



GIANTS REEF EXPLORATION

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EXPLORATION LICENCE 10311 *GIBSON CREEK*

FOURTH YEAR RELINQUISHMENT REPORT *20 March 2004 - 19 March 2005*

LICENSEE:

GIANTS REEF EXPLORATION PTY LTD

A.B.N. 009 200 346

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DISTRIBUTION:

Department of Business Industry & Resource Development
Central Land Council
Giants Reef Exploration Pty Ltd
Giants Reef Mining Limited

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TENNANT CREEK 1:250 000
SE53-14
Flynn 1:100 000
5759

SUMMARY

Exploration Licence 10311 *Gibson Creek* is explored with EL 7810 *Hayward Creek* and EL 10129 *Alexander Creek* as one of three contiguous tenements that Giants Reef Exploration Pty Ltd (Giants Reef) refer to as the Alexander Project Area. EL 10311 was acquired to search for large base metal deposits possibly associated with a regional gravity anomaly centred in the area covered by the adjoining Licences.

This report records the exploration work completed on the portion of no continuing interest (the relinquished area) of EL 10311 to the end of the forth year of tenure, on the 19th March 2005.

After an assessment of the geology and geophysics over the Licence areas it was concluded that the areas showed minimal gravity and magnetic structures to warrant retaining the full Licence area for another year. Hence the recommendation was to fulfil the Statutory relinquishments on all three tenements.

Whilst Giants Reef Exploration did complete a review of the company's data base with that of old geological records, no on-ground exploration was preformed on the Licence areas.

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FIGURES

1. Location of EL 10311 and surrounding tenure
2. Relinquished Area

1. INTRODUCTION

Exploration Licence 10311 *Gibson Creek* was acquired to search for large base metal deposits possibly associated with a regional gravity anomaly centred in the southern part of the area covered by the adjoining Licences.

Additional targets include Tennant Creek-type ironstone hosted Au-Cu-Bi orebodies.

This report records the exploration work completed on the portion of non continuing interest of the relinquished area of EL 10311 during the fourth year of tenure, from the 20th March 2004 to the 19th of March 2005.

2. LOCATION

EL 10311 covers a wide tract of country spanning the Stuart Highway between 40km and 64km north of Tennant Creek, on the Flynn 1:100,000 scale map sheet (5759).

Access from Tennant Creek is via the Stuart Highway and thence by various dirt roads and tracks along fence lines. However, much of the area is rocky, without tracks and difficult to reach, even in a 4WD vehicle. The tracks following the major creek systems become impassable during the wet season.

3. TENURE

EL 10311 covering 45 one-minute blocks was granted to Giants Reef Exploration Pty Ltd on the 20th March 2001, for a period of 6 years.

The Licence area is in NT Portion 408, Perpetual Pastoral Lease 946, Phillip Creek Station.

EL 10311 is subject to an Indigenous Land Use Agreement (ILUA), signed in September 2000 between the Native Title holders of the Tennant Creek region, represented by the Central Land Council, and Giants Reef.

At the end of the second year of tenure the Licence area was reduced from 45 to 23 graticular blocks. At the end of the fourth year of tenure the Licence area underwent the statutory relinquishment. EL 10311 was reduced from 23 to 11 graticular blocks.

Figure 1 shows the Exploration Licence and Surrounding Tenure.

4. GEOLOGY

4.1 Regional Geology

Papers contained in AusIMM Monograph 14 (Geology of the Mineral Deposits of Australia and Papua New Guinea), Volume 1, pp. 829-861 provide a good introduction to the Tennant Creek regional geology and styles of gold-copper mineralisation of the Tennant Creek region.

More recent references are the Flynn 1:100,000 geology map and the 1:250,000 Tennant Creek geology map, with their Explanatory Notes, published by the Northern Territory Geological Survey in 1995 and 1999 respectively. These include a revised stratigraphy.

4.2 Local Geology

In the southern part of the Alexander Project, outcrops of the Palaeoproterozoic Brumbreu Formation (Flynn Sub-group) are found, but the bulk of the rest of the project area is underlain by sandstones and other sediments of the Hayward Creek Formation (Tomkinson Creek Sub-group). West of the Stuart Highway these units strike north-south and are overlain by arenites of the (relatively) younger Morphett Creek Formation along the western boundaries of EL 10311 and EL 7810. East of the Stuart Highway, basement exposure is poorer, with extensive patches of the Hayward Creek Formation but much larger areas of Quaternary alluvium and soils, including the flood-out areas of the major Hayward Creek and Gibson Creek systems.

5. SUMMARY OF PREVIOUS WORK

Year 1

Exploration within EL 10311 was aimed at discovering large deposits of base metals along with substantial gold and/or silver, probably accompanied or hosted by large volumes of iron oxide minerals. Giants Reef was not applying a precise model to the target, but the style of occurrence was envisaged as being situated in iron oxide-rich lithologies and therefore likely to be associated with a regional or district-scale gravity anomaly and probably also with a magnetic anomaly.

The EL is well away from the established Tennant Creek goldfield, in the relatively younger and geologically distinct Ashburton Province, and any mineral deposits found here are likely to be very different from the well-known ironstone-related gold-copper deposits of the Tennant Creek Province.

Giants Reef's focus of exploration within the relinquished portion of EL 10311 is within the area of the major Alexander Gravity anomaly which is centred about the Stuart Highway, extending from EL 10129 through EL 10311 and north into EL 7810 (Alexander Project Area). This gravity anomaly is interpreted as being caused by dense, probably iron-rich, rocks and may be a favourable geological environment in which to be searching for sort of large-scale mineral deposits envisaged.

Consulting geophysicist Frank Lindeman, of Lindeman Geophysics Pty Ltd, Melbourne, assessed the NTGS/AGSO gravity data over the Alexander project area including the relinquished area of EL 10129. This data came from the NTGS/AGSO gravity survey covering the whole Tennant Creek 1:250,000 sheet, plus some adjoining areas. The survey was conducted in mid-2001.

Year 2

Under the terms of Giants Reef's Indigenous Land Use Agreement (ILUA) with the Native Titleholders of the Tennant Creek region, it was necessary to obtain clearances from the Native Title holders before the field parties could enter the area.

The CLC and the traditional Aboriginal owners of the land conducted a land access clearance for the work proposed by Giants Reef in a program submitted under the ILUA in February 2001. The Alexander project area clearance was commenced in October 2001, but was interrupted and put on hold for a number of reasons. The Alexander clearance was completed in May 2002.

As a result no on ground exploration was undertaken over the relinquished portion of EL 10129 in the second tenure year.

Year 3

No on-ground exploration was conducted over the Licences during the year. Giants Reef reviewed the geological targets and models for the Licence area to assess the likelihood of an immediate discovery.

Year 4

After reviewing the Licence area it was concluded that the tenement contained no prospective Warramunga Formation. A Geological assessment identified the Licence area to be located outside the traditional Tennant Creek goldfield, and within host rock not indicative to the typical Tennant Creek Au-Cu-Bi mineralization.

The geology and geophysics over the EL were reviewed and the northern graticular blocks of the tenement reduced.

No on-ground exploration was conducted over the licence during the year.

Figure 2 shows the Relinquished Area

6. REHABILITATION

No rehabilitation measures were required on the relinquished portion of EL 10129.

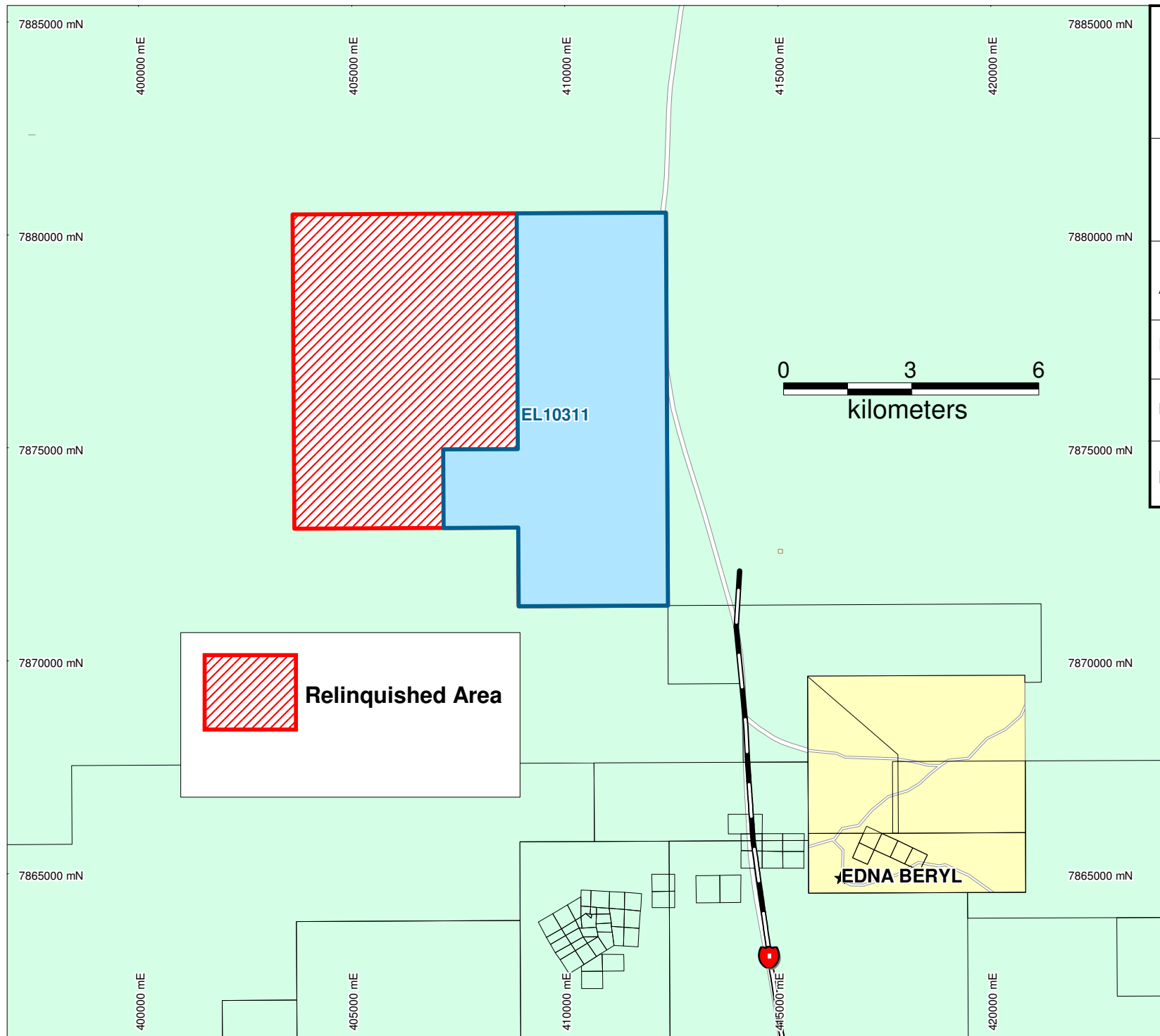
7. CONCLUSIONS

After an assessment of the geology and geophysics over the Licence areas it was concluded that the areas showed minimal gravity and magnetic structures to warrant retaining the full Licence area for another year. Hence the recommendation was to fulfil the Statutory relinquishments on all three tenements.

Whilst Giants Reef Exploration did complete a review of the company's data base with that of old geological records, no on-ground exploration was performed on the Licence areas.

DENIELLE CAMPBELL

TENEMENTS AND DRAFTING OFFICER



**GIANTS REEF
MINING LIMITED**

**Location of EL 10311
and Surrounding Tenure**

Author: GRM

Date: June 2005

Drawn: DMC

Revised:

Dwg No.: EL_locationMap

Figure 1

Projection: GDA94

Scale: 1:125,000

-  Perpetual Pastoral Lease
-  Aboriginal Freehold Land
-  Special Purpose Lease
-  Crown Land Perpetual

