

Copper Exploration Update - Hollandaire

Highlights

- **Further assay results received including:**
 - 12.6 metres at 3.0% Cu, 0.4 g/t Au & 8.8 g/t Ag from 243 metres;
 - 10.9 metres at 1.4% Cu, 0.1 g/t Au & 2.5 g/t Ag from 84 metres;
 - 10.2 metres at 1.2% Cu, 0.3 g/t Au & 4.7 g/t Ag from 115 metres;
 - 4.5 metres at 1.6% Cu, 0.2 g/t Au & 2.2 g/t Ag from 127 metres; and
 - 2.2 metres at 1.7% Cu, 7.9 g/t Au & 11.9 g/t Ag from 206 metres;
 - **Drill hole 12HOD011, deepest drill hole to date, intersected 12.6 metres at 3.0% Cu from 243 metres in the chalcopyrite dominated zone**
 - **Down hole geophysics identified off hole conductors to the south west of current mineralised envelope**
 - **Mineralisation remains open to the south west and at depth**
 - **Resource upgrade to be announced once remaining 12 assays from 50 hole programme received**
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Silver Lake Resources Ltd ("Silver Lake") is pleased to announce an update on drilling activities at Hollandaire within the Eelya Complex part of the Murchison project located 600 km North of Perth (refer to figure 3). Silver Lake is undertaking a \$20 million exploration programme targeting copper and other base metals within the Eelya Complex.

Background - Eelya Complex

The Eelya Complex 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 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.

Only limited base metals exploration was conducted in the region by previous explorers during the 1970's. This work included mapping, geochemical sampling and some 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.

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Hollandaire - High Grade Copper Deposit

Hollandaire is a tabular stratabound felsites hosted VMS deposit. The felsite is hosted within a thick sequence of mafic rocks which show typical packages of chlorite and silica alteration similar to other known VMS deposits. The mineralisation forms a moderately dipping zone of massive sulphide 10-15m thick which plunges to the south west.

Mineralisation is dominantly supergene chalcocite in the oxidised zones and chalcopyrite in the primary zone. The deposit is underlain in part with disseminated sulphides and a semi-concordant stockwork of sulphide and silicate veining.

A maiden JORC inferred resource (refer to table 1) was announced in June 2012 from the initial 9 hole programme which totals 1.1 million tonnes at 2.4% Cu, 0.5 g/t Au and 13 g/t Ag. Approximately 78% of the copper resource is located in the supergene & transitional zones averaging 4% grade. The copper resource is located ~50 vertical metres from the surface and extends down to ~180 vertical metres and covers an area ~200 metres x ~100 metres with mineralisation averaging 10 metres thick. The copper resource is sitting below gold mineralisation that extends from the surface down to ~50 vertical metres depth (refer to figure 2).

The mineralisation remains open to the south west and at depth.

Domain	Inferred						
	Tonnes T	Cu %	Au g/t	Ag g/t	Cu Metal Tonnes	Au Metal Ounces	Ag Metal Ounces
Supergene	100,000	4.1	1.0	23	5,600	4,300	100,000
Transitional	400,000	4.0	0.7	17	14,100	7,800	193,000
Primary	600,000	1.0	0.3	8	5,700	6,000	147,000
Total	1,100,000	2.4	0.5	13	25,400	18,000	440,000

Table 1: Hollandaire JORC resource as of June 2012

Hollandaire - Current Drill Programme

Since drilling recommenced in late March 2012, 29 RC & 21 diamond holes have been completed with 44 extensional holes drilled outside of the current resource (refer to figure 1). This extensional drilling programme has significantly increased the mineralised area to ~500 metres x ~300 metres with varying thickness from 4 to 50 metres. Further assay results have been received from the 50 hole drilling programme (refer to table 2).

Due to the depth limitations of the drill rig, 5 RC drill holes finished in mineralisation: 12HORC019 (50m @ 1.4% Cu), 12HORC021 (32m @ 0.3% Cu), 12HORC017 (9m @ 1.0% Cu), 12HORC018 (10m @ 0.6% Cu) & 12HORC016 (4m @ 0.5% Cu). These holes have since been extended with assays pending (refer to figure 1). The remaining 7 holes from the 50 hole programme also have assays pending (refer to figure 1).

Drilling to date has yet to confirm the source or geological interpretation of the mineralisation. Diamond drill hole 12HOD011 is the deepest hole drilled to date and is located on the last line of drilling to the south of the existing resource (refer to figures 1 & 2). This hole assayed 12.6 metres at 3.0% Cu, 0.4 g/t Au and 8.8 g/t Ag at a down hole depth of ~243 metres and is located in the chalcopyrite dominated zone. It is highly encouraging to see a transition from the pyrite dominated sulphides identified below the supergene zone to chalcopyrite dominated mineralisation at depth.

Recently completed down hole geophysics has identified off hole conductors to the south west of the current mineralised envelope (refer to figure 1).

Furthermore drill hole 12HOD010 (refer to figure 1 & table 2) intersected 12 metres at 1.2 g/t Au from 31 metres supporting the concept of an open pit gold mine prior to mining the copper.

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Hollandaire - Next steps

Once the remaining assays are received an upgraded resource will be announced. The next drilling campaign is currently being planned and expected to commence in August 2012.

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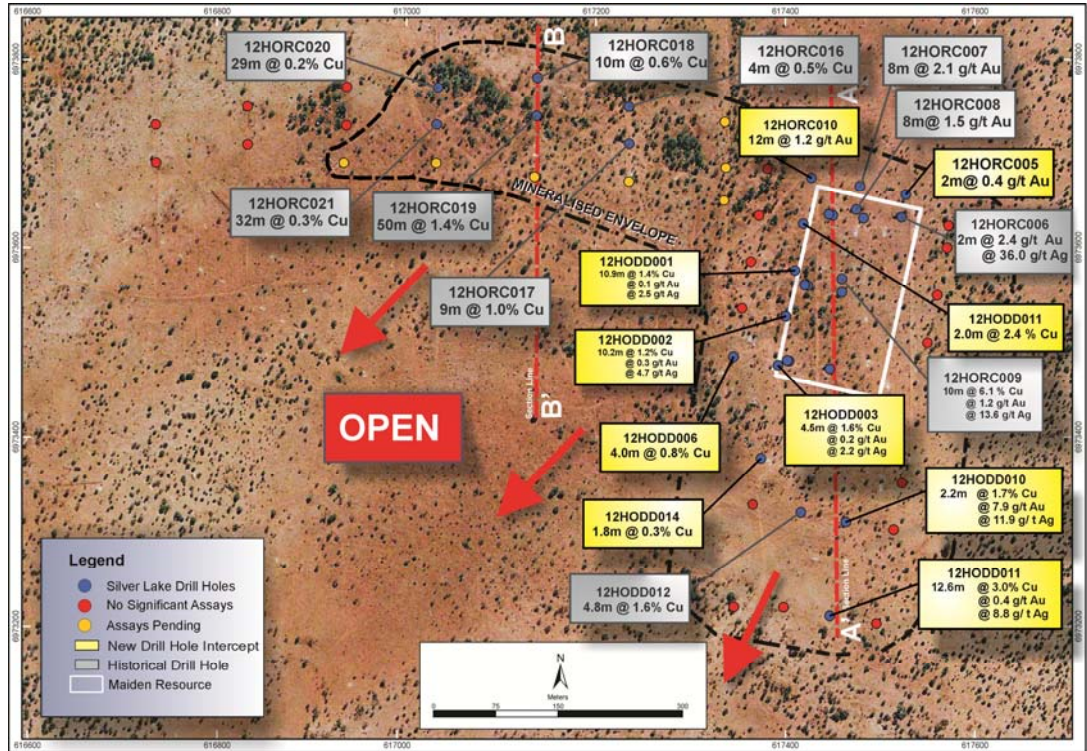


Figure 1: Aerial view of drill hole collar locations, maiden resource envelope and current mineralised envelope. Open arrows show area to the south west where off hole conductors have been identified.

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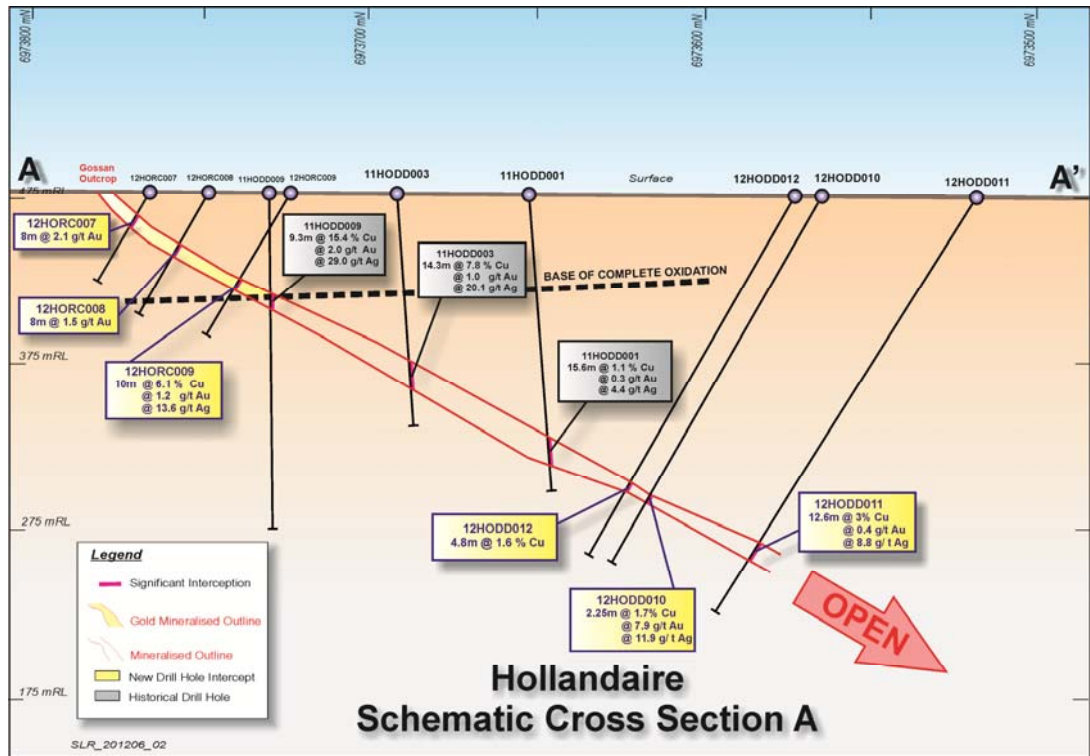


Figure 2: Hollandaire schematic cross section A.

Hole ID	Northing	Easting	rL	Azimuth (Deg)	Dip (Deg)	From (m)	To (m)	Down hole Interval (m)	Grade Cu %	Grade g/t Au	Grade g/t Ag
12HODD001	617410	6973576	476	10	-60	84.10	95.00	10.9	1.4	0.1	2.5
12HODD002	617401	6973528	476	10	-60	114.50	124.70	10.2	1.2	0.3	4.7
12HODD003	617392	6973477	477	10	-60	126.70	131.20	4.5	1.6	0.2	2.2
12HODD006	617345	6973485	477	10	-60	183.00	187.00	4.0	0.8	-	-
12HODD010	617464	6973311	479	10	-60	205.80	208.00	2.2	1.7	7.9	11.9
12HODD011	617447	6973212	479	10	-60	242.70	255.30	12.6	3.0	0.4	8.8
12HODD014	617374	6973378	478	10	-60	185.30	187.10	1.6	0.3	-	-
12HORC005	617527	6973656	475	10	-60	0.00	2.00	2.0	-	0.4	-
12HORC010	617427	6973674	475	10	-60	31.00	43.00	12.0	-	1.2	-

Table 2: Drilling and assay results for Hollandaire.

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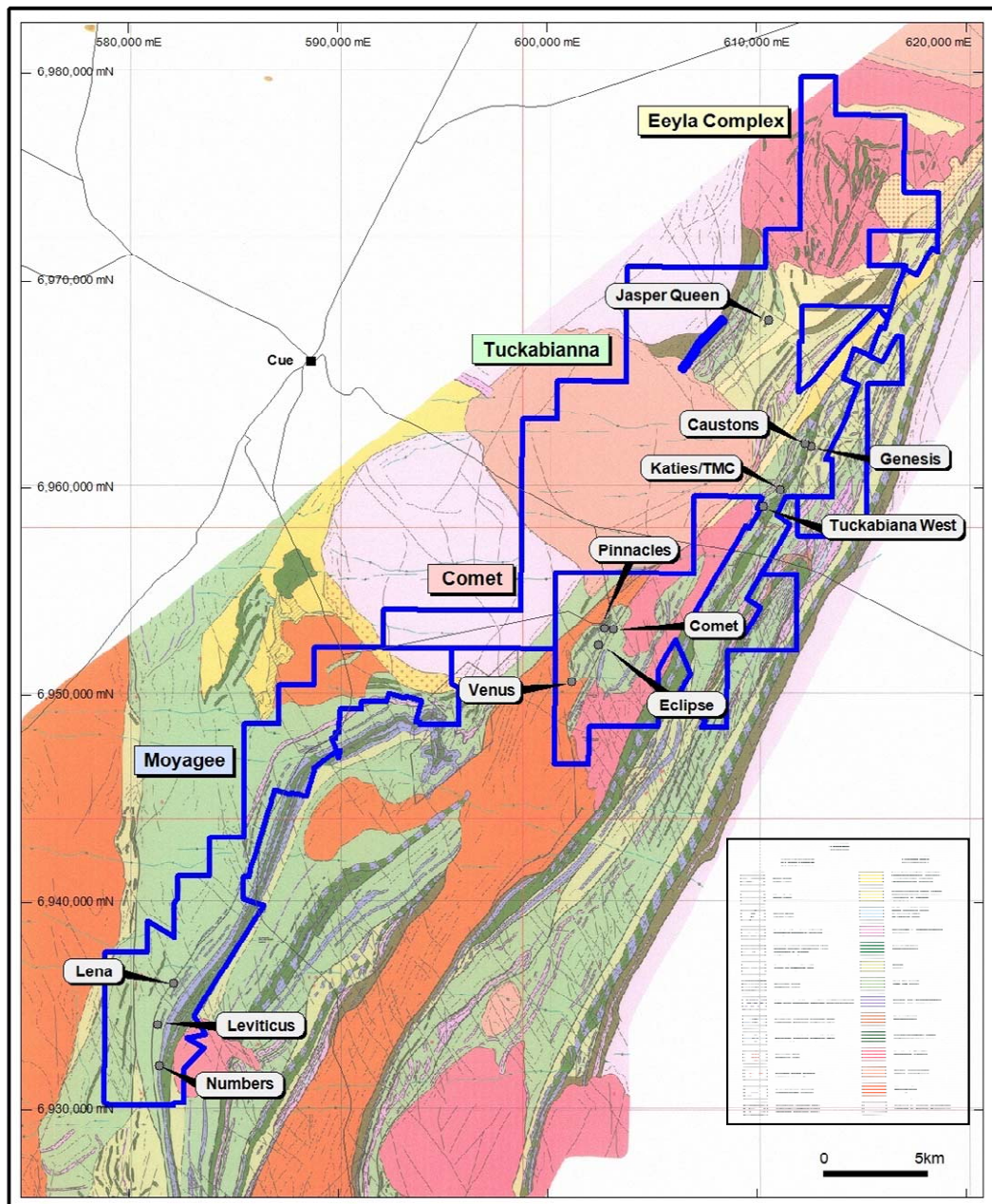


Figure 3: Murchison project location plan.

About Silver Lake Resources Ltd:

Silver Lake is an ASX 200 gold producing and exploration company with a resource base of 4.5 million oz in highly prospective regions including the Mount Monger and Murchison goldfields and the Great Southern district of Western Australia. Silver Lake's strategy is to develop large production centres at Mount Monger, in the Murchison and the Great Southern with multiple mines at each centre.

Silver Lake's Mount Monger Operation contains the Daisy Milano, Daisy East, Rosemary & Haoma underground mines and the Wombola open pit mines located 50 km south east of Kalgoorlie.

Gold ore from Mount Monger is transported to Silver Lake's Lakewood Gold Processing Facility located 5 km south east of Kalgoorlie and 45 km from the Daisy Milano mine. This facility has been expanded to 900,000 tonnes per annum and is currently being expanded to 1 million tonnes per annum by September 2012 quarter.

In the Murchison, Silver Lake is developing a second mining operation with multiple mines feeding a central processing facility. The project is under construction and production is expected to commence in the March 2013 quarter.

At the Eelya Complex, part of the Murchison project, a high grade copper discovery has been made at Hollandaire. The Hollandaire deposit contains copper, gold & silver with grades up to 45% Cu, 5.5 g/t Au and 256 g/t Ag.

In the Great Southern, Silver Lake owns the large Kundip and Munglinup exploration projects covering over 2,500 sqkm. Post ramp up of Mount Monger and development of the Murchison in 2013, Silver Lake will increase regional gold exploration at Kundip with the view of establishing a third gold mining centre (with potential copper and silver credits).

Silver Lake's exploration programme is targeting 10 million oz Au¹ 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.

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.

The information on exploration targets are based on a conceptual range of targets as follows:

Tonnage range: 50 million to 100 million tonnes

Grade range: 3 g/t Au to 8 g/t Au

Ounces: 5 million to 10 million

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	172.3	30.6	169.5	562.2	17.2	310.9	326.0	12.3	128.9	1,060.5	17.9	609.3
Daisy East	23.9	41.4	31.9	21.4	15.5	10.7	25.9	15.9	13.2	71.2	24.4	55.8
Christmas Flat	-	-	-	338.6	4.1	44.1	448.5	6.3	91.3	787.1	5.3	135.4
Haoma	945.0	8.1	247.0	365.0	14.8	174.0	90.0	15.6	45.0	1,400.0	10.3	465.0
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	1,071.0	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	-	-	-	154.8	4.1	20.4	420.2	3.5	47.1	575.2	3.7	67.5
Hammer & Tap	-	-	-	-	-	-	350.2	2.4	27.4	350.2	2.4	27.4
Total Mount Monger	1,141.2	12.2	448.4	2,352.4	8.9	674.1	3,269.8	5.6	584.6	6,763.4	7.8	1,706.1
Tuckabianna - OP	-	-	-	4,170.0	2.2	290.0	4,310.0	2.0	280.0	8,480.0	2.1	580.0
Tuckabianna - UG	-	-	-	1,210.0	4.3	170.0	2,170.0	4.1	290.0	3,380.0	4.2	460.0
Comet - OP	36.0	0.6	0.7	2,540.0	2.5	210.0	1,060.0	1.9	70.0	3,636.0	2.4	270.7
Comet - UG	-	-	-	800.0	5.3	140.0	260.0	4.2	30.0	1,060.0	5.0	170.0
Moyagee - OP	-	-	-	960.0	2.1	70.0	1,410.0	2.2	100.0	2,370.0	2.2	170.0
Moyagee - UG	-	-	-	80.0	3.3	10.0	1,630.0	4.0	210.0	1,710.0	4.0	220.0
Murchison - OP	36.0	0.6	0.7	7,670.0	2.3	570.0	6,780.0	2.1	450.0	14,450.0	2.2	1,020.0
Murchison - UG	-	-	-	2,080.0	4.6	310.0	4,060.0	4.1	530.0	6,150.0	4.3	840.0
Hollandaire	-	-	-	-	-	-	1,100.0	0.5	18.0	1,100.0	0.5	18.0
Total Murchison	36.0	0.6	0.7	9,750.0	2.8	880.0	11,940.0	2.6	998.0	20,636.0	2.8	1,860.7
Kundip	-	-	-	4,390.0	3.4	481.3	4,550.0	2.1	307.2	8,940.0	2.7	788.5
Trilogy	310.0	2.4	23.9	5,750.0	0.7	136.4	180.0	0.6	4.5	6,240.0	0.8	163.8
Total Great Southern	310.0	2.4	23.9	10,140.0	1.9	617.7	4,730.0	2.0	311.7	15,180.0	2.0	952.3
Total Silver Lake	1,487.2	9.9	473.0	22,242.4	3.0	2,171.8	19,939.8	3.0	1,894.3	42,579.4	3.3	4,519.1

Table 3: December 2011 Resource

Rounding may give rise to unit discrepancies in this table

Notes to table 3:

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.