



Partial Surrender Report

EL 25574 – Mt Skinner East Mt Skinner Base Metal Project

Reporting Period: 30.07.2007 - 29.07.2009

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SUMMARY

EL25574 forms part of the Mt Skinner Project area, being located approximately 170km northeast of Alice Springs. The tenement was transferred from Elkedra Diamonds NL (Elkedra) to Uramet Minerals Ltd (Uramet) during the 2007 season, and originally covered an area of 144km².

Most of the exploration work (rock chip and soil sampling, a helicopter-borne electromagnetic (EM) survey, and a helicopter assisted gravity survey) within the tenement has been conducted in the retained area to the east.

While relatively little work has been undertaken within the surrendered portion of the tenement, the potential for paleochannel calcrete hosted uranium mineralisation has been downgraded by drilling in adjacent tenements, and no indications of significant base metal mineralisation has been noted as the result of field reconnaissance.

Uramet considers the prospectivity for uranium and base metals within the relinquished portion of the tenement to be low.

This report details all exploration work carried out within the surrendered portion of EL25574 from the time of grant on 30 July 2007 to the date of partial surrender in July 2009.

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1. Introduction

EL25574 forms part of the Wilora Uranium and Mt Skinner Base Metal Project area, and is located approximately 170km northeast of Alice Springs, NT, with good road access on the sealed Stuart Highway and a network of established minor roads and station tracks.

An Aboriginal Areas Protection Authority (AAPA) clearance (certificate C2008/152) was conducted in the tenement prior to field work and any area of cultural significance was avoided.

This report details all work carried out by Uramet on the surrendered portion of the tenement since it was granted.

2. Tenure

EL25574 was granted to Elkedra on 30 July 2007, and was transferred to Uramet (being a divestiture of Elkedra) shortly after.

In 2009 a 50% reduction in area was made to the tenement (Figure 1).

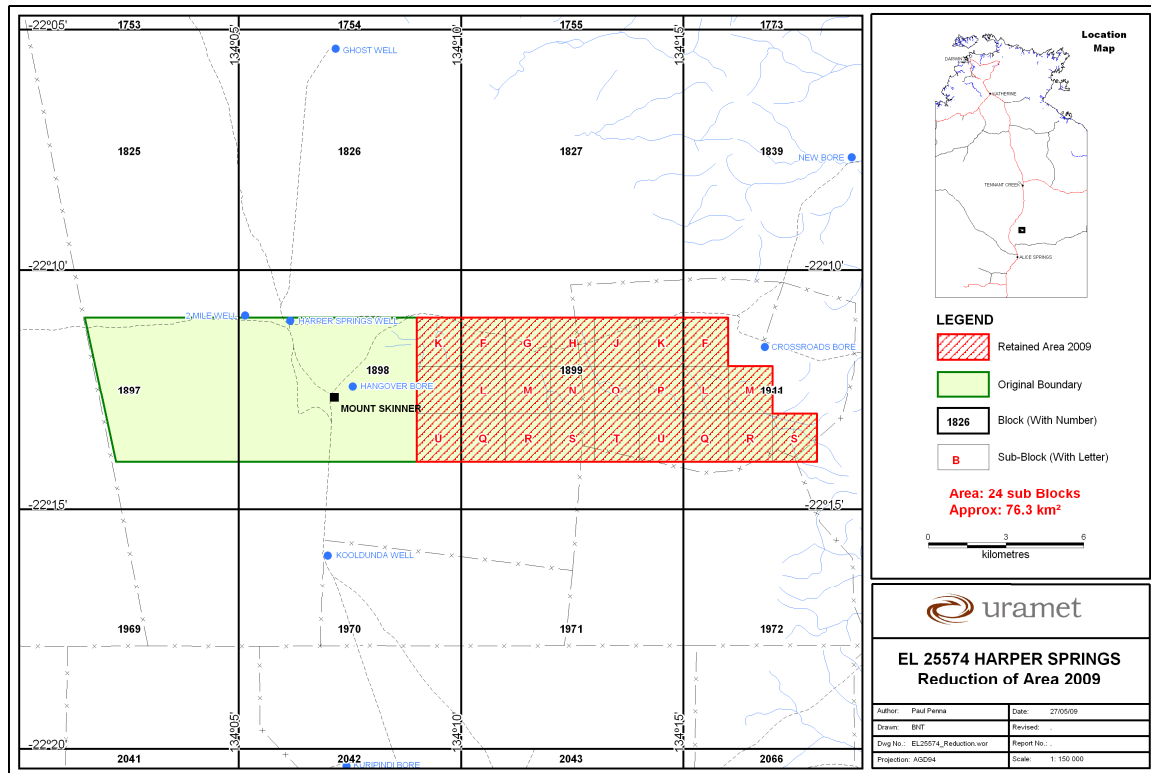


Figure 1. EL25574 tenement location plan showing areas relinquished and retained in 2009.

3. Geology

3.1 Regional Geology

The Project area lies at the boundary between Proterozoic-aged basement of the Arunta domain and the younger southern Georgina Basin (Figure 3). Kruse et al have described the Georgina Basin as a 330,000km² erosional remnant of a series of originally interconnected central Australian intracratonic basins that range in age from Neoproterozoic to Palaeozoic. In excess of 1.5km of Neoproterozoic sedimentary rocks are preserved in downfaulted blocks and half-grabens on the southern margin of the Georgina Basin in the NT. Depocentres and synclines contain up to 2.2km of Cambrian to Devonian section.

The Arunta basement is dominated by folded and faulted Palaeoproterozoic-age felsic gneiss and metasedimentary rocks (biotite schist, quartzite and calcsilicate), intruded by syn- to post tectonic granitoids.

In early Palaeozoic times the area was a stable platform on which carbonate, clastic and evaporitic units were deposited. The intracontinental, compressional Alice Springs Orogeny (370-310 Ma) affected the Georgina Basin and other central Australian Basin but resulted in little metamorphism (Dunster et al. 2007).

3.2 Tenement Geology

The geology of the tenement area is dominated by Neoproterozoic and Cambrian sedimentary rocks of the Central Mount Stuart and Octy Formations.

Cambrian and Neoproterozoic strike directions mainly trend NW-SE, sub-parallel to regional faults and shears such as the northwest trending Stirling Fault Zone. A secondary set of faults cross-cut the stratigraphy with a northeast strike.

The Neoproterozoic Central Mount Stuart Formation covers most of the north-eastern and eastern part of the tenement. The Cambrian Octy Formation is unconformable on the Neoproterozoic sandstones. The succession is part of a tilted fault block dipping gently towards a geophysically-defined fault trending NW-SE. The Neoproterozoic sedimentary rocks range in thickness from a veneer at the base of the Cambrian (Dunster et al., 2007) in the north, to an interpreted 1200m depth to the south.

Part of the tenement is occupied by the Wilora palaeo-channel system, the main channel of which is ~3km wide. Multiple generations of calcrete and dolocrete have accumulated since the Tertiary. The main Wilora palaeo-channel drains towards the northwest and has a catchment area that extends to the Mt Skinner and Strangways Ranges to the southeast (Figure 2).

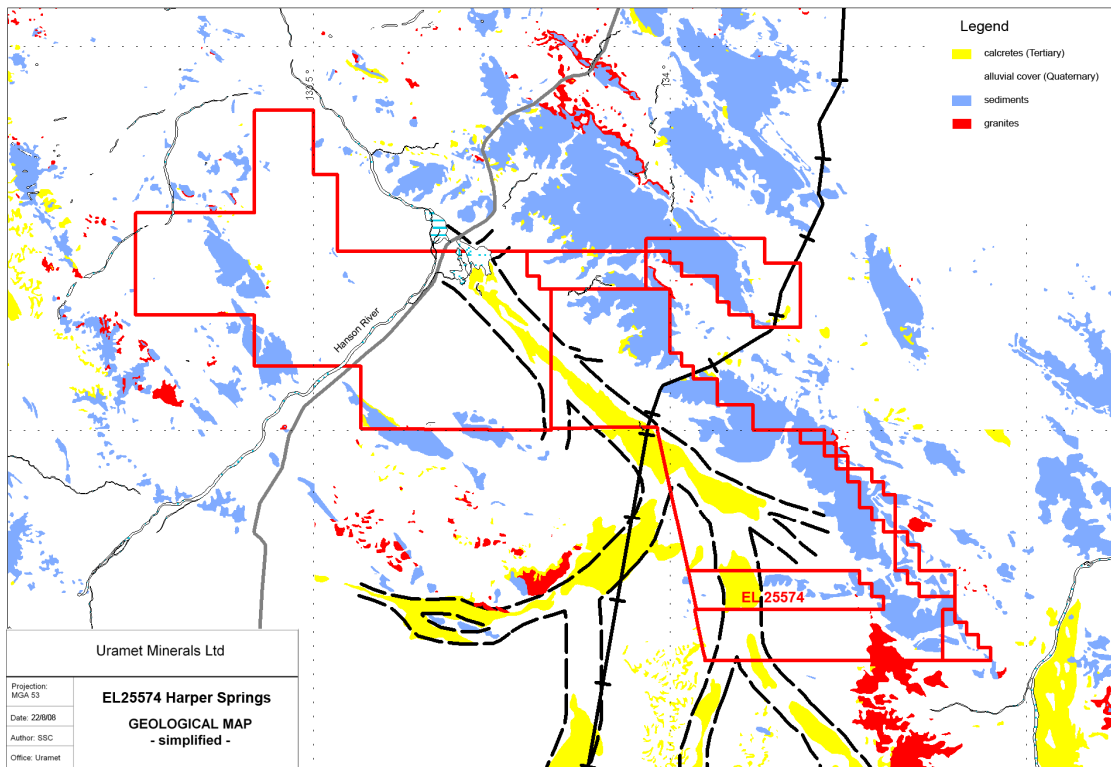


Figure 2. Simplified geological map showing EL25574 and adjacent tenements held by Uramet Minerals Ltd. Dashed line shows outline of Wilora palaeo-channel.

4. Previous Exploration Work

Many explorers have previously investigated the area for base metals. Exploration within the area was initiated by Kennecott Exploration in 1966. The main targets were the malachite-bearing grey-green siltstone units that outcrop throughout the area.

The NT Department of Mines and Water Resources drilled 4 holes for a total of 662m in 1968 to investigate copper mineralisation at Mt Skinner (GR19680016).

Alcoa of Australia Ltd continued exploration for copper and drilled 4 holes at Mt Skinner in 1981 (CR19820183).

In 1970, Centamin N.L. followed up on the holes drilled by Department of Mines and Water Resources and selected intervals of core which were assayed for Cu, Pb and Zn but without any significant results (CR19830125).

In 1983, Alcoa Australia Ltd flew an airborne magnetic survey at 500 m line spacing and drilled 4 holes close to previous holes. Operations ceased after re-evaluation of the data led to a down-grading in prospectivity of the area for base metals (CR19830125).

In 1995, CRA Exploration Ltd re-logged and assayed the Mt Skinner core drilled in 1968 but did not make any concluding remarks (CR19950562).

No significant drilling has been carried out since 1995. The NTGS re-evaluated the area as part of the Southern Georgina Basin Geology and Resource Potential Report in 2007 and concluded that Mt Skinner remains prospective for base metals (Dunster et al., 2007).

5. Work Undertaken By Uramet

5.1 Desktop Review

A review of open file exploration reports and drill core data indicates that Mt Skinner is prospective for stratiform copper mineralisation (Figure 3) in the Neoproterozoic Central Mount Stuart Formation and epigenetic base metal mineralisation in the Elyuah Formation. Copper mineralisation occurs on the surface and extends for several kilometres along strike and consists of malachite-stained rocks and float (Dunster et al., 2007). Visible galena, pyrite, chalcopyrite and fluorite were described by Dunster et al. (2007) in core CMS4 (immediately east outside the tenement) at a depth of 247m to 260m. Whole rock geochemistry carried out during the same study confirmed elevated lead, zinc and barium levels and revealed previously unrecognised lead-zinc mineralisation at depth.

A review of Uramet's aircore drilling data within adjacent tenements has downgraded the potential to host an economic paleochannel calcrete hosted uranium deposit.

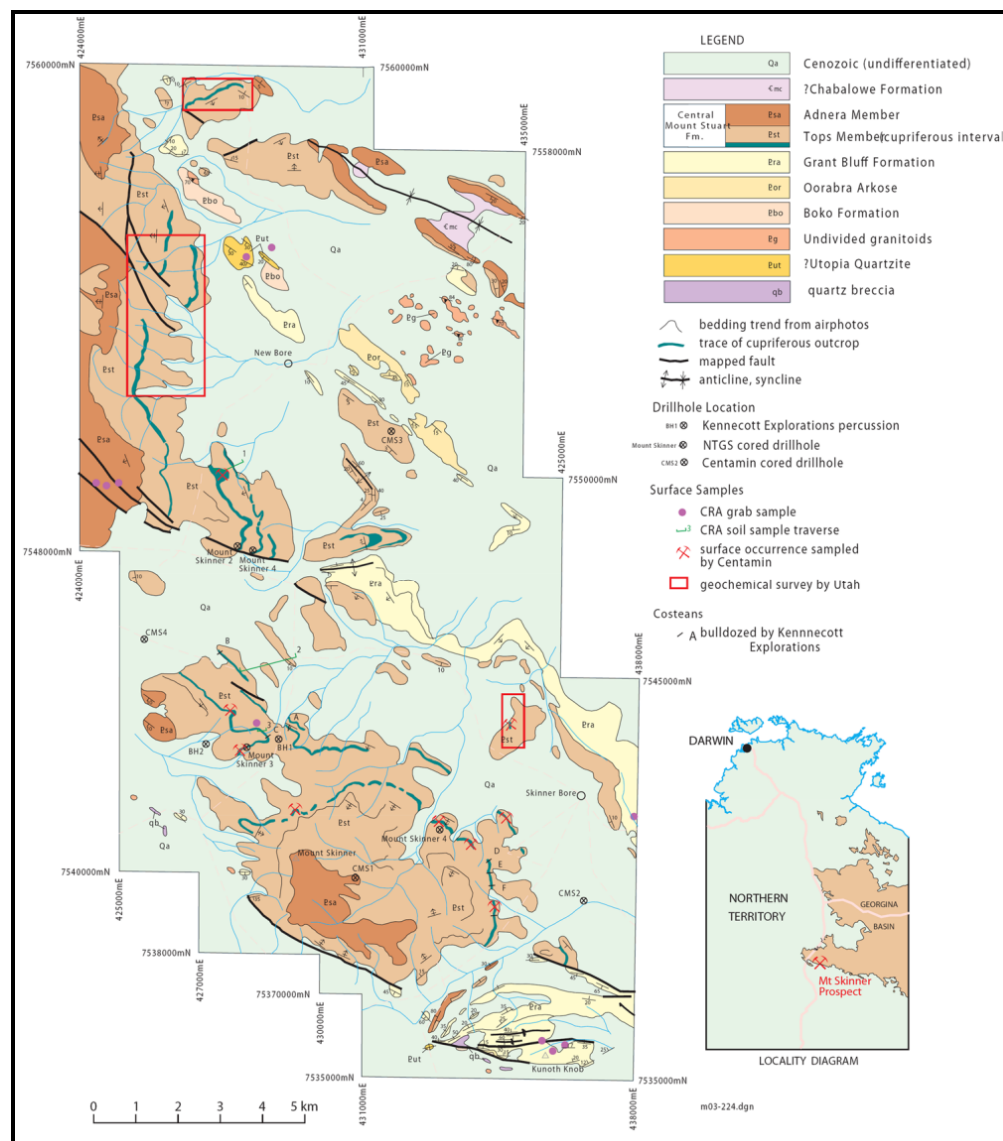


Figure 3. Mt Skinner geological map showing cupriferous outcrop, Dunster et al., 2007.

5.2 Reconnaissance Work

Regional reconnaissance work was carried out in July and October 2007. Outcropping malachite-bearing siltstone and associated float were investigated in the wider project area.

6. Conclusions

While relatively little work has been undertaken within the surrendered portion of the tenement, the potential for paleochannel calcrete hosted uranium mineralisation has been downgraded by drilling in adjacent tenements, and no indications of significant base metal mineralisation has been noted as the result of field reconnaissance. Uramet considers the prospectivity for uranium and base metals within the relinquished portion of the tenement to be low.

7. References

Dunster JN, Kruse PD, Duffett ML and Ambrose GJ. 2007. Geology and resource potential of the southern Georgina Basin, Northern Territory, NTGS