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MINING LEASE 22624 "OONAGALABIE"

A POSSIBLE MINERALISATION VECTOR AT OONAGALABIE PROSPECT BASED ON MULTI-ELEMENT RESULTS FROM QUARTER CORE SAMPLING OF ONT-79-1 & ONT-79-2

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Abstract

ML 22624 "Oonagalabie" is held by Silex Exploration Australia Pty Ltd. Previous work programmes undertaken by Silex at Oonagalabie prospect include geological mapping and a pole-dipole IP surveys. In November 2008, Silex undertook quarter-core sampling of BQ and NQ core from holes ONT-79-1 and ONT-79-2, drilled by Amoco at Oonagalabie prospect in 1979. Results from multi-element analyses of quarter core from ONT-79-1 & ONT-79-2 were received in late January 2009. Based on multi-element patterns, the Oonagalabie deposit can be characterised by a Zn Cu Ag Au W Bi metal association. A possible vector towards higher grades and the possible mineralised centre of the Oonagalabie system is indicated in ONT-79-1.

1.0 Introduction

ML 22624 "Oonagalabie" is held by Silex Exploration Australia Pty Ltd. Previous work programmes undertaken by Silex at Oonagalabie prospect include geological mapping and a pole-dipole induced polarisation (IP) survey during 2008.

In November 2008, quarter-core sampling of BQ and NQ core from holes ONT-79-1 and ONT-79-2, was undertaken. ONT-79-1 and ONT-79-2 were drilled by Amoco at Oonagalabie prospect in 1979. Results from multi-element analyses of quarter core from ONT-79-1 & ONT-79-2 were received in late January 2009. A possible vector to mineralisation based on these multi-element data is presented in this report.

Results from multi-element analyses of BQ / NQ quarter core from ONT-79-1 & ONT-79-2 were finally received in late January 2009, two months after the core was cut. Drill core was analysed for Au by method AA22 (fire assay) and a 35 element suite of:

Ag Al As B Ba Be Bi Ca Cd Co Cr Cu
Fe Ga Hg K La Mg Mn Mo Na Ni P Pb S
Sb Sc Sr Th Ti Tl U V W Zn by the ME-ICP41 (inductively coupled plasma) method.

2.0 Multi-element Patterns

2.1 Au

ONT-79-1 is Au-rich compared to ONT-79-2; hole 2 contains anomalous Au (> 50 ppb) only in a thin supergene zone, where malachite and chalcocite were logged. This is despite hole 2 having intersected broader zones of calc-silicates than hole 1.

2.2 Ag

ONT-79-2 contains more Ag than ONT-79-1 by virtue of hole 2 having intersected more and broader zones of calc-silicates than hole 1. However, individual Ag values are higher in ONT-79-1.

2.3 Al

Anomalously low Al values appear to be characteristic of granulite/marble units in both ONT-79-1 and ONT-79-2; apart from defining the calc-silicate units, Al is not useful for vectoring.

2.4 As B Ba Be

As has a flat response in both ONT-79-1 and ONT-79-2, while B is below detection in both holes. Ba has sporadic, weakly elevated values, some on the boundaries of lithological units. Be appears to follow Ba.

2.5 Bi

Bi values have a spike-like character in calc-silicates zones; individual Bi values are higher in ONT-79-1.

2.6 Ca

Obviously, high Ca values are characteristic of granulite/marble units in both ONT-79-1 and ONT-79-2. ONT-79-2 contains more Ca than ONT-79-1 by virtue of hole 2 having intersected more and broader zones of calc-silicates than hole 1. Individual Ca values are higher in ONT-79-2. Apart from defining the calc-silicate units, Ca is not useful for vectoring.

2.7 Cd

Cd values have spike-like to consistent character in calc-silicates zones; individual Cd values are higher in ONT-79-2. Not surprisingly, Cd appears to partly follow Bi.

2.8 Co Cr

Both Co and Cr have flat profiles, with minor spike-like values in both ONT-79-1 and ONT-79-2.

2.9 Cu

As already mentioned for Au, ONT-79-1 contains a thin supergene zone, this is absent in ONT-79-2. Cu values are most anomalous in mineralised calc-silicates zones, although there are Cu-anomalous amphibolite units. Individual Cu values are higher in ONT-79-1.

2.10 Fe

Fe has a variable response, with high values co-incident with some amphibolite units. Both ONT-79-1 and ONT-79-2 have similar Fe values (~5 %), apart from a zone of gneiss and amphibolite (17-29 m) , below the supergene zone in ONT-79-2, where the peak Fe value is 11.9 %.

2.11 Ga Hg

Ga has a flat response, barely above detection in both ONT-79-1 and ONT-79-2, while Hg is mostly below detection in both holes.

2.12 K

Anomalously low K values appear to be characteristic of granulite/marble units in both ONT-79-1 and ONT-79-2; apart from defining the calc-silicate units, K is not useful for vectoring.

2.13 La

La has a flat response in both ONT-79-1 and ONT-79-2.

2.14 Mg

Obviously, high Mg values are characteristic of granulite/marble units in both ONT-79-1 and ONT-79-2. ONT-79-2 contains more Mg than ONT-79-1 by virtue of hole 2 having intersected more and broader zones of calc-silicates than hole 1. Individual Mg values are higher in ONT-79-2. Apart from defining the calc-silicate units, Mg is not useful for vectoring.

2.15 Mn

Mn appears to closely follow Mg.

2.16 Mo

Mo has a variable response, with high values co-incident with various lithological units, including quartzite, amphibolite and schist. Individual Mo values are higher in ONT-79-2.

2.17 Na

Anomalously low Na values appear to be characteristic of granulite/marble units in both ONT-79-1 and ONT-79-2; apart from defining the calc-silicate units, Na is not useful for vectoring.

2.18 Ni

Anomalously low Ni values appear to be characteristic of granulite/marble units in both ONT-79-1 and ONT-79-2, while not surprisingly, high Ni values were returned from amphibolite units. Individual Ni values are lower in ONT-79-2. Apart from defining lithological units, Ni is not useful for vectoring.

2.19 P

Anomalously low P values appear to be characteristic of granulite/marble units in both ONT-79-1 and ONT-79-2. There are also unexplained spike-like high values within several lithological units outside the calc-silicate zones. Individual P values are lower in ONT-79-1.

2.20 Pb

Pb values are anomalous only in mineralised calc-silicates zones. Peak Pb values are remarkably similar in both ONT-79-1 and ONT-79-2 (~2700 ppm).

2.21 S

High S values define the supergene zone in ONT-79-2 and the sulphide-mineralised calc-silicates zones. Peak S values are similar in both ONT-79-1 and ONT-79-2 (~3.4 %).

2.22 Sb

Sb has a flat response in both ONT-79-1 and ONT-79-2.

2.23 Sc

Anomalously low Sc values appear to be characteristic of granulite/marble units in both ONT-79-1 and ONT-79-2. Peak Sc values are similar in both ONT-79-1 and ONT-79-2 (~20 ppm).

2.24 Sr

High Sr values are characteristic of granulite/marble units in both ONT-79-1 and ONT-79-2. ONT-79-2 contains more Sr than ONT-79-1 by virtue of hole 2 having intersected more and broader zones of calc-silicates than hole 1. Individual Sr values are higher in ONT-79-2. Apart from defining the calc-silicate units, Sr is not useful for vectoring.

2.25 Th

Th has similar flat responses in both ONT-79-1 and ONT-79-2.

2.26 Ti

Anomalously low Ti values appear to be characteristic of granulite/marble units in both ONT-79-1 and ONT-79-2.

2.27 Tl U

Tl is below detection in both ONT-79-1 and ONT-79-2 and U is at the detection limit in both holes.

2.28 V

Anomalously low V values appear to be characteristic of granulite/marble units and some other lithological units in both ONT-79-1 and ONT-79-2. Peak V values are lower in ONT-79-1.

2.29 W

ONT-79-1 is W-rich compared to ONT-79-2; this is despite hole 2 having intersected broader zones of calc-silicates than hole 1. ONT-79-2 contains anomalous W (50-70 ppm) only in a zone

below the supergene zone, whereas ONT-79-1 has several W-anomalous zones, co-incident with calc-silicates.

2.30 Zn

Zn values are most anomalous in mineralised calc-silicates zones in both ONT-79-1 and ONT-79-2, although there are Zn anomalies associated with contact positions between lithological units and the supergene zone in ONT-79-2 contains anomalous Zn. Individual Zn values are higher in ONT-79-1.

3.0 Conclusions & Recommendations

Based on multi-element patterns, the Oonagalabie deposit can be characterised by the following association:

Zn Cu Ag Au W Bi.

Comparing only two holes within a prospect is somewhat limiting. However, a possible, yet clear vector towards higher grades and the possible mineralised centre of the Oonagalabie system is indicated in ONT-79-1.