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EL 3226 / 4307

ALGEBUCKINA

SIXTH PARTIAL SURRENDER REPORT, FOR THE PERIOD 3/8/2004 TO 28/9/2013

Submitted by
Red Metal Ltd
2013

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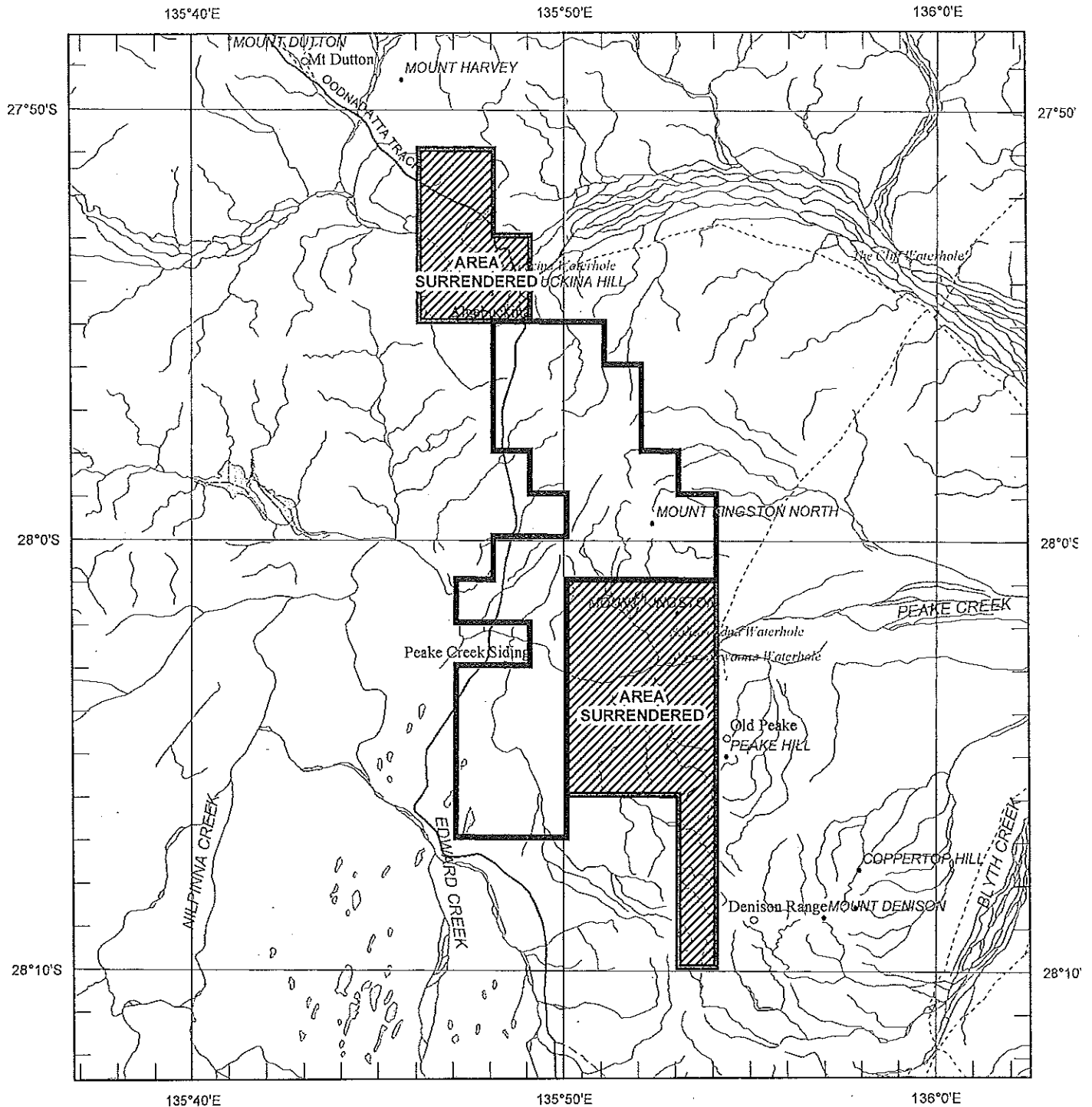
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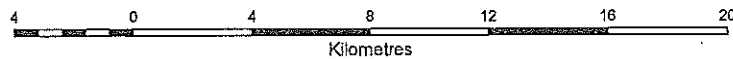
Government of South Australia

Department for Manufacturing,
Innovation, Trade, Resources and Energy

SCHEDULE A



SCALE 1 : 250 000



LICENCE BOUNDARIES IN : DATUM AGD66

APPLICANT : RED METAL LIMITED

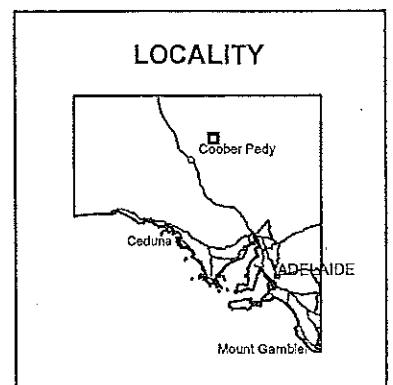
FILE REF : 2009/00189 TYPE : MINERAL ONLY

AREA : 124 sq km (approx)

1 : 250 000 MAPSHEETS : OODNADATTA WARRINA

LOCALITY : ALGEBUCKINA AREA -

Approximately 140 km northeast of Coober Pedy



DATE GRANTED: 29-Sep-2009 DATE EXPIRED: 28-Sep-2013 EL NO: 4307

EL 4307 Algebuckina
Partial Surrender Report
For the Period Ended 28 September 2013

Oodnadatta SG53-15, Warrina SH53-03

Date: 18 October 2013

Author: G. McKay

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Report Digital File List

EL4307_2013_01 Partial Surrender Report.pdf (this report)
EL4307_2013_02 Surrendered Collar Data.csv
EL4307_2013_03 Surrendered Lithology Log.csv
EL4307_2013_04 Surrendered Gravity Data.csv

SUMMARY

This is the third Partial Surrender report for EL 4307 Algebuckina (a subsequent licence to EL 3226) for the period ending 28 September 2013.

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

Historic drillholes into the Algebuckina Sandstone showed it contains pyrite and organic matter in some areas. A review of the historic drilling identified thick sequences of oxidised Algebuckina Sandstone flanking the radiogenic basement rocks. This setting when combined with a radiogenic provenance was interpreted to be conducive for the formation of uranium roll-front deposits.

Another project objective was to explore for iron-oxide copper-gold (IOCG) type mineralisation on the northern limit of the Peake and Denison Inliers which comprise a series of outcropping northwest oriented fault-bounded wedges of Palaeoproterozoic metamorphic basement rocks (Peake Metamorphics), intruded by granitic and mafic rocks of Palaeoproterozoic and Mesoproterozoic ages immediately adjacent to the eastern margin of the Gawler Craton.

Work conducted on the surrendered blocks (under previous title EL 3226) included:

- A gravity survey in the northern part of the licence.
- Shallow RCP drilling of 1 hole to basement on a gravity anomaly.

KEYWORDS: Uranium, Copper, Gold, IOCG, rotary-mud drilling, Peake and Denison Inliers, Proterozoic.

LOCALITY

Oodnadatta	SG53-15	1:250,000
Warrina	SH53-03	1:250,000
Warrina	6041	1:100,000
Algebuckina	6042	1:100,000

1.0 INTRODUCTION

EL 4307 is located on pastoral leases in the environs of the Denison Range, approximately 140km north-east of Coober Pedy. The tenement area is the subject of a Native Title claim by the Arabunna People (SC98/002).

2.0 TENURE

EL 4307 was granted to Red Metal Limited (subsequent to EL 3226) on 29 September 2009 over an area of 409 sq km. It has been progressively reduced to 124 sq km.

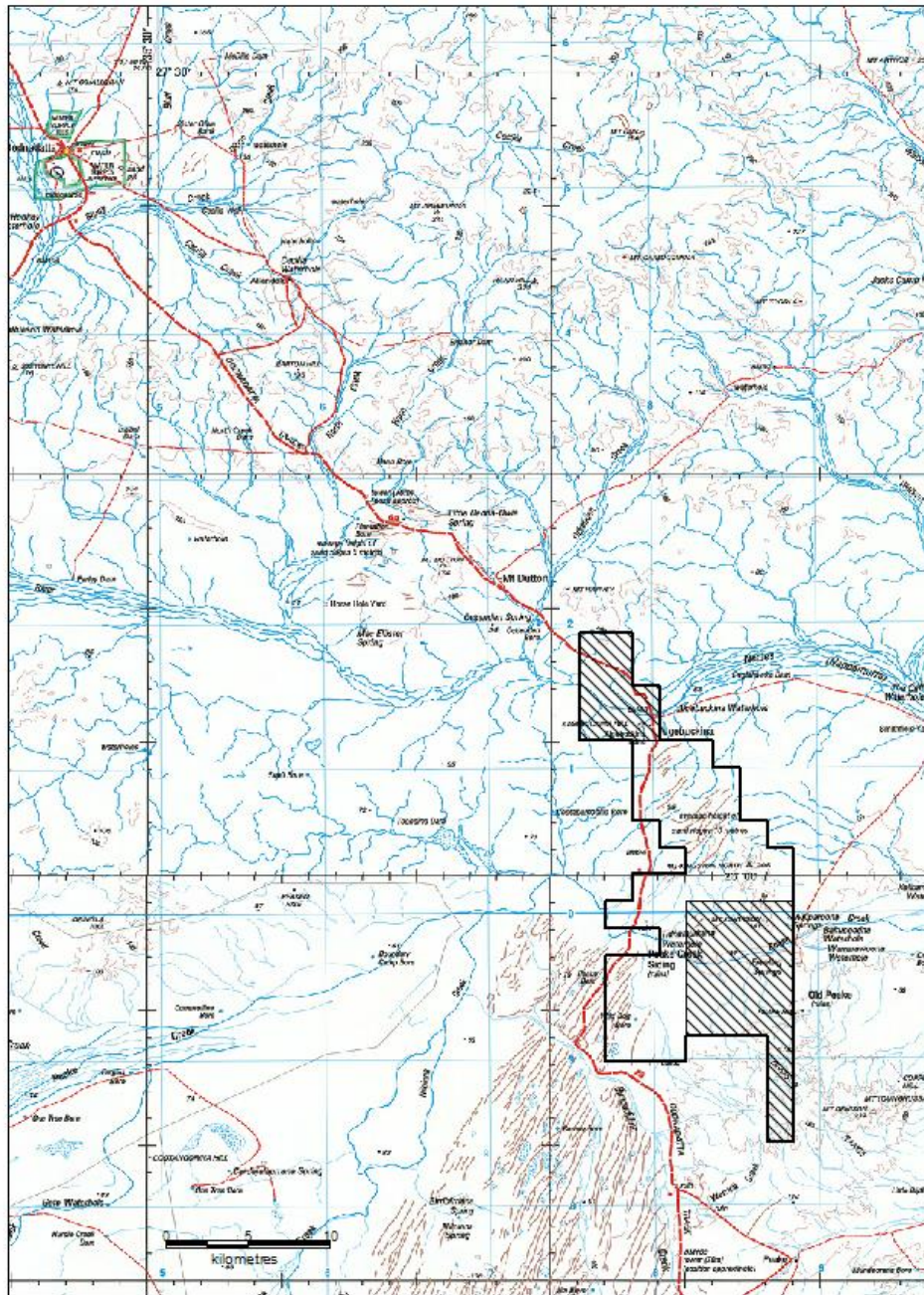


Figure 1 - Location of EL 4307 relinquished portions hatched, September 2013

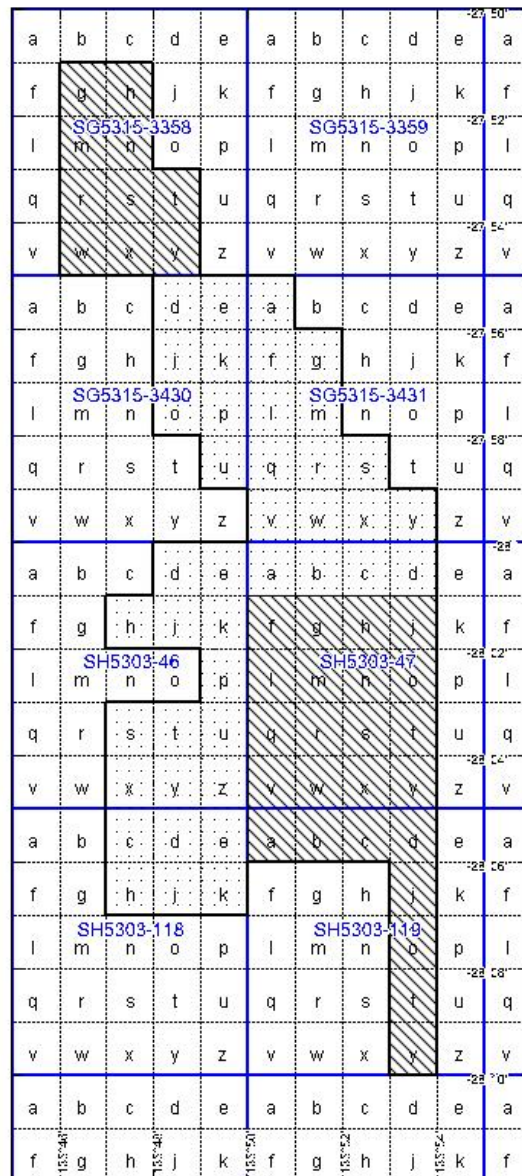


Figure 2 - EL 4307 relinquished blocks hatched, September 2013

3.0 REGIONAL GEOLOGY

The Peake and Denison Inliers comprise a series of outcropping northwest oriented fault-bounded wedges of Palaeoproterozoic metamorphic basement rocks (Peake Metamorphics), intruded by granitic and mafic rocks of Palaeoproterozoic and Mesoproterozoic ages immediately adjacent to the margin of the Gawler Craton. The Algebuckina tenement covers the northern limit of the Peake and Denison Inliers. Distribution of major rock types is shown on Figure 3.

Mesozoic sediment cover of the Eromanga Basin overlies basement sequences varying from less than 50 metres thick west of the basement inliers to greater than 300 metres thick to the east. Artesian water is commonly developed within the Algebuckina sandstone member of the Eromanga Basin.

Tertiary gibber lag, gypsiferous clays, alluvial gravels, silts/clays and Recent aeolian dune sands, lacustrine and mound spring deposits overlie the Mesozoic sediments.

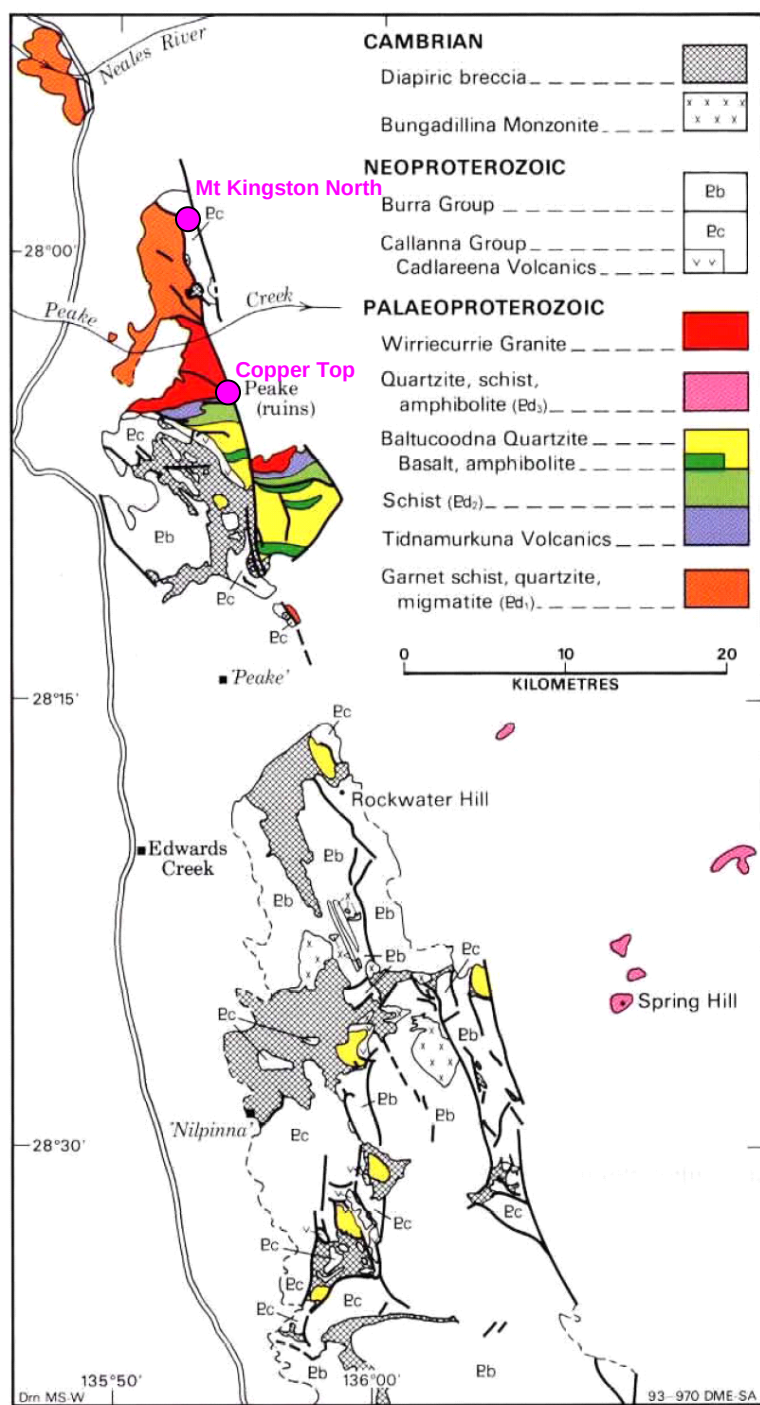


Figure 3 – Peake & Denison Inlier Geology

4.0 PREVIOUS EXPLORATION

Pancontinental Mining (1993-95), RGC Exploration (1995-98) (acquired Pancontinental in late 1995), BHP Minerals Pty Ltd joint venture with RGC (1998-99), Rio Tinto Exploration joint venture with BHP (1999-2001). These companies held EL 1844 / EL 2549. Work activities included stream sediment and gravel sampling, airborne geophysical surveying and gravity surveying.

Over the period 1978 to 1980, Dampier Mining conducted ground magnetic and mapping traverses over magnetic complexes in the area, concluding with two holes (WLE 1 & WLE 2) being drilled. No significant mineralisation was encountered.

Earlier uranium explorers included Mines Administration Pty Ltd (EL 336, 1977-78), Carpentaria Exploration Co. Pty Ltd (EL 888, 1981-82) and Getty Oil Development Co. Ltd (EL 1284, 1985-86).

During 1974 Chevron Exploration Corporation held much of the area under Exploration Licence 22 (Lagoon Hill). Activities were focused on uranium exploration and concluded with an 18-hole mud rotary drilling programme.

5.0 SUMMARY OF WORK COMPLETED

Work conducted on the relinquished portions of EL 4307 (under previous title EL 3226) included:

December 2007 - a gravity survey was conducted by Haines Surveys in the northern part of EL 3226.

April 2008 – shallow RCP drilling was conducted by Watson Drilling. One of these holes was a precollar on a basement gravity targets with 1.5 metres of basement core from 12.5 to 15 metres total depth(AG08-52).

Table 1 - Drillhole Summary

HOLE	E_MGA53	N_MGA53	Elevation	Azim	Dip	Total Depth	Basement	Date Completed
AG0852	578471	6916357	73	0	-90	15	12.5	8/4/2008

6.0 CONCLUSIONS

The surrendered portions were considered to have lower exploration potential.

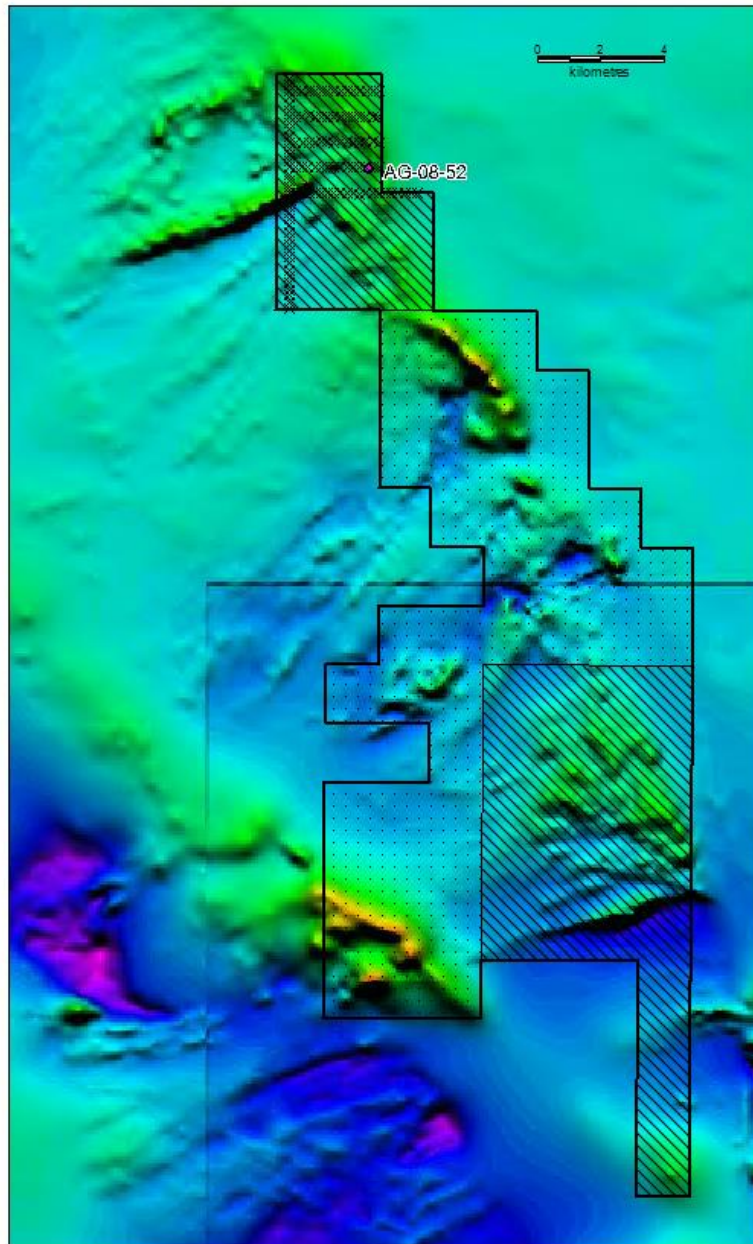


Figure 4 – EL 4307 relinquished portions with drillhole (pink) and gravity survey lines (crosses) on TMI image