

SILEX EXPLORATION AUSTRALIA PTY LTD

**REPORT ON EXPLORATION
ML 22624
"OONAGALABI"
PERIOD 5 August 2007 to 4 August 2008**

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SUMMARY

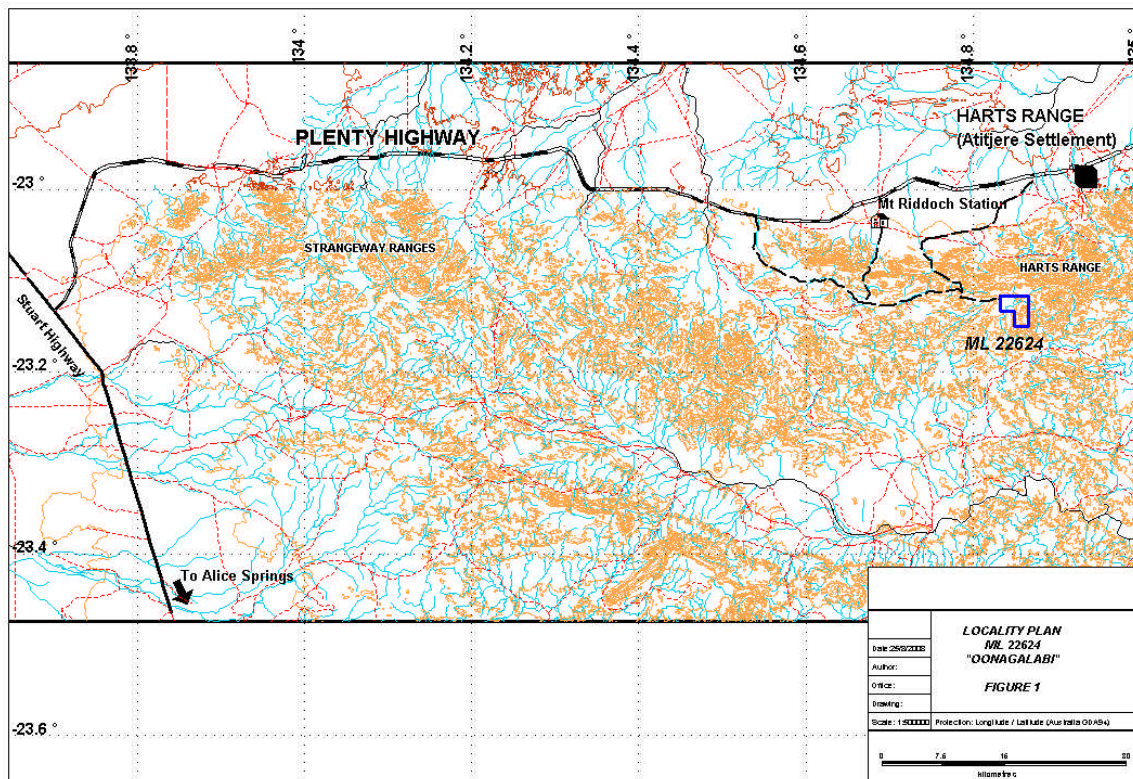
Work for the period has included compilation of historic exploration data, geological mapping at 1:5000 scale, collection of 15 rock chip samples and 34.5 line kilometers of pole-dipole IP geophysics.

INTRODUCTION

ML 22624 "Oonagalabi" was granted to Clarence River Finance Group Pty Ltd on 6th August 2007. In December 2007 Clarence River entered into an agreement with Silex Exploration Australia Pty Ltd (Silex) to undertake mineral exploration on the Lease. This report summarises work undertaken by Silex to 4 August 2008. Silex is the registered operator of the ML.

LOCATION AND ACCESS

The tenement is located some 135km northeast of Alice Springs and is accessed off the Plenty Highway via farm tracks from Mt Riddoch Station (Fig 1).



PREVIOUS WORK

The Oonagalabi project was first discovered in the 1970s by Rusgar Mining. A road was constructed to the site and trenching and shallow drilling were conducted. This work was followed up by AMOCO Minerals in the early 1980s, which undertook more surveys and drilling. A total of 21 drill holes were drilled. No significant exploration work has been undertaken since, with the exception of detailed, grid controlled geological mapping by the Northern Territory Geological Survey.

REGIONAL GEOLOGY

The area of geological interest contains copper and zinc mineralisation which is preferentially hosted in metamorphosed carbonate-rich rocks of Palaeoproterozoic age within the Strangeways Metamorphic Complex (SMC; Fig. 2). These extend over a strike of 1.6km oriented NE-SW. The host sequence is dominated by quartzo-feldspathic gneiss and amphibolitic-granulitic mafic rocks. Original alteration assemblages have been metamorphosed to produce a complex assemblage of minerals including olivine, diopside, garnet and anthophyllite. Mineralisation in the sulphide zone, reported from drill holes, comprises chalcopyrite, sphalerite and pyrrhotite. No resources exist at present. Detailed mapping and descriptions can be located in a recent NT Geological Survey Report (Hussey et al 2005).

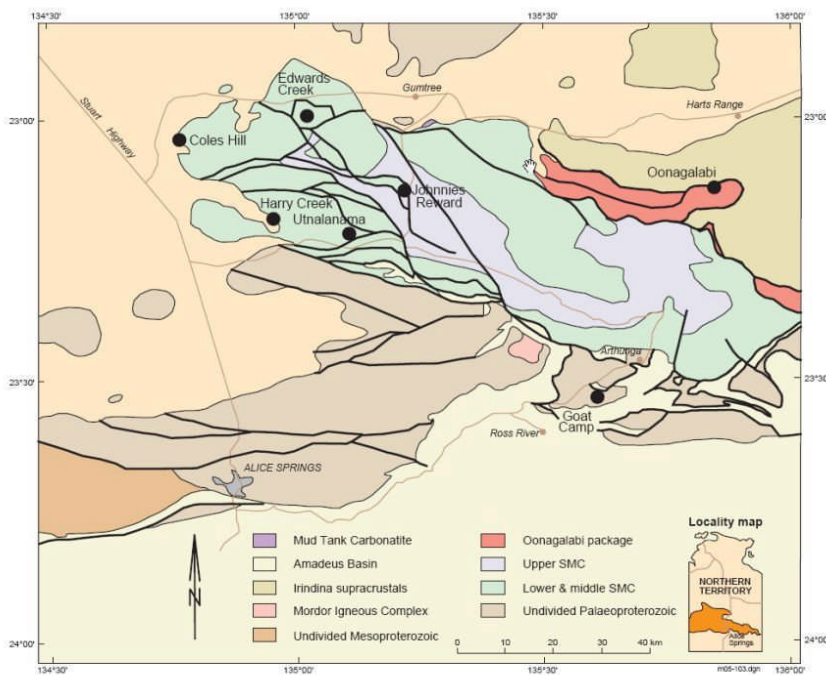


Figure 2. Simplified geological map of the Strangeways Metamorphic Complex, showing distribution of main prospects.

WORK UNDERTAKEN BY SILEX DURING PERIOD

Data Compilation

Silex focused on locating and compiling drill and soil data. Locations of historic holes and soil samples are shown on Figure 3 and presented in Appendix 1 (File_001_Soil Geochemistry; File_002_Drill Hole Collars; File_003_Drill Hole Assays)

Geological Mapping

Geological mapping was conducted by P. White using a 1:5000 Quickbird satellite image basemap (Fig 4). Geology is described in Appendix 2 (File 004_Oonagalabi Geology)

IP Geophysics

A total of 34.5 line kilometers of offset pole-dipole IP was surveyed. This is described (File_005_IP Layout) and raw data (File_006_IP_Raw) is located in Appendix 3. Figures 5 and 6 show a slice of the IP chargeability and resistivity model (respectively) which were generated from the data.

Rock Chip Sampling

A total of 15 rock chip samples were collected from the site during initial reconnaissance. Data is located in Appendix 4 (File_007_Rock Chip Samples) and locations are shown on Figure 7.

ALS Chemex analytical methods are outlined below:

Cu, Pb, Zn, Ag, Fe, Mo, Ni, U, Cd, As – ICP AES with aqua regia digestion code MEICP41

Au -30g charge fire assay with AA finish Code AA23

Cu, Zn- Ore grade analyses, Analyte by HF-HNO₃-HClO₄ digestion, HCl leach and ICP-AES or AA finish Code Cu-OG62 and Zn-OG62

Conclusions

Work to date by Silex warrants further testing. A program of drilling is planned.

REFERENCES

Hussey, K. J., Huston, D.L. and Claoue-Long, J. C. 2005 Geology and Origin of some Cu-Pb-Zn (-Au-Ag) Deposits In The Strangeways Metamorphic Complex, Arunta Region, Northern Territory. Report 17 Northern Territory Geological Survey