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Silver Lake Resources Ltd ("Silver Lake" or "the Company") is pleased to present this Quarterly Activities Report.



Les Davis  
Managing Director

## QUARTERLY ACTIVITIES REPORT

### For the quarter ended 31 March 2009

#### Silver Lake delivers outstanding results for the quarter:

- Gold sales total A\$18.1 million from 12,945 oz at an average realised price of A\$1,400 oz
- Cash position increased by A\$8.0 million to A\$13.8 million
- Pre tax (unaudited) profit of A\$7.5 million
- Operating cash cost decreased from A\$684 per oz to A\$488 per oz
- Total cash cost decreased from A\$844 per oz to A\$659 per oz

#### Safety

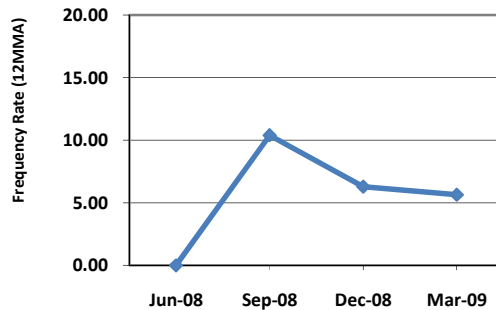


Figure 1 - LTIFR - 12 month moving average

#### Operations - Processing

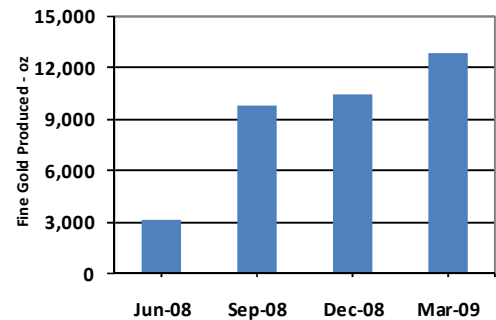


Figure 3 - LGPF Fine Gold Produced

#### Operations - Mining

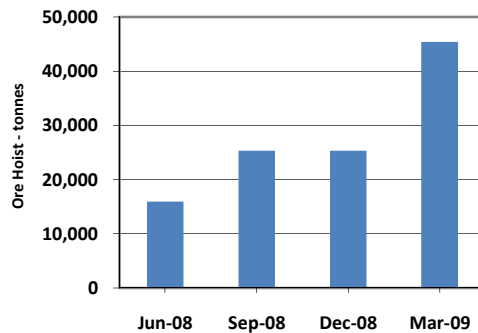


Figure 2 - Daisy Milano Ore Hoist

#### Gold Sales

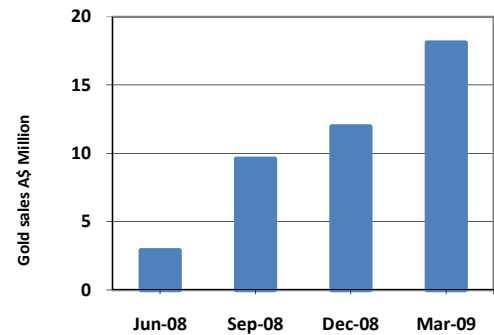


Figure 4 - Gold Sales

## Operations

*This quarter saw Silver Lake deliver record mine production due to increasing productivity on the mineralised structures at Daisy Milano whilst maintaining a selective mining method:*

- There were no Lost Time Injuries (“LTI’s”) during the quarter. Company wide the 12-month moving average LTIFR fell to 5.6 per million hours.
- Ore production during the quarter at Daisy Milano averaged 15,000 tonnes per month. The mine is expected to sustain current ore production levels as development advances in the forthcoming quarters.
- This quarter’s mine production averaged 11.2 g/t Au with monthly ore grades ranging between 10.1 g/t Au and 13.2 g/t Au. Approximately 73% of the ounces produced came from stoping activities with the balance from level development.
- A significant milestone was achieved by the company on 23 February 2009 with the pouring of its first pure tonne (32,150 oz) of gold mined from Daisy Milano and processed through its Lakewood Gold Processing Facility since gold production began in April 2008.



Gold bar SLR0141G containing the first pure tonne of gold

- Decline development during the quarter advanced 224 metres.

Mount Monger	Units	Mar Qtr 2009	Dec Qtr 2008
Ore hoisted	Tonnes	45,420	31,986
Mined grade*	g/t Au	11.2	9.7
Gold in ore hoisted	Oz	16,328	10,007
Ore Milled	Tonnes	40,120	37,948
Head grade	g/t Au	11.8	8.8
Contained gold	Oz	15,181	10,708
Recovery	%	95%	93%
Gold produced	Oz	14,385	9,965
Gold sold	Oz	12,945	10,497
Average realised price	A\$/oz	1,400	1,138

Table 1 - Mount Monger quarterly production statistics

(\*January 2009 and February 2009 mine production has been reconciled through the mill. March 2009 mine production was still being processed at the end of the quarter)

- Lakewood Gold Processing Facility (“LGPF”) performed with minimal unplanned downtime during the quarter. A two day shut down was carried out in March 2009 to reline the mill and carry out planned maintenance. A 2 metre tailings dam lift was 80% complete at the end of the quarter.
- The company achieved a significant reduction in unit costs due to increased productivities at Daisy Milano and increased head grade through LGPF during the quarter.

Cost Centre	Mar Qtr 2009 A\$/oz	Dec Qtr 2008 A\$/oz
<b>Cash Operating Cost</b>	<b>488</b>	<b>684</b>
Waste development	129	126
Royalties	42	34
<b>Total Cash Cost</b>	<b>659</b>	<b>844</b>

Table 2 - Unit cost breakdown

- During the quarter, a 20 hole underground diamond drilling programme at Daisy Milano was completed to test the strike extent south of the dolerite dyke below the 21 level. This drill programme has revealed continuity of the high-grade shoot previously announced that contains considerable strike extent. Assays were still outstanding at the end of the quarter however; several holes contained visible gold in the drill core.



Drill core showing visible gold located 150 metres south of the dolerite dyke 30 metres below 23 level.

#### Outlook

- Regulatory approvals have been received to allow the commencement of mining at the Christmas Flats project. Project commencement is expected in June 2009. Stage 1 of the project extracts 10,000 ounces over a six month time frame. The remaining resource of 41,000 ounces is undergoing a mining study to determine extraction methods either via an open pit cutback or from underground.
- During the June 2009 quarter work will continue on extending the Daisy Milano decline down to the 26 level.
- Daisy Milano is expected to have generated cumulative cash during the June 2009 quarter to pay back its original acquisition cost of A\$11.5 million.



Twin boom jumbo drilling decline face at Daisy Milano

## Exploration and Development

### Mount Monger Operations

- Surface diamond drilling will commence underneath the historic Leslie mine targeting a Daisy Milano style deposit. Leslie was previously mined by a local prospector down to a depth of approximately 80 metres and yielded mined grades averaging 28 g/t Au. (Refer to figure 5 for location plan)
- Mining studies for open pit production at Costello, Lorna Doone and Magic are underway (Refer to figure 5 for location plan). These deposits have a combined total resource of 493,200 tonnes at 4.72 g/t Au for 74,800 oz (refer to Table 3).
- Review of scoping study for low capital options to expand LGPF to 600,000 tpa.

### Murchison Goldfield

- The Company is currently reviewing milling options for the Murchison project following the review of the pre-feasibility study into low capital start-up options.

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
Christmas Flats	-	-	-	206.5	3.5	23.0	247.2	3.5	28.0	453.7	3.5	51.0
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
Magic	-	-	-	-	-	-	288.2	5.3	49.4	288.2	5.3	49.4
<b>Total Mount Monger</b>	<b>93.6</b>	<b>37.9</b>	<b>114.1</b>	<b>272.0</b>	<b>7.6</b>	<b>66.7</b>	<b>832.4</b>	<b>7.3</b>	<b>194.1</b>	<b>1,198.0</b>	<b>9.7</b>	<b>374.9</b>
Comet	-	-	-	1,709.1	3.6	198.3	572.2	5.1	92.9	2,281.2	4.0	291.2
Moyagee	-	-	-	-	-	-	820.2	8.5	224.2	820.2	8.5	224.2
Tuckabianna	-	-	-	2,327.1	2.8	212.1	2,393.2	3.1	237.9	4,720.3	3.0	450.0
<b>Total Murchison</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,036.2</b>	<b>3.2</b>	<b>410.4</b>	<b>3,785.6</b>	<b>4.6</b>	<b>554.9</b>	<b>7,821.8</b>	<b>3.8</b>	<b>965.4</b>
Rothsay	-	-	-	-	-	-	591.2	7.0	132.9	591.2	7.0	132.9
<b>Total Silver Lake</b>	<b>93.6</b>	<b>37.9</b>	<b>114.1</b>	<b>4,308.2</b>	<b>3.4</b>	<b>477.2</b>	<b>5,209.2</b>	<b>5.3</b>	<b>881.9</b>	<b>9,610.9</b>	<b>4.8</b>	<b>1,473.1</b>

Table 3 - Resource summary

*Rounding may give rise to unit discrepancies in this table*

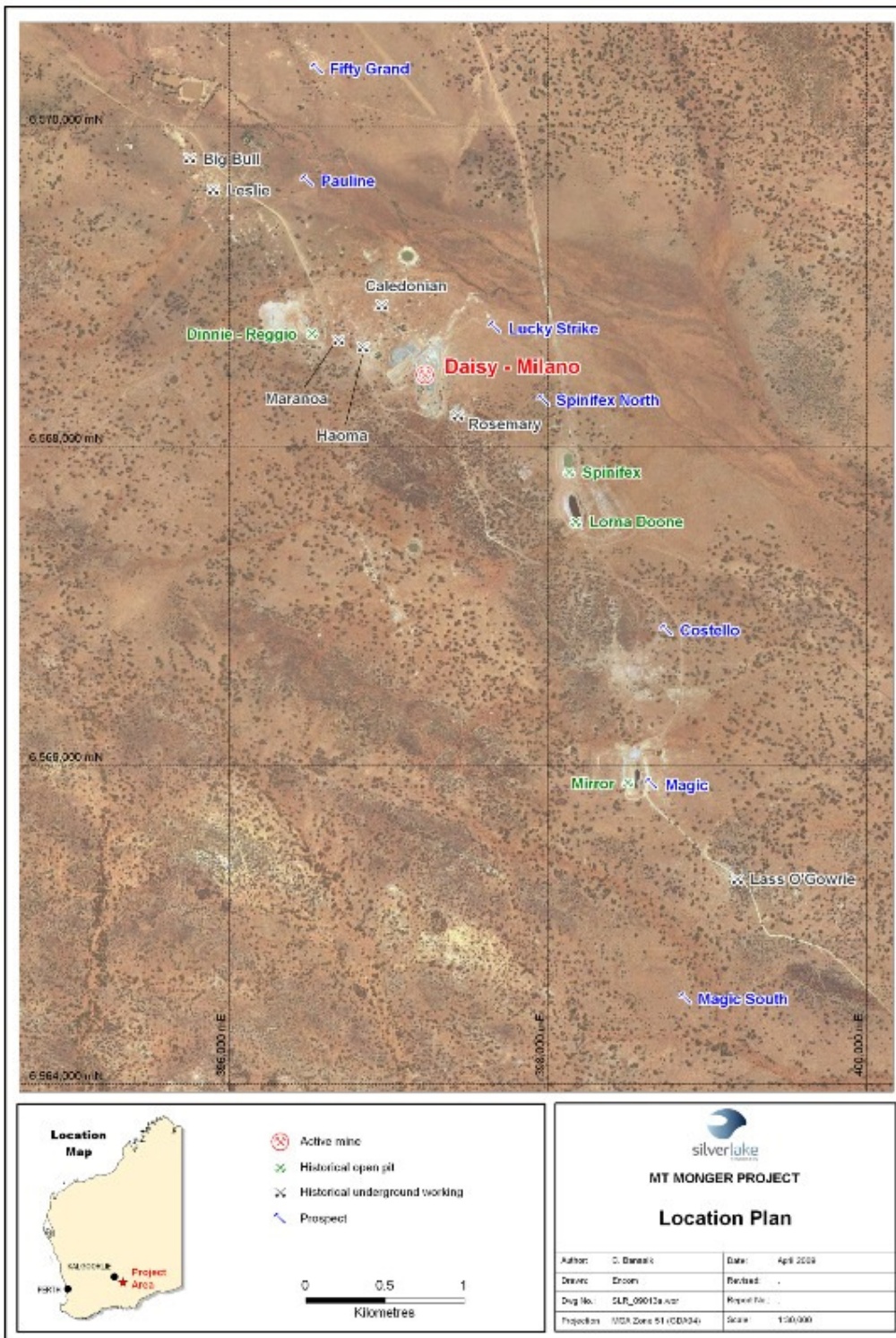


Figure 5 - Mount Monger Location Plan

## Corporate

*This quarter Silver Lake further bolstered its financial position with a view to investing in the future growth of the Company:*

- Cash & cash equivalents of A\$14.51 million comprising:
  - ▶ A\$13.80 million in cash; and
  - ▶ A\$0.71 million in bullion on hand as at 31 March 2009.
- The company has no debt or hedging in place.
- Surplus cash generated from operations during the quarter was applied as follows:
  - ▶ A\$8.00 million increase in cash on hand;
  - ▶ A\$0.56 million invested in exploration;
  - ▶ A\$1.12 million in capital development;
  - ▶ A\$0.72 million to capital works and business development; and
  - ▶ A\$0.43 million in corporate overheads.

## Shareholder Relations

*The Company continues to focus its attention on investor relations during this turbulent period for the financial markets:*

- Silver Lake presented at the RIU Explorers Conference in February 2009, AMEC Investor Briefing in March 2009 and at Paydirt's Gold Conference at the start of April 2009.
- Managing Director Les Davis conducted a roadshow throughout Australia during the last week of March 2009 garnering a pleasing level of support from institutions and brokers.
- Silver Lake is now researched by 7 broking and research firms with reports available on our web site.
- Perilya Limited announced on 3 April 2009 that they had ceased to be a substantial shareholder in Silver Lake. These shares were mainly taken up by institutional investors.

### Issued Share Capital

Class of Securities	Issued as at 31 Mar 2009
Fully Paid Ordinary Shares	153,409,424
Unlisted Options	26,674,110

### About Silver Lake Resources Ltd

Silver Lake is a gold producer and explorer with a resource base of 1.5 million oz in highly prospective regions including the Mount Monger goldfield and the Murchison (Tuckabianna, Comet, and Moyagee). Silver Lake's strategy is to develop large production centres at Mount Monger and at the Murchison with multiple mines at each centre.

Resource Category	Ore t	Grade g/t Au	Total oz
Measured	93,600	37.9	114,100
Indicated	4,308,200	3.4	477,200
Inferred	5,209,200	5.3	881,900
<b>Total</b>	<b>9,610,900</b>	<b>4.8</b>	<b>1,473,100</b>

Silver Lake's Mount Monger Operation contains the Daisy Milano mine located 50 km south east of Kalgoorlie.

Mount Monger has multi mine potential underpinned by emerging open pit production from Christmas Flats. In addition Lorna Doone, Costello and Magic open pit deposits are presently being assessed for mining.

Gold ore from Mount Monger is transported to Silver Lake's 300,000 tpa Lakewood Gold Processing Facility located 5 km south east of Kalgoorlie and 45 km from the Daisy Milano mine.

A pre-feasibility study has been completed to develop a low-capital multi-mine production centre at the Murchison. The Company has reviewed the results of the pre-feasibility study and is considering low capital cost milling options.

Silver Lake's exploration programme is targeting 2.5 million to 5 million oz Au in resource.

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### Competent Person's Statement

*The information in this report that relates to Exploration Results and Mineral Resources is 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.*

*Information that relates to exploration targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*