

Kalgoorlie Miner

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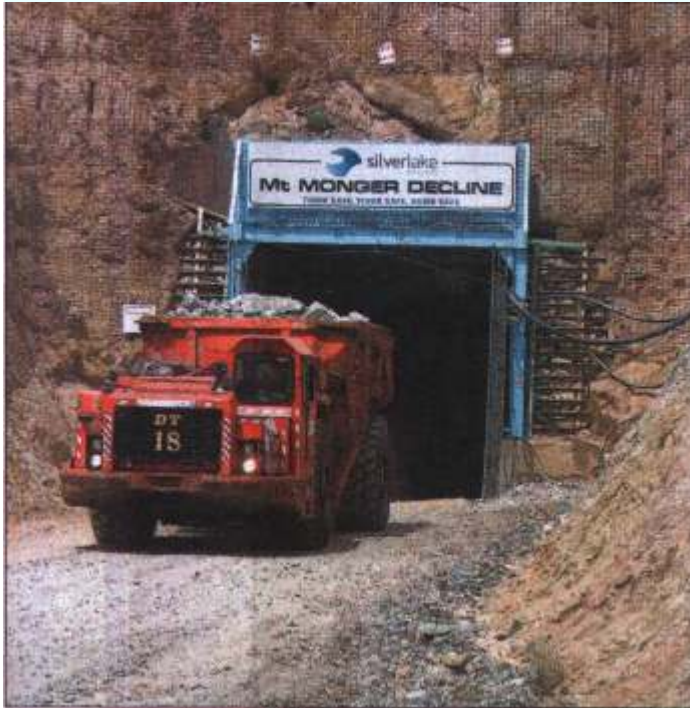
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On the increase: Mining rates at Daisy Milano will be boosted when two new air compressors are installed this month.

Miner's production set to increase

SILVER LAKE RESOURCES, the company which joined the ranks of Australian gold producers in December, has produced 4000oz in three months.

The company purchased the decommissioned Daisy Milano mine, 50km east of Kalgoorlie and brought it back into production in four weeks.

"Approximately 90 per cent of ore production to date has come from areas outside the current resource, demonstrating the potential for further increasing the resource base," the company said.

The company owns the Lakewood processing plant, 5km

east of Kalgoorlie.

"In addition to the mined high-grade ore stockpile (16.9g of gold per tonne)... a number of low grade stockpiles, estimated at 1g/t will be used for commissioning of the Lakewood Gold Processing Facility."

Production rates are set to increase.

"Mining rates are presently limited by the amount of compressed air available to air leg miners," the company said.

"This constraint is expected to be lifted when two new compressors are installed on site in late March 2008. Two additional air leg miners will also commence at that time."