to deliver a significant base metals discovery and is located immediately north of Silver Lake's planned gold mill.

Limited base metals exploration was conducted in the region by previous explorers during the 1970's. This work included mapping, geochemical sampling and drilling. Massive sulphide mineralisation hosted by felsic volcanic rocks was identified, as were extensive gossanous zones at surface. The region hosts a felsic volcanic rock complex that indicates the potential for volcanic massive sulphide ("**VMS**") mineralisation.

Surface geophysics has located four large electromagnetic conductors at Hollandaire, Colonel, Mount Eelya, and Eelya South (refer to figure 6). Another mineralised gossan at Mount Eelya and numerous highly mineralised drill holes at Hollandaire and Colonel have also been identified.

Previous exploration - Hollandaire

In 1975, Electrolytic Zinc Co. Australasia ("EZ") commenced exploration in the felsic complex. EZ completed surface mapping and ground electromagnetic surveys identifying areas of gossanous outcrop with an associated electromagnetic response. Drilling was completed in 1976/77.

Better results from the EZ drilling programme are as follows:

Hollandaire

EPDH 1: 53 metres at 0.6% Cu from 59 metres (including 17.9 metres at 1.39% Cu and 3 metres at 3.05% Cu) hosted in disseminated pyrite-chalcocite and chalcopyrite in a chlorite quartz sericite schist

EPDH 29: 20 metres at 0.71% Cu from 80 metres (this hole ended in mineralisation)

WME 103: 7 metres at 1.43% Cu from 131 metres

WME 103: 9 metres at 1.51% Cu from 143 metres

Historical records have been reviewed and the following is an extract from EZ's 1977 exploration report:

"A major centre of volcanic exhalative mineralisation exists at Hollandaire. Two potential massive sulphide bodies have been defined. The eastern sulphide body has been tested by hole WME 103. Further testing down plunge is warranted. The western zone remains untested and provides a significant target for future exploration".

Current exploration - Hollandaire

Recent surface geophysics has modelled a 250 metre long electromagnetic conductor at an approximate depth of 100 metres at Hollandaire. This correlates with the Western zone described by EZ. Diamond drilling has commenced at Hollandaire targeting the perimeter of the electromagnetic conductor (refer to figure 5). To date, two holes have been completed with encouraging results.

Drill hole 11HODD004 intersected ~2 metres of massive sulphide at approximately 96 metres depth and ~0.8 metres of massive sulphide at approximately 110 metres depth. Handheld Niton[1] XRF analysis recorded a range of 6% to 30% Cu in the massive sulphide zones (refer to note 1 and figures 1,2 & 3).

Drill hole 11HODD006 intersected ~23 metres of disseminated mineralisation at approximately 100 metres depth. Handheld Niton[1] XRF analysis recorded a range of 0.3% to 0.7% Cu in the disseminated sulphide zone (refer to note 1 and figure 4).

Assays on both holes are expected within 4 to 6 weeks.

Both drill holes intersected the mineralisation at the spatial location of the electromagnetic conductor.

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

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Note 1: Handheld Niton XRF analysis is subject to variation and industry standard analytical assays are required to validate the mineralisation type and grade. Niton XRF analysis conducted on the drill core was carried out along several intervals to give an estimated value range.

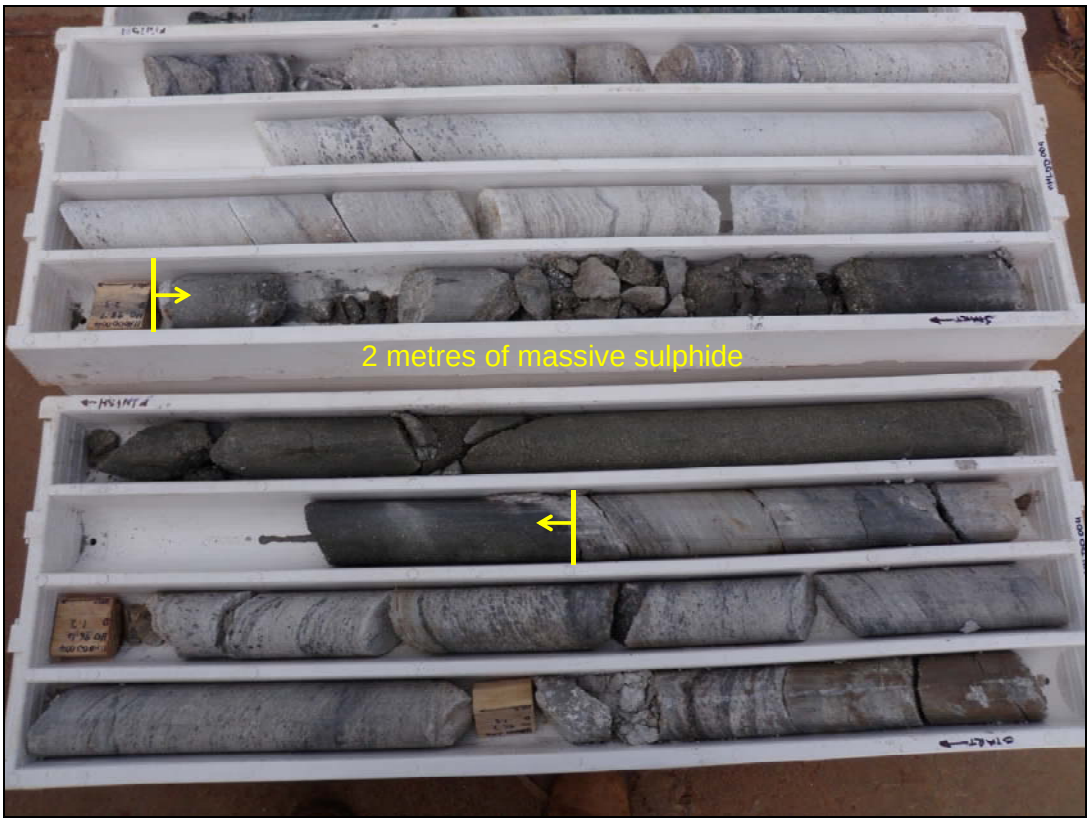

Figure 1: Drill Hole 11HODD004 showing ~2 metres of massive sulphide at ~ 96 metres depth

Figure 2: Drill Hole 11HODD004 showing ~0.8 metres of massive sulphide at ~ 110 metres depth

Figure 3: Drill Hole 11HODD004 showing massive sulphide

Figure 4: Drill Hole 11HODD006 showing disseminated mineralisation

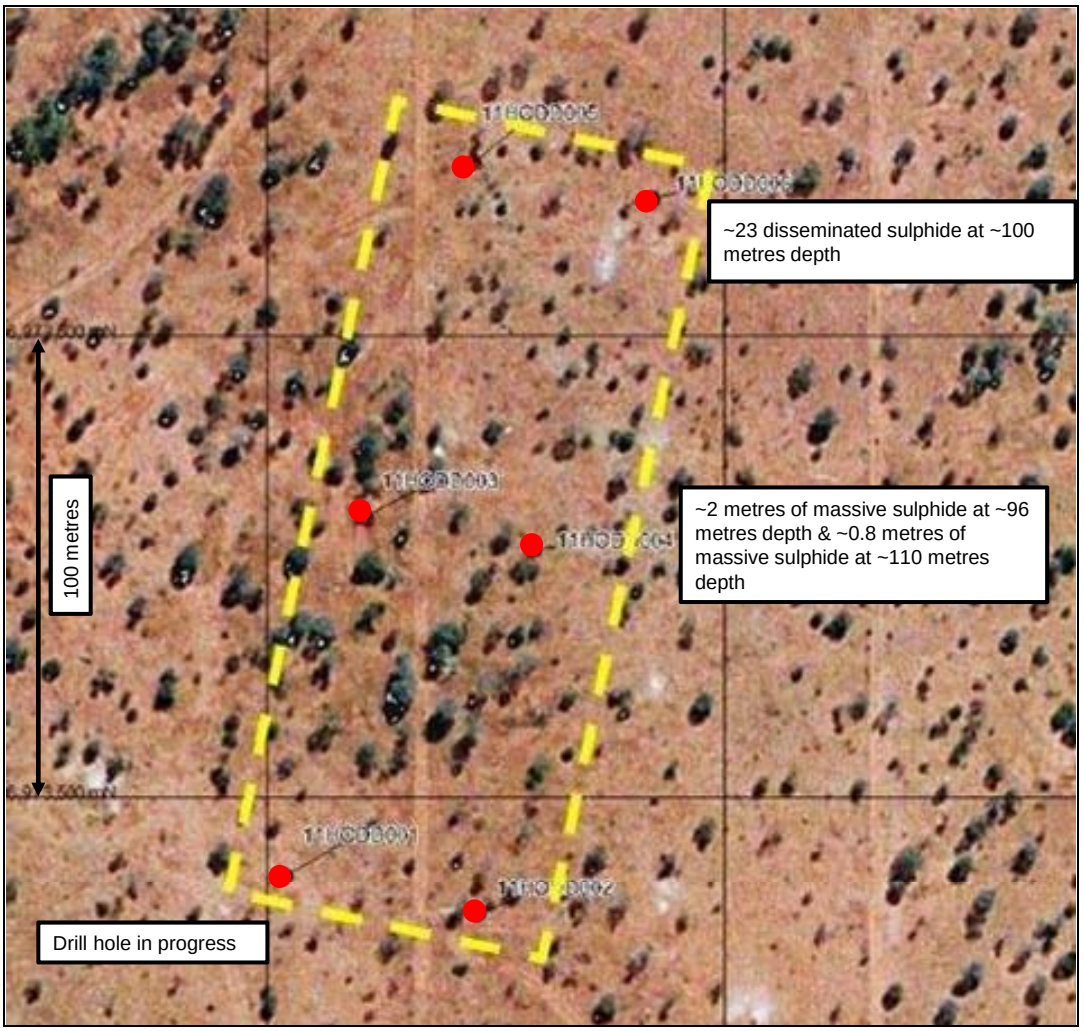

Figure 5: Hollandaire drill hole location plan showing area of electromagnetic conductor

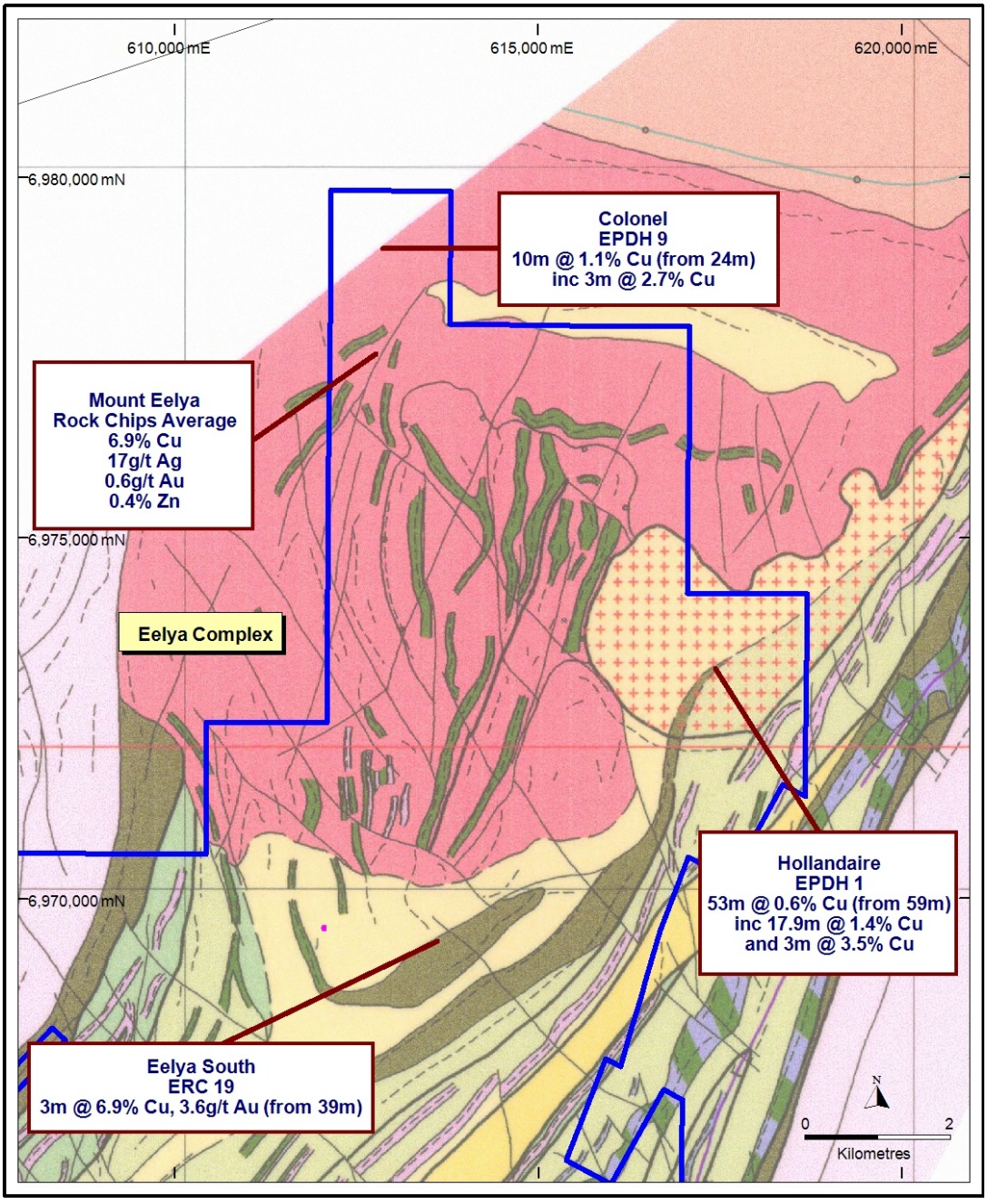

Figure 6: Eelya Complex showing location of historic Copper intersections and electromagnetic conductors.

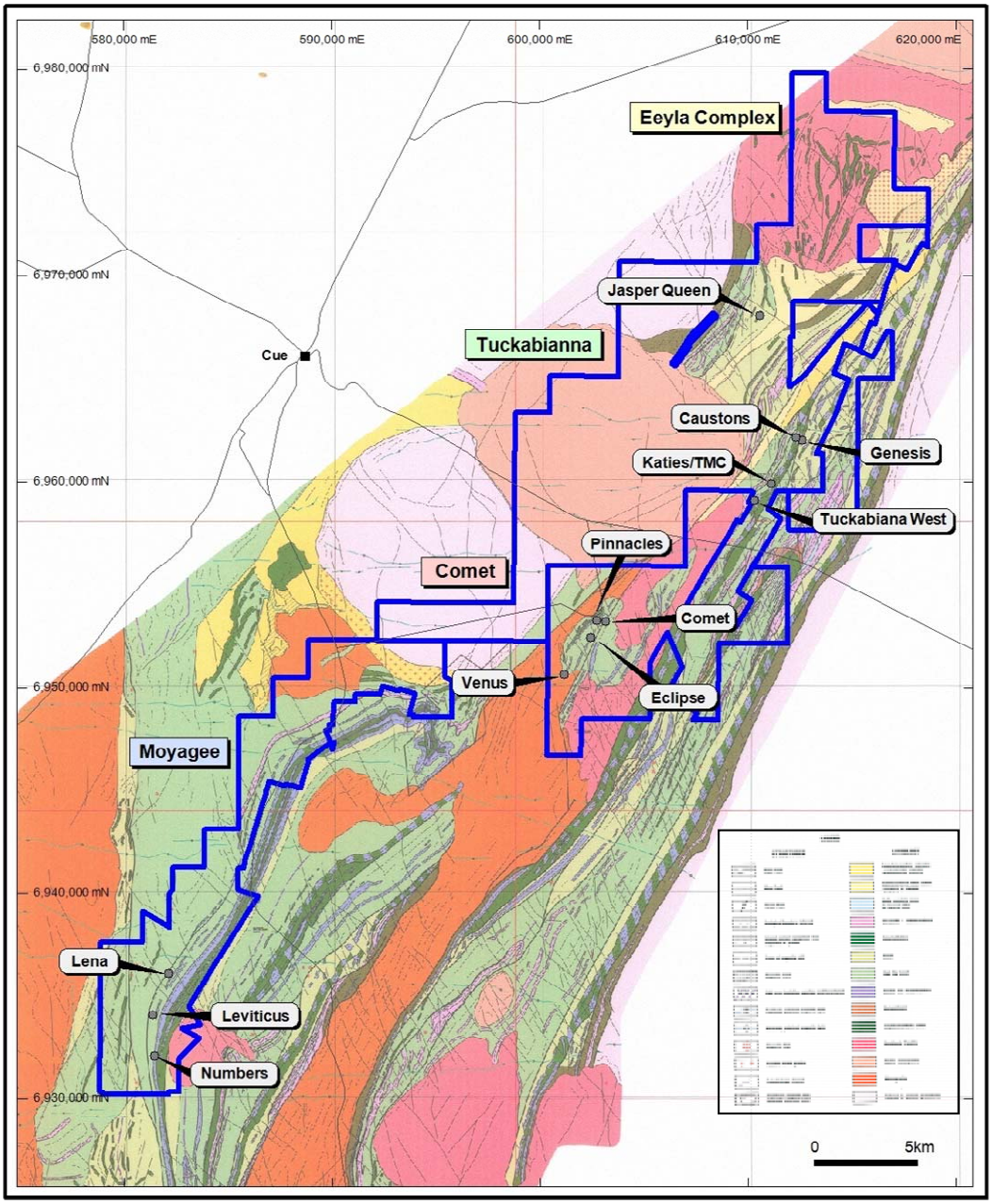

Figure 7: Murchison projects location plan.

About Silver Lake Resources Ltd:

Silver Lake is an ASX 300 gold producing and exploration company with a resource base of 3.3 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 located 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] 10 million oz Au in resource over time with a short term target[1] of 5 million ounces by June 2012.

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.

Resource inventory – June 2011

	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	181.5	30.6	178.6	562.2	17.2	310.9	326.0	12.3	128.9	1,069.7	18.0	618.4
Daisy East	41.0	41.4	54.6	21.4	15.5	10.7	25.9	15.9	13.2	88.3	27.6	78.5
Christmas Flat	-	-	-	338.6	4.1	44.1	448.5	6.3	91.3	787.1	5.3	135.4
Haoma	-	-	-	-	-	-	238.9	30.6	235.0	238.9	30.6	235.0
Costello	-	-	-	-	-	-	111.0	4.0	14.3	111.0	4.0	14.3
Lorna Doone	-	-	-	-	-	-	128.0	3.1	12.8	128.0	3.1	12.8
Magic	-	-	-	749.2	4.1	98.3	1,071	5.2	178.0	1,820.2	4.7	276.3
Wombola Pit	-	-	-	161.2	3.0	15.7	299.0	2.8	26.6	460.2	2.9	42.3
Wombola Dam	-	-	-	202.8	4.1	26.7	230.2	3.8	27.8	433.0	3.9	54.5
Total Mount Monger	**222.5**	**32.6**	**233.1**	**2,035.4**	**7.7**	**506.4**	**2,878.5**	**7.9**	**727.9**	**5,136.4**	**8.9**	**1,467.4**
Tuckabianna - OP	-	-	-	4,000.0	2.2	280.0	4,220.0	2.1	290.0	8,220.0	2.2	570.0
Tuckabianna - UG	-	-	-	1,070.0	4.4	150.0	1,360.0	3.7	160.0	2,430.0	4.0	310.0
Comet - OP	36.0	0.6	0.69	2,390.0	2.7	210.0	670.0	1.9	40.0	3,070.0	2.5	250.0
Comet - UG	-	-	-	850.0	5.1	140.0	250.0	3.7	30.0	1,100.0	5.1	180.0
Moyagee - OP	-	-	-	840.0	2.2	60.0	1,130.0	2.5	90.0	1,980.0	2.4	150.0
Moyagee - UG	-	-	-	70.0	4.4	10.0	1,500.0	3.9	190.0	1,570.0	4.0	200.0
Murchison - OP	36.0	0.6	0.69	7,230.0	2.4	550.0	6,030.0	2.1	410.0	13,270.0	2.3	970.0
Murchison - UG	-	-	-	1,980.0	4.7	300.0	3,120.0	3.8	380.0	5,100.0	4.1	680.0
Total Murchison	**36.0**	**0.6**	**0.69**	**9,210.0**	**2.9**	**850.0**	**9,150.0**	**2.7**	**790.0**	**18,370.0**	**2.8**	**1,650.0**
Rothsay	-	-	-	-	-	-	**591.2**	**7.0**	**132.9**	**591.2**	**7.0**	**132.9**
Total Silver Lake	**258.5**	**28.1**	**233.8**	**11,245.4**	**3.8**	**1,356.4**	**12,619.7**	**4.1**	**1,650.8**	**24,097.6**	**4.2**	**3,250.7**

Table 1: June 2011 Resource *Rounding may give rise to unit discrepancies in this table*

Notes to table 1:

Murchison open pit resources include mineralisation down to 100 metres depth below the surface.

Murchison underground resources include mineralisation below 100 metres depth from the surface.

Lena resource is 3.2 million tonnes at 3.0 g/t Au for 313,025 ounces.