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



Les Davis  
Managing Director

## QUARTERLY ACTIVITY REPORT

For the quarter ended 30 June 2008

### Highlights

- Daisy Milano ore production ramped up: 15,964 t hoisted at 10.2 g/t Au for 5,251 oz.
- Lakewood Gold Processing Facility successfully commissioned: 21,085 t processed at 10.2 g/t Au for 5,808 oz.
- Gold sales commenced: 3,138 oz sold at an average realised price A\$937/oz (see Figure 4).
- Resources at Mount Monger increased to 909,800 t at 11.1 g/t Au for 325,500 oz.

#### Safety

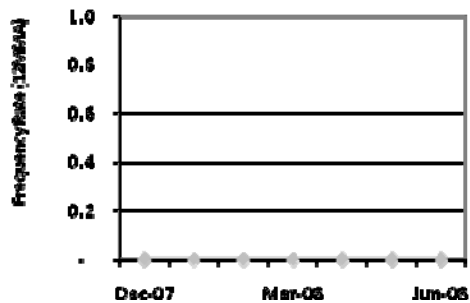


Figure 1 - Silver Lake LTIFR - 12 mth mvg ave

#### Operations - Processing

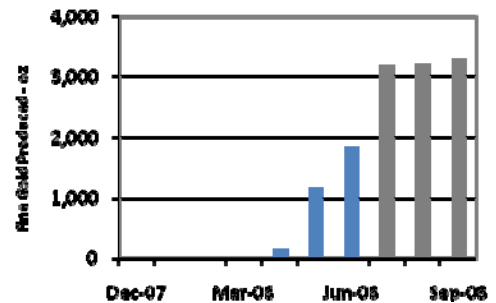


Figure 3 - LGPF Fine Gold Produced + Forecast

#### Operations - Mining

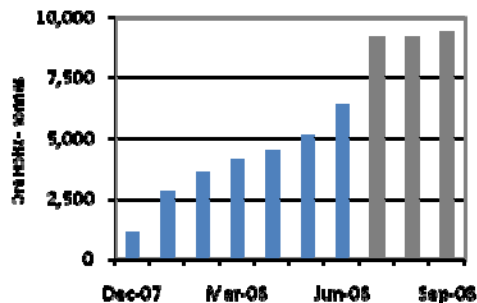


Figure 2 - Daisy Milano Ore Hoist + Forecast

#### Gold Sales

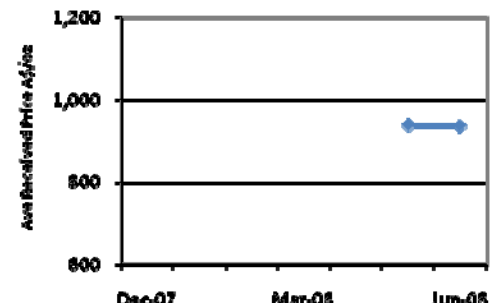


Figure 4 - Average Realised Gold Price

## Operations

*This quarter saw Silver Lake make substantial progress towards steady state operations:*

- ore production from Daisy Milano continued to ramp up towards 10,000 t of ore per month; and
- Lakewood Gold Processing Facility (“LGPF”) was successfully commissioned.

Silver Lake’s Lost Time Injury Frequency Rate (“LTIFR”) remains at zero (see Figure 1). This is an especially notable achievement given the increase in exposure hours during commissioning at LGPF.

Mount Monger	Units	Qtr Jun 2008
Ore Hoisted	Tonnes	15,964
Grade	Au g/t	10.2
Contained Gold	Oz	5,251
Ore Milled	Tonnes	21,085
Grade	Au g/t	10.2
Gold Produced	Oz	5,808

- Daisy Milano ore tonnes hoisted have ramped up in line with expectations.
- Extension of the main decline at Daisy Milano to the 21 level was completed and ore driving commenced.
- The production grade reflected a higher proportion of development ore tonnes mined. This ratio will decrease as more stopes are brought into production during the forthcoming quarter.
- LGPF experienced minor commissioning issues that saw a lower than planned recovery. These issues were resolved during June and the facility is now operating as expected, with throughput at 30 t/hour.
- Production ramp-up and commissioning during the quarter resulted in abnormal unit costs which, while better than break-even, do not represent ongoing operations.

## Outlook

- Forecast mining and processing production targets are shown in Figures 2 and 3.

- In July, the Company has further increased selective mining productivity at Daisy Milano to ensure and sustain target production rates at 35,000 to 40,000 oz pa.
- During the September quarter Silver Lake will publish its maiden Ore Reserve statement for Daisy Milano.

## Exploration

*Exploration activities yielded further exciting developments at the Mount Monger operation:*

- Silver Lake announced a further 19% increase in gold resources at Mount Monger to 325,500 oz, with a new 51,100 oz resource at Christmas Flats (see Figure 5 and Table 1);

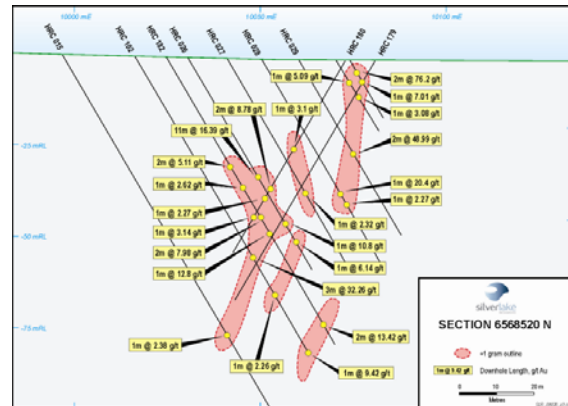


Figure 5 - Christmas Flats Resource cross section

- open pit optimisation work is under way on Christmas Flats, Lorna Doone, and Costello. A decision on mining these open pit deposits is expected in the December 2008 quarter; and

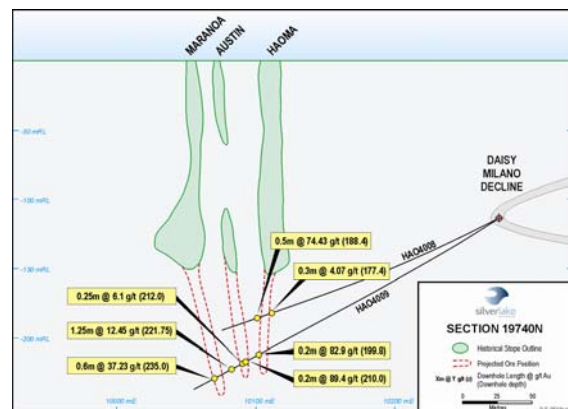


Figure 6 - Haoma, Austin & Maranoa cross section

- underground drilling from the Daisy Milano decline has encountered multiple high grade

gold intersections consistent with the interpreted down-plunge extensions of the historically exploited Haoma, Austin, and Maranoa lodes (see Figure 6).

- the Company is assessing options to access these lodes, which lie 200 lateral metres from the Daisy Milano decline.

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	28.1	453.7	3.5	51.1
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
Total Mount Monger	93.6	37.9	114.1	272	7.6	66.7	544.2	8.3	144.7	909.8	11.1	325.5
Comet	-	-	-	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	3,124.3	3.7	367.3	3,167.1	6.6	670.2	6,385.0	5.6	1,151.7

Table 1 - Resource summary

## Business Development

*Silver Lake's strategy is to acquire high grade projects near existing operations with near term production capability:*

- Silver Lake appointed experienced mining engineer Graham Crew to undertake a study of the Company's Murchison assets including the newly acquired Comet project. Results of the study including a milling strategy are expected during the last quarter of calendar 2008.

## Corporate

*Silver Lake's financial position is strong:*

- cash: \$3.44 million;
- broken ore, in-process stocks, and receivables: approximately \$4.50 million in sales value at spot price;
- hedging: Nil; and

## Shareholder Relations

*Silver Lake's marketing activities have generated substantial investor interest and support:*

- presentation to Melbourne Mining Club 20 May 2008; and
- presentation at Gold Coast Resources Conference 12 June 2008.

## Issued Share Capital

Class of Securities	Issued as at 30 June 2008
Fully Paid Ordinary Shares	153,409,424
Unlisted Options	26,771,560

During the quarter the Company issued 636,560 options with an exercise price of \$0.33 expiring 14 March 2013 under the Employee Share Option Plan ("ESOP").

#### About Silver Lake Resources Ltd:

Silver Lake is a gold producer and explorer with a resource base of 1.2 million oz in highly prospective regions including the Mount Monger goldfield and the Murchison (Tuckabianna, Comet, Moyagee, and Rothsay). Silver Lake's strategy is to develop large production centres at Mount Monger and at the Murchison with multiple mines at each centre.

Silver Lake's Mount Monger Operation contains the Daisy Milano mine located 50 km south east of Kalgoorlie. Silver Lake commenced operations at Daisy Milano in December 2007 with the following objectives:

- ramp up production to 35,000 to 40,000 oz Au pa rates by July 2008; and
- produce at a Gold Institute Standard cash operating cost less than \$500/oz once production has ramped up to 35,000 to 40,000 oz Au pa.

Mount Monger has multi mine potential with the Christmas Flats, Lorna Doone and Costello open cut deposits 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 east of Kalgoorlie and 45 km from the Daisy Milano mine.

A pre-feasibility study has been commissioned to develop Silver Lake's second multi-mine production centre at the Murchison. The study is expected to be completed in the December 2008 quarter.

Silver Lake commenced its exploration programme in January 2008 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.*