

New mineralisation continues to be found

Drilling by Silver Lake Resources Ltd continues to deliver high grade results below the Daisy Milano ore body at its Mount Monger operations in Western Australia and bodes well for an expected resource upgrade anticipated during March.

According to Silver Lake managing director Les Davis, work to date continues to firm up mineralisation at depth outside the established resource boundary.

“The 26 hole program is targeting mineralisation down to 800 metres vertical depth and is expected to lead to an upgrade to the current 257,000 oz resource,” he said.

Results from recent field activities have included 1.1m at 680 grams/tonne gold (including 0.2m at 3,531 g/t), 1m at 37 g/t, 1m at 34 g/t, 1.1m at 16 g/t and 0.2m at 107 g/t.

Silver Lake’s strategy, Davis explained, was to develop large production centres at Mt Monger and the Murchison with multiple mines at each location.

The company’s Mt Monger operation contains the Daisy Milano underground mine and the Christmas Flat open pit. It is located 50 kilometres south east of Kalgoorlie-Boulder.

Mt Monger has additional multi mine potential underpinned by emerging open pit production from the Magic, Costello and Lorna Doone deposits.

Also, recent discoveries Daisy East, Emma and the extension of the Rosemary lode also show potential as near term production sources.

Gold ore from Mt Monger is transported to Silver Lake’s 300,000t per annum Lakewood gold processing facility – situated 5 km south east of the goldfields capital and 45 km from Daisy



Les Davis (right) with Silver Lake’s head rock kicker Chris Banasik on site at Daisy Milano.

Milano – at the rate of 50,000 ozpa (grading 40.5 g/t).

This equates to \$2 million in operating cash flow every month.

Key objectives for the current financial year are to extend Daisy Milano’s life beyond five years, complete mining stage one of the Christmas Flat deposit (10,000 ozpa at 3.5 g/t) and finalise mining studies for stage two, start production from Magic as well as expand the Lakewood processing facility to 600,000 tpa.

Meanwhile, Davis said, the company continued to review low capital milling options for its Murchison project in WA.

“Ongoing exploration will focus on extending current resources that are constrained by limited drilling – particularly below 100m depth,” he said.

“Our strategy is to delineate sufficient resources to sustain a 100,000 ozpa operation.”

Silver Lake’s early 2010 exploration program is looking to increase the global resource base from 1.5-5 million oz within two years. To achieve this, the miner has embarked on an \$18 million accelerated exploration plan.