

## ASX ANNOUNCEMENT

29 May 2009

### Mount Monger Exploration Update

Silver Lake Resources Ltd ("Silver Lake") is pleased to announce an update on underground and surface drilling activities at its Mount Monger Operations.

Silver Lake has conducted an eight hole underground drilling program from the Daisy Milano mine 8 level (approximately 250 metres below the surface) targeting the Rosemary orebody located approximately 130 metres to the east.

During this programme as well as confirming the location of the Rosemary structure, two additional structures were intersected approximately 40 and 85 meters from Daisy Milano respectively.

These structures show sericite pyrite alteration with some intercepts containing visible gold (Refer to Figure 1). The area defined by this programme is approximately 150 lateral metres by 40 vertical metres. Drilling in the area is planned to resume once assays have been returned from this current underground programme in late July 2009.

"This is the first time that underground drilling has been conducted from Daisy Milano towards Rosemary due to multiple ownership and tenement boundary constraints. The structures identified by this drilling are very encouraging. They are readily accessible from existing infrastructure and demonstrate the near mine exploration potential" said Silver Lake's Managing Director Les Davis.



Figure 1: Visual gold in drill core from initial intersection approximately 40 metres east of Daisy Milano

A sixteen hole surface RC programme has also been completed at the Northern end of Silver Lake's Mount Monger tenements. This drilling around the historical mine known as Leslie was designed to establish a geological base line for the area which has very little historical information and limited underground workings. Intersections containing mineralisation have been made and are awaiting assays.

Assays from the surface programme are expected to be returned by late June 2009 at which time a geological model will be generated to determine targets for further drilling.

For more information about Silver Lake and its projects please visit our web site at [www.silverlakeresources.com.au](http://www.silverlakeresources.com.au).

***For further information please contact***

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#### 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>

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

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. The Haoma lode and Caledonian trend also show potential as near term production sources.

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 expects to make an announcement once milling options are finalised.

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.*