



Les Davis
Managing Director

QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 September 2008

Silver Lake Posts A Strong Performance

- Record Daisy Milano mine production of 25,315 t at 12.0 g/t for 9,725 oz Au.
- Gold sales total 9,800 oz at an average realised price of \$985/oz.
- Cash surplus from operations \$3.2 million.
- Murchison resource increased to over 900,000 oz at 3.8 g/t Au.

Safety

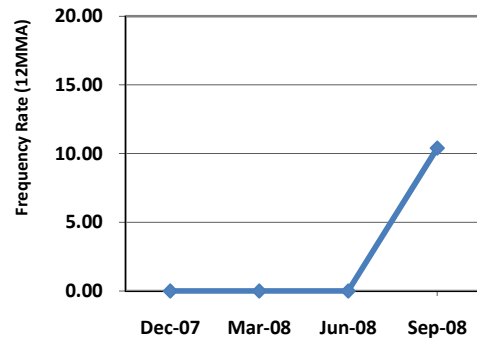


Figure 1 - Silver Lake LTIFR - 12 mth mvg ave

Operations - Processing

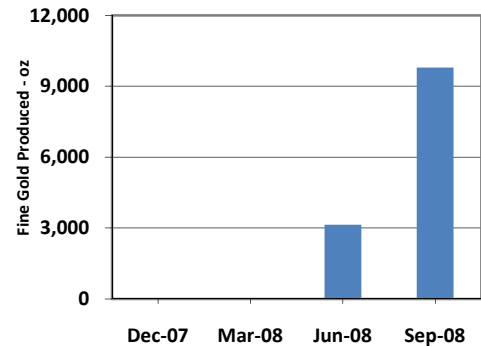


Figure 3 - LGPF Fine Gold Produced + Forecast

Operations - Mining

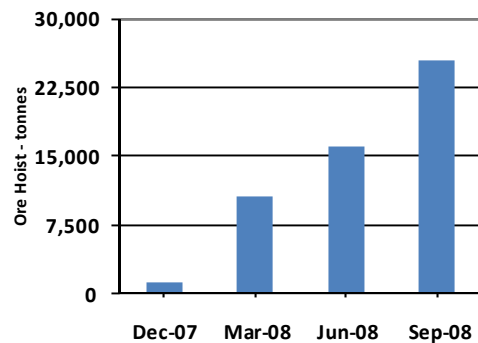


Figure 2 - Daisy Milano Ore Hoist + Forecast

Gold Sales

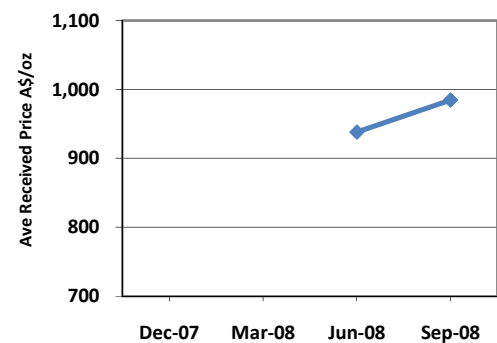


Figure 4 - Average Realised Gold Price

Operations

This quarter Silver Lake delivered on its business plan for the Mount Monger operation:

Mount Monger	Units	Sep Qtr 2008
Ore hoisted	Tonnes	25,315
Grade*	g/t Au	12.0
Gold in ore hoisted	Oz	9,725
Ore Milled (incl low grade stocks from June Qtr 2008)	Tonnes	27,260
Grade	Au g/t	10.4
Gold in ore milled	Oz	9,075
Recovery	%	96
Gold produced	Oz	8,670
Cash cost of production**	A\$/oz	687
Gold sold	Oz	9,800
Average realised price	A\$/oz	985

Table 1 - Mount Monger production statistics

- Silver Lake incurred its first Lost Time Injury on 22 September 2008 at Daisy Milano when a sharp rock penetrated an airleg miner's safety boot. This incident raised the 12 month moving average Lost Time Injury Frequency Rate ("LTIFR") to 10.4 per million hours.
- Lakewood Gold Processing Facility ("LGPF") performed as expected during the quarter with minimal unplanned downtime and 96% recovery of gold from ore milled.

- Unit costs declined significantly from the June quarter but were slightly higher than forecast due to the production of additional lower grade development ore during August and a lower utilisation level at the LGPF. Accordingly, the Company has implemented measures to improve unit costs through:
 - ▶ further refinements to selective mining methods, stope sequencing and therefore high grade ore productivity at Daisy Milano; and
 - ▶ increasing utilisation of LGPF including the commencement of open pit mining at Christmas Flats (see below for further details).

Outlook

- Productivity improvements implemented at Daisy Milano during October 2008 will ensure and sustain the underground production rate at 35,000 to 40,000 oz Au pa.



High grade mineralisation exposed on Daisy Milano 21 level

Exploration and Development

Exploration and development activities during the quarter continued to gain momentum with the primary objective of growing the Company's resource base (see Figure 5):

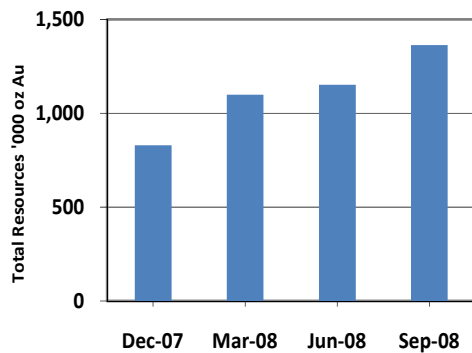


Figure 5 - Total gold resource growth

Mount Monger Goldfield

- With stope ore now comprising a greater proportion of underground production above the 20 level at Daisy Milano, resource estimation parameters have been refined based on mill reconciliation data. During the forthcoming quarter the Company will focus on finalising its reserve estimate for the mine incorporating the recently implemented optimal ore extraction methods.
- The Company has commenced the regulatory approval process to enable the commencement of open pit mining at Christmas Flats (see Figure 6) during the March quarter 2009. Evaluation work is also continuing on underground development options on the high grade gold mineralisation extending outside of the final open pit shell.
- Feasibility work continues on a number of other potential ore sources at Mount Monger.
- The Company has also generated several new targets for exploration drilling which is expected to commence in the March quarter 2009.

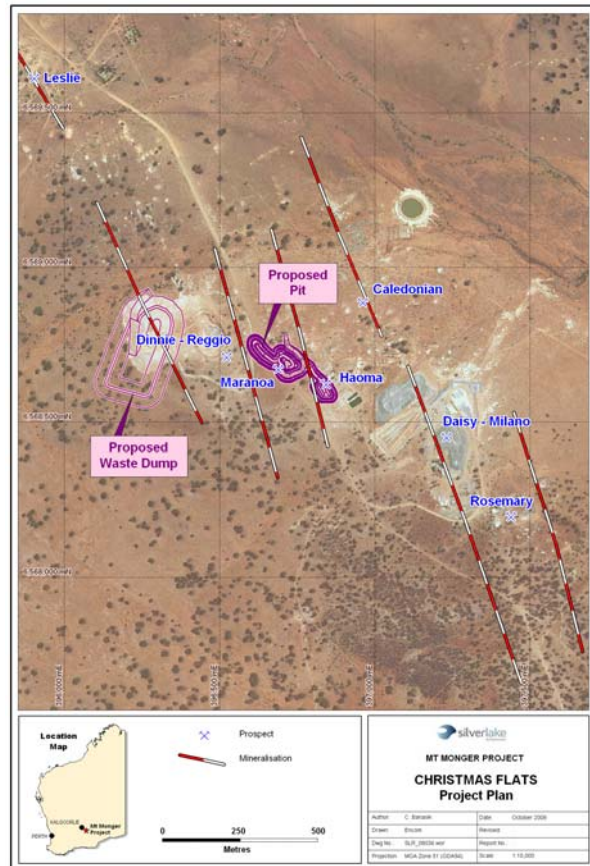


Figure 6 - Christmas Flats project plan

Murchison Goldfield

- Silver Lake announced a 30% increase in gold resources at the Murchison project to 7,356,900 t at 3.8 g/t Au for 906,500 oz (see Table 2). This review increases Silver Lake's total resource base to 8,857,800 t at 4.8 g/t Au for 1,364,900 oz.
- Scoping reviews continued on the Murchison Project during the quarter as part of the pre-feasibility study examining low-capital development options. The study is due for completion in the forthcoming quarter.
- Silver Lake will commence a targeted programme of surface RC and diamond drilling at Tuckabianna during the December quarter 2008. This programme will test for depth and strike extensions to the existing resources.

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	93.6	37.9	114.1	65.4	20.8	43.7	92.0	30.8	91.2	251.0	30.8	249.0
Christmas Flats	-	-	-	206.5	3.5	23.0	247.2	3.5	28.0	453.7	3.5	51.0
Costello	-	-	-	-	-	-	94.0	3.7	11.2	94.0	3.7	11.2
Lorna Doone	-	-	-	-	-	-	111.0	4.0	14.3	111.0	4.0	14.3
Total Mount Monger	93.6	37.9	114.1	272	7.6	66.7	544.2	8.3	144.7	909.8	11.1	325.5
Comet	-	-	-	1,442.3	3.4	155.4	374.0	6.4	77.0	1,816.3	4.0	232.4
Moyagee	-	-	-	-	-	-	820.2	8.5	224.2	820.2	8.5	224.2
Tuckabianna	-	-	-	2,327.1	2.8	212.1	2,393.2	3.1	237.9	4,720.3	3.0	450.0
Total Murchison	-	-	-	3,769.4	3.0	367.5	3,587.4	4.7	539.0	7,356.8	3.8	906.5
Rothsay	-	-	-	-	-	-	591.2	7.0	132.9	591.2	7.0	132.9
Total Silver Lake	93.6	37.9	114.1	4,041.4	3.3	434.2	4,722.8	5.4	816.6	8,857.8	4.8	1,364.9

Table 2 - Resource summary

Business Development

Silver Lake's strategy is to acquire high grade projects near existing operations with near term production capability:

- Silver Lake believes that consolidation in the junior end of the Australian gold industry is inevitable. The Company is looking to be a leader in this process.
- The Company is also actively reviewing several opportunities to optimise the utilisation of LGPF through project acquisitions, joint ventures or toll treatment arrangements.

Corporate

Silver Lake's financial position is strong and supports our ongoing business plan:

- Cash: \$3.0 million.
- Unprocessed ore stocks and gold in circuit at LGPF plus receivables total \$6.6 million at the current spot price.
- Mining and processing operations generated a cash surplus of \$3.2 million during the quarter, which was applied as follows:
 - ▶ \$1.6 million invested in acquisition of the Comet project in July;

- ▶ \$0.2 million to capital works;
- ▶ \$0.6 million invested in exploration and business development; and
- ▶ \$0.8 million paid in royalties and corporate overheads.

Shareholder Relations

The Company has maintained pleasing investor support during a turbulent period for financial markets:

- The Company's first Annual General Meeting as an ASX-listed company will be held on Monday 24 November 2008. The Notice of Annual General Meeting will be despatched to shareholders on or around 15 October 2008.

Issued Share Capital

Class of Securities	Issued as at 30 Sep 2008
Fully Paid Ordinary Shares	153,409,424
Unlisted Options	27,133,060

During the quarter the Company issued 361,500 options with an exercise price of \$0.39 expiring on 20 August 2013 in accordance with the Employee Share Option Plan.

Notes

* July 2008 and August 2008 mine production has been reconciled through the mill. September 2008 mine production was still being processed at the end of the quarter and has not been reconciled through the mill.

** Silver Lake reports unit costs in accordance with the Gold Institute Standard.

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.

About Silver Lake Resources Ltd

Silver Lake is a gold producer and explorer with a resource base of 1.4 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	4,041,400	3.3	434,200
Inferred	4,722,800	5.4	816,600
Total	8,857,800	4.8	1,364,900

Silver Lake's Mount Monger Operation contains the Daisy Milano mine located 50 km south east of Kalgoorlie.

Mount Monger has multi mine potential with the Christmas Flats, Lorna Doone and Costello open cut deposits presently being assessed for mining. The Haoma lode and Caledonian trend also show 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 commissioned to develop a low-capital multi-mine production centre at the Murchison. The study is expected to be completed in the December quarter 2008.

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