



# Miner strikes gold in less than four weeks

By Blake Wilshaw

SILVER LAKE Resources has become a gold producer less than four weeks after listing on the ASX.

First ore was stockpiled from the Daisy Milano gold mine, 50km east of Kalgoorlie, on Monday.

The production expectation is 10,000oz to 15,000oz by June 30, ramping up to between 35,000 and 40,000oz for 2008-09.

When Silver Lake was launched, it set a three-month production timeframe.

Managing director Les Davis said there had been doubters of Silver Lake's ability to re-open the mine in such a short time.

"The cashflow has started to come in, \$1 million under what we allowed, in under four weeks is a credit to Silver Lake and it's a credit to the people involved," he said.

"We've managed to attract some very high calibre individuals in the way of Dave Crockford who's our resident manager, John Addink who's our mine foreman, Bruce Young who's our maintenance foreman and we've got Hayden Parry starting as our senior mine geologist.

"So we're really set up for the future."

The company will process the ore at its 300,000t per annum plant, 5km east of Kalgoorlie, with the first gold bar pouring in February.

The facility will undergo a \$2.6 million refurbishment and has 19 offices which will act as a Kalgoorlie "hub" for the Perth-based com-

pany.

After the first truckload of ore left the decline on Monday, a diamond drill rig was deployed underground.

"When we get the underground drill rig downstairs we'll start our infill drilling program," Mr Davis said.

"When we purchased the mine we had four fully developed ore drives. (Exploration and geology director Chris Banasik) and his team will go down and they'll infill, so that will really underpin the next 12 months of production."

A \$9.2 million exploration budget was set out by Mr Banasik.

"What Silver Lake has been fortunate to get hold of is a historically well-worked high grade field," he said.

"We don't intend to re-invent the wheel but we certainly intend to grease it.

"The greasing is going to come in the form of a generous and thought-out exploration and expenditure plan to get this field up to where some of us believe this place can go."

In January a diamond rig will work from the surface.

"I believe we have a couple of million ounces of gold here," Mr Banasik said.

"Come and see me in three years and take me on for my view but that's what I think we can get from this field."

Heading to Kalgoorlie from the mine, there is a series of old workings

on the left. The company will explore here and also north of the portal in January.

"The logic behind that is that we have a very good piece of infrastructure – the decline – so we need to use that," Mr Banasik said.

"So we're looking at building the resources as close as we can to existing infrastructure so that it comes to us relatively cheaply and it comes to us relatively quickly.

"We already have the gear to rapidly utilise to get to these targets, to get to these resources and to increase the value of the field both for the town and for those that are shareholders."

Mr Banasik said criticisms of the company's scale overlooked its potential.

"I quickly dispel that. Yeah sure, we have decided to start the mine in a controlled fashion but that doesn't say anything about the life we believe is in this field," he said.

"This area has become number one with a bullet with respect to the sort of activity that is happening."

Integra Mining holds large tracts to the east of Daisy Milano and made the Salt Creek gold discovery to the south. Heron Resources spin-off Rubicon Resources holds ground to the west.

"So we are surrounded by friends that are going to be looking at us and I'm sure they are going to be quite envious," Mr Banasik said. "There is no question in my mind we have the optimum piece of real estate."



# Kalgoorlie Miner

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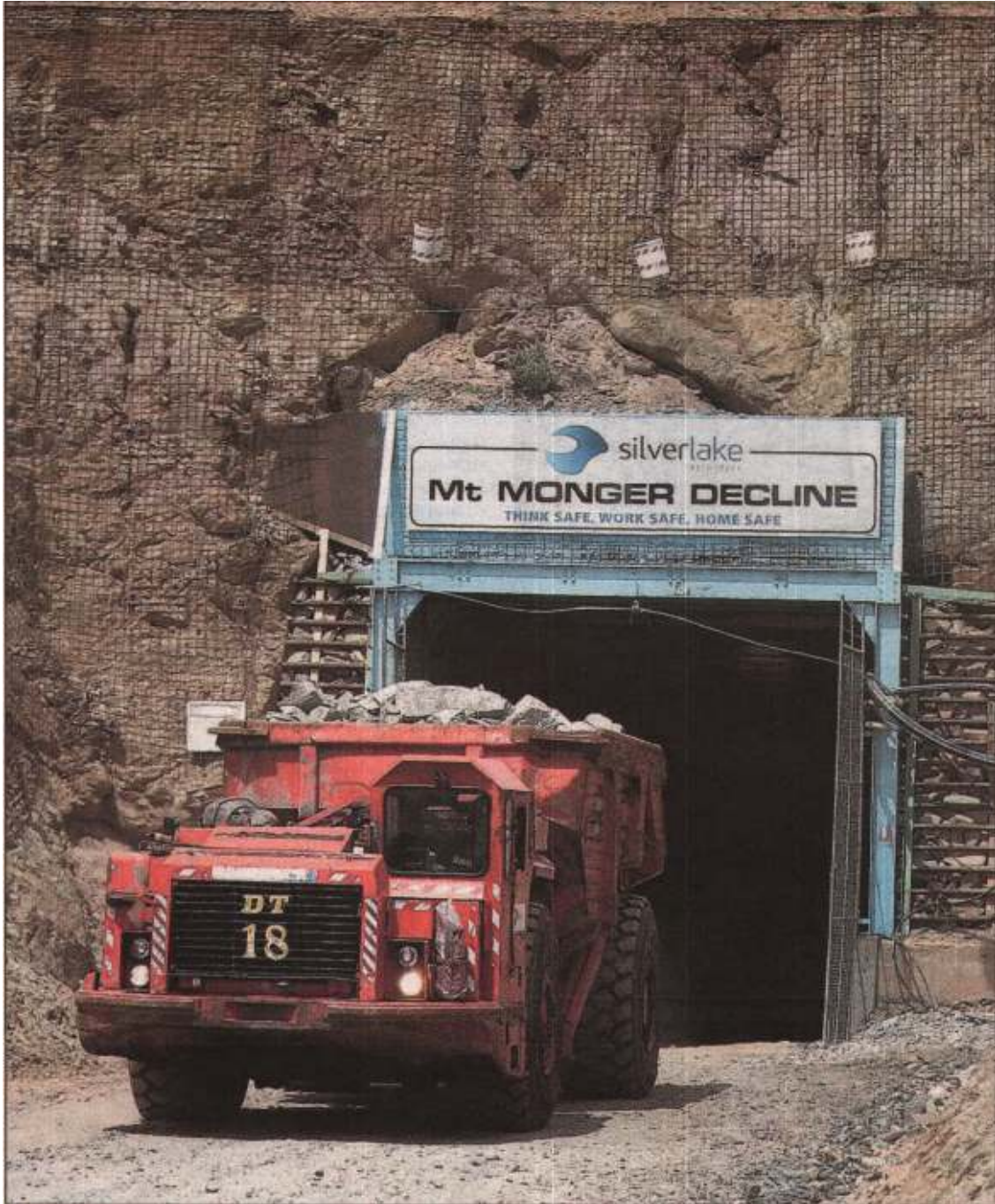
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**Money maker: The first truckload of ore leaves the portal containing 20oz of gold, with a value of \$18,000**  
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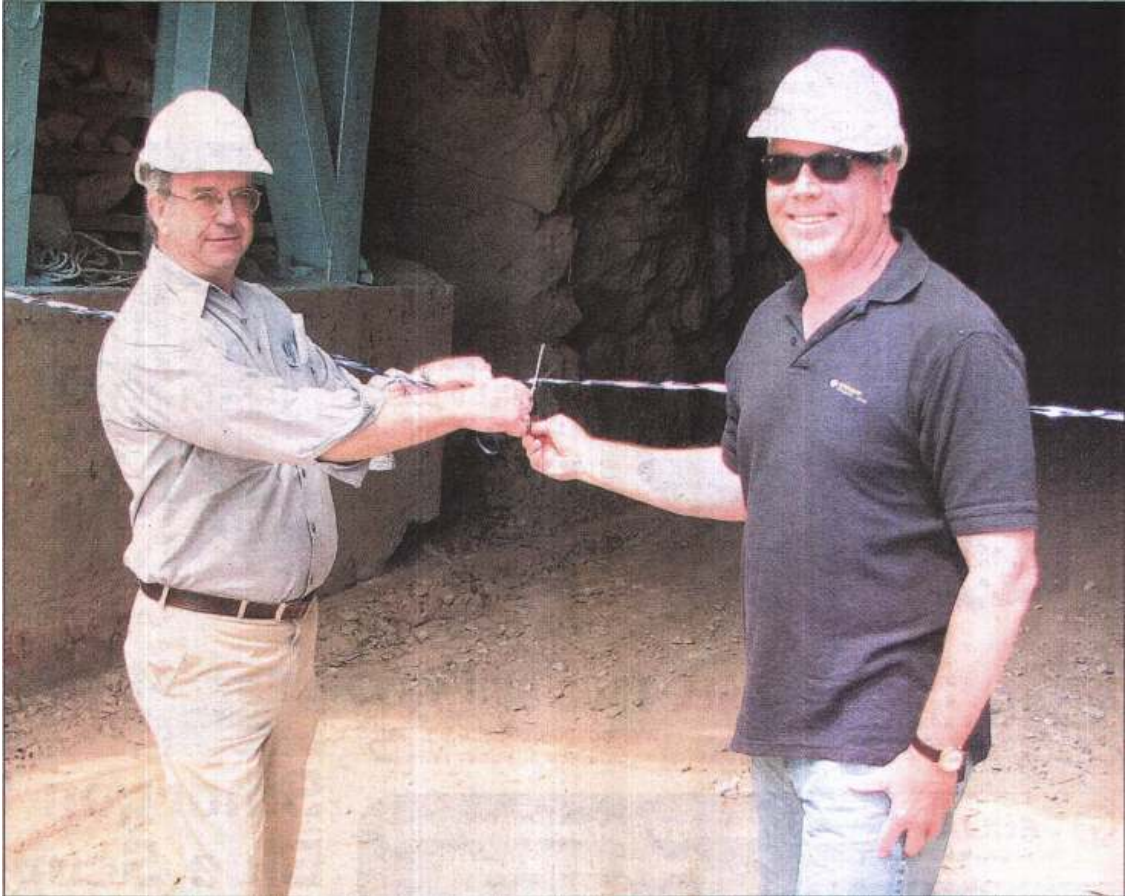
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**Cash flow: Ore from Daisy Milano.**



**Entrance sign: Daisy Milano is 50km east of Kalgoorlie.**



**Re-opening: Resources Safety district inspector Alan Holmes and Silver Lake chairman Paul Chapman**



**Big day: Silver Lake Resources managing director Les Davis and resident manager David Crockford.**



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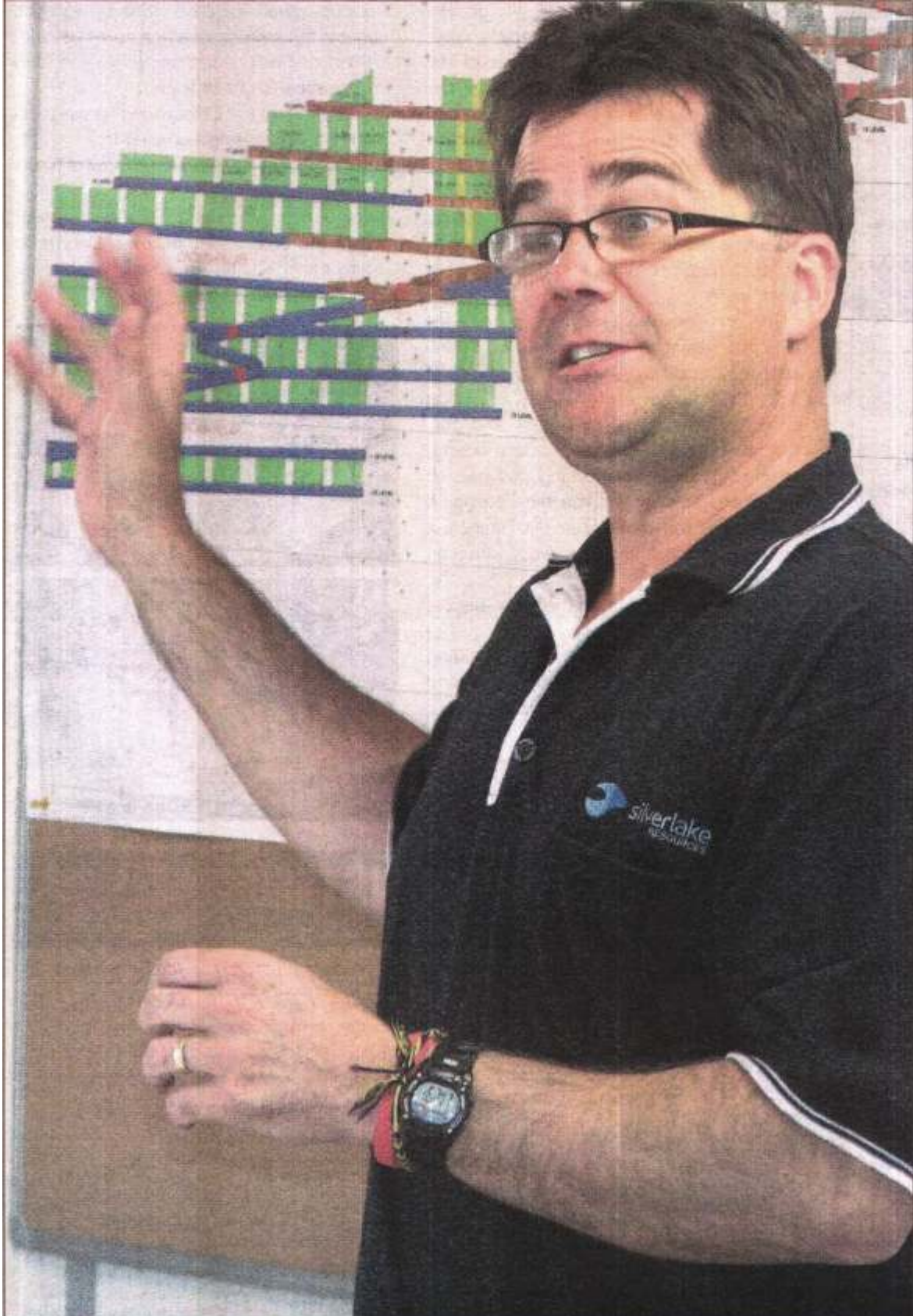
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**What's ahead: Director Chris Banasik outlines where the company will be drilling over the next 12 months**



Going up: Staff and visitors applaud as the first ore leaves the decline.