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SILVER LAKE DRILLS DEEP

TRADITIONALLY, digging deep is a euphemism for extracting every ounce of value from your pockets.

Silver Lake Resources managing director Les Davis thinks it could hold the key to dramatically increasing reserves for the second-tier gold producer.

Since listing last year, the company's drilling suggest the high gold grades that exist in its Daisy Milano mine could be repeated over a much larger area.

Historically, the Mount Monger area 50km southeast of Kalgoorlie was only rarely drilled much deeper than 100m.

Still, out of a handful of shallow mines run by various operators the field produced more than 400,000 ounces of gold at high grades.

The selectively mined Daisy Milano has proved that the narrow, rich veins of gold continue much deeper to 400m and beyond.

Run largely by a very motivated and experienced team of former WMC Resources staff, **Silver Lake** recently completed its first gold pour and is on track to produce up to 40,000 ounces of gold a year.

Diamond drilling underground could expand the Daisy Milano resource if the same narrow vein pattern is repeated deep below the adjacent Caledonian and Haoma open pits.

Other projects including the acquisition of Comet take **Silver Lake's** total resource base above 1 million ounces and Les said the company was not shy about developing multiple mines underground or as open pits.

As cash flow increases and with no debt or hedging liabilities, Les is optimistic **Silver Lake's** exploration efforts could expand resources to 2.3 to 5 million ounces and is aiming for the company to produce 150,000 ounces a year within three years.

Silver Lake Resources shares closed steady at 36.5.