# ANNUAL TECHNICAL REPORT
WINGATES GROUP 2010 -2011

For the 12 month period ending 30 May 2011

Wingate Mountains

NORTHERN TERRITORY

<table>
<thead>
<tr>
<th>Title holder</th>
<th>Corporate Developments Pty Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator (if different from above)</td>
<td>Outback Metals Ltd</td>
</tr>
<tr>
<td>Tenement Manager/Agent</td>
<td>Teneman Consulting</td>
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<tr>
<td>Titles/Tenement</td>
<td>EL 10140, 25258, 26961, 26962, 26963, 27040, 27041, 27042 &amp; 27043.</td>
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<tr>
<td>Mine/Project Name</td>
<td>Mt Wells</td>
</tr>
<tr>
<td>Report Title including type of report and reporting period including date</td>
<td>Annual Technical Report Wingates Group 2010 - 2011.</td>
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<tr>
<td>Corporate Authors</td>
<td>Outback Metals Ltd</td>
</tr>
<tr>
<td>Company Reference No:</td>
<td>ATR Wingate Group</td>
</tr>
<tr>
<td>Target Commodity or Commodities</td>
<td>Cu, Au, PGM, U</td>
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<tr>
<td>Date of Report</td>
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<tr>
<td>Datum/Zone</td>
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<td>250 000K mapsheet</td>
<td>Port Keats Pine Creek</td>
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<tr>
<td>100 000K mapsheet</td>
<td>wingate mountains daly river</td>
</tr>
<tr>
<td>Postal Address</td>
<td>33 Lascelles Ave, Hove, SA, 5048</td>
</tr>
<tr>
<td>Phone</td>
<td>08 8298 1045</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:tapearce@bigpond.net.au">tapearce@bigpond.net.au</a></td>
</tr>
<tr>
<td></td>
<td><a href="mailto:asteinert@outbackmetals.com">asteinert@outbackmetals.com</a></td>
</tr>
</tbody>
</table>
TENEMENT DETAILS:

This report summarises all work conducted on ELs 10140, 25258, 26961, 26962, 26963, 27040, 27041, 27042 & 27043 for the period 31 May 2010 to 30 May 2011.

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<th>TENEMENTS</th>
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FIG 6a
WINGATE MTS NTH& EAST GROUP
NATMAP 250K TOPOGRAPHIC
EXECUTIVE SUMMARY:

Following the appointment of new OUM management in January 2011 a review of exploration data for EL10140 Wingate Mountains has been undertaken which has resulted in the identification of fifteen separate gold target areas based on highly anomalous bulk cyanide leach stream sediment samples (Figure 2). Most of these target areas have not been adequately followed up. In addition there are many other areas which have not been tested by stream sediment sampling which may also produce further gold targets.

Reprocessing of existing geophysical data undertaken as part of the review has highlighted associations between existing anomalies and geophysical features such as the linear aeromagnetic low which coincides with the previously identified Vegetation gold anomaly (figure 2).

Further assessment of the identified areas is ongoing with checking against historical reports and other existing geological and geophysical data. Subsequent ranking of the identified targets will define the forthcoming field season program.
Figure 2: EL10140 with regional aeromag overlay showing gold target areas (labelled A – O) based on existing stream sediment data.
WORK COMPLETED DURING MAY 2010 to MAY 2011.

- **DIGITISING OF CEC PLANS**
  During the last half of 2010 James McIlwraith re-digitised a number of CEC plans originally listed in the CEC Annual Report for their EL 4650 Chilling Creek, NTGS reference CR1986-120A&B.

- **PROCESSING OF THOMSON AVIATION (TA) DETAILED AIRBORNE GEOPHYSICAL SURVEYS**

- **MERGING OF 2010 TA AND 2007-2008 ITS AIRBORNE GEOPHYSICAL SURVEYS**

- **REINTERPRETATION OF CEC AND MOBIL ENERGY MINERALS GEOCHEMICAL DRAINAGE SAMPLING**

- **HELICOPTER RECONNAISSANCE OF BUBBLES GOLD PROSPECTS**
  In August 2010 Graham Chrisp and Bill Fraser made reconnaissances by a Bell Jet Ranger III Series helicopter chartered from North Australian Helicopters (NAH) of Katherine to the Bubbles North and Bubbles South Gold-Copper Prospects explored by CEC in 1985. The prospects are located in very rugged gorge and ravine country about 8-9km east north east of Silver Strike Prospect in the central part of the EL. On the eastern side of the ravines some narrow flat lying quartz veins were observed and these were presumably sampled by CEC. Although the old CEC old plans show at least two helicopter landing sites these were not located and are presumed to have become overgrown with scrub. A further inspection of the upper gorge rim areas showed that there were no viable landing sites and further investigations have been deferred.

- **HELICOPTER RECONNAISSANCE OF ACCESS TO THE SILVER STRIKE POUND AREA**
  In August 2010 Graham Chrisp, Bill Fraser and James McIlwraith made helicopter reconnaissances investigating possible vehicle access to the Silver Strike Prospect. This is located at the south western end of an elliptically shaped pound area. In the north west the pound is drained by a westerly flowing gorge and the old Fish Creek Outstation is located at the western outlet. It was found that the hills on the western side flanked by the Giants Reef Fault Zone were too steep for viable track construction. A close inspection of the gorge showed that an old cattle droving track was located on the southern side and could be rehabilitated by bulldozing although the former track passed closed to a site listed on the NT Sites Register. In places the gravel and rock bed of the creek was probably driveable and so the registered site could be avoided.

- **TERRY'S “A” PROSPECT: GEOCHEMICAL SOIL SAMPLING AND MAPPING OF QUARTZ VEINS**
In July-August and September 2010 Graham Chrisp, Bill Fraser and James McIlwraith carried out geochemical soil sampling surveys using -2mm# material collected from about 20cm depth. The sample locations were primarily along NE-SW trending quartz reefs intruding the Ti-Tree Granophyre and acid volcanics from about 500m north west of the main Terry’s A Prospect investigated by CEC in 1985 by RC drilling.

The final geochemical data are attached as csv and Excel files and one pdf plan of sample locations. This pdf plan also shows the locations of CEC 1985 and OUM 2009 samples. The csv and Excel files include:

- Edited compilation of the results of the CEC 1985 -80# geochemical soil sampling
- The results of the October 2009 OUM -2mm# geochemical soil grid survey
- The results of the July-August 2010 OUM -2mm# geochemical soil survey
- The results of the September 2010 OUM -2mm# geochemical soil survey

**INTERPRETATION OF THE 2009 GA AEM PINE CREEK-RUM JUNGLE AIRBORNE GEOPHYSICAL SURVEY**

The final processed GA data comprising 17 east-west orientated flight lines (6 spaced at 5km and 11 spaced at 1.66km) were interpreted using guidelines advised at the March 2011 GA workshop at Alice Springs. Our findings are summarised below.

On almost universally every flight line profile a discontinuous zone of weak to moderate conductivity is observed at shallow fluctuating depth and often passes under ridge and hill areas. This is interpreted as the groundwater table extending to the depth of weathering.

**FLIGHTLINE PROFILE 1004601**
In the far eastern part of the line located over mapped outcrops of Berinka Volcanics there is an easterly dipping zone of weak to moderate conductors extending below 100m depth. This could be caused by alteration and deep weathering and as such may be favourable for gold mineralisation.

**FLIGHTLINE PROFILE 1203601**
This flight line crosses in the vicinity of the Sunset Gold Prospect where there are moderate to strong conductors at shallow depth at the contact between the Wangi Basics and metasediments. This is interpreted to be caused by sulphides and alteration at a hornfels contact zone. There are several “V” zones along the line which probably correspond to groundwater migration into fault zones.

**FLIGHTLINE PROFILE 1203701**
This line passes to the north of the Vegetation Anomaly and Terry’s C and E Gold Prospects. There is a moderate to strong conductor at shallow depth which may be caused by sand covered ferricrete. There are a number of deep inclined vertical and east dipping zones of weak to moderate conductors which are probably caused by sulphide rich layers in the Wangi Basics.
FLIGHTLINE PROFILE 1004701
This line passes almost directly over Terry’s A Prospect and the southern part of the Vegetation Anomaly where there is a moderate to strong conductor at shallow depth and the trace of a possible antiformal structure. There are a number of deep inclined vertical and east dipping zones of weak to moderate conductors which are probably caused by sulphide rich layers in the Wangi Basics.

FLIGHTLINE PROFILE 1203902
Some weak to moderate folded conductors are located to the east of the old CEC camp site between Williams Creek and Specky Gold Prospects. These are suspected to be caused by sulphide rich beds in the Burrell Creek Formation.

FLIGHTLINE PROFILE 1204202
Similar weak to moderate folded conductors are located in the vicinity of the Old Lace Creek Gold Prospect.

FLIGHTLINE PROFILE 1004801
Similar weak to moderate folded conductors extending to depth could be caused by sulphide rich beds in the Burrell Creek Formation. There are also weak to moderate conductors in the western part possibly caused by groundwater penetration of alteration zones at the Wangi Basics contact.

FLIGHTLINE PROFILE 1004801
Similar to line 1004801 with some deeper groundwater penetrating inclined fault zones.

FLIGHTLINE PROFILE 1204202
There is a moderate to strong conductor present a shallow depth in a valley which may be caused by ferricrete under sand cover but it is located near a mafic intrusion into the Burrell Creek Formation. There are folded conductors at depth in the Chilling Sandstone possibly corresponding to the Burrell Creek Formation unconformity.

FLIGHTLINE PROFILE 12040301
This line passes over Bubbles North Gold-Copper Prospect but there are no significant conductors here. Other weak to moderate conductors in the western and eastern parts of the line probably correspond to the Chilling Sandstone/Burrell Creek Formation unconformity.

FLIGHTLINE PROFILE 1004901
This line passes over Bubbles South Gold-Copper Prospect but there are no significant conductors and none present to the east. The line also crosses near Silver Strike Prospect where there are weak to moderate flat lying shallow conductors which become folded at depth to the west and east.

FLIGHTLINE PROFILE 1204501
There is a weak folded and probably faulted conductor on the middle part of this line.
FLIGHTLINE PROFILE 1204601
In the middle-eastern part of the line there are moderate occasionally strong near
surface conductors which correspond to sand covered Ti-Tree Granophyre. There is a
weak conductor in a broad “U” shaped fold which is over a sand covered valley in the
Chilling Sandstone and as such may be caused by groundwater.

FLIGHTLINE PROFILE 1005001
On the eastern part there is much disturbance of moderate occasionally strong
conductors over the Ti-Tree Granophyre but the stronger conductors appear to be at the
base of Cretaceous mesas, probably caused by saline groundwater accumulations.

FLIGHTLINE PROFILE 1204802
In the eastern part of this line there is a zone of weak conductivity extending to depth
which may be a mineralised alteration zone in the Ti-Tree Granophyre or at its contact
with metasediments.

FLIGHTLINE PROFILE 1204901
There is a conspicuous weak to moderate zone of shallow to medium depth conductors
developed over the Ti-Tree Granophyre but occasionally extending to depth on easterly
inclined fault zones. Extensive swamp lands have been observed here.

FLIGHTLINE PROFILE 1005101
This line is similar to 1204901 while there are deeper conductors near the Chilling
Sandstone/Ti-Tree Granophyre contact. In the far east there are moderate to strong
conductors probably caused by groundwater at the margin of a sedimentary basin.

FLIGHTLINE PROFILE 1205101
This line at this most southerly part of the EL is similar to 1005101.

WORK 2011 - 2012

June 2011 – Geological review, rock chip sampling and reconnaissance field trip for the
upcoming field season.

August 2011 – Hand Held XRF and bulk soil geochemistry survey. Map and sample
possible extensions of the known prospect at Terry’s A.

Further mapping and sampling work will also be carried out at Silver Strike.

Drilling program optimisation and track upgrade for access (weather permitting)
REFERENCES