

Strong performance on two fronts

Resource and production ramp-up are the next cabs off the rank for Western Australian gold miner Silver Lake Resources Ltd.

The company has a pipeline of imminent ore sources that are set to grow its Mount Monger project in WA, while its interests in the Murchison Goldfield loom large as the next mining centre.

Mount Monger – located 50 kilometres south east of Kalgoorlie-Boulder – has already recorded an impressive yield, with Daisy Milano producing 60,000 ounces per annum and Daisy East reaching 16,000 oz since its discovery in mid-2009.

Not surprisingly, a ramp-up at the latter is one aspect of the company's growth plan, according to managing director Les Davis.

"At Daisy East we're ore driving on multiple levels, and we're putting in an internal decline from the 10 level down to the 14 level," he told conference delegates.

"From July this year we will have fully-developed 120,000 oz in stoping blocks, so two years of production will be in the fully developed status.

"We have just completed our second open pit called Costello, and we have a pipeline of other open pit ore sources ready for production ... we're targeting sustained production just from Mt Monger of 200,000 ozpa by 2014."

Starting output from a third pit would round off the growth activities, and there were several near-developed deposits to choose from, Davis noted.

"I call it the three Daisy Milano strategy – we need three independent mining fronts, access from the one decline, producing around 60,000 ozpa each," he explained.

"We have numerous lodes to pick from ... what's closest is Emma and Rosemary, but there's also the western flank containing Haoma, Marinoa and Dinnie-Reggio."

Further north, at the Murchison project, the company is looking to capitalise on its 15.5 million tonne high grade resource, with production to start at 1.2 Mtpa at around 3 grams/t.

"This is our emerging production centre – it will come from underground and

open pit feed sources and we've already acquired the milling infrastructure to bring the Murchison into production," Davis said.

Adding to this is Silver Lake's major exploration across both the Mt Monger and Murchison project areas, which Davis believes will make developing a much larger resource base highly achievable given recent events.

"We commenced an \$18 million exploration campaign in November 2009, all of the activities were on granted mining leases, and our objective was to increase our global resource from where it was at the time to 5 million oz of gold," he said.

"When we put this project portfolio together we had 870,000 oz in November 2007.

"As of the last resource upgrade, we've added over 2 million oz after the depletion of 162,000 oz of gold.

"So can we reach our 4-5 million oz target? I think we can."



Les Davis