

ASX ANNOUNCEMENT

2 June 2009

Christmas Flats Project

Silver Lake Resources Ltd (“Silver Lake”) is pleased to announce the commencement of the Christmas Flats Project (CFP) located 1 kilometre north of Daisy Milano (refer to figure 1) at its Mount Monger Operations.

A new access road has been completed allowing commencement of the project as the previous road will be consumed in the open pit.

The CFP Mining Contract has been awarded to GWH Equipment, a Kalgoorlie based earth moving contractor.

Stage 1 of the Open Pit is predominately free dig and produces approximately 10,000 oz at a grade of 4.5 g/t Au for a total cash cost (including capital) of A\$700 per ounce. Given the near surface mineralisation of the deposit the first ore will be produced in July 2009. Mining of Stage 1 is expected to be completed in 6 months and processing completed in 12 months as the company’s Lakewood Gold Processing Facility (LGPF) will be running at capacity from September quarter 2009.

The remaining resource of 41,000 oz at Christmas Flats is being evaluated to be extracted by either an open pit cutback or from underground.

Metallurgical test work indicates excellent recoveries of 74% through the gravity circuit with a total recovery of 93%. Ore sourced from a trial trench (refer to figure 2) within the project area is being fed into LGPF and has assisted with viscosity in the CIL circuit allowing the plant throughput to increase. The company is currently undertaking a scoping study to determine capital costs to expand LGPF to 600,000 tpa.

“This is another significant milestone for the company” said Silver Lake’s Managing Director Les Davis. “Our strategy is to expand and diversify our production sources. Christmas Flats will be the first of a number of open cut mines at Mount Monger. Combined with a rising gold price, this strengthens the case for doubling the capacity of our Lakewood Gold Processing Facility.” 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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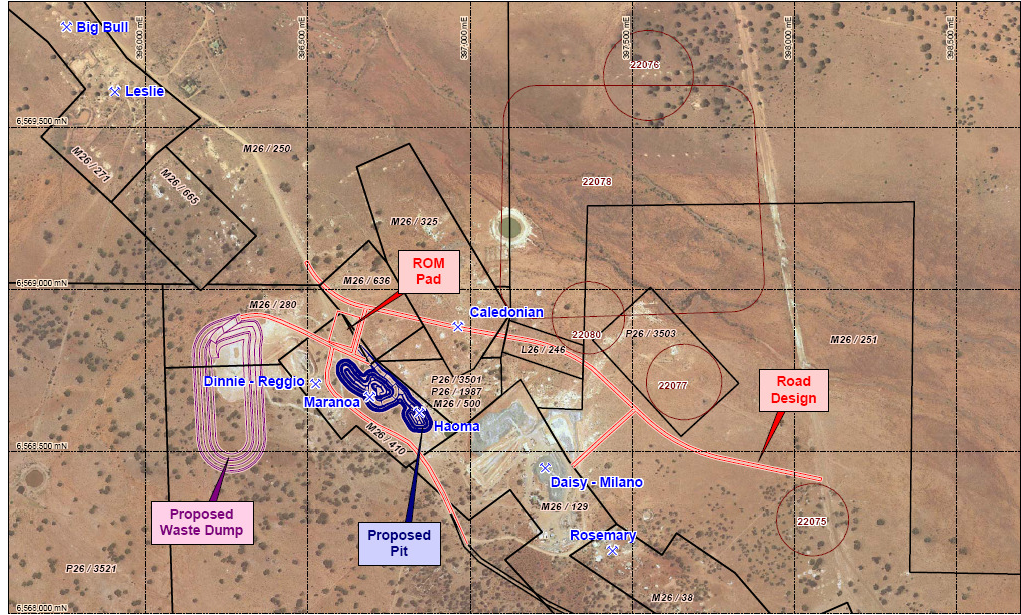


Figure 1: Christmas Flats location plan



Figure 2: Trial trench at Christmas Flats Project area

About Silver Lake Resources Ltd:

Silver Lake is a gold producer and explorer with a resource base of 1.5 million oz in highly prospective regions including the Mount Monger goldfield and the Murchison (Tuckabianna, Comet, and Moyagee). Silver Lake's strategy is to develop large production centres at Mount Monger and at the Murchison with multiple mines at each centre.

Resource Category	Ore t	Grade g/t Au	Total oz
Measured	93,600	37.9	114,100
Indicated	4,308,200	3.4	477,200
Inferred	5,209,200	5.3	881,900
Total	9,610,900	4.8	1,473,100

Rounding may give rise to unit discrepancies in this table.

Silver Lake's Mount Monger Operation contains the Daisy Milano underground mine and the Christmas Flats open pit located 50 km south east of Kalgoorlie.

Mount Monger has additional multi mine potential underpinned by emerging open pit production from Magic, Costello and Lorna Doone deposits. Furthermore, recent exploration success to the east of Daisy Milano shows potential as near term production sources.

Gold ore from Mount Monger is transported to Silver Lake's 300,000 tpa Lakewood Gold Processing Facility located 5 km south east of Kalgoorlie and 45 km from the Daisy Milano mine.

A pre-feasibility study has been completed to develop a low-capital multi-mine production centre at the Murchison. The Company has reviewed the results of the pre-feasibility study and expects to make an announcement once milling options are finalised.

Silver Lake's exploration programme is targeting 2.5 million to 5 million oz Au in resource.

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 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.