

# Silver Lake turns its attention to Murchison goldfields



Silver Lake recommissioned the Daisy Milano underground gold mine within a month of listing in November 2007

**N**ow that Silver Lake Resources Ltd has got off to a flying start in Western Australia's Eastern Goldfields, it is vying to make an impact in the State's historic Murchison goldfields.

Managing director Les Davis boasted of Silver Lake's Murchison prospects, potentially a 1 moz gold resource, when he spoke to **Gold Mining Journal** in early August, claiming the upgrade would "take the goldfields to a new level".

Since the 89% increase at the Tuckabianna prospect to 450,000oz @ 3 g/t gold was announced later that month, it appears Silver Lake was indeed leading the charge to establish a second multi-mine production centre in the Murchison.

While Perilya Ltd languished – incurring massive job retrench-

ments at its Broken Hill zinc-lead-silver operation, before selling its Mt Oxide copper mine in northern Queensland – Silver Lake continued a dream run after listing in November on the back of acquiring Perilya's Mt Monger and Murchison gold assets.

The company was in production within a month of listing, bringing the Daisy Milano underground mine at Mt Monger out of care and maintenance to be mined at a rate of just under 16,000t at a 10.2 g/t gold grade.

Now that some teething problems relating to commissioning the Lakewood processing plant have apparently been solved – recoveries are back to about 96% – the focus has shifted to the Murchison.

Drilling done as part of a pre-feasibility study started in April has upgraded the combined resource inventory from the Tuckabianna, Comet and Moyagee prospects in the Tuckabianna gold district east of Cue. The total indicated and inferred estimate stands at 7.35mt @ 3.8 g/t gold for 906,500oz, from drilling that

has exceeded 100m depth in only 3% of the holes drilled.

Davis said quantity was the key to realising Silver Lake's ambition to create a new multi-mine production centre.

"The ore is lower grade so you have to have the large volumes – you need say 100-150,000 ozpa to justify it. You can't mine at 40-50,000 ozpa and expect people to invest in infrastructure because the pay-off just isn't there."

Silver Lake's Murchison ground (238sq km) covers 65km strike length of a north-north-east trending shear. A new surface RC drilling and diamond drilling programme will look for extensions at depth and along strike this quarter.

Silver Lake's Murchison aspirations receive good leverage from Mt Monger. Having restarted the operation with an emphasis on high-grade output, the plan is to bring three lower grade deposits on-stream early in 2009 to create a lower-grade blend.

Davis said blending 100,000 tpa @ about 13 g/t gold from Daisy Milano with 300,000 tpa @

3.3 g/t from the Christmas Flats, Lorna Doone and Costello open-pit deposits would produce gold grading about 6.5 g/t – still high grade compared to other mines in the Eastern Goldfields. The grade was hoped to bring operating costs down to around \$500/oz.

The plant is currently being used only to one-third of its nameplate capacity of 300,000 tpa. Production at Christmas Flats (51,100oz contained gold), Lorna Doone (14,300oz) and Costello (11,200oz) will fill the mill for three years at a target rate of 27,000oz.

Currently the Lorna Doone and Spinifex deposits are being drilled to extend mineralisation at depth, with intersections frequently hitting grades upwards of 4 g/t from depths between 139m and 256m below surface.

"We have already extended parallel mineralised systems at depth to the north of Daisy Milano and we are excited by the prospect of repeating the result to the south." Davis added.

– Andrew Pascoe