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EL26989 ANNUAL TECHNICAL REPORT FOR THE PERIOD 4/6/2011 TO 3/6/2012

Title holder	Outback Metals Ltd
Operator (if different from above)	Outback Metals Ltd
Tenement Manager/Agent	Teneman Consulting
Titles/Tenement	EL 26989
Mine/Project Name	ACACIA
Report Title including type of report and reporting period including date	Annual report for EL 26989 for the period 4/6/2011 to 3/6/2012.
Corporate Authors	Outback Metals Ltd
Company Reference No:	EL 26989 Annual Technical Report
Target Commodity or Commodities	Uranium and Base Metals
Date of Report	27/7/2012
Datum/Zone	GDA 94/Zone 52
250 000K mapsheet	Darwin
100 000K mapsheet	Noonamah
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SUMMARY

EL26989 was granted to Corporate Developments Pty Ltd (a subsidiary of Outback Metals Ltd) on 6/4/2009 for 6 years. Title was transferred to Outback Metals Limited on 5 March 2012.

LOCATION AND TOPOGRAPHY

The tenement is located about 4 km east of the Stuart Highway and the eastern part crosses the Adelaide River at Heather's Lagoons. It is on a parcel of Freehold Land in the Hundred of Colton. The EL is mainly low lying flood plains but in the central west it is crossed by a steep NNE trending wooded ridge rising to 125m above sea level. Land use is mainly for cattle grazing. The old Marrakai Track provides vehicle access to the central area and the Adelaide River (Marrakai) Crossing.

GEOLOGY

The geological map of the NOONAMAH 1:100 000 scale map sheet area shows that the Paleoproterozoic age Acacia Gap Member of the Wildman Siltstone is the main rock unit. This is moderately to strongly folded and sheared. However other rock units may be concealed under alluvium:

- In the far western part of the EL is underlain by the prospective (prospective for uranium and base metals) Whites Formation siltstones in the core of an interpreted anticlinal structure
- In the central part of the EL there may be lenses of mafic volcanics of the Mount Deane Volcanic Member of the Wildman Siltstone
- In the central east there may be lenses of ironstone and BIF of the Ella Creek Member of the Koolpin Formation

Several N, NNW and NE trending splay faults off the Giants Reef Fault Zone (GRFZ) transect the Acacia Gap and, there is one offset fault intersection and two "V" fault intersections which may be favourable for mineralisation.

INTERPRETATION OF THE GA AEM DATA

Plots of the flight lines from the 2009 Fugro Geophysics TEMPEST survey show that the EL has only partial coverage by one E-W line however there is one complete line located only about 1,200m north of the EL and there is a partial line only a few hundred metres to the south. Interpretation of the processed synthetic profiles shows:

<u>Flight Line 1001201</u>
The presence of strong conductors at depth in the far western part of the EL suggests that the Acacia Gap Member may contain ironstone and BIF lenses. The core of the interpreted anticlinal structure immediately to the east has rather low conductivity but this could be caused by non-graphite bearing horizons of Whites Formation or perhaps even the Coomalie Dolomite. The presence of strong and faulted conductors to the east again suggests that the Acacia Gap Member may contain ironstone and BIF lenses and

perhaps also sulphide bearing horizons. There also some fault zones evident which do not show as surface traces

Flight Line 1101201
The partial coverage of the western EL shows low conductivity again probably caused by non-graphite bearing horizons of Whites Formation or perhaps even the Coomalie Dolomite. However several concealed sub-vertical fault traces are evident and the structural interpretation could be that the anticlinal core is essentially a horst block

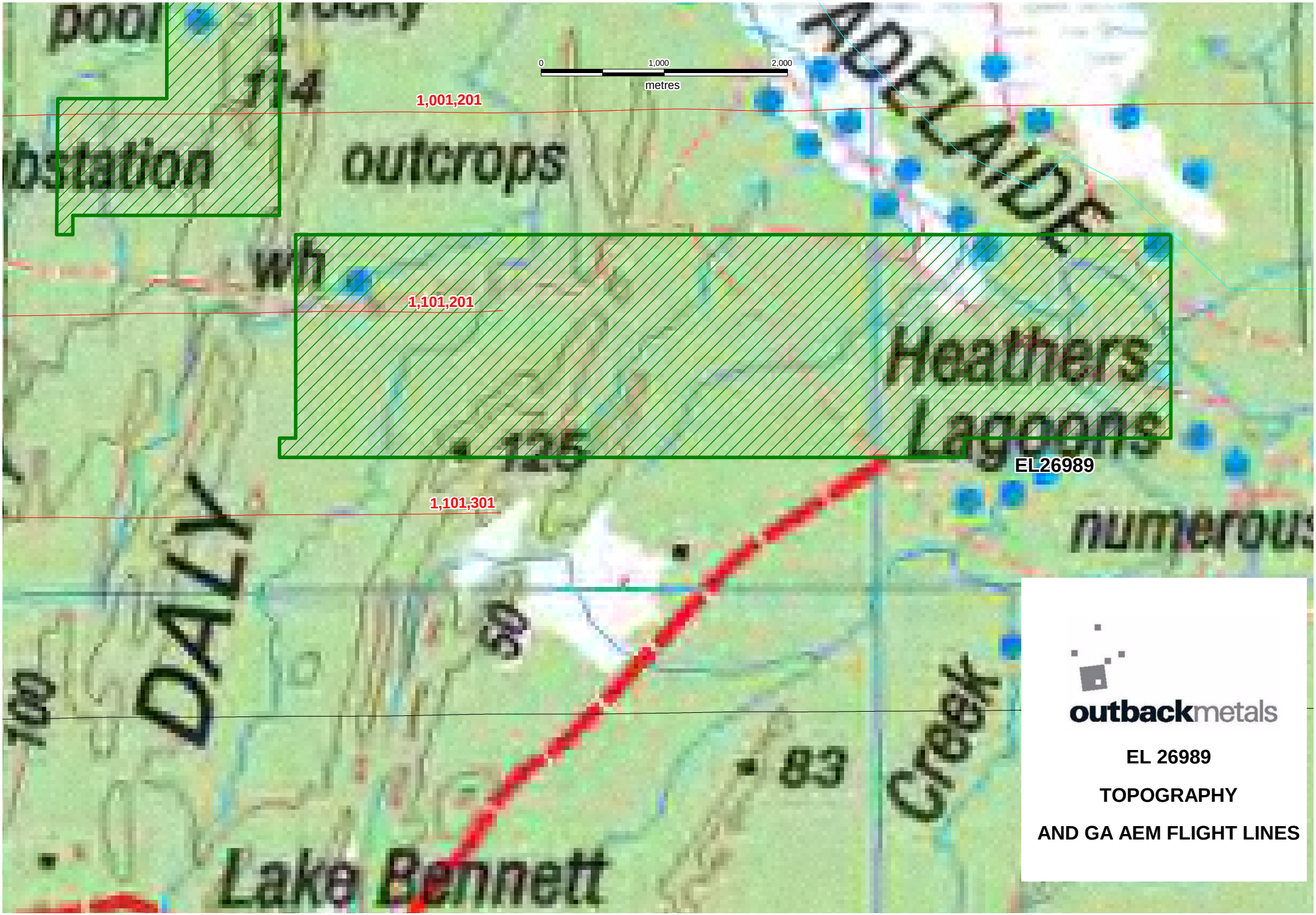
Flight Line 1101301
This partial line a few hundred metres to the south of the EL indicates the presence of more significant folded and faulted conductors in the Whites Formation. The contact with the Acacia Gap Member is clearly reverse faulted and may be prospective for base metal sulphides and uranium

PREVIOUS EXPLORATION – GEOCHEMISTRY

In 2008 Glengarry Resources, while exploring their EL 24970, collected five rock chip samples in the central-east part of EL 26989 on subcrops of Wildman Siltstone. The trace element geochemistry indicated weakly elevated arsenic and zinc and could be reinvestigated when OUM carries out geochemical sampling.

WORK UNDERTAKEN - 2011 – 2012

No on-ground exploration was carried out during the reporting period. Outback Metals has allocated minimal resources to the Acacia Project tenements over the past year as the company has been concentrating on negotiating a number of deals that will secure the future of Outback. Now that one of these deals has been finalised, Outback expects to meet the expenditure commitment on Acacia over the next 12 months.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EL26989
numerous
Lake Bennett
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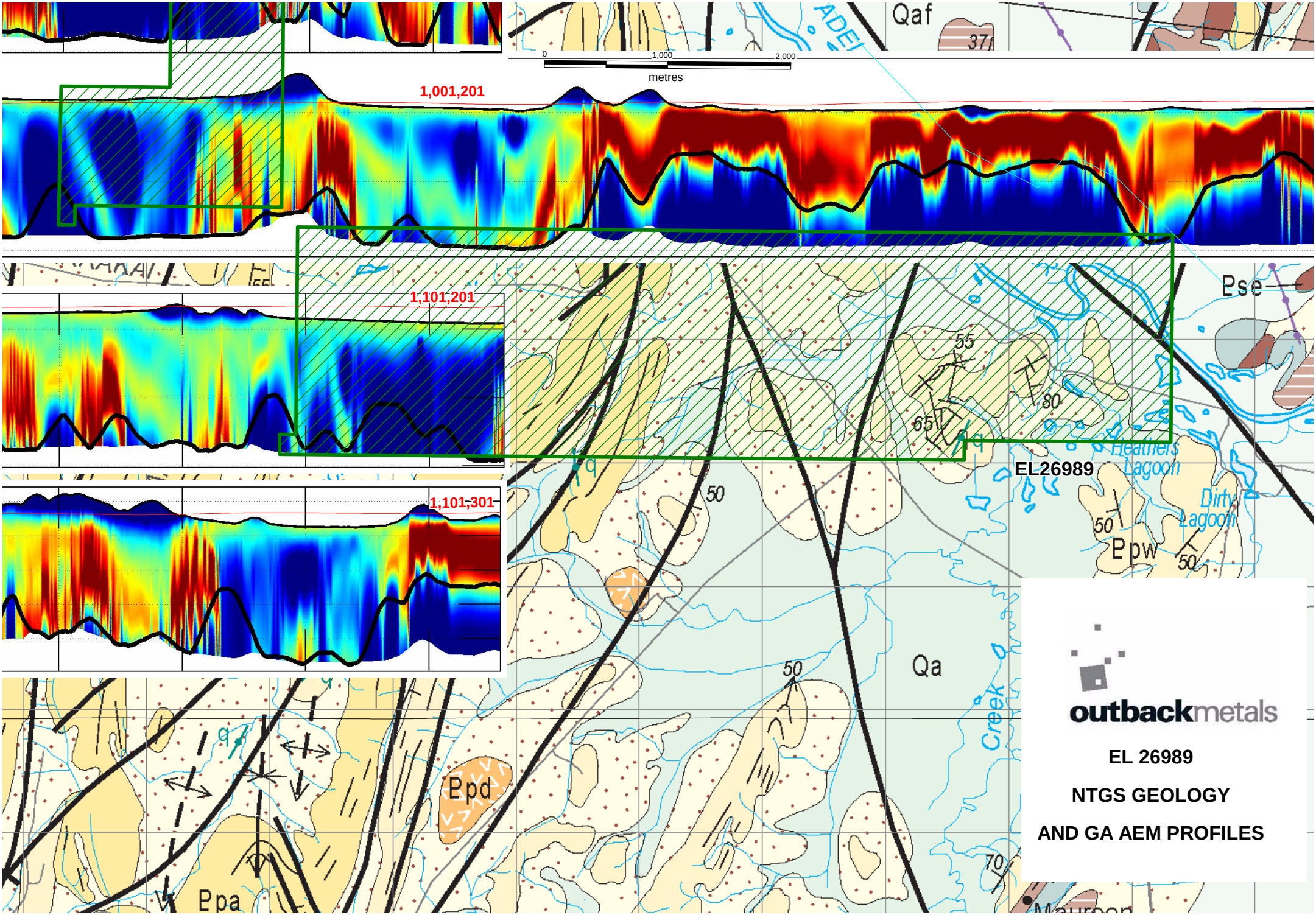
EL 26989
TOPOGRAPHY
AND GA AEM FLIGHT LINES



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EL 26989

NTGS GEOLOGY

AND GA AEM PROFILES