

Resource Increase Extends Daisy Milano Mine Life to 5 Years

Highlights

- High grade resource increase at Mount Monger extends estimated Daisy Milano mine life to five years
- Maiden high grade Measured Resource of 93,600 tonnes at 37.9 g/t Au for 114,100 oz at Daisy Milano
- Initial open cut Inferred Resource of 205,000 tonnes at 3.80 g/t Au for 25,500 oz with near term mining potential at Lorna Doone and Costello
- Overall increase in total resource to 5,931,300 tonnes at 5.8 g/t Au for 1,100,600 oz

Background

Silver Lake Resources Ltd ("Silver Lake" or "the Company") is pleased to announce a 14% increase to total gold resources and a maiden Measured Resource at its Mount Monger Operation near Kalgoorlie.

Resources at Mount Monger now total 456,000 tonnes at 18.7g/t Au for 274,400 oz.

Deposit	Measured Resources ¹			Indicated Resources ¹			Inferred Resources ¹			Total Resources ¹		
	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 ²	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 ³	-	-	-	-	-	-	94.0	3.7	11.2	94.0	3.7	11.2
Lorna Doone ³	-	-	-	-	-	-	111.0	4.0	14.3	111.0	4.0	14.3
Total Mount Monger	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 ⁴	-	-	-	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
Total Murchison	-	-	-	2,852.3	3.3	300.6	2,622.9	6.2	525.5	5,475.2	4.7	826.1
Total Silver Lake	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 tabulation

The upgrade to measured resource of 93,600 tonnes at 37.9 g/t Au for 114,000 oz at the Daisy Milano mine stems from the Company's infill drilling programme, remodelling of the ore surfaces using digitised face mapping, extensive sampling and assay data and an improved interpretation of the nature of the orebody.

This work will support the development of an ore reserve and a new mine plan by the end of June 2008. It is expected that the mine life of Daisy Milano will increase from three years to five years.

The Daisy Milano resource is open down-plunge and underground drilling will resume once further development to the 21 level (470 metres below surface) is complete (see Figure 1 below).

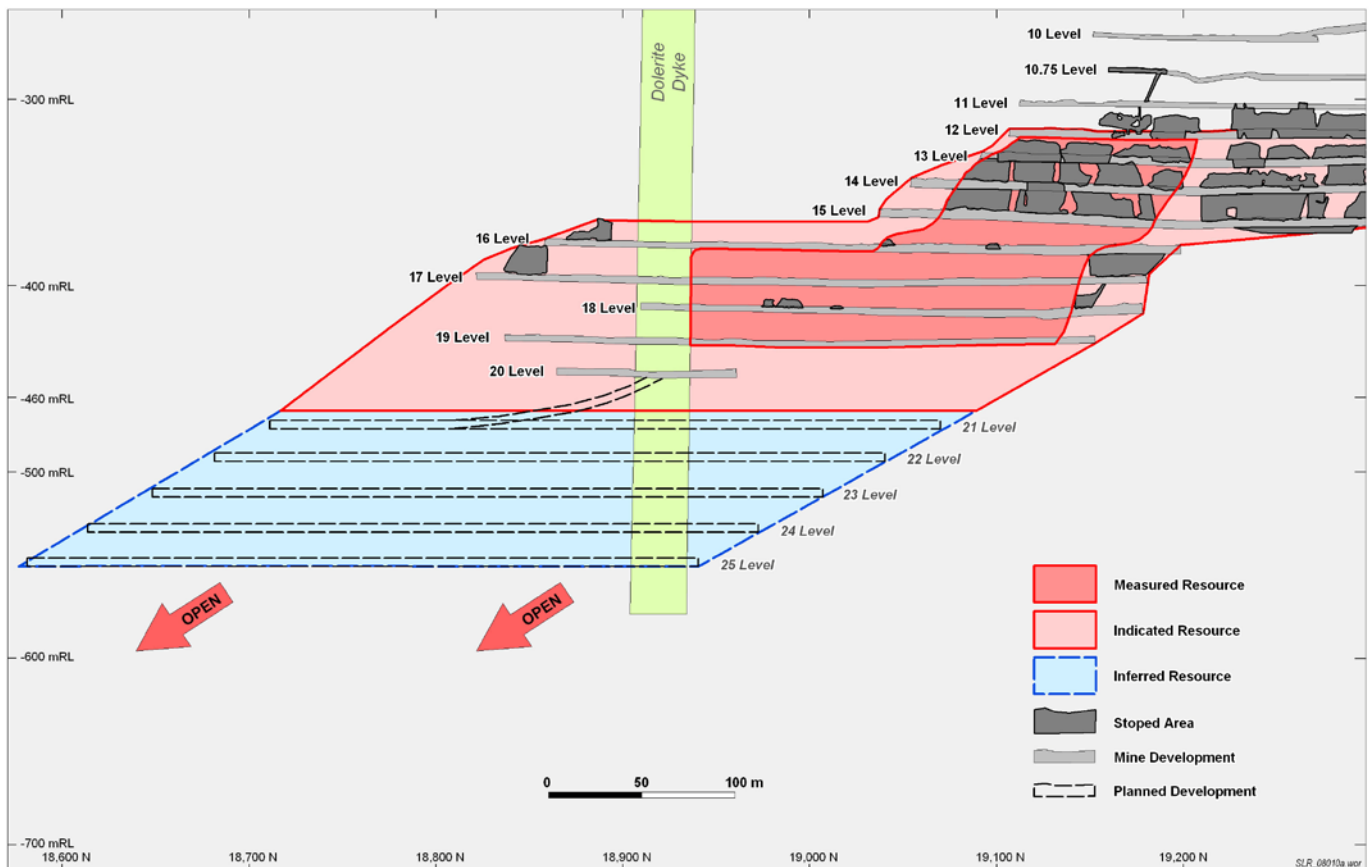


Figure 1 - Daisy Milano Long Section: Resource outline and planned development

The resources at Lorna Doone and Costello have open cut potential and are located at the southern end of the Mount Monger Operation (see Figure 2 below). Silver Lake will be commencing drill programmes to provide the necessary information for a decision to mine at both deposits.

"Silver Lake looks to build value by acquiring assets that lack previous systematic exploration, especially at depth, and with potential to discover new deposits. Successful drilling at Daisy Milano has resulted in this initial upgrade to the total resource and has extended the estimated mine life to five years," said Silver Lake Managing Director, Les Davis.

"The Mount Monger area also has the potential to produce from a number of open cut deposits. So it is particularly pleasing to announce the new resources at Lorna Doone and Costello which have near term production potential. This along with the current exploration programme at Haoma and Caledonian has the potential to deliver on Silver Lake's strategy of producing from a multi mine operation at Mount Monger," Mr Davis added.

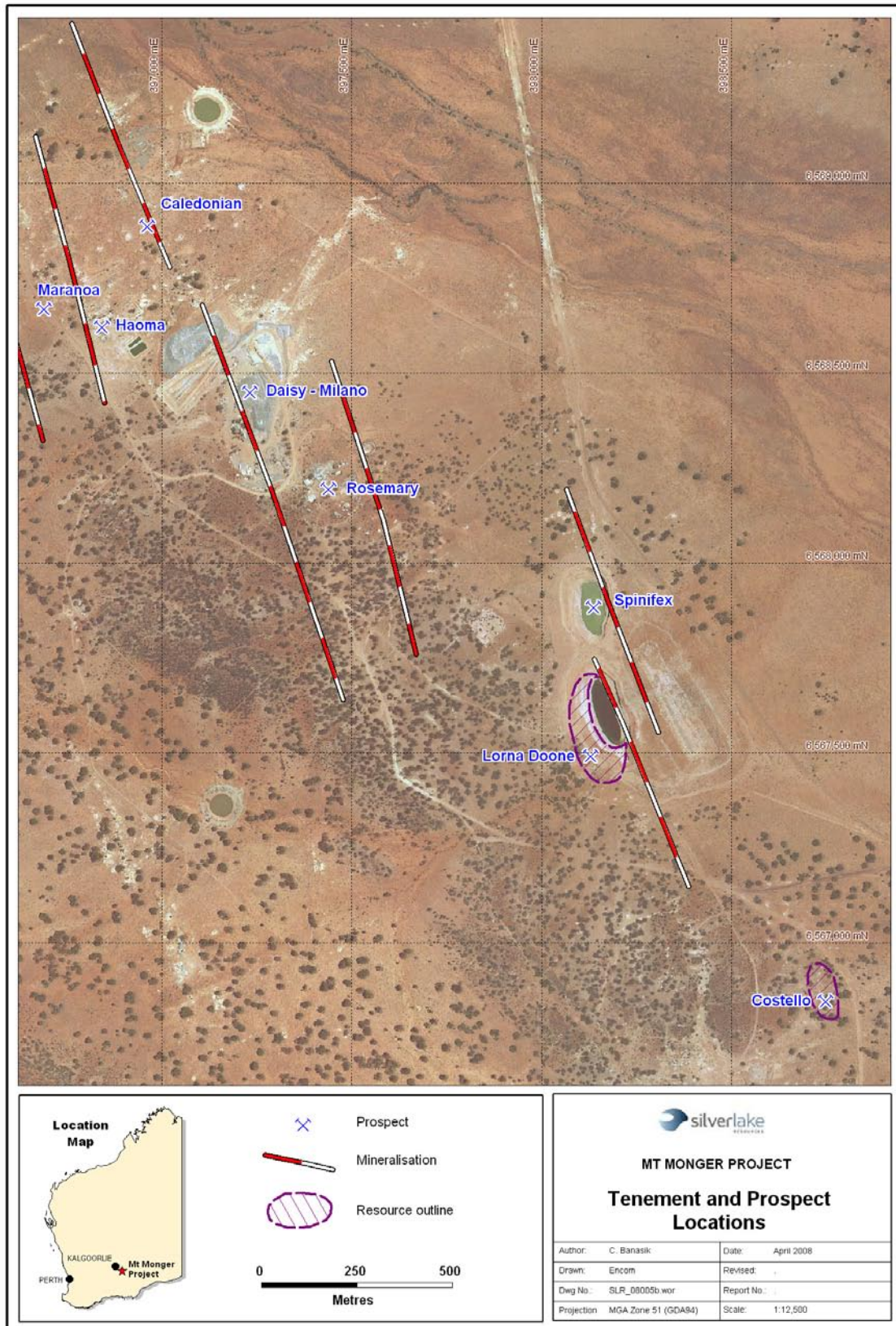


Figure 2 - Lorna Doone and Costello resource locations

Silver Lake commenced its fully funded exploration programme at Mount Monger in January 2008 and is targeting two million oz in resource at Mount Monger and a further three million oz at its Murchison projects. Further resource upgrades will be forthcoming during 2008.

For more information about Silver Lake and its projects please visit our web site at www.silverlakeresources.com.au.

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Notes to table 1

1. The figures quoted represent the geological resource. No "Modifying Factors" have been applied as per the 2004 edition of the *Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* ("JORC Code").
2. For the Daisy Milano measured and Indicated Resource calculation, the geology model was formed by the incorporation of geological mapping, face production sampling and drillhole data. Mineralised veins down to a width of 0.1 metre are included in the resource model.

For the Daisy Milano Inferred Resource calculation the geology model was extrapolated from 460 metres below the surface down to 550 metres below the surface, which is the bottom of the current mine plan. This represents 100% of the Inferred Resource.
3. The Costello and Lorna Doone resources incorporate oxide, transition and sulphide material. The models are based mainly on RC drilling with less than 10% diamond drill data.
4. Silver Lake will complete its acquisition of the Comet project on 1 July 2008.

About Silver Lake Resources Ltd:

Silver Lake is a gold production and exploration company with a resource base across its portfolio of assets including the Mount Monger goldfield and its Murchison projects (Moyagee, Tuckabianna, Comet⁴ and Rothsay):

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

Silver Lake's core project is the Daisy Milano mine situated on the Mount Monger tenements located 50 kilometres 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 A\$450 to A\$490 oz once production has ramped up to 35,000 to 40,000 Au oz pa.

Silver Lake has the 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 oz in resource.

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.

Appendix 1: Notes relating to the Mount Monger Mineral resource Statement

Geology

The dominant rock types hosting the gold mineralisation are felsic and mafic units. The former comprises felsic to intermediate pyroclastic rocks and coarse volcanogenic sediments. The overlying mafic unit comprises high magnesium basalt with thin chert members. Both units are intruded by layered ultramafic to mafic sills and dykes of felsic porphyry. Gold mineralisation is hosted by thin (0.1 metre to 1.0 metre wide), sub-vertical dipping quartz veins within north to north-east trending shear zones. Some east-west trending cross cutting veins are also known to be mineralised.

For Lorna Doone and Costello the mineralisation is associated with shear zones within the Andesite sequence. The mineralisation is generally wider than that found at Daisy Milano, however, the grade of the intersections and the tenor of the mineralisation is much lower.

Data Density

Within the Daisy Milano resource the diamond drilling spacing ranges from 40 metres by 40 metres spacing down to 15 metres by 15 metres spacing. For the production face samples the data density is approximately two metres by 15 metres, being the length of each development round and the distance between levels in the development drives.

At Costello and Lorna Doone the data density is much broader ranging from 20 metres by 20 metres to 40 metres by 80 metres.

Geological Interpretation

For areas of the resource adjacent or between developed mine levels, ore zone outlines were digitised by Jeremy Clark of Runge Limited ("Runge", formerly Resource Evaluations Pty Ltd) based on development face data and level plan geology outlines. Runge is an independent Perth based consulting firm specialising in geological modelling and resource estimation. Where digitised ore outlines appeared not to continue up to or down to the next level the ore zone was projected half way to the next level (approximately 7.5 metres). Outline positions are verified against drill hole intersections and adjusted if necessary.

Away from development, due consideration was given for the steep dipping but strike discontinuous nature of the known mineralisation when generating wireframe outlines.

Sections and flitch plans for Lorna Doone and Costello were inspected. The interpretations on the sections are based on available drill data and geological information.

Drilling Technique

The drill hole data used was obtained by either surface or underground diamond drilling. Core diameter varies between NQ (76mm) for surface drill holes to LTK48 (48mm) and LTK 60 (60mm) for underground. The resources at Lorna Doone and Costello are mainly defined by RC drilling.

Accuracy of Location of Sampling Points

All drill collars were surveyed by mine surveyors or licensed land surveyors. The Daisy Milano deposit is drilled on a local grid referenced back to the National Grid system. Drill holes are routinely surveyed downhole using either Eastman single shot or electronic multishot cameras and gyroscopic downhole surveying equipment.

The face data is obtained from underground development headings. The location of this data is determined via standard underground survey pick up methods. The maximum error in the location of this data is four metres in the vertical and four metres in the horizontal (i.e. the size of the development heading).

From the database it indicates that all holes were surveyed at the collar position. Holes under 60 metres in length were not down hole surveyed.

Sampling Techniques

Diamond drill core was whole, half or quarter core sampled and submitted for assaying. The minimum sample interval was 0.1 metre to a maximum of 1.1 metres. Sample intervals were constrained to geological boundaries defined by lithology, alteration or structure.

For face sample data, chips are taken across the face and likewise constrained to zones of similar lithology, alteration or structure. The maximum length across a face of a face sample is 1.0 metre.

RC samples were generally sampled at five metre intervals and at one metre. Samples were riffle split in preparation for assay.

Drill Core Recovery

Drill core recovery exceeds 98%.

Specific Gravity

Immersion technique, specific gravity determinations, of the porphyry unit which hosts the gold mineralisation have been carried out. The specific gravity of this unit is 2.75 tcm, this value has been used in the Daisy Milano resource calculation.

For Lorna Doone and Costello density values used for oxidised rock were 1.90 tcm, transition rock 2.35 tcm and fresh rock 2.75 tcm. A gamma probe measurement was obtained from a hole within the Costello area.

Quality of Assay Data

Sample preparation and assaying of samples was done by AMDEL Laboratories Ltd in Kalgoorlie. The fire assay method used by the laboratory was the FA1 or the FA1UG method. This used a 40 gram charge and had a detection limit of 0.01 ppm Au with an accuracy of +/- 10% for assays of greater than 0.5 ppm Au.

The screen fire assay method was used whenever visible gold was observed by the geologist logging a drill hole. This method was also used on sample coarse rejects when assays were unexpectedly high or low.

Quality of Data Description

All drill holes were logged by mine site geologists and external specialists. Features relating to lithology, alteration type, alteration intensity, vein type, vein intensity as well as structural features are captured and stored in an electronic database. Drill core is also photographed.

Estimation Techniques

Three dimensional orebody outlines and block models were generated by Runge. The grade interpolation method used at Daisy Milano was Inverse Distance Squared based on drillhole, face sample data and geological interpretations provided by Silver Lake.

The data available for Lorna Doone and Costello indicates that Inverse Distance weighting was used for grade interpolation.

Cut-off Grades

Statistical methods were used to determine the top cut for the gold distribution. The orebody style leads to a high top cut of 266 g/t Au due to the high nugget distribution. The lower cut off grade used is 1 g/t Au as this is the marginal cost of transport and milling combined.

Metallurgical Considerations

Metallurgical testing has been done on the ores. The testing shows that a high proportion of the gold will be won in the gravity separation for Daisy Milano ores.

No metallurgical work has been done by or on behalf of Silver Lake for Lorna Doone or Costello.