



Les Davis  
Managing Director

## QUARTERLY ACTIVITY REPORT

For the quarter ended 31 March 2008

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### Highlights

- **Daisy Milano March quarter ore production ramps up to 5,000 oz**
- **Lakewood Gold Processing Facility preparing for first gold pour**
- **Daisy Milano life increased to five years**
- **Open cut, multi-mine potential at Mount Monger**
- **Total Resources increased to 5.9 million tonnes at 5.8 g/t Au for 1.1 million oz**
- **Acquired the strategically important Comet gold project adjacent to existing Murchison projects**

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### Operations

*Ore production from Daisy Milano continues to ramp up and the Lakewood Gold Processing Facility prepares for its first gold pour:*

- Silver Lake's Lost Time Injury Frequency Rate remains at zero.
- Daisy Milano ore production for the quarter was 5,000 oz at 15 g/t Au<sup>1</sup>.
- Cash operating cost for the quarter was \$525/oz, on track for \$450/oz to \$490/oz once production has fully ramped up.
- Extension of the main decline at Daisy Milano to the 21 level has commenced.
- The Lakewood Gold Processing Facility was upgraded and commissioning on low grade ore commenced. Installation of the gravity circuit and final commissioning on high grade ore is progressing to plan with first gold pour expected in April.



Leo Buchler, airleg miner at Daisy Milano

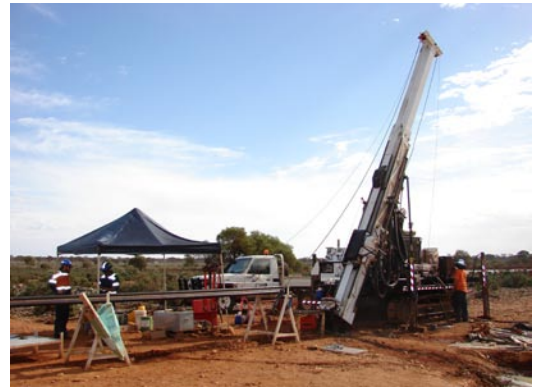


Lakewood Gold Processing Facility

## Exploration

*Daisy Milano mine life extended to five years and open cut, multi-mine potential identified:*

- Infill drilling at Daisy Milano provided numerous high grade intersections and identified multiple mineralised structures running sub-parallel to previously mined structures.
- Announced 14% increase to total gold resources including a Measured Resource at Mount Monger Operation, extending the estimated Daisy Milano mine life to five years.
- Announced initial Resources at Lorna Doone and Costello. A decision on mining these open pit deposits is expected in the September 2008 quarter.
- Progressed drilling at potential production sources adjacent to Daisy Milano:
  - Caledonian trend: completed seven holes of a sixteen-hole surface drilling programme to a depth of 300m, assays pending; and
  - Haoma trend: completed three holes of a twelve-hole underground drilling programme, assays pending.



Surface drill rig at Caledonian

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
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
<b>Total Mount Monger</b>	93.6	37.9	114.1	65.4	20.8	43.7	297.0	12.2	116.7	456.0	18.7	274.4
Comet	-	-	-	1,442.3	3.3	154.6	374.0	6.4	77.0	1,816.3	4.0	231.6
Moyagee	-	-	-	-	-	-	820.2	8.5	224.2	820.2	8.5	224.2
Rothsay	-	-	-	-	-	-	591.2	7.0	132.9	591.2	7.0	132.9
Tuckabianna	-	-	-	1,410.0	3.2	146.0	837.5	3.4	91.6	2,247.5	3.3	237.6
<b>Total Murchison</b>	-	-	-	2,852.3	3.3	300.6	2,622.9	6.2	525.5	5,475.2	4.7	826.1
<b>Total Silver Lake</b>	93.6	37.9	114.1	2,917.7	3.7	344.3	2,919.9	6.8	642.2	5,931.3	5.8	1,100.6

Table 1 - Resource Summary

## Business Development

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

- Acquired the Comet gold and Kurrajong nickel projects adjacent to existing Murchison projects for \$1.575 million<sup>2</sup>. The Comet project contains total Resources of 1.8 million tonnes at 4 g/t Au for 231,600 oz.
- The additional resource came complete with a detailed pre-feasibility study and provides the scale to assess a number of processing options built around existing infrastructure at the Tuckabianna project.

*Other:*

- Due to the high nugget nature of mineralisation at Daisy Milano a trial is being planned on the viability of collecting specimen stone from the underground mine and selling the product through a specialised marketing avenue. Results from the trial are expected in the September 2008 quarter.



Specimen stone from Daisy Milano mine

## Corporate

*Silver Lake's financial position is strong:*

- Cash: \$8.4 million.
- Broken ore stocks: Approximately \$6 million in sales value at spot price (approximately 6,000 oz).
- Debt: Nil.
- Hedging: Nil.

## Shareholder Relations

*Silver Lake's marketing activities are increasing:*

- Presentation to Paydirt Gold Conference, Perth.....3 April 2008  
(view presentation at [www.silverlakeresources.com.au](http://www.silverlakeresources.com.au))
- RIU Resources Round-up Conference, Sydney.....6 May 2008
- Investor road-show, Melbourne, Sydney, Perth.....5 - 9 May 2008
- Gold Coast Resource Conference.....12 June 2008

*Other:*

- Limited edition 1 oz gold bars offered to shareholders received a strong response.

## Issued Share Capital

Class of Securities	Issued as at 31 Mar 2008
Fully Paid Ordinary Shares	153,409,424
Unlisted Options	26,135,000

## Directors

**Paul Chapman**  
Non-executive Chairman

**Les Davis**  
Managing Director

**Chris Banasik**  
Director Exploration & Geology

**David Griffiths**  
Non-executive Director

**Peter Johnston**  
Non-executive Director

**Brian Kennedy**  
Non-executive Director

## Senior Management

**David Crockford**  
Resident Manager Mount Monger Operations

**Noel Ong**  
Exploration Manager

**Peter Armstrong**  
Commercial Manager

**Gavin Cooke**  
Company Secretary

About Silver Lake Resources Ltd:

Silver Lake is a gold production and exploration company with a resource base of 1.1 million oz across its portfolio of assets including the Mount Monger goldfield and its Murchison projects (Tuckabianna, Comet, Moyagee and Rothsay).

Resource Category	Ore Tonnes	Grade g/t Au	Total oz Au
Measured	93,600	37.9	114,400
Indicated	2,917,700	3.7	344,300
Inferred	2,919,900	6.8	642,200
<b>Total</b>	<b>5,931,300</b>	<b>5.8</b>	<b>1,100,600</b>

Silver Lake's core project is the Mount Monger Operation containing the Daisy Milano mine located 50 km south east of Kalgoorlie. Silver Lake commenced operations at Daisy Milano in December 2007 with the following objectives:

- production of 10,000 to 15,000 Au oz by 30 June 2008;
- ramp up production to 35,000 to 40,000 Au oz pa rates by July 2008; and
- produce at a Gold Institute Standard cash operating cost of \$450 to \$490 oz once production has ramped up to 35,000 to 40,000 Au oz pa.

Mount Monger also has multi mine potential with the Lorna Doone and Costello open cut deposits presently being assessed for mining. The Caledonian trend also shows potential as a near term production source.

Silver Lake owns a 300,000 tpa Lakewood Gold Processing Facility located 5 km east of Kalgoorlie and 45 km from the Daisy Milano mine that is undergoing modifications and a refurbishment programme. Recommissioning of the facility and processing of the Daisy Milano ore is planned to commence in April 2008.

Silver Lake commenced its fully funded exploration programme in January 2008 and is targeting 2.5 million to five million Au oz in resource.

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**Competent Persons Statement**

*The information in this report that relates to Exploration Results and Production Geological Estimates are 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.*

**Notes:**

1. Based on geological estimation as material has not been processed and reconciled.
2. Silver Lake will complete its acquisition of the Comet project on 1 July 2008.