

Silver Lake continues to shine

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JUNIOR gold miner Silver Lake Resources is sprinting towards its goal of becoming a high-margin gold producer after recording high-grade gold intersections at the Caledonia deposit within the Mount Monger operations near Kalgoorlie, Western Australia.

Better intersections from Caledonia were 2.5m at 19.62 grams per tonne gold from 134m, including 0.5m at 95.38gpt gold from 134m, 0.3m at 11.99gpt gold from 155m, and 1m at 10.24gpt gold from 132m.

An initial 16-hole drilling program was planned for the deposit, with 14 holes completed to date and further assays expected by June.

The Caledonia deposit is about 200m from the main Daisy Milano mine, which has a production target of 15,000oz of contained gold by the end of June, ramping up to 40,000oz gold per annum the following month.

First ore was extracted from Daisy Milano late last year and earlier this month Silver Lake extended Daisy Milano's mine life a further two years after increasing resources 14%.

"Our objective is to turn Mount Monger into a multi-mine operation during 2008," Silver Lake managing director Les Davis said.

"The Caledonian drilling results are therefore highly encouraging as they indicate production source adjacent to the Daisy Milano infrastructure," he added.

The Mount Monger tenement package has total measured, indicated and inferred resources of 456,000 tonnes at 18.7gpt gold for 274,000oz contained gold.

Processing of Daisy Milano ore is expected to begin this month after the processing plant's refurbishment is complete.

Silver Lake remained at 30c in early morning trade.