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EL 3412

EDWARD CREEK

ANNUAL AND FINAL REPORTS TO LICENCE EXPIRY / SURRENDER FOR THE PERIOD 16/9/2005 TO 15/9/2009

Submitted by
Red Metal Ltd
2009

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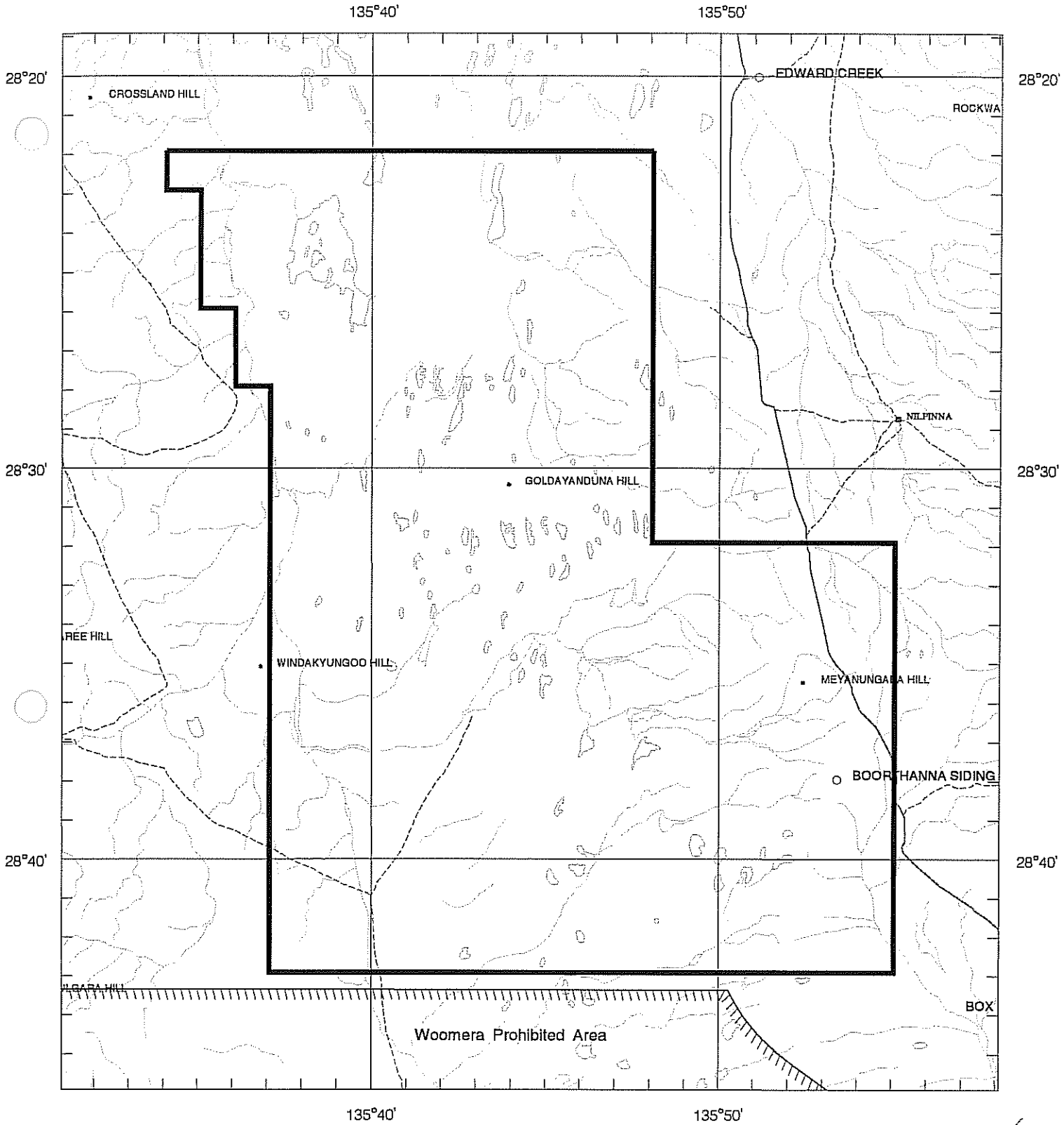
Government of South Australia
Primary Industries and Resources SA

SCHEDULE A



SCALE 1 : 250 000

KILOMETRES 5 0 5 10 15 20 25 KILOMETRES

LICENCE GRANTED IN : DATUM AGD66

GDA GEO-CENTRIC DATUM OF AUSTRALIA

APPLICANT : **RED METAL LTD**

FILE REF : **229/05** TYPE : **MINERAL ONLY** AREA : **960** km² (approx.)

1:250000 MAPSHEETS : **WARRINA**

LOCALITY : **EDWARD CREEK AREA - Approximately 100 km SSE of Oodnadatta**

DATE GRANTED : **16-Sep-2005** DATE EXPIRED : **15-Sep-2006** EL NO : **3412**

red metal limited
ACN 103 367 684

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EL 3412 Edward Creek
Annual Report
For the Period Ending 15 September 2006

Warrina SH53-03
South Australia

Author: G. McKay

Date: 16 November 2006

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REPORT DIGITAL FILE LIST

EL3412_2006_01_Main Report .pdf (this report)

1 SUMMARY

The current exploration target is sedimentary roll-front type uranium deposits in Mesozoic sandstone sequences in proximity to the high background uranium portions of the Proterozoic Peake & Denison Inliers.

Work completed during the 2005-2006 reporting period included:

- Synthesis of exploration activities conducted within the area of EL 3412
- Interpretation of previous drillhole intersections for prospective Mesozoic uranium-host sandstones

2 INTRODUCTION

EL 3412 is located on pastoral leases in the environs of the Denison Range, approximately 90km southeast of Oodnadatta. The tenement area is the subject of a Native Title claim by the Arabunna People (SC98/002).

3 TENURE

EL 3412 Peake Creek was granted to Red Metal Limited on 16 September 2005 over 960 sq km. A reduction in area is due on the first anniversary.

4 REGIONAL GEOLOGY AND GEOPHYSICS

The project area lies immediately west of the Proterozoic Peake & Dension inliers, which is correlated with formations on the eastern Eyre Peninsula of the Gawler Craton, though similarities also exist with the geological, structural, and metallogenic evolution of the Olary Domain of the Curnamona Craton.

Palaeoproterozoic (1800-1780 Ma) basement lithologies are exposed within the inliers as large enclaves surrounded by Neoproterozoic “diapiric” breccias. These basement rocks are dominated by interlayered metabasalt and quartzite with subordinate porphyritic rhyolite, granite, phyllite, schist and calcsilicate.

A second volcano-sedimentary cycle is recognised at 1750-1740 Ma equated with the Wallaroo Group of the Northern Yorke Peninsula. These rocks comprise felsic metavolcanics, quartz-feldspar schist, gneiss, calcsilicate and quartzite.

Mesozoic sediment cover of the Eromanga Basin largely conceals metamorphic basement to the east and west of the inliers. The Late Jurassic–Early Cretaceous marginal basin sequence exposed in the area comprises a fining up sequence including the basal Algebuckina Sandstone, Cadna-Owie Formation and Bulldog Shale.

Tertiary gibber lag, gypsiferous clays, alluvial gravels, silts/clays, aeolian dune sands, lacustrine and mound spring deposits overlie the Mesozoic sediments and dominate the surficial cover away from the inliers.

5 PREVIOUS EXPLORATION

Previous companies conducting exploration include the following.

EL 108	Shell Development (Aust) Pty Ltd	1973-74
EL 336	Mines Administration Pty Ltd	1977-78
EL 851	Stockdale Prospecting Ltd	1981-83
EL 1168	Stockdale Prospecting Ltd	1983-88
EL 1534	Cyprus Aust Coal Company	1988-90
EL 2754	Reedy Lagoon Corporation NL	2000-2001
EL 2892	Reedy Lagoon Corporation NL	2002-2005

6 WORK COMPLETED DURING CURRENT REPORTING PERIOD

Red Metal completed a review of the previous exploration within the area.

Granitic rocks of the Peake & Denison Inlier have a high radiometric signature, with the potential that mobile uranium has leached into groundwater aquifers in adjacent Mesozoic sandstones.

Deep historic drillholes into the Algebuckina Sandstone show it to contain pyrite and organic matter in some areas. Field observation and a review of the historic drilling has identified thick sequences of oxidised Algebuckina Sandstone flanking the radiogenic basement rocks. This setting is interpreted to be conducive for the formation of uranium roll-front deposits.

7 CONCLUSIONS AND RECOMMENDATIONS

The Late Jurassic–Early Cretaceous marginal basin sequence is being assessed for uranium potential, particularly the basal Algebuckina Sandstone and Cadna-Owie Formation beneath the Bulldog Shale proximal to the radiogenic granitic provenance.

Drilling of reconnaissance holes is planned pending availability of a suitable drilling rig.

LOCALITY

Warrina	SH53-03	1:250,000
Warrina	6041	1:100,000
Boorthanna	6040	1:100,000

DESCRIPTOR

This is the first annual report for the period ending 15 September 2006 for EL 3412 Peake Creek.

KEYWORDS

Gawler Craton, Mesozoic, Peake & Denison Inlier, Proterozoic, Uranium.

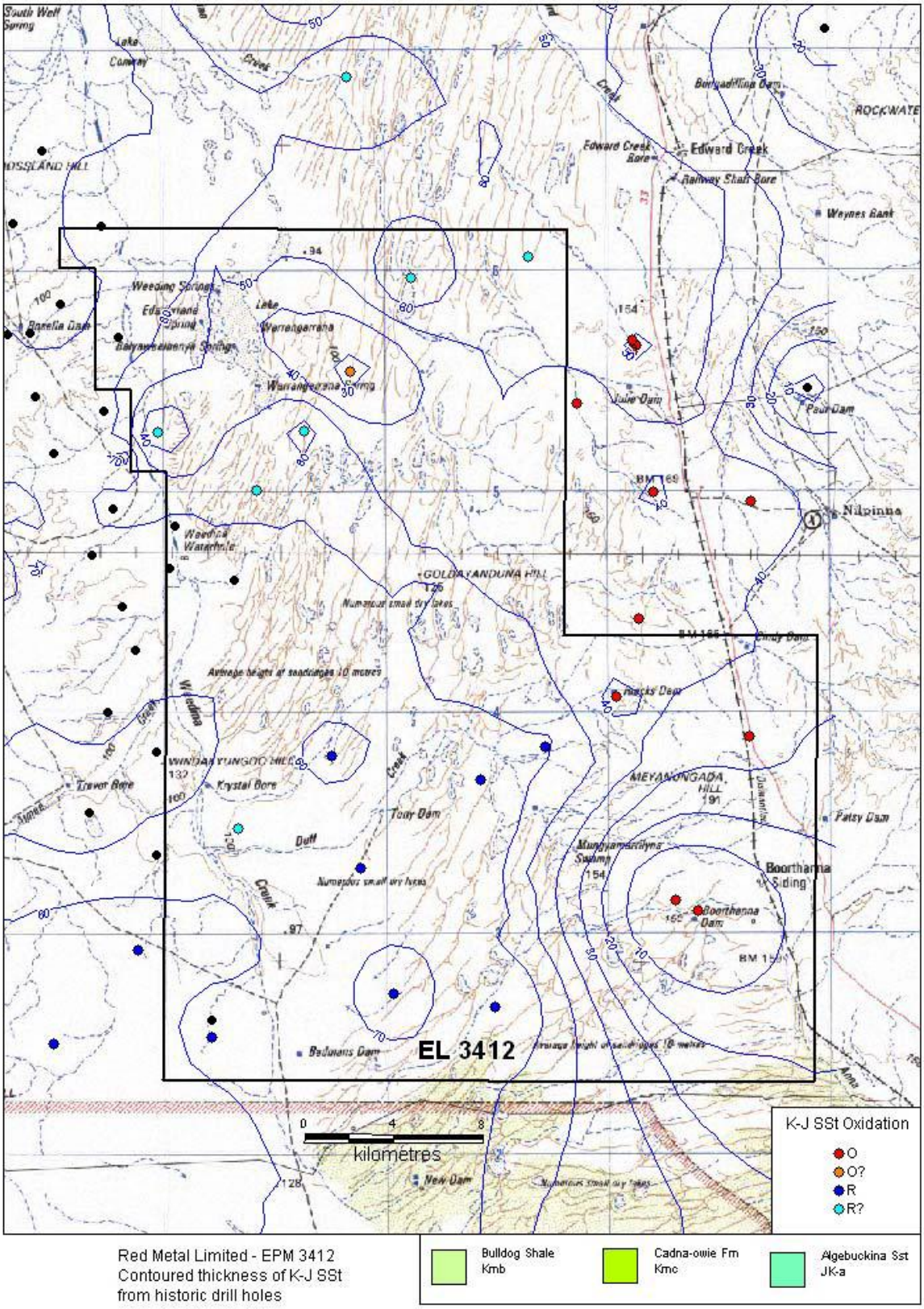

Figure 1: EL 3412 Location figure

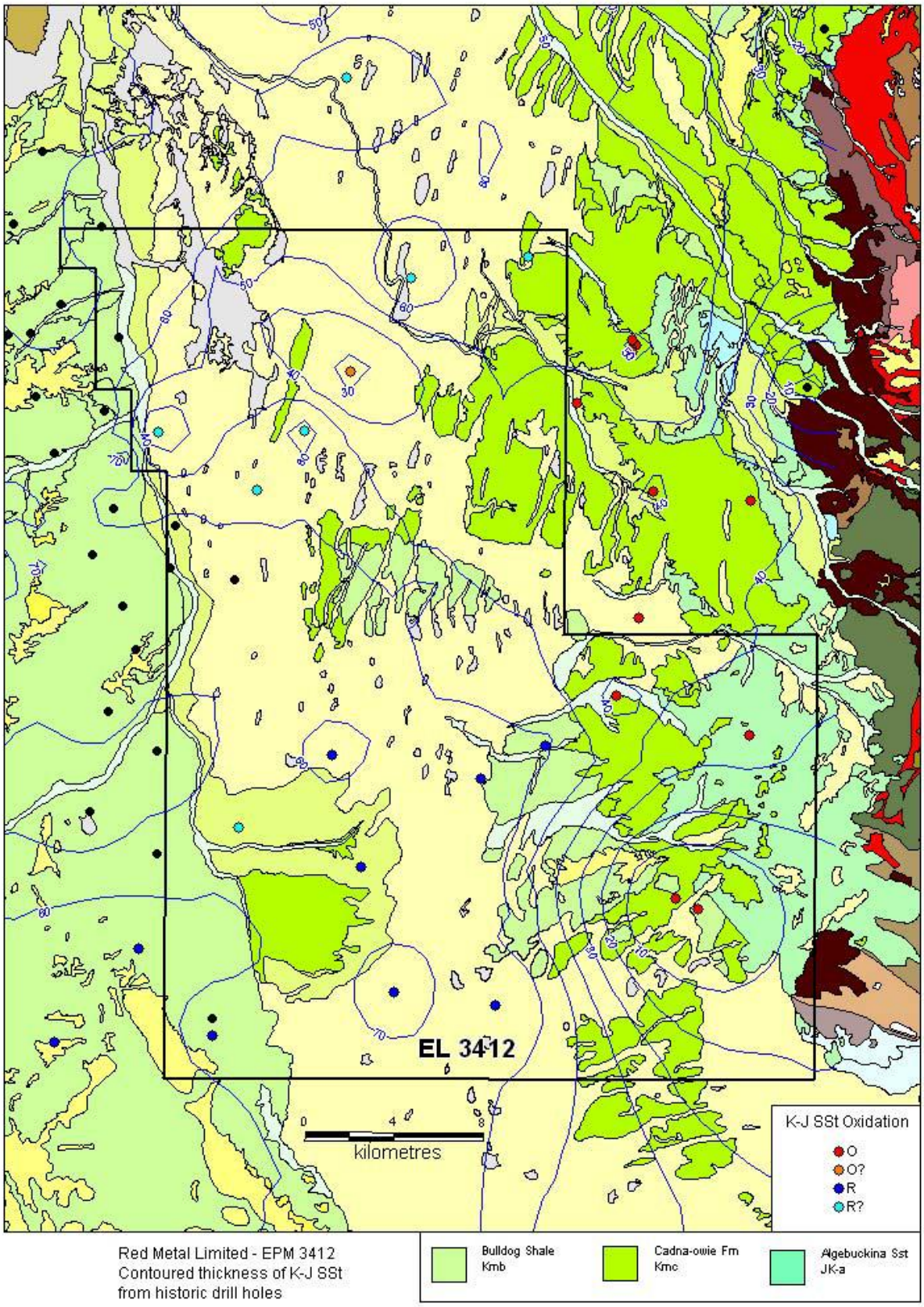

Figure 2: EL 3412 Geology

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EL 3412 Edward Creek
Annual Report
For the Period Ending 15 September 2007

Warrina SH53-03
South Australia

Author: G. McKay

Date: 15 October 2007

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EL3412_2007_01_Main Report .pdf (this report)
EL3412_2007_02 Collar Data.csv
EL3412_2007_03 Lithology Logs.csv
EL3412_2007_04 Drillhole Assays.csv
EL3412_2007_05 Logging Codes.csv

1 SUMMARY

The primary objective of the programme is to determine the potential for strata controlled uranium deposits within the Jurassic Algebuckina Sandstone and overlying Cretaceous Cadna-owie Formation, lying marginal to the Middle Proterozoic and Adelaidean Peake and Denison Inliers. The type of deposits sought include sandstone-hosted roll-front deposits and palaeodrainage controlled sandstone and conglomerate hosted deposits.

Work completed during the 2006-2007 reporting period comprised:

- Shallow rotary-mud drilling, 11 holes for 1,375 metres, testing uranium potential of Mesozoic sandstones. The holes intersected Cadna-Owie Formation and Algebuckina Sandstone and extended into either Permian units or into kaolinitic saprolite from the Adelaidean and Middle Proterozoic basement.
- No anomalous activity was detected in downhole gamma logging.
- Red Metal is planning follow-up programs, including a heliborne EM survey to map basement topography and potential trap sites for drill testing.

2 INTRODUCTION

EL 3412 is located on pastoral leases in the environs of the Denison Range, approximately 90km southeast of Oodnadatta (Figure 1). The tenement area is the subject of a Native Title claim by the Arabunna People (SC98/002).

3 TENURE

EL 3412 Peake Creek was granted to Red Metal Limited on 16 September 2005 over 960 sq km. The licence area was reduced in September 2006 to 717 sq km.

4 REGIONAL GEOLOGY AND GEOPHYSICS

The project area lies immediately west of the Proterozoic Peake & Denison inliers, which is correlated with formations on the eastern Eyre Peninsula of the Gawler Craton, though similarities also exist with the geological, structural, and metallogenic evolution of the Olary Domain of the Curnamona Craton.

Palaeoproterozoic (1800-1780 Ma) basement lithologies are exposed within the inliers as large enclaves surrounded by Neoproterozoic “diapiric” breccias. These basement rocks are dominated by interlayered metabasalt and quartzite with subordinate porphyritic rhyolite, granite, phyllite, schist and calcsilicate.

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5 PREVIOUS EXPLORATION

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6 WORK COMPLETED DURING CURRENT REPORTING PERIOD

Shallow rotary-mud drilling of 11 holes for 1,375 metres was conducted in December 2006 to February 2007 to test the uranium potential of Mesozoic sandstone sequences west of the Algebuckina inlier (Figure 2). The holes intersected Cadna-Owie Formation and/or Algebuckina Sandstone. Some holes extended into kaolinitic saprolite and saprock from the Adelaidean and Middle Proterozoic basement while other holes intersected Permian sediments.

6.1 DRILLING OPERATIONS

Drilling operations were conducted by Watson Drilling using a rotary-mud rig mounted on a 6x6 truck. Pressure cemented casing was set to about 18 metres for all holes located below a topographic level of 80m RL to prevent drill collar and formation damage if high pressure artesian flows were encountered.

Table 1 - Drillhole collars

HOLE	MGAE	MGAN	Elevation	AZIM	DIP	Depth	Date Completed
AG0608	579638	6839233	155	0	-90	19	15/12/2006
AG0609	575030	6856775	120	0	-90	120	16/12/2006
AG0720	574459	6856248	95	0	-90	138	27/02/2007
AG0721	574383	6857351	108	0	-90	162	2/03/2007
AG0722	574462	6858093	116	0	-90	150	3/03/2007
AG0723	572697	6857888	124	0	-90	150	3/03/2007

HOLE	MGAE	MGAN	Elevation	AZIM	DIP	Depth	Date Completed
AG0724	568739	6860113	93	0	-90	144	4/02/2007
AG0725	567525	6854075	96	0	-90	126	5/02/2007
AG0726	570437	6858985	89	0	-90	162	6/02/2007
AG0727	575271	6847898	133	0	-90	108	7/02/2007
AG0728	573922	6852467	116	0	-90	96	8/02/2007

All drill sites have been rehabilitated.

6.2 SAMPLING PROCEDURES

Bulk samples were collected at two metre intervals from a sump dug in the water return channel. Six metre composites together with some two metre samples were collected and stored as reference samples.

6.3 DRILLHOLE GEOLOGY

The stratigraphy intersected in drilling consists of thin Quaternary soil and ferricrete (up to 6 metres) over Cretaceous Bulldog Shale (Kmb), Cretaceous Cadna-owie Formation (Klc), Jurassic Algebuckina Sandstone (Jua) and sometimes Permian claystone (Pb) on weathered granitic or schistose basement. In some holes, the Bulldog Shale and Cadna-owie Formation was not present.

6.3.1 Bulldog Shale

The potential sandstone host rocks are overlain by 0-20 metre thickness of weathered Bulldog Shale (Table 3). The top part of this unit is saprolitic and frequently gypcreted.

6.3.2 Cadna-owie Formation

The Cadna-owie Formation mostly comprises grey, clayey, poorly sorted sandstones and sandy claystones with minor fine to medium grained weakly clayey quartz sandstone. These rock types are commonly glauconitic. Silcrete layers are developed within the upper part of this formation together with ferricrete in the weathered zone.

Carbonaceous beds (rarely lignitic) occur occasionally within this formation and a carbonaceous horizon commonly marks the transition into the underlying Algebuckina Sandstone.

6.3.3 Algebuckina Sandstone

The Algebuckina Sandstone mostly comprises a cream, fine through to coarse grained and locally pebbly, quartz sandstone. The sandstones have a variable weak to moderately strong clay content with minor locally interbedded cream micaceous claystone. Some sandstones become coarser with depth, although pebbly and conglomeratic layers can occur throughout the unit. Rarely, the basal part of Algebuckina Sandstone is host to black organic rich layers.

Pyrite-matrixed sandstone fragments were logged throughout this unit, a feature that was also recorded in the overlying Cadna-owie Formation.

The combined average thickness of the Cadna-owie Formation/Algebuckina Sandstone was up to 91 metres (Table 3).

6.3.4 Permian Claystones

Carbonaceous and locally lignitic claystones, generally thought to be of Permian age underlie the Algebuckina Sandstone in the southern part of the tenement. These claystones are commonly finely sandy and micaceous and are interbedded with fine to occasionally medium grained clayey sandstones. The contact zone is commonly marked by the occurrence of a highly carbonaceous horizon hosting minor lignite.

6.3.5 Basement

Saprolitic basement lithologies intercepted consisted of granite and saprolitic schists.

6.4 DRILLING RESULTS

Assay results are shown in Appendix 1. A Lithology summary is shown in Appendix 2. Graphical drill logs showing gamma responses is shown in Appendix 3.

6.4.1 Gamma Log Results

AG06-09 Anomaly Area

Anomalous gamma responses in drillhole AG06-09 (peak 100 cps) led to follow up drilling in the vicinity. Higher order anomalous gamma responses was detected in drillholes AG07-20, AG07-21 and AG07-23 in both the Algebuckina Sandstone and underlying carbonaceous (+/- lignitic) claystone horizon. The best gamma response within the Algebuckina Sandstone was a conspicuous spike of 113.58 cps centred at 66.79m and falling within the 64-72m interval of AG07-21. A medium to coarse grained and occasionally pebbly quartz sandstone with moderate to strong clay content corresponds to this interval.

The best response for the underlying carbonaceous +/- lignitic horizon was in drill hole AG07-23 where the gamma log shows a coherent anomalous response for the interval 91-111m with a peak response of 117.79 cps centred on 109.5m. The anomalous interval mostly comprises carbonaceous claystone and includes abundant lignite fragments for the interval 92-100m. The anomalous interval is bounded up-hole by the basal part of the Algebuckina Sandstone (comprising clay-poor coarse grained pebbly sandstone) and down-hole by grey clayey pebbly sandstone. This association demonstrates the possibility, at least, for the occurrence of uraniferous lignite in association with permeable sandstones.

Discussion

Within the work area, anomalous gamma responses occur within a reducing environment as evidenced by the occurrence of carbonaceous horizons in fresh host sandstones and claystones. These occurrences are most conspicuous at the Cadna-owie/Algebuckina transition and within the highly carbonaceous +/- lignitic claystone horizon underlying the Algebuckina Sandstone. Carbonaceous horizons also occur locally within the Cadna-owie Formation and Algebuckina Sandstone. Further evidence of a reducing environment is the presence of pyrite-matrixed sandstone within the Algebuckina Sandstone and Cadna-owie Formation.

The best assay results recorded over 2 metres were 25ppm uranium from 42-44m in AG06-09, and 24ppm U from 66-68m in AG07-21. It is apparent that some gamma responses correspond to higher thorium and potassium assay values in Permian? Carbonaceous

claystones in holes AG07-20 (76-82m), 0721 (104-112m), 0722 (90-96m) and 0723 (94-108m). See Appendix 3 graphic logs.

Table 2 - Drilling Thickness for Sandstone Horizons

Hole ID	Kmb From (m)	Kmb To (m)	Kmb width (m)	Knc-Jk From (m)	Knc-Jk To (m)	Knc-Jk width (m)	Oxid. Sst
AG06-08	n/a	n/a	n/a	n/a	n/a	n/a	n/a
AG060-9	0	0	0	2	93	91	R
AG07-20	2	8	6	8	71.5	63.5	O/R
AG07-21	2	20	18	20	86	66	R>>O
AG07-22	4	18	14	18	84	66	R>>O
AG07-23	2	22	20	22	92	70	R
AG07-24	0	0	0	2	68	66	R>>O
AG07-25	0	0	0	2	56	54	R>>O
AG07-26	2	12	10	12	82	70	R
AG07-27	0	0	0	0	54	54	O/R
AG07-28	0	0	0	0	60	60	R>O

(R=Reduced, O=Oxidised, SO=Surface Oxidation)

7 CONCLUSIONS

Eleven wide spaced, rotary-mud holes for 1,375 metres were completed in December 2006-February 2007.

The holes intersected Cadna-owie Formation and/or Algebuckina Sandstone units from 54-91 metres combined thickness.

Anomalous downhole gamma responses were recorded in several holes although uranium assays were low, up to 25 ppm. Some responses in carbonaceous claystones are due to high thorium and potassium content.

Red Metal is planning follow-up programs, including a heliborne EM survey to map basement topography and potential trap sites for drill testing.

LOCALITY

Warrina	SH53-03	1:250,000
Warrina	6041	1:100,000
Boorthanna	6040	1:100,000

DESCRIPTOR

This is the second annual report for the period ending 15 September 2007 for EL 3412, Edward Creek. Eleven rotary-mud drillholes were completed.

KEYWORDS

Algebuckina Sandstone, Cadna-owie Formation, Mesozoic, Permian, Peake & Denison Inlier, rotary-mud drilling, sandstone uranium deposits.

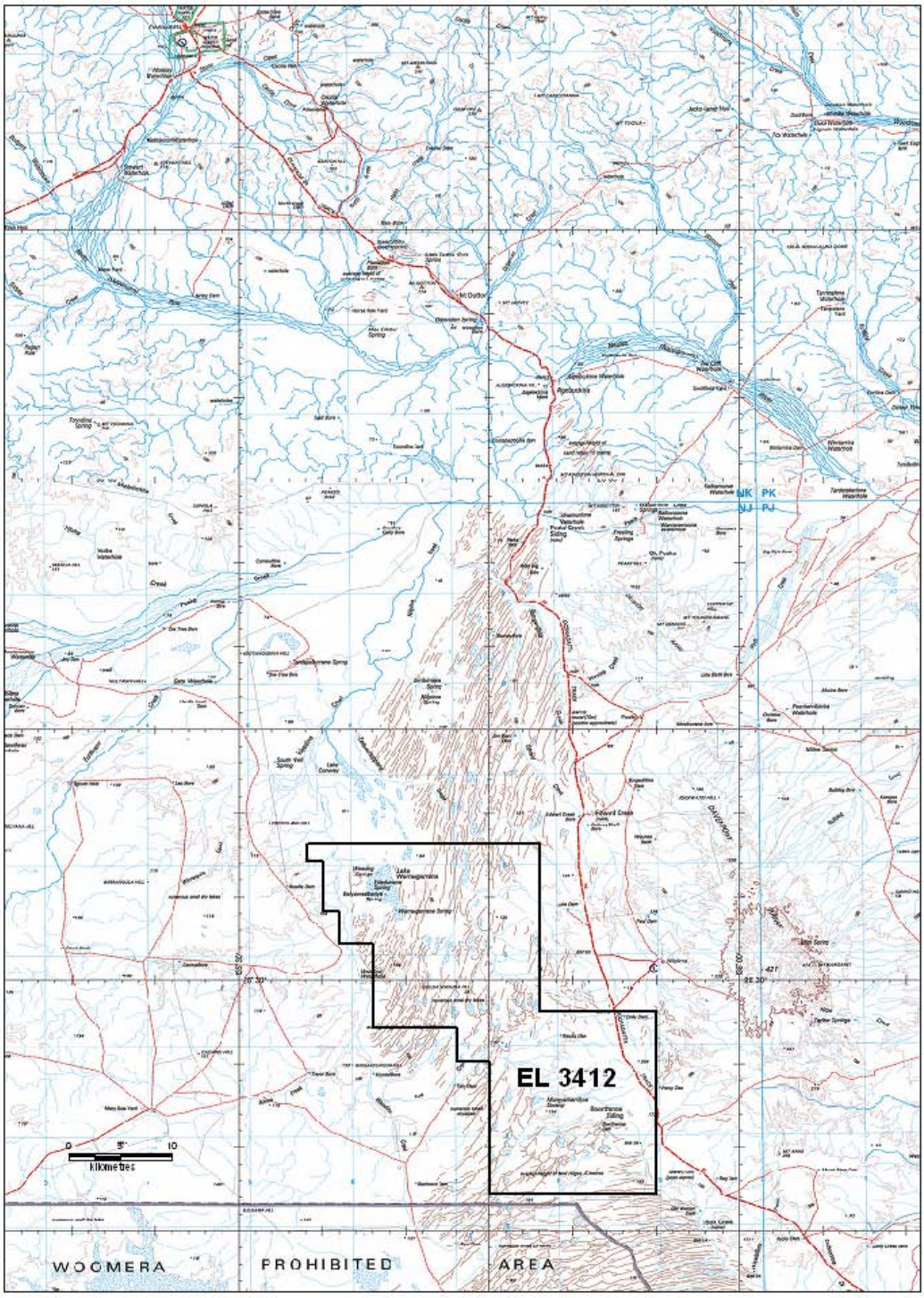


Figure 1: EL 3412 Location figure

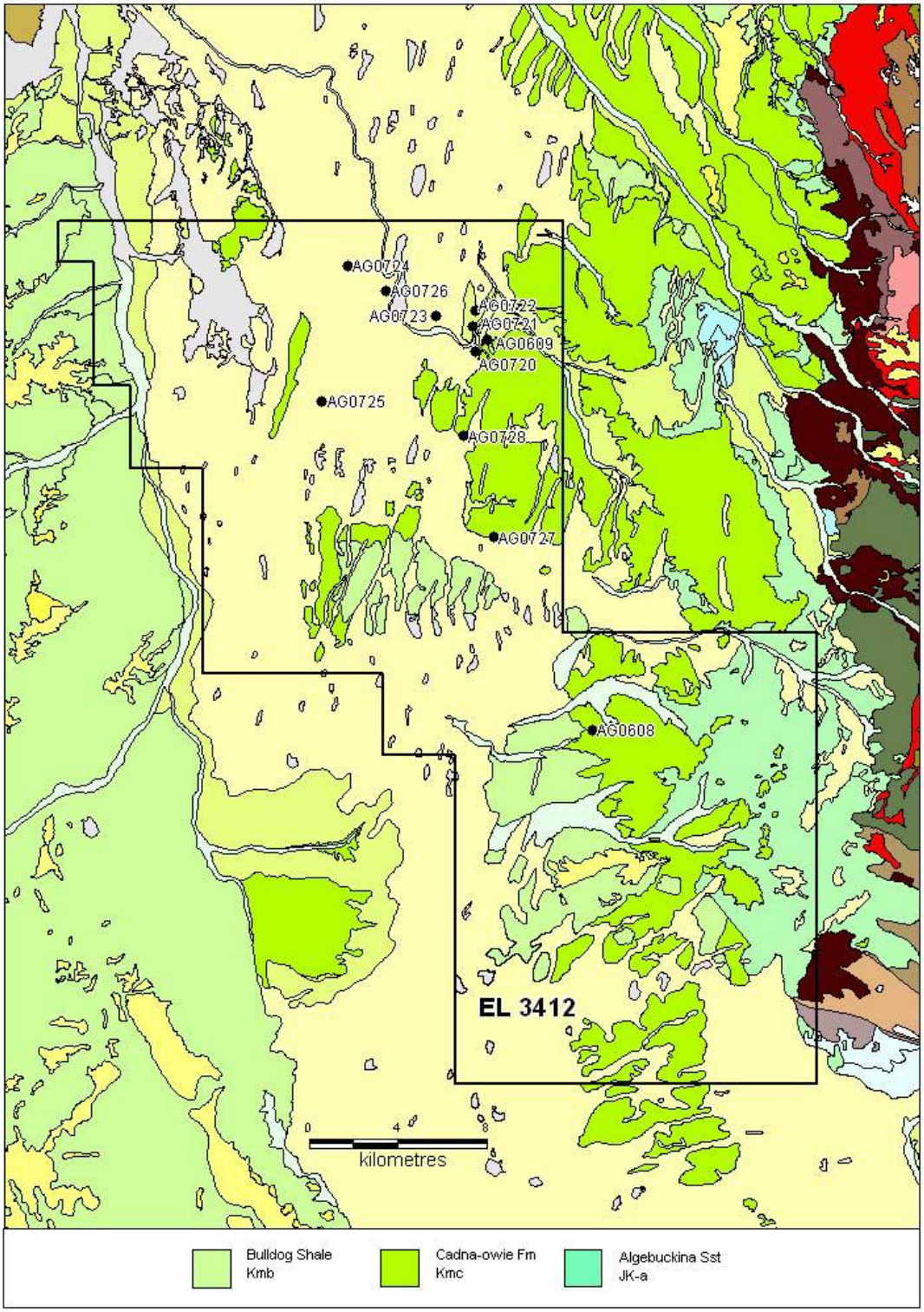


Figure 2: EL 3412 drillhole locations

APPENDIX 1 – Assay Results Summary

hole_ID	from	to	samp_no	Au_ppb	Ag_ppm	Al_ppm	Ba_ppm	Bi_ppm	Cu_ppm	K_ppm	Mo_ppm	Ni_ppm	P_ppm	Pb_ppm	Pd_ppb	Pt_ppb	S_ppm	Th_ppm	U_ppm	V_ppm	Zn_ppm
AG0609	36	38	13090	4	-0.1	43807	164.6	0.05	5	4063	0.3	16	90	16	-1	1	447	4.46	3.51	16	20
AG0609	38	40	13091	-1	-0.1	43883	202.7	0.05	6	5257	0.5	13	89	16	-1	1	298	4.31	**19.76**	16	21
AG0609	40	42	13092	-1	-0.1	50191	164.6	0.08	6	4734	0.4	14	170	18	-1	1	418	7.17	9.83	18	25
AG0609	42	44	13095	2	0.2	54803	175.7	0.11	7	3853	0.6	14	216	20	-1	1	1059	10.56	**25.61**	29	22
AG0609	58	60	13093	1	0.2	24343	260.1	0.07	6	3947	0.6	7	224	8	-1	1	244	7.12	1.83	59	17
AG0609	60	62	13094	2	1.5	**64506**	279.2	0.49	16	5206	1.4	12	332	25	1	2	1265	**20.15**	5.81	23	29
AG0609	62	64	13096	6	0.1	**75307**	138.4	0.93	15	2338	2.2	17	100	33	1	1	3132	**23.06**	5.59	48	21
AG0720	66	68	13226	4	-0.1	11670	207.2	0.07	9	1714	3.8	4	222	5	-1	1	190	3.88	1.03	14	9
AG0720	68	70	13227	2	-0.1	12330	325.5	0.07	13	2223	6.2	6	210	5	-1	2	319	3.97	1.07	19	12
AG0720	70	72	13228	1	-0.1	13874	472.7	0.09	11	1600	3.2	6	114	5	-1	2	669	5.59	1.8	18	10
AG0720	72	74	13229	2	-0.1	**73823**	284.9	0.44	30	5376	4.5	24	299	16	2	3	2231	**26.22**	5.94	72	42
AG0720	74	76	13230	2	-0.1	**107500**	289.1	0.54	42	7810	2.7	31	386	22	2	3	1998	**39.54**	8.68	106	47
AG0720	76	78	13231	3	-0.1	**115824**	287.3	0.64	45	8023	3.4	33	471	25	2	3	2094	**41.43**	9.02	110	46
AG0720	78	80	13232	6	-0.1	**127648**	322.8	0.87	49	8683	2	33	476	34	2	3	2717	**46.51**	10.25	117	46
AG0720	80	82	13233	3	-0.1	**118080**	299.6	0.83	45	7892	2.1	29	445	32	2	2	2584	**40.86**	9.03	103	37
AG0720	82	84	13234	2	0.1	**74066**	270.3	0.49	28	5363	2.8	21	317	22	1	2	3321	**36.35**	8.01	74	28
AG0720	84	86	13235	5	-0.1	43167	250.6	0.27	21	3706	7.9	15	220	12	-1	1	1661	**19.52**	4.64	42	20
AG0721	48	54	13250	-1	-0.1	14268	256.7	0.09	7	7584	4.3	5	239	8	-1	1	749	4.44	0.85	17	12
AG0721	64	66	13254	2	-0.1	22778	76.8	0.07	6	1866	3.2	7	117	10	-1	2	342	4.8	1.15	14	11
AG0721	66	68	13255	2	0.1	26777	139.3	0.07	4	1908	2.4	7	89	11	-1	2	210	6.46	24.14	15	10
AG0721	68	70	13256	2	-0.1	27511	146.8	0.07	6	2266	2.5	7	93	12	-1	2	313	6.4	14.21	19	13

hole_ID	from	to	samp_no	Au_ppb	Ag_ppm	Al_ppm	Ba_ppm	Bi_ppm	Cu_ppm	K_ppm	Mo_ppm	Ni_ppm	P_ppm	Pb_ppm	Pd_ppb	Pt_ppb	S_ppm	Th_ppm	U_ppm	V_ppm	Zn_ppm
AG0721	100	102	13266	2	-0.1	62091	270	0.36	19	8039	2.4	16	172	17	-1	2	2917	17.14	4.14	69	68
AG0721	102	104	13267	2	-0.1	**71035**	459.8	0.47	23	8578	2.5	18	180	19	1	1	2623	**20.92**	4.48	77	62
AG0721	104	106	13268	3	-0.1	**112012**	385.8	0.78	41	9444	2.4	28	303	29	2	2	3727	**35.01**	7.64	116	73
AG0721	106	108	13269	8	-0.1	**114002**	346.5	0.73	44	8959	2.7	33	327	28	2	2	3726	**39.55**	7.99	114	78
AG0721	108	110	13270	3	-0.1	**121497**	294.5	0.72	46	8447	2.1	34	388	27	2	2	3582	**42.09**	8.87	109	64
AG0721	110	112	13271	6	-0.1	**101389**	286.1	0.59	40	8205	2.1	25	334	22	2	2	2361	**40.81**	8.74	100	47
AG0721	124	126	13278	6	-0.1	48111	177.2	0.3	21	4005	4.9	12	195	16	-1	1	1616	**23.41**	4.95	51	21
AG0721	126	128	13279	2	-0.1	27372	122.3	0.16	13	2511	5	10	142	10	-1	1	2035	**21.35**	4.11	34	17
AG0722	64	66	13294	-1	-0.1	28263	88.8	0.08	6	2484	2.6	8	125	9	-1	-1	173	6.26	1.5	20	14
AG0722	66	68	13295	6	-0.1	17847	81.4	0.06	5	2347	3.4	5	92	7	-1	-1	153	4.58	2.32	14	11
AG0722	68	70	13296	1	-0.1	12117	113.1	0.05	5	1761	3.7	5	68	5	-1	-1	158	4.19	1.03	12	8
AG0722	84	86	13300	2	-0.1	9480	118.2	0.05	8	1989	6.7	4	71	4	-1	1	407	4.46	0.96	13	8
AG0722	86	88	13301	1	-0.1	13501	116.6	0.08	10	2358	5.6	8	64	4	-1	-1	1067	5.13	1.29	20	11
AG0722	88	90	13302	2	0.1	41048	214.5	0.25	21	7021	5.8	22	425	17	-1	1	4024	10.97	2.25	40	50
AG0722	90	92	13303	7	0.1	75889	372.9	0.5	34	13905	2.7	31	219	28	1	3	3547	**20.29**	3.66	92	93
AG0722	92	94	13304	2	0.1	76980	409.3	0.51	37	13033	3.7	31	311	28	-1	1	2306	**19.46**	4.06	89	111
AG0722	94	96	13305	2	-0.1	75647	555.2	0.65	42	13628	3.7	107	406	27	-1	1	10177	**18.31**	3.68	106	229
AG0722	124	126	13312	1	-0.1	21701	150.5	0.07	5	2829	3.7	5	104	11	-1	-1	261	4.51	0.78	19	10
AG0722	126	128	13313	1	-0.1	25003	235.5	0.07	6	3796	6.8	6	116	10	-1	-1	633	5.47	0.97	27	13
AG0722	128	130	13314	1	-0.1	31882	275.5	0.09	13	5170	4.5	11	129	13	-1	-1	1191	7.24	2.23	39	22
AG0723	90	92	13339	4	-0.1	16061	219.7	0.08	10	2537	4.6	6	98	5	-1	-1	630	5.69	1.32	18	14
AG0723	92	94	13340	2	-0.1	**73349**	213.7	0.44	30	6471	4.8	21	247	18	1	2	2433	**24.28**	4.85	64	61
AG0723	94	96	13341	3	-0.1	**112269**	241.1	0.7	45	8119	3.7	34	334	26	2	2	5815	**37.48**	8.3	96	70

hole_ID	from	to	samp_no	Au_ppb	Ag_ppm	Al_ppm	Ba_ppm	Bi_ppm	Cu_ppm	K_ppm	Mo_ppm	Ni_ppm	P_ppm	Pb_ppm	Pd_ppb	Pt_ppb	S_ppm	Th_ppm	U_ppm	V_ppm	Zn_ppm
AG0723	96	98	13342	7	-0.1	**91771**	242.9	0.49	38	7962	5.1	28	380	20	1	2	3612	**30.96**	6.74	72	59
AG0723	98	100	13343	2	-0.1	**75379**	326.4	0.37	29	8812	2.5	22	1774	16	1	2	3120	**29.99**	6.2	72	43
AG0723	100	102	13344	3	-0.1	**110116**	315.8	0.67	39	8974	3.4	30	695	29	2	2	3911	**36.27**	8.11	93	39
AG0723	102	104	13345	2	-0.1	**88601**	310.5	0.48	32	9404	2.4	24	608	20	1	2	3222	**30.86**	6.72	78	45
AG0723	104	106	13346	2	-0.1	**91095**	303.9	0.47	35	8528	3.2	24	430	21	1	1	3953	**31.97**	7.45	84	44
AG0723	106	108	13347	2	-0.1	**104128**	284.9	0.67	33	8336	2	26	402	28	2	1	2034	**35.3**	8.58	92	29
AG0723	108	110	13348	2	-0.1	55360	324.7	0.32	25	6522	6.6	16	400	15	1	1	3364	**22.56**	4.53	51	28
AG0723	110	112	13349	1	-0.1	15094	101.4	0.09	8	2232	7.3	5	77	5	-1	-1	1220	7.82	1.96	13	9
AG0723	112	114	13350	1	-0.1	11377	92.4	0.07	6	1898	2.6	4	69	3	-1	-1	1060	5.44	1.59	11	8
AG0724	10	16	13360	5	-0.1	60929	-0.1	-0.01	23	19499	0.3	23	312	-2	-1	-1	1118	0.06	-0.01	85	61
AG0724	34	36	13364	1	-0.1	19236	280.1	0.06	6	11112	6.9	6	73	8	-1	-1	699	6.11	0.9	12	16
AG0724	36	38	13365	1	-0.1	63454	158	0.2	14	6378	5.7	16	143	17	-1	1	1917	11.35	2.35	42	60
AG0724	38	40	13366	-1	-0.1	35564	194.3	0.08	5	7076	6.1	8	148	10	-1	-1	1330	4.82	0.86	20	27
AG0724	52	58	13369	-1	-0.1	18559	96.7	0.06	6	2470	6	5	52	6	-1	-1	496	5.77	1.01	14	13
AG0724	64	68	13371	1	-0.1	30356	126.8	0.12	9	3729	5	3	54	11	-1	-1	337	7.55	1.34	30	17
AG0724	68	70	13372	5	-0.1	77262	419.1	0.25	23	15754	5.4	28	98	28	-1	-1	2941	15.38	3.26	83	60
AG0724	70	72	13373	1	-0.1	69418	501.6	0.28	24	20004	4.7	24	173	22	-1	-1	3109	16.56	3.02	72	71
AG0724	72	74	13374	2	-0.1	66167	481.8	0.29	24	19072	5.2	30	262	20	-1	-1	6136	13.46	2.68	59	96
AG0724	110	112	13383	1	-0.1	41609	698.7	0.09	8	22825	6.7	14	213	14	-1	-1	7023	7.47	1.11	27	29
AG0724	112	114	13384	2	-0.1	48182	586.8	0.15	14	21586	5.3	19	320	15	-1	-1	6172	10.38	1.73	45	50
AG0724	114	116	13385	1	-0.1	46895	646.1	0.12	11	22946	5.4	18	300	15	-1	-1	6622	8.41	1.41	39	44
AG0724	116	118	13386	6	-0.1	45510	595.6	0.1	12	22972	5.7	18	259	14	-1	-1	6346	8.51	1.36	37	39
AG0725	48	54	13400	1	-0.1	12349	125.2	0.06	5	3345	5.7	3	82	6	-1	-1	216	3.88	0.79	11	10

hole_ID	from	to	samp_no	Au_ppb	Ag_ppm	Al_ppm	Ba_ppm	Bi_ppm	Cu_ppm	K_ppm	Mo_ppm	Ni_ppm	P_ppm	Pb_ppm	Pd_ppb	Pt_ppb	S_ppm	Th_ppm	U_ppm	V_ppm	Zn_ppm
AG0725	54	56	13401	-1	-0.1	30714	240.3	0.1	9	7991	6	8	110	11	-1	-1	558	7.54	1.34	25	17
AG0725	66	68	13405	1	-0.1	44147	444.5	0.14	15	16072	7.8	22	442	14	-1	-1	3038	9.61	1.87	56	55
AG0725	68	70	13406	1	-0.1	**75230**	538.1	0.4	31	22004	4.2	31	333	24	-1	-1	2639	**21.07**	4	93	104
AG0725	70	72	13407	2	-0.1	**85986**	551.8	0.47	35	22839	3.8	40	359	28	-1	-1	1436	**26.24**	5.35	104	124
AG0725	72	74	13408	5	-0.1	**76333**	603.1	0.33	30	23162	2.4	31	414	23	-1	-1	860	**17.23**	3.41	87	105
AG0725	74	76	13409	3	0.2	**74714**	629.6	0.38	28	22901	3.9	32	450	22	-1	-1	3860	**16.79**	3.24	83	99
AG0725	76	78	13410	2	-0.1	**75379**	707.5	0.34	29	22281	2.4	33	497	22	-1	-1	2996	**17.22**	3.4	80	98
AG0725	78	80	13411	5	-0.1	**75001**	558.9	0.36	31	24621	2.9	31	388	24	-1	-1	1660	**17.44**	3.23	75	100
AG0726	64	66	13433	1	-0.1	17732	108.8	0.08	7	2862	4.2	6	168	9	-1	-1	353	4.14	0.75	13	12
AG0726	66	68	13434	-1	-0.1	28070	123.1	0.09	8	3543	4.9	7	129	8	-1	-1	593	8.21	1.37	23	18
AG0726	68	70	13435	-1	-0.1	24356	114.2	0.09	8	3257	3.9	6	90	8	-1	-1	459	7.48	1.32	17	17
AG0726	80	82	13439	-1	-0.1	8140	75.9	0.06	3	1197	1.9	2	52	5	-1	-1	222	3.83	0.56	6	8
AG0726	82	84	13440	1	-0.1	25959	178.5	0.13	12	4987	4	13	78	10	-1	-1	3053	6.55	1.29	32	29
AG0726	84	86	13441	-1	-0.1	35826	223.1	0.2	18	8418	5.6	20	120	12	-1	-1	2247	8.86	1.56	56	42
AG0726	86	88	13442	1	-0.1	61572	412.5	0.33	23	16582	4.5	32	148	20	-1	-1	3564	14.58	2.7	70	74
AG0726	88	90	13443	4	-0.1	69761	493.5	0.32	28	21697	2.5	33	175	21	-1	1	2378	**15.77**	2.95	87	95
AG0726	90	92	13444	2	-0.1	71663	516.6	0.37	31	21430	2.5	31	564	22	-1	-1	3477	**17.51**	3.34	76	87
AG0726	92	94	13445	2	-0.1	62638	529.5	0.3	26	20119	2.8	31	526	21	1	2	8405	**15.07**	2.92	109	81
AG0726	94	100	13446	1	-0.1	53109	571	0.2	16	19837	3.3	22	330	18	-1	-1	6560	11.3	1.99	57	54
AG0726	100	102	13447	1	-0.1	47383	679.2	0.13	11	20716	2.8	19	235	15	-1	-1	5710	8.85	1.45	44	40
AG0726	102	104	13448	1	-0.1	65027	538.4	0.37	29	19781	3.3	29	301	21	-1	-1	4306	15.46	2.95	75	87
AG0726	104	106	13449	10	-0.1	61663	582.9	0.3	24	20144	3.1	26	308	19	-1	-1	3551	13.39	2.57	65	78
AG0727	48	50	13473	2	-0.1	28700	249.9	0.09	6	8189	3.1	6	90	9	2	2	866	9.33	1.61	19	14

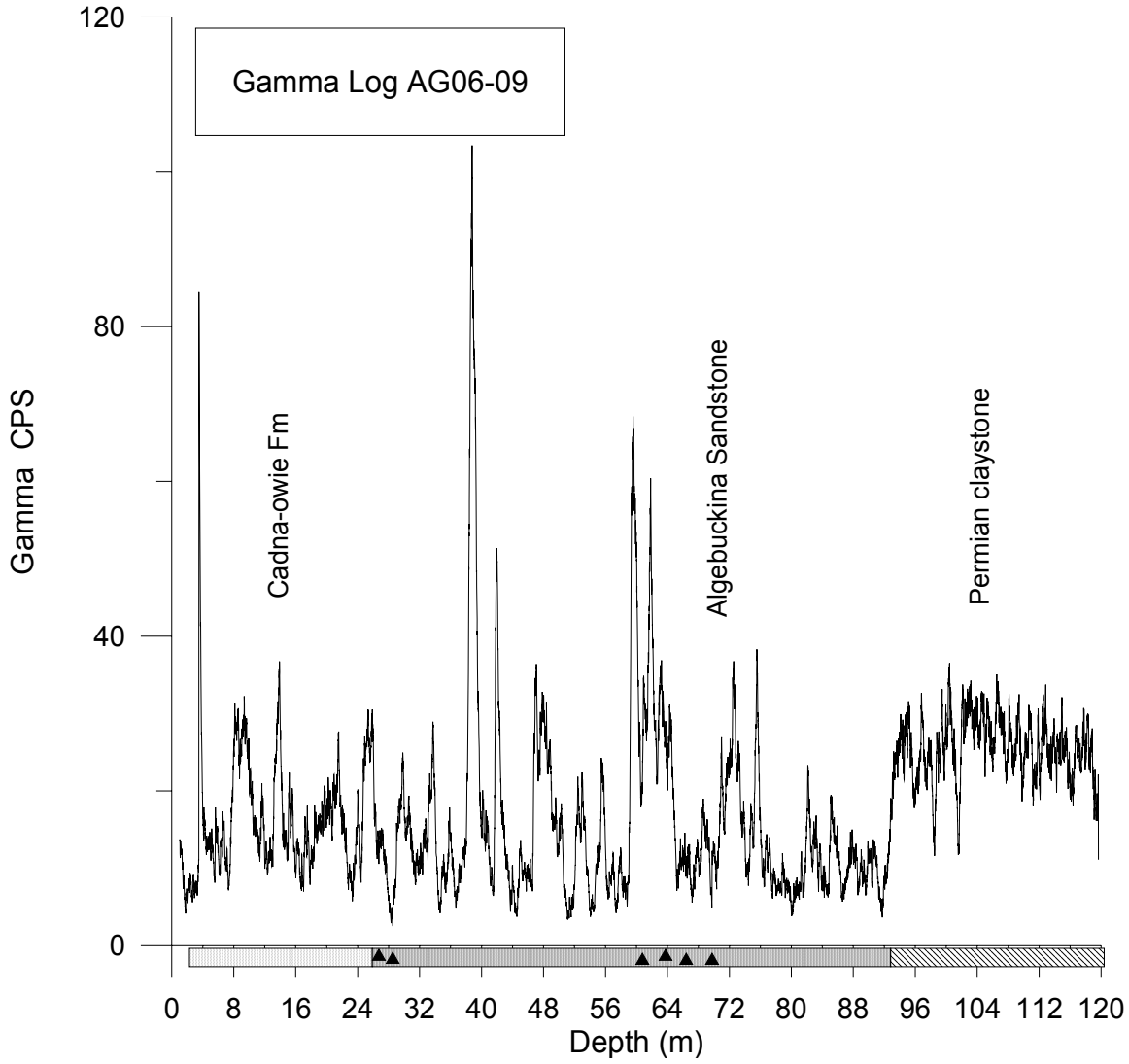
hole_ID	from	to	samp_no	Au_ppb	Ag_ppm	Al_ppm	Ba_ppm	Bi_ppm	Cu_ppm	K_ppm	Mo_ppm	Ni_ppm	P_ppm	Pb_ppm	Pd_ppb	Pt_ppb	S_ppm	Th_ppm	U_ppm	V_ppm	Zn_ppm
AG0727	50	52	13474	3	0.2	35397	495.9	0.12	15	15378	2.8	11	89	12	1	2	632	12.18	2.08	23	14
AG0727	52	54	13475	4	-0.1	27929	290	0.11	11	8592	5.2	9	78	9	-1	-1	678	9.64	1.85	27	13
AG0727	56	58	13477	1	-0.1	59821	464.4	0.18	15	16021	2.6	22	94	17	-1	-1	2044	13.08	2.19	54	46
AG0727	58	60	13478	5	-0.1	66341	480.1	0.31	22	16164	3.7	29	118	19	-1	-1	2090	15.6	2.97	65	62
AG0727	60	62	13479	2	-0.1	78094	632.1	0.48	33	20314	1.2	33	218	27	-1	-1	2316	**20.54**	3.89	88	113
AG0727	62	64	13480	1	-0.1	67496	906	0.35	29	18129	1.8	27	426	21	-1	-1	3168	**17.97**	3.43	70	79
AG0727	64	66	13481	2	-0.1	72552	767.9	0.45	37	18099	2.7	39	579	25	-1	-1	3875	**18.14**	3.96	82	98
AG0727	96	98	13489	2	-0.1	65640	739.4	0.38	28	19342	2	31	286	23	-1	-1	4276	**15.95**	3.14	69	74
AG0727	98	100	13490	2	-0.1	75348	755	0.45	33	20190	1.6	28	285	24	-1	-1	2091	**18.64**	3.82	82	84
AG0727	100	102	13491	5	-0.1	70304	640.5	0.34	27	21020	1.3	31	154	23	-1	-1	4479	**16.34**	3.22	78	97
AG0728	40	42	13500	1	-0.1	19100	90.6	0.07	4	1417	2.7	4	43	11	-1	-1	195	3.47	0.56	8	8
AG0728	42	44	13501	2	-0.1	29158	9245.8	0.22	65	4980	5.7	18	104	9	-1	1	2857	5.83	4.7	46	20
AG0728	44	46	13502	35	-0.1	48346	246.1	0.17	10	4956	2.1	8	173	18	-1	-1	287	14.06	2.39	35	17
AG0728	90	96	13511	3	-0.1	50766	753.4	0.23	18	12713	3.4	34	106	17	-1	-1	5323	11.87	2.32	55	85

APPENDIX 2: DRILLHOLE LITHOLOGICAL SUMMARY

hole_ID	From	To	Unit	Comments
AG06-08	0	6	Q	Silty/sand soil,abundant surface lag, qtz sands
	6	19	Algebuckina Sst?	Coarse qz sands,lost circulation,abandoned
AG06-09	0	2	Q	Sandy soil,calcrete mottling
	2	16	Algebuckina Sst?	fine-coarse qz sands,subordinate clays
	16	93	Algebuckina Sst	Very coarse-granule qz sands, sandy shale, clayey sands, dark carbonaceous sands, pyrite
	93	120	Permian	Mid grey clays,fine carb matter throughout,poss some thin pale grey fine sands & silts
AG07-20	0	2	Q	wind blown sand and saprolite after shale
	2	8	Bull Dog Shale	weathered shale
	8	38	Cadna-owie Fm	ferruginous and silica cemented fine to medium grained qz sst; minor weathered shale, clayey med-crs qz sst
	38	71.5	Algebuckina Sst	pale grey to pale tan weakly clayey sst, g'size increasing with depth
	71.5	126	?Poolowanna Fm	purple-grey claystone with occasional lignitic fragments; coal fragments; clayey med-crs sst, sandy claystone
	126	138	Permian claystone	purple-grey very finely sandy claystone with carbonaceous flecks
AG07-21	0	2	Q	fine to coarse grained cover sand and saprolite
	2	20	Bull Dog Shale	fine to coarse grained cover sand and saprolite over yellow-brown weathered shale
	20	32	Cadna-owie Fm	brown-grey finely sandy claystone, ferruginous fine sst
	32	86	Algebuckina Sst	medium to coarse grained clayey sst , gritty claystone, pebbly sst
	86	162	Permian	purple grey to light grey micaceous and locally finely sandy claystone; sparsely gritty; lignite fragments; clayey sst
AG07-22	0	4	Q	coarse sand and lag gravel
	4	18	Bull Dog Shale	saprolite, weathered shale
	18	40	Cadna-owie Fm	fine grained ferruginous qz sst, ferricrete and very pale grey indurated claystone; fine-med sst
	40	90	Algebuckina Sst	moderately clayey medium to coarse grained sst; carbonaceous; claystone; pebbly sst
	90	96	Permian	black to grey strongly carbonaceous claystone; clayey sst
	96	150	Permian	finely sandy micaceous claystone; local trace carbonaceous fragments
AG07-23	0	2	Q	orange-brown, fine grained clayey sand cover
	2	22	Bull Dog Shale	highly weathered shale; dark grey shale
	22	50	Cadna-owie Fm	silica cemented fine sst with green clay mineral disseminations ; some khaki indurated claystone; fine-crs clayey sst; some organic
	50	92	Algebuckina Sst	weak to moderately clayey, fine through to coarse grained, qz sst; very weakly carbonaceous
	92	100	Permian	dark purple-grey claystone with conspicuous coal fragments
	100	150		puple-grey claystone with minor scattered carbonaceous fragments; clayey pebbly sst
AG07-24	0	2	Q	sand on fine grained to gritty claystone and gypsiferous saprolite

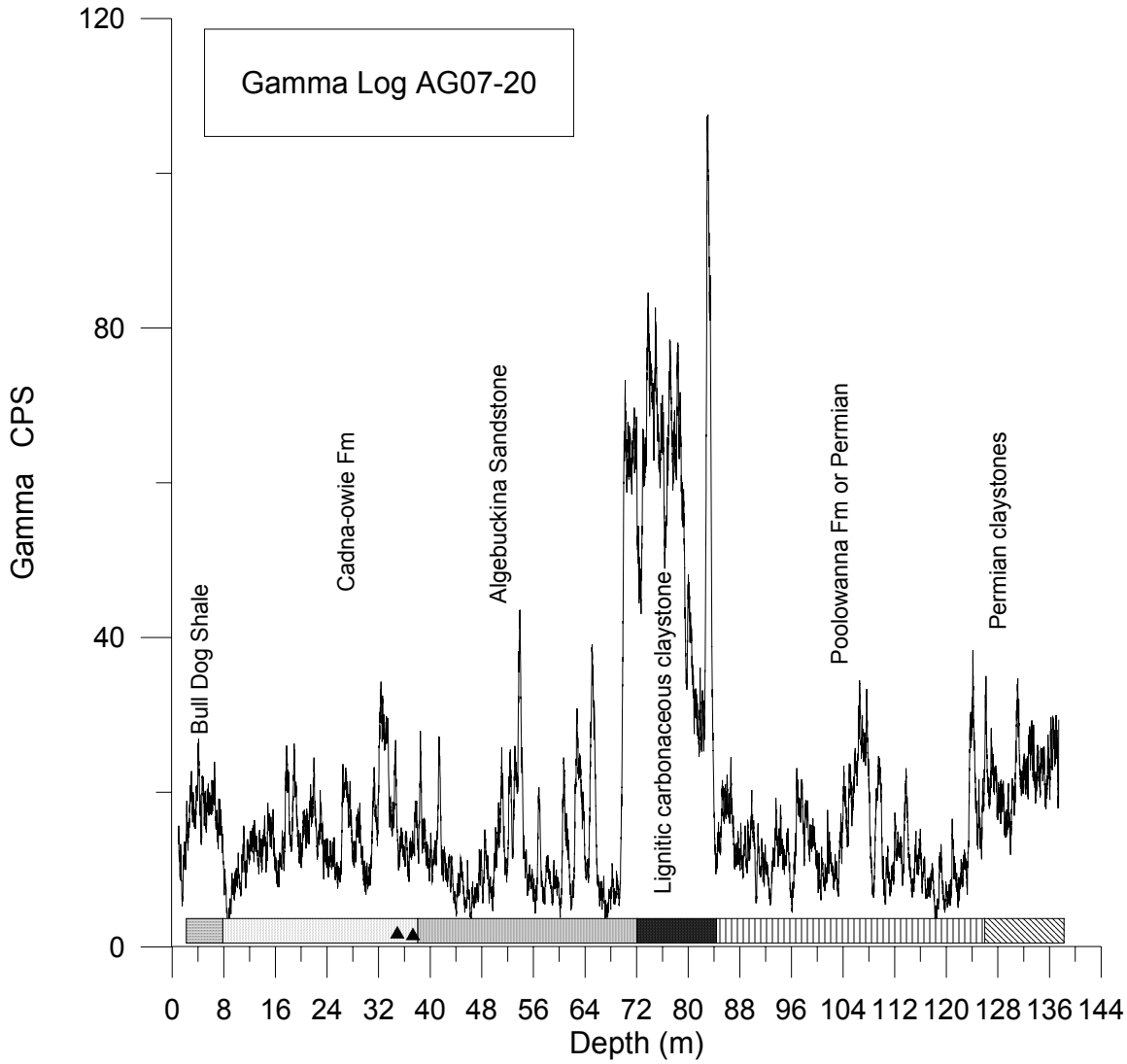
hole_ID	From	To	Unit	Comments
	2	26	Cadna-owie Fm	highly weathered finely sandy to gritty claystone; med-crs clayey sst
	26	68	Algebuckina Sst	clean medium to coarse grained pebbly sst, some carbonaceous; clayey sst
	68	70	Permian	grey to dark grey partially carbonaceous, micaceous claystone; minor carbonaceous [lignitic] fragments]
	70	144		grey to pale grey micaceous claystone; fine sst; carbonaceous sandy claystone
AG07-25	0	2	Q	sand clay and lag gravel on gypsiferous saprolite, weakly ferruginous sst and ferricrete
	2	36	Cadna-owie Fm	weakly ferruginous medium grained qz sst, ferricrete and gypsiferous saprolite; carbonaceous sandy claystone; med-crs sst
	34	56	Algebuckina Sst	cream clayey fine grained qz sst and clean medium to coarse grained sst
	56	126	Permian	black to dark grey carbonaceous claystone-micaceous; sandy claystone, carbonaceous claystone
AG07-26	0	2	Q	sand and lag gravel on gypcrete
	2	12	Bull Dog Shale	pale grey weathered shale and gypcrete
	12	44	Cadna-owie Fm	fine grained pale grey silica cemented ? glauconitic sst and brown-grey indurated finely sandy claystone; fine-crs sst; some carbonaceous
	44	82	Algebuckina Sst	weakly clayey and carbonaceous medium to coarse grained qz sst
	82	88	?Poolowanna Fm	mixed zone of highly carbonaceous claystone and pebbly qz sst
	88	162	Permian	micaceous claystone, slightly carbonaceous
AG07-27	0	2	Q	sand and lag gravel on buff weathered micaceous clayey fine grained sst
	2	24	Cadna-owie Fm	sand, indurated weakly ferrruginous clayey sand or sst; minor ferricrete
	24	54	Algebuckina Sst	cream-pink strongly clayey fine through to coarse grained qz sst
	54	108	Permian	pale grey gritty micaceous claystone, carbonaceous
AG07-28	0	2	Q	yellow-brown to red brown sand, lag gravel and ferricrete
	2	34	Cadna-owie Fm	red-brown ferricrete; crs pebbly sst; fine clayey sst; carbonaceous at depth
	34	60	Algebuckina Sst	coarse grained pebbly sst; weakly clayey
	60	96	Permian	light grey gritty claystone varying to highly clayey fine to medium grained qz sst; minor local carbonaceous fragments

APPENDIX 3: DRILLHOLE GRAPHICAL LOGS



Notes :-

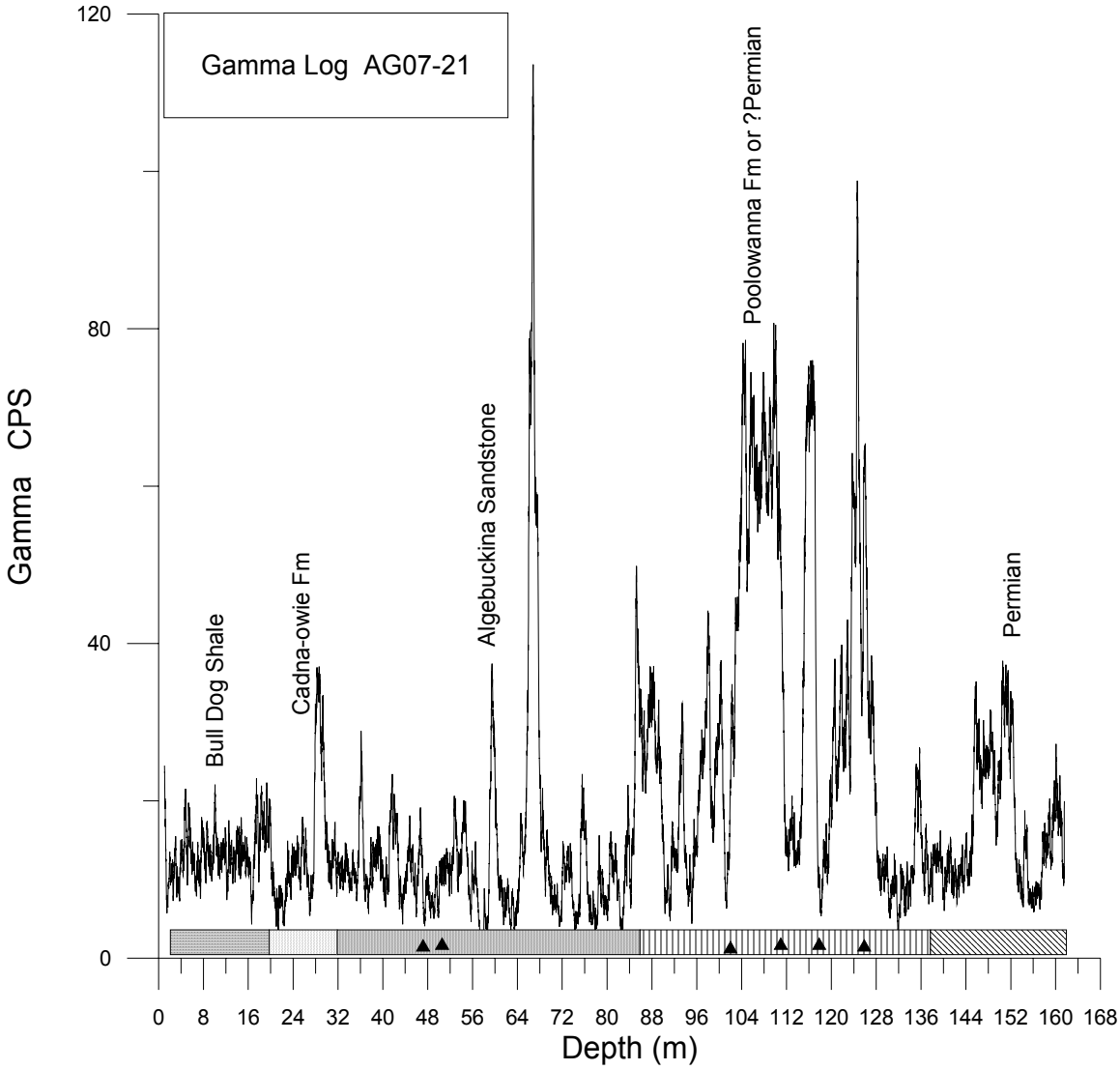
▲ carbonaceous horizons



Notes :-

A discrete coherent anomalous response over the interval 71-84m (including a peak response of **107.61 cps** centred on 83.04m), corresponds to a carbonaceous (lignitic) claystone underlying the Algebuckina Sandstone; the gamma profile is also characterized by low order spikes within the Algebuckina Sandstone, the best of which is 43.58 cps at 53.91m, occurring within an interval (46-56m) of fine through to coarse grained clayey sandstone.

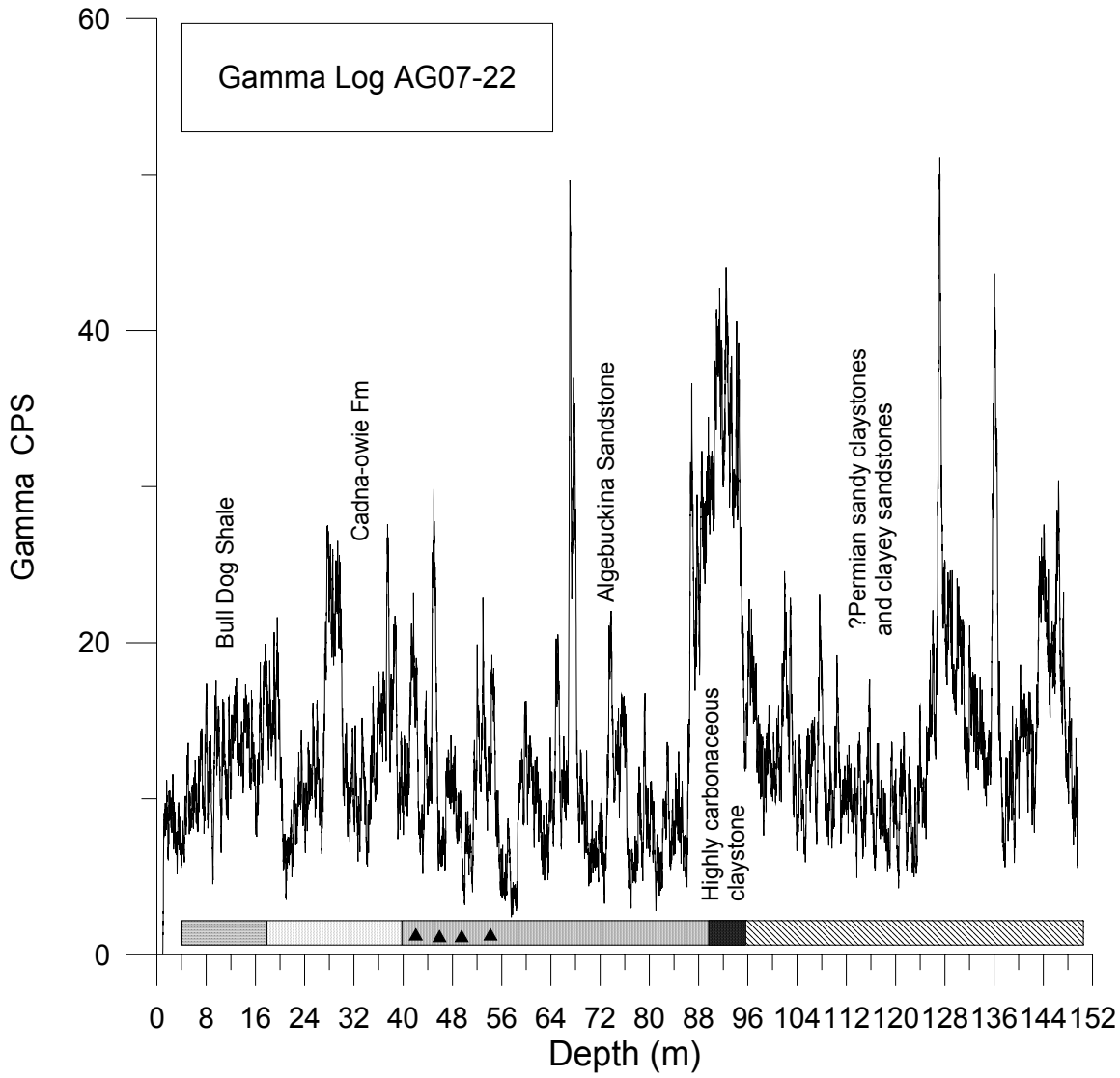
▲ carbonaceous horizons



Notes :-

The gamma profile shows a conspicuous spike of **113.58 cps** centred on 66.79m and falling within an interval (64-72m) of medium to coarse grained and occasionally pebbly quartz sandstone with moderate to strong clay content; a second dominant feature of the profile is an anomalous gamma response over the interval 102-127m, including a peak response of **98.83 cps** at 124.64m. This anomalous interval corresponds to a carbonaceous claystone with conspicuous lignite within interval 124-126m.

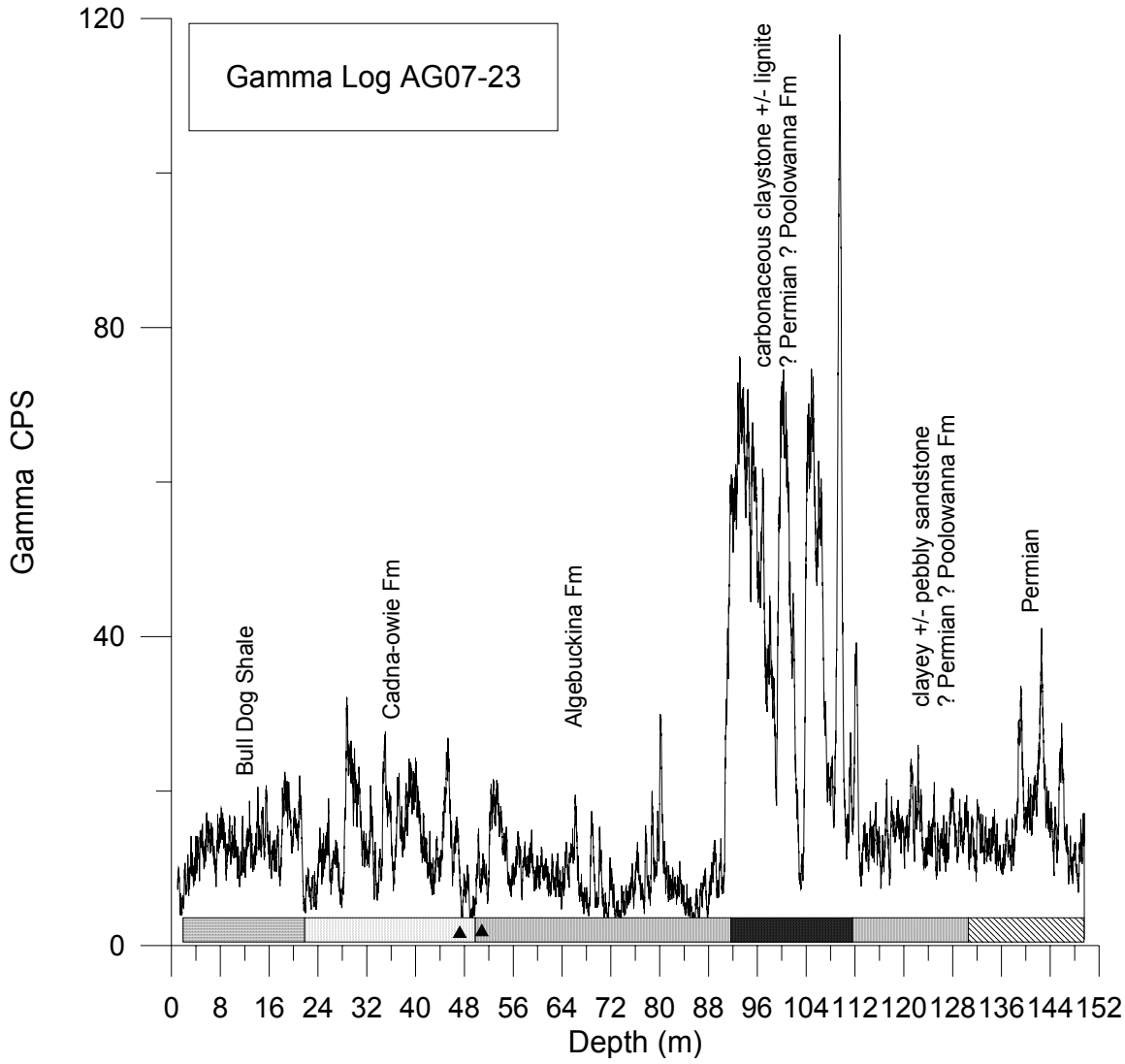
▲ carbonaceous horizons



Notes :-

A low order gamma spike of 49.25 cps was recorded at 67.08m within an interval (66-68m) corresponding to a cream, moderately clayey, fine through to medium grained quartz sandstone within the Algebuckina Sandstone; a coherent low order anomalous response with a peak value of 44.03 cps at 92.46m was recorded within interval 86-95m. This anomaly corresponds to a coarse grained quartz sandstone with black organic-rich layers (86-90m) on a black to grey strongly carbonaceous claystone (90-96m) encompassing the Algebuckina-Permian claystones contact zone; low order gamma spikes also occur at 127.19m (51.07 cps)- located within a broad zone of weakly clayey fine grained sandstone) and 136.04m (43.64 cps)- located within broad interval of sandy to gritty claystones.

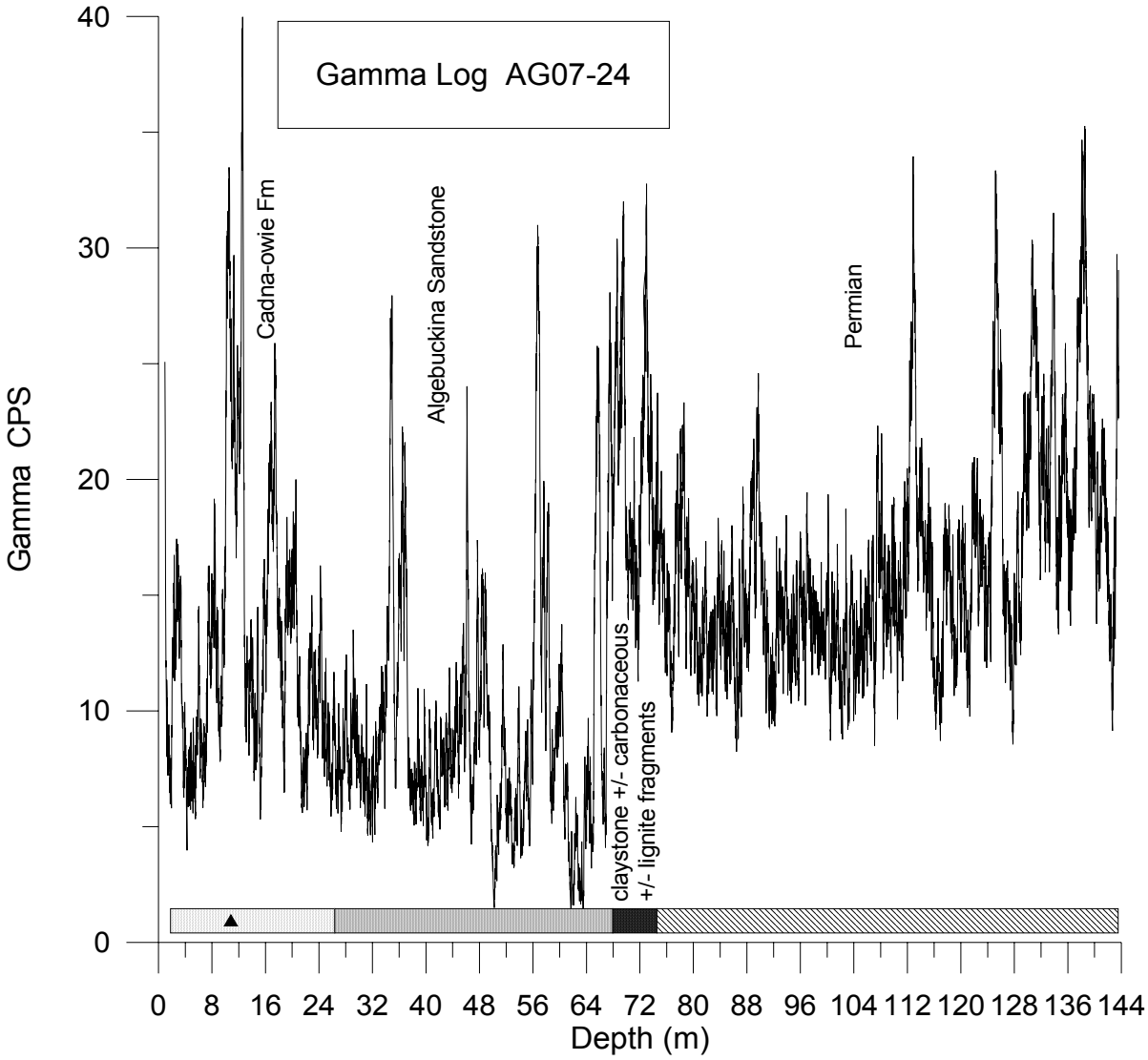
▲ carbonaceous horizons



Notes :-

The gamma log shows a coherent anomalous response for the interval 91-111m with a peak response of **117.79 cps** centred on 109.5m. The anomalous interval mostly comprises carbonaceous claystone and includes abundant lignite fragments for the interval 92-100m. The anomalous interval is bounded up-hole by the basal part of the Algebuckina Sandstone (comprising clay-poor coarse grained pebbly sandstone) and down-hole by grey clayey pebbly sandstone.

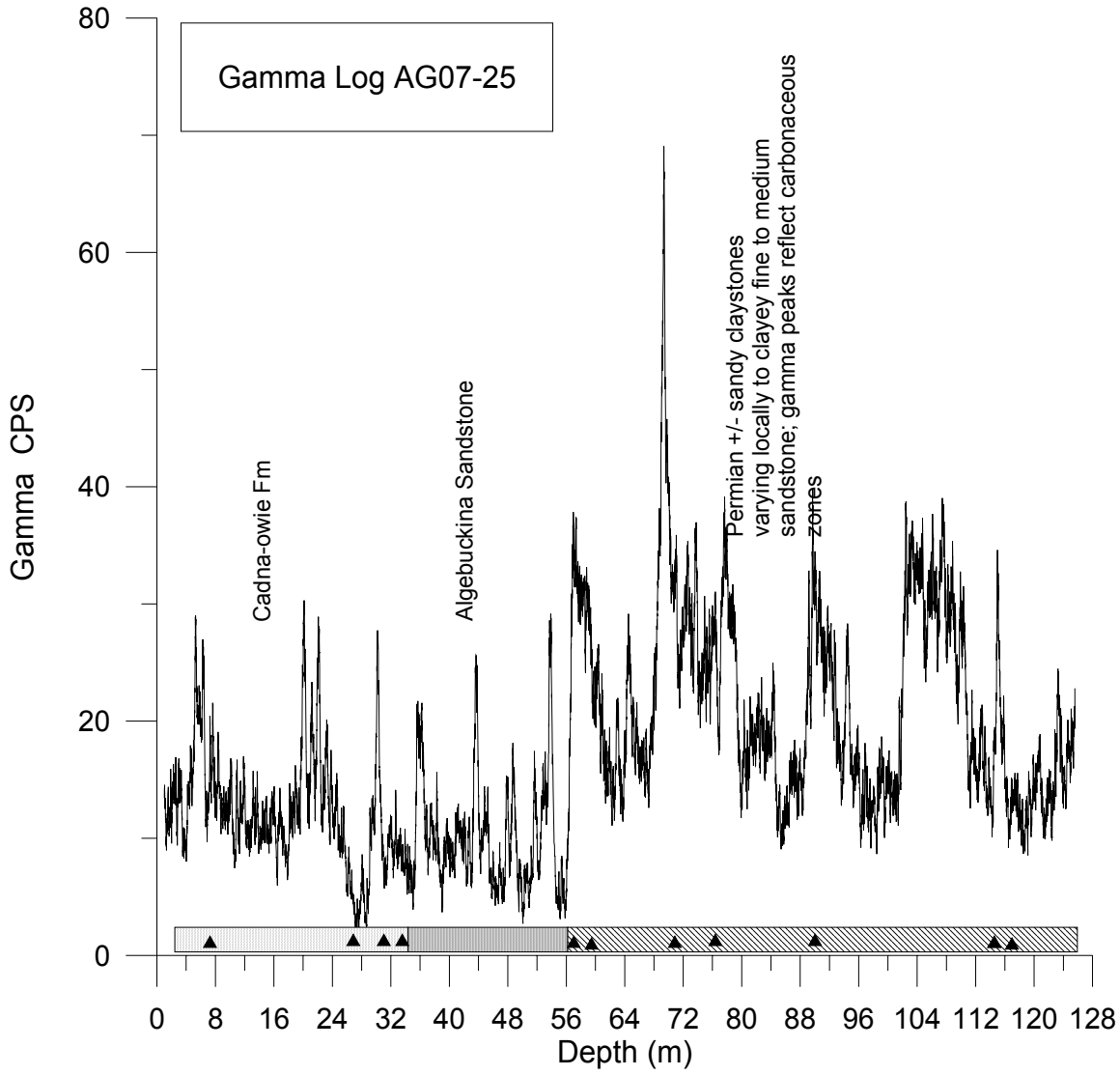
▲ carbonaceous horizons



Notes :-

Low order gamma spikes in Algebuckina Sandstone, the best of which is 30.99 cps at 56.71m , corresponding to a cream, fine through to coarse grained pebbly sandstone within interval 56-58m ; another low order gamma spike of 39.98 cps occurs at 12.57m and corresponds to Cadna-owie Fm dark grey, finely sandy and micaceous, carbonaceous claystone on fine grained clayey sandstone.

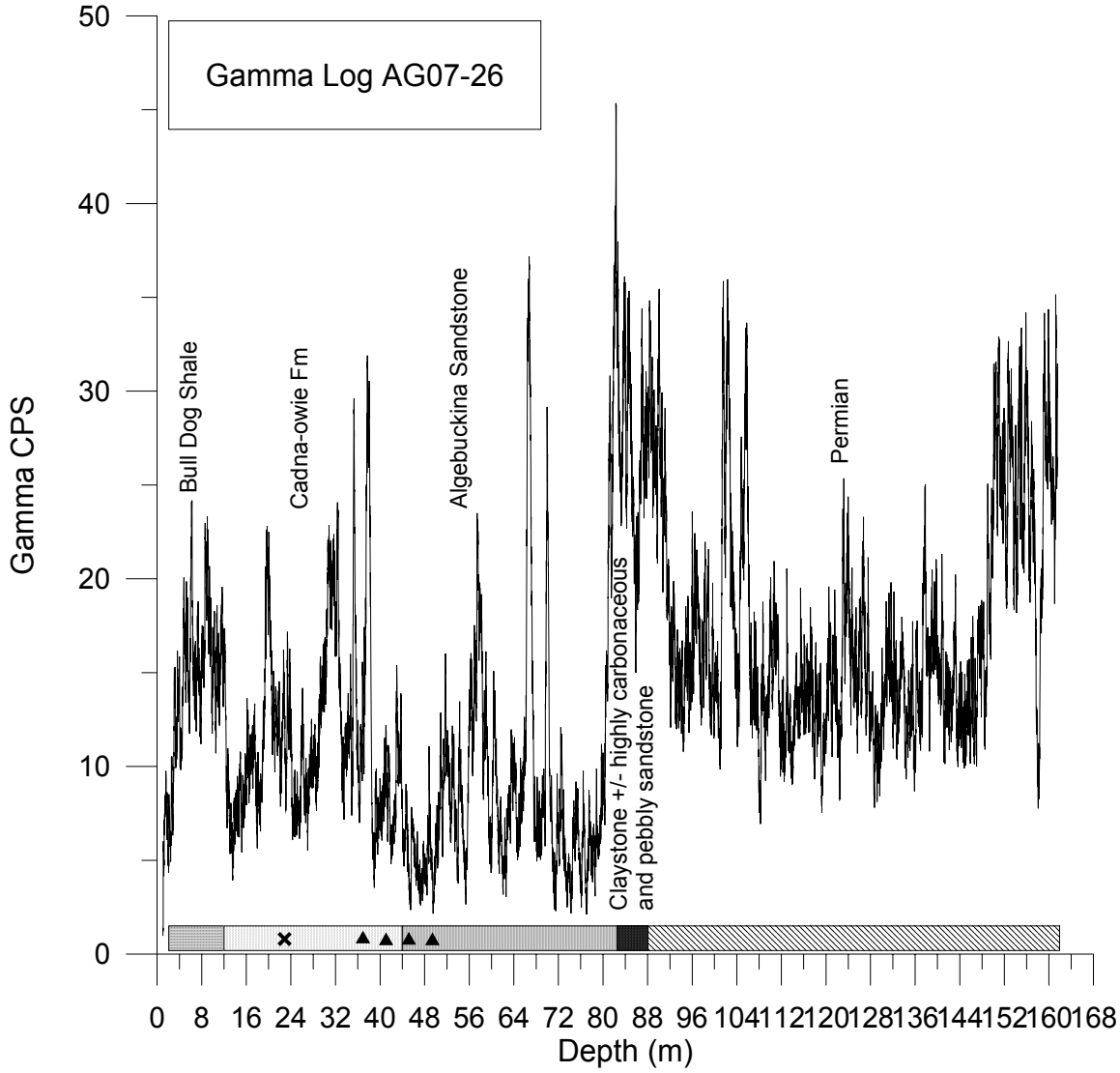
▲ carbonaceous horizons



Notes :-

Maximum response of 69.05 cps at 69.35m in Permian lithologies comprising grey to dark grey micaceous claystone, conspicuously carbonaceous within interval 70-72m; background response for Cadna-owie Fm and Algebuckina Sandstone.

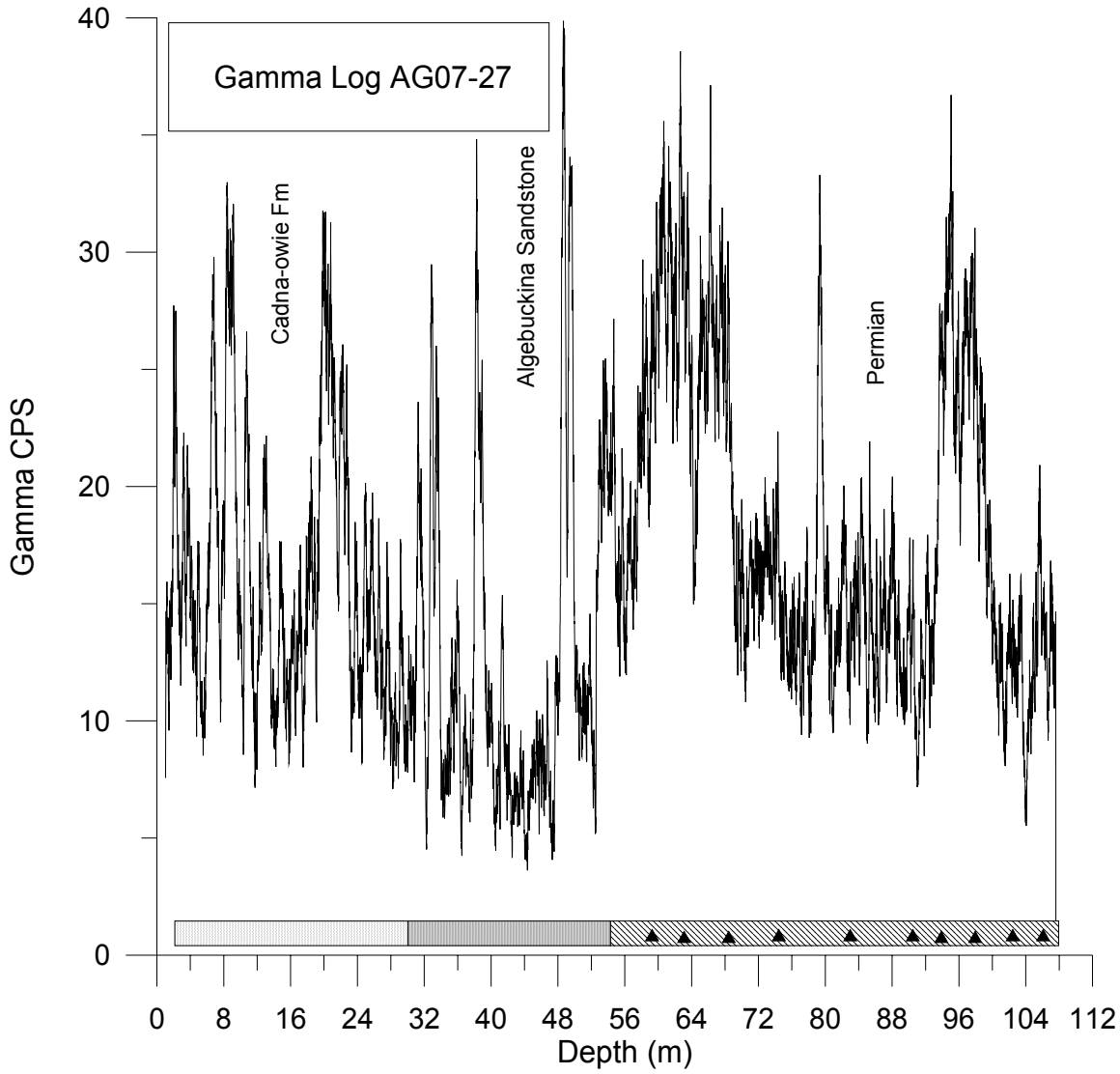
▲ carbonaceous horizons



Notes :-

The gamma log profile shows a maximum response of 45.35 cps at 82.32m corresponding to a mixed zone of purple-grey claystone (highly carbonaceous within interval 82-86m) and pebbly quartz sandstone; The best response within the Algebuckina Sandstone was a low order gamma spike of 37.18 cps centred on 66.75m, corresponding to pebbly, medium to coarse grained clayey sandstone within interval 66-72m.

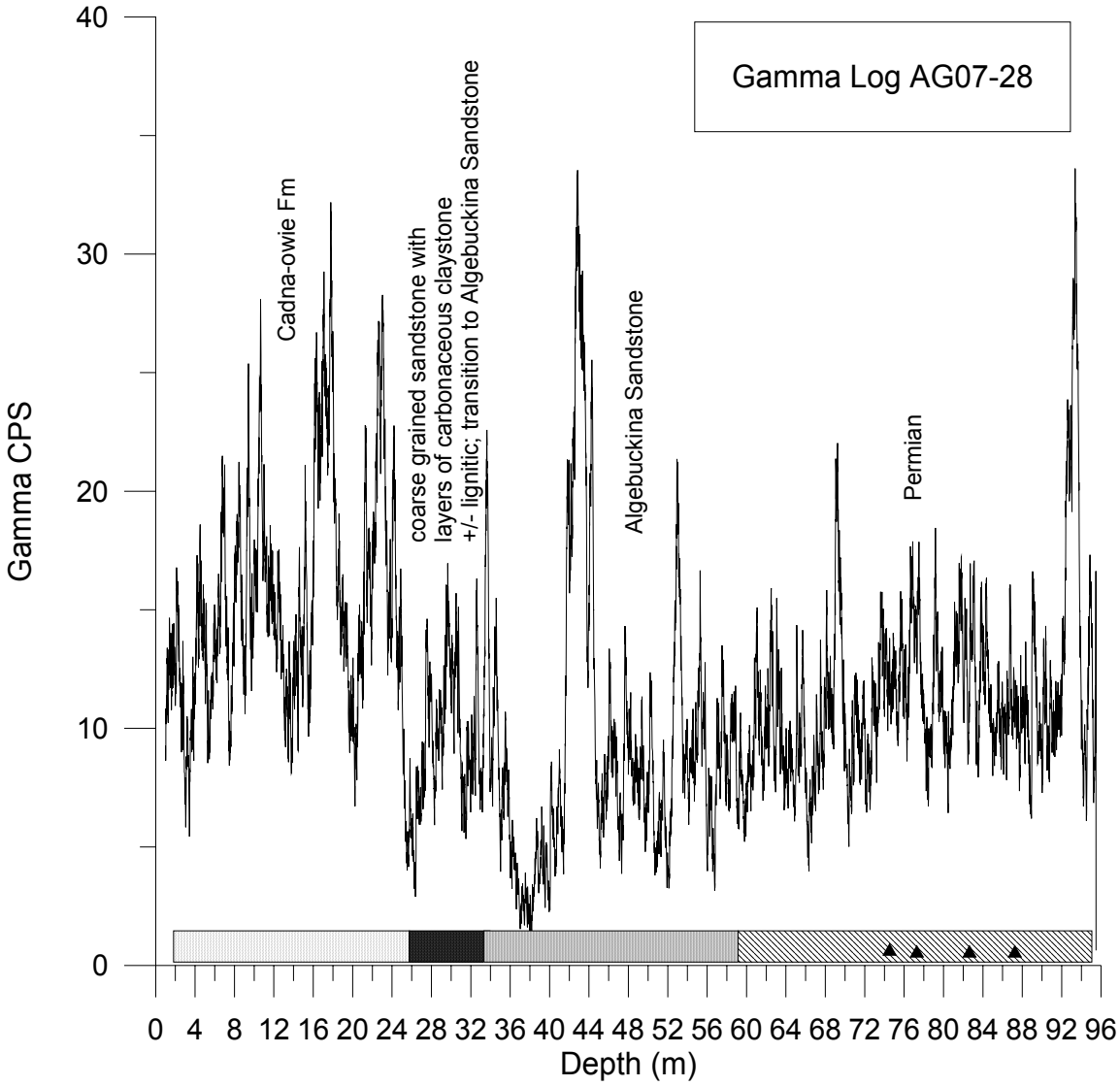
× pyrite ▲ carbonaceous horizons



Notes :-

Low order gamma spikes in Cadna-owie Fm and Algebuckina Sandstone, the best of which are 39.87 cps at 48.65m – located within two metre interval of clayey, medium to coarse grained pebbly sandstone and 34.82 cps at 38.26m - corresponding to a cream, gritty claystone marker; there is a broad low level gamma response (58-68m) in the top part of the Permian corresponding to carbonaceous, locally finely sandy claystone – peak response 38.56 cps at 62.65m.

▲ carbonaceous horizons



Notes :-

Low order gamma response generally (including carbonaceous horizons). A 33.54 cps spike at 42.84m corresponds to a sandy claystone marker over interval 42-44m, within the Algebuckina Sandstone.

▲ carbonaceous horizons

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EL 3412 Edward Creek
Annual Report
For the Period Ending 15 September 2008

Warrina SH53-03
South Australia

Author: G. McKay

Date: 7 November 2008

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LIST OF FIGURES

REPORT DIGITAL FILE LIST

EL3412_2008_01_Main Report .pdf (this report)

1 SUMMARY

The primary objective of the programme is to determine the potential for strata controlled uranium deposits within the Jurassic Algebuckina Sandstone and overlying Cretaceous Cadna-owie Formation, lying marginal to the Middle Proterozoic and Adelaidean Peake and Denison Inliers. The type of deposits sought include sandstone-hosted roll-front deposits and palaeodrainage controlled sandstone and conglomerate hosted deposits.

Work completed during the 2008 reporting period comprised:

- A heliborne EM survey, E-W lines at 500m and 1km spacing over 150 line km to map basement topography and potential trap sites for drill testing.
  (EM data - see Government of South Australia Mineral Resources Website)

2 INTRODUCTION

EL 3412 is located on pastoral leases in the environs of the Denison Range, approximately 90km southeast of Oodnadatta (Figure 1). The tenement area is the subject of a Native Title claim by the Arabunna People (SC98/002).

3 TENURE

EL 3412 Peake Creek was granted to Red Metal Limited on 16 September 2005 over 960 sq km. The licence area has been reduced to 536 sq km.

4 REGIONAL GEOLOGY AND GEOPHYSICS

The project area lies immediately west of the Proterozoic Peake & Denison inliers, which is correlated with formations on the eastern Eyre Peninsula of the Gawler Craton, though similarities also exist with the geological, structural, and metallogenic evolution of the Olary Domain of the Curnamona Craton.

Palaeoproterozoic (1800-1780 Ma) basement lithologies are exposed within the inliers as large enclaves surrounded by Neoproterozoic “diapiric” breccias. These basement rocks are dominated by interlayered metabasalt and quartzite with subordinate porphyritic rhyolite, granite, phyllite, schist and calcsilicate.

A second volcano-sedimentary cycle is recognised at 1750-1740 Ma equated with the Wallaroo Group of the Northern Yorke Peninsula. These rocks comprise felsic metavolcanics, quartz-feldspar schist, gneiss, calcsilicate and quartzite.

Mesozoic sediment cover of the Eromanga Basin largely conceals metamorphic basement to the east and west of the inliers. The Late Jurassic–Early Cretaceous marginal basin sequence exposed in the area comprises a fining-upwards sequence including the basal Algebuckina Sandstone, Cadna-Owie Formation and Bulldog Shale.

Tertiary gibber lag, gypsiferous clays, alluvial gravels, silts/clays, aeolian dune sands, lacustrine and mound spring deposits overlie the Mesozoic sediments and dominate the surficial cover away from the inliers.

5 PREVIOUS EXPLORATION

Previous companies conducting exploration include the following:

EL 108	Shell Development (Aust) Pty Ltd	1973-74
EL 336	Mines Administration Pty Ltd	1977-78
EL 851	Stockdale Prospecting Ltd	1981-83
EL 1168	Stockdale Prospecting Ltd	1983-88
EL 1534	Cyprus Aust Coal Company	1988-90
EL 2754	Reedy Lagoon Corporation NL	2000-2001
EL 2892	Reedy Lagoon Corporation NL	2002-2005

6 WORK COMPLETED DURING CURRENT REPORTING PERIOD

In September 2007 a heliborne EM survey was conducted by Geosolutions Pty Ltd on E-W lines at 500m and 1km spacing over 150 line km to map basement topography and potential trap sites for drill testing.

(EM data - see Government of South Australia Mineral Resources Website)

7 CONCLUSIONS

Based on the results of exploration in surrounding tenements, no further follow-up of the uranium potential is planned.

LOCALITY

Warrina	SH53-03	1:250,000
Warrina	6041	1:100,000
Boorthanna	6040	1:100,000

DESCRIPTOR

This is the second annual report for the period ending 15 September 2008 for EL 3412, Edward Creek. A heliborne EM survey was conducted.

KEYWORDS

Algebuckina Sandstone, Cadna-owie Formation, EM survey, Mesozoic, Permian, Peake & Denison Inlier, sandstone uranium deposits.

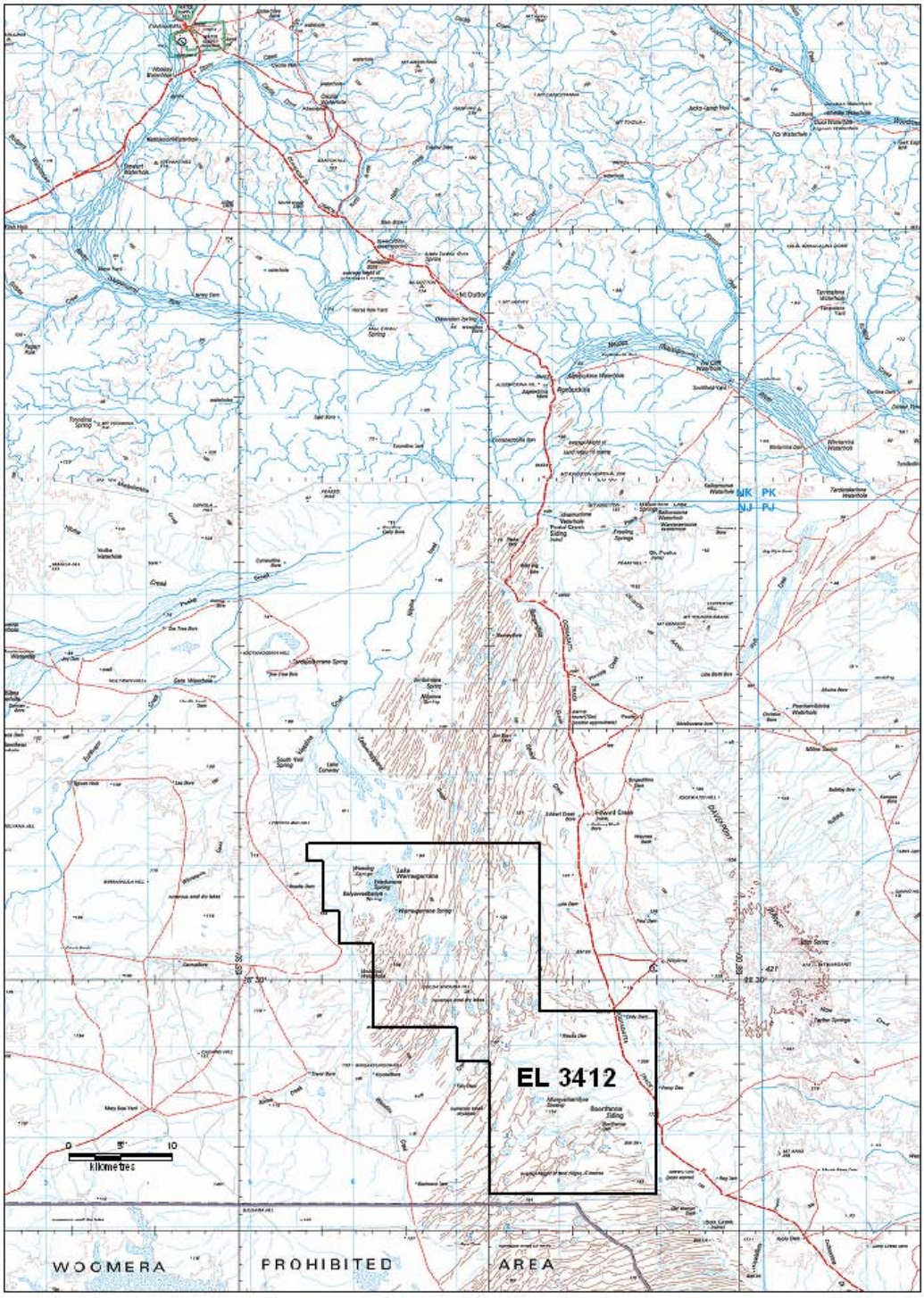

Figure 1: EL 3412 Location figure

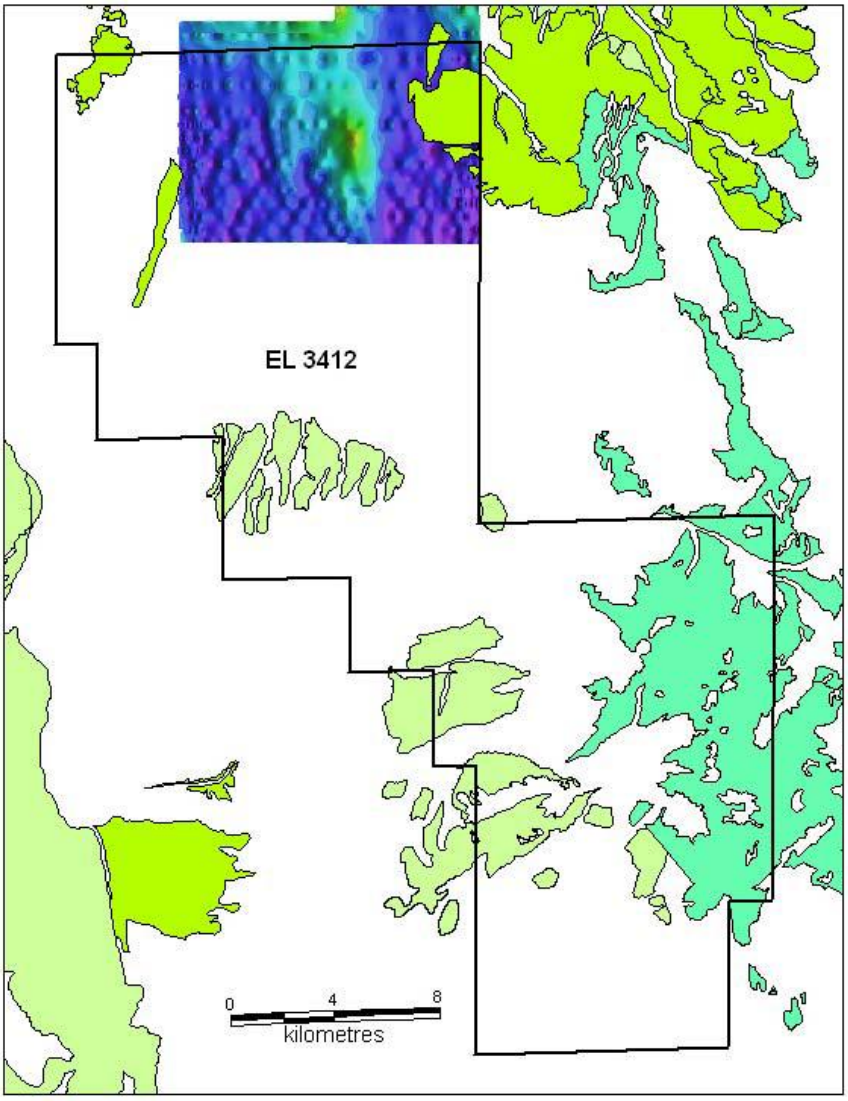

Figure 2: EL 3412 Mesozoic geology on EM image

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EL 3412 Edward Creek
Annual & Final Report
For the Period Ending 15 September 2009

Warrina SH53-03
South Australia

Author: G. McKay

Date: 20 October 2009

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LIST OF FIGURES

REPORT DIGITAL FILE LIST

EL3412_2009_01_Final Report .pdf (this report)

1 SUMMARY

The primary objective of the programme is to determine the potential for strata controlled uranium deposits within the Jurassic Algebuckina Sandstone and overlying Cretaceous Cadna-owie Formation, lying marginal to the Middle Proterozoic and Adelaidean Peake and Denison Inliers. The type of deposits sought include sandstone-hosted roll-front deposits and palaeodrainage controlled sandstone and conglomerate hosted deposits.

Work completed during the 2009 reporting period comprised a review of previous results.

Exploration activities conducted by Red Metal Limited on EL 3412 since grant on 19/9/2005 included:

- Rotary mud drilling of six holes testing the uranium potential of Mesozoic sandstones.
- A heliborne EM survey on E-W lines at 500m and 1km spacing to map basement topography and potential trap sites for drill testing.
  (EM data - see Government of South Australia Mineral Resources Website)

2 INTRODUCTION

EL 3412 is located on pastoral leases in the environs of the Denison Range, approximately 90km southeast of Oodnadatta (Figure 1). The tenement area is the subject of a Native Title claim by the Arabunna People (SC98/002).

3 TENURE

EL 3412 Peake Creek was granted to Red Metal Limited on 16 September 2005 over 960 sq km. The licence area has been reduced to 398 sq km.

4 REGIONAL GEOLOGY AND GEOPHYSICS

The project area lies immediately west of the Proterozoic Peake & Denison inliers, which is correlated with formations on the eastern Eyre Peninsula of the Gawler Craton, though similarities also exist with the geological, structural, and metallogenic evolution of the Olary Domain of the Curnamona Craton.

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A second volcano-sedimentary cycle is recognised at 1750-1740 Ma equated with the Wallaroo Group of the Northern Yorke Peninsula. These rocks comprise felsic metavolcanics, quartz-feldspar schist, gneiss, calcsilicate and quartzite.

Mesozoic sediment cover of the Eromanga Basin largely conceals metamorphic basement to the east and west of the inliers. The Late Jurassic–Early Cretaceous marginal basin sequence exposed in the area comprises a fining-upwards sequence including the basal Algebuckina Sandstone, Cadna-Owie Formation and Bulldog Shale.

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Previous companies conducting exploration include the following:

EL 108	Shell Development (Aust) Pty Ltd	1973-74
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EL 1168	Stockdale Prospecting Ltd	1983-88
EL 1534	Cyprus Aust Coal Company	1988-90
EL 2754	Reedy Lagoon Corporation NL	2000-2001
EL 2892	Reedy Lagoon Corporation NL	2002-2005

6 SUMMARY OF WORK COMPLETED

2005-2006

- Red Metal completed a review of the previous exploration within the area. Granitic rocks of the Peake & Denison Inlier have a high radiometric signature, with the potential that mobile uranium has leached into groundwater aquifers in adjacent Mesozoic sandstones.
- Deep historic drillholes into the Algebuckina Sandstone show it to contain pyrite and organic matter in some areas. Field observation and a review of the historic drilling has identified thick sequences of oxidised Algebuckina Sandstone flanking the radiogenic basement rocks. This setting is interpreted to be conducive for the formation of uranium roll-front deposits.

2006-2007

- Shallow rotary-mud drilling of 11 holes for 1,375 metres was conducted in December 2006 to February 2007 to test the uranium potential of Mesozoic sandstone sequences west of the Algebuckina inlier (Figure 2). The holes intersected Cadna-Owie Formation and/or Algebuckina Sandstone. Some holes extended into kaolinitic saprolite and saprock from the Adelaidean and Middle Proterozoic basement while other holes intersected Permian sediments.
- Anomalous downhole gamma responses were recorded in several holes although uranium assays were low, up to 25 ppm.

2007-2008

- In September 2007 a heliborne EM survey was conducted by Geosolutions Pty Ltd on E-W lines at 500m and 1km spacing over 150 line km to map basement topography and potential trap sites for drill testing.
  (EM data - see Government of South Australia Mineral Resources Website)

Table 1 - Drillhole collars

HOLE	MGAE	MGAN	Elevation	AZIM	DIP	Depth	Date Completed
AG0608	579638	6839233	155	0	-90	19	15/12/2006
AG0609	575030	6856775	120	0	-90	120	16/12/2006
AG0720	574459	6856248	95	0	-90	138	27/02/2007
AG0721	574383	6857351	108	0	-90	162	2/03/2007
AG0722	574462	6858093	116	0	-90	150	3/03/2007
AG0723	572697	6857888	124	0	-90	150	3/03/2007
AG0724	568739	6860113	93	0	-90	144	4/02/2007
AG0725	567525	6854075	96	0	-90	126	5/02/2007
AG0726	570437	6858985	89	0	-90	162	6/02/2007
AG0727	575271	6847898	133	0	-90	108	7/02/2007
AG0728	573922	6852467	116	0	-90	96	8/02/2007

All drill sites have been rehabilitated.

7 CONCLUSIONS

Based on the results of exploration in surrounding tenements, further follow-up of the uranium potential is not considered feasible.

LOCALITY

Warrina	SH53-03	1:250,000
Warrina	6041	1:100,000
Boorthanna	6040	1:100,000

DESCRIPTOR

This is the fourth and final annual report for the period ending 15 September 2009 for EL 3412, Edward Creek.

KEYWORDS

Algebuckina Sandstone, Cadna-owie Formation, EM survey, Mesozoic, Permian, Peake & Denison Inlier, sandstone uranium deposits.

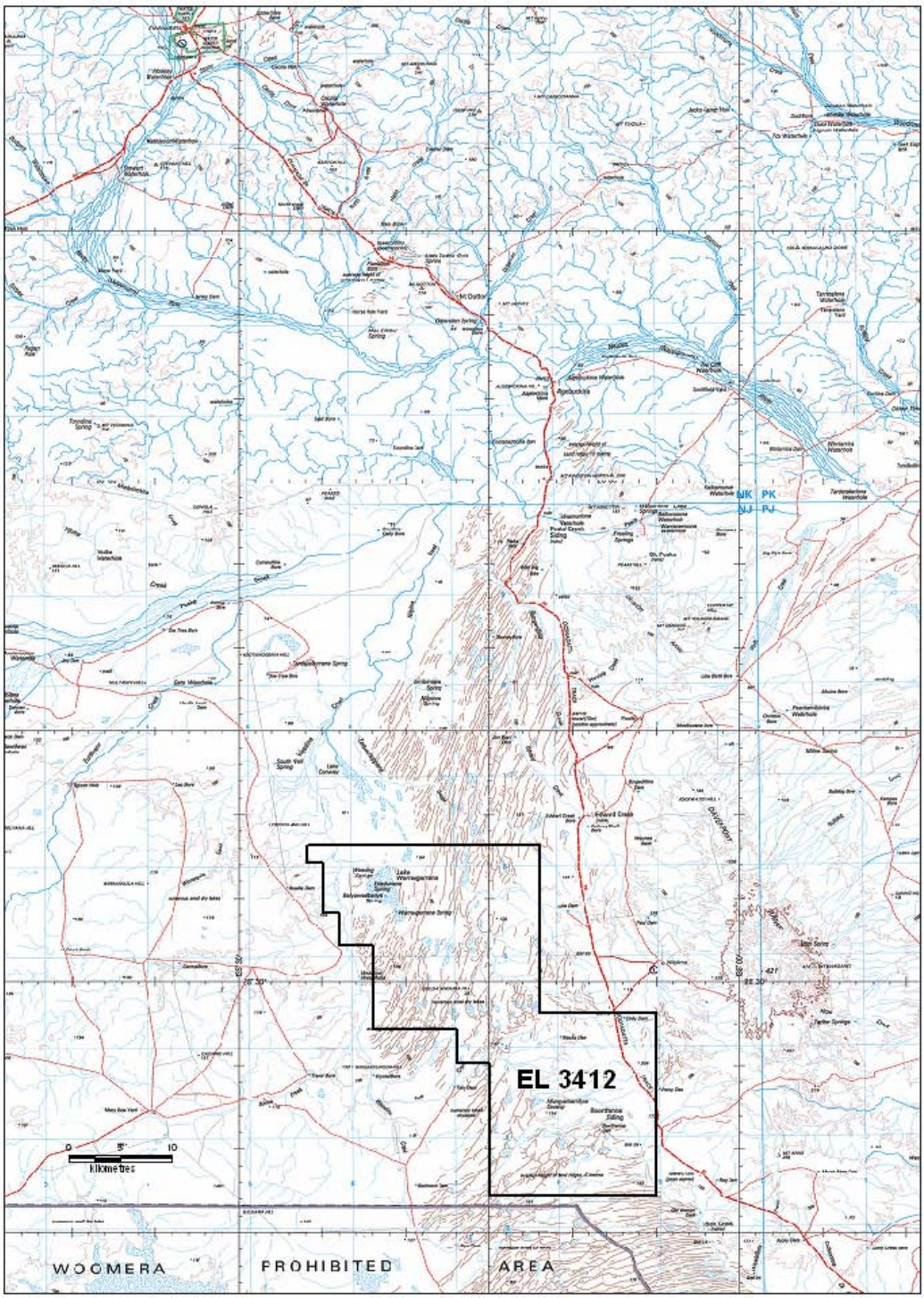

Figure 1: EL 3412 Location figure

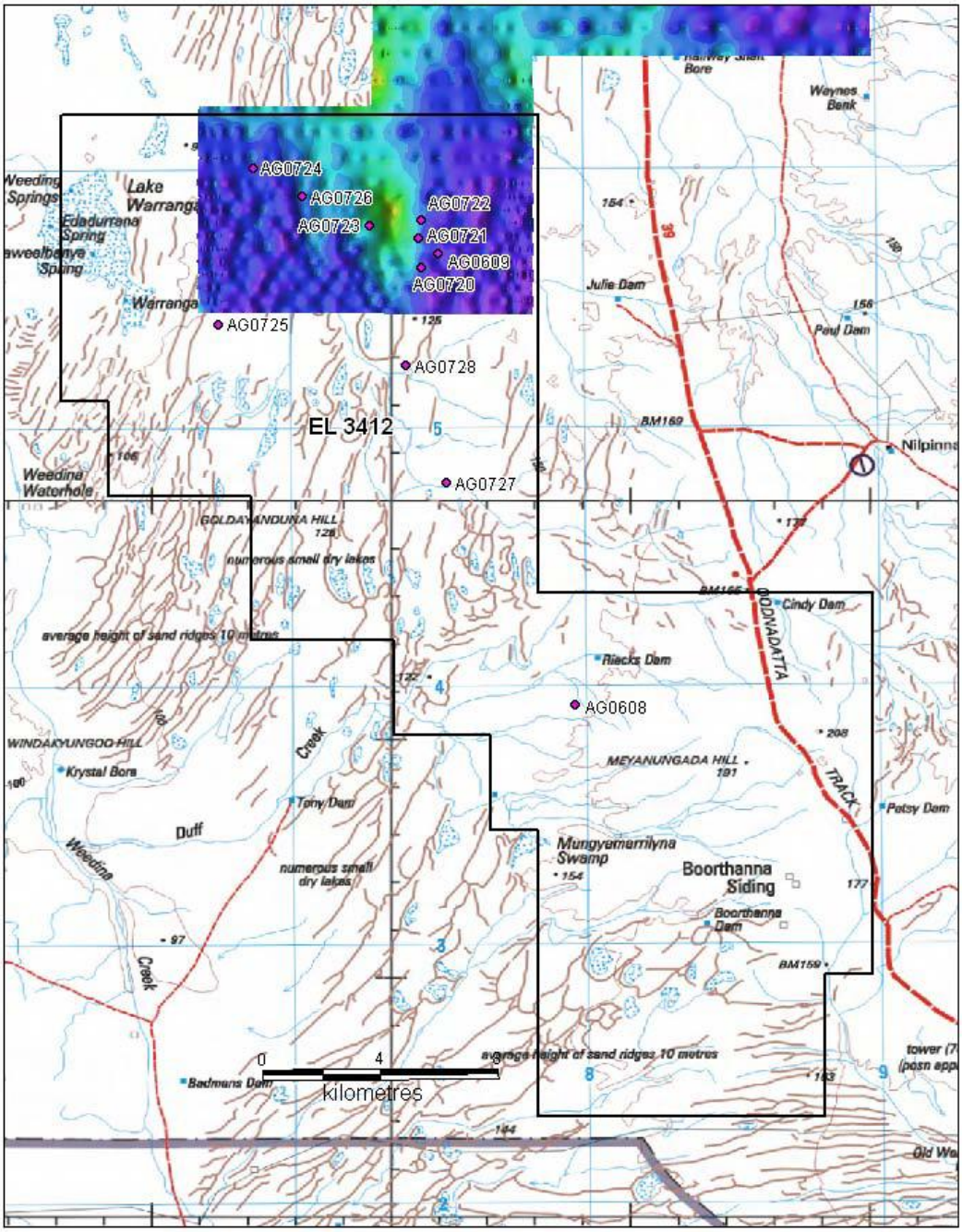

Figure 2: EL 3412 drillhole locations on EM image