



GIANTS REEF EXPLORATION

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EXPLORATION LICENCE 10017 STONE Y DAM

FOURTH YEAR RELINQUISHMENT REPORT 20 March 2004 - 19 March 2005

LICENSEE:

GIANTS REEF EXPLORATION PTY LTD

A.C.N. 009 200 346

AUTHOR:

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June 2005

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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

Short Range 1:100 000

5659

SUMMARY

Exploration Licence *EL 10017 Stoney Dam* is part of three contiguous tenements that Giants Reef refer to as the Rosella project area.

This report records the exploration work completed on the portion of no continuing interest of the relinquished area of EL 10017 during the fourth year of tenure, from the 20th March 2004 to the 19th March 2005.

The tenement was acquired to search for large base metal deposits associated with a broad gravity feature called the Rosella Gravity Anomaly, centred in the western region of the tenement.

EL 10017 was included within a package of tenements which were subject to a combined quantitative/qualitative ranking, based on geological, geophysical & geophysical characteristics and other parameters covering work status, target type, land status and economics. The tenements were down graded to "Non-Core A" which includes areas comprising only limited Warramunga Formation, weak anomalies, no proven corridors of mineralisation, however they still comprise areas that are largely unexplored.

Whilst Giants Reef intends to carry out geochemical work on these tenements in the next year of exploration, the Company is in the process of actively pursuing a JV for these tenements.

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1. Location of EL 10017 and surrounding tenure
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1. INTRODUCTION

Exploration Licences 10017 *Stoney Dam* is part of three contiguous tenements that Giants Reef refer to as the Rosella project area.

EL 10017 was acquired to search for large base metal deposits associated with a broad gravity feature called the Rosella Gravity Anomaly, centred in the western region of the tenement.

This report records the exploration work completed on the portion of no continuing interest of the relinquished area of EL 10017 during the fourth year of tenure, from the 20th March 2004 to the 19th March 2005.

2. LOCATION

The Rosella project area covers a wide tract of country extending west from the Stuart Highway 45km north of Tennant Creek almost to Warrego, with the centre of the Licence situated approximately 40km north north-west of Tennant Creek town. Much of the Licence area is without tracks, and difficult to reach.

There are two principal access routes into EL 10017 from Tennant Creek Township. One is via the Warrego road, from which a number of roads run in northerly directions into the project area from the Gecko and Orlando mines, and from the various roads to the dams and bores that once supplied water to the Warrego mine. The cleared survey line track along the route of the proposed Alice Springs to Darwin railway line is outside the EL's, but roughly parallels their southwestern boundaries.

The other principal access route is from the Stuart Highway, through Phillip Creek homestead. In the eastern part of EL 10017 there are many station tracks that link with tracks in the south and west of the project area, and it is possible to drive from Phillip Creek right through the area to the western side of the area, and on to Warrego.

Figure 1 shows the Location of EL 10017 and Surrounding Tenure.

3. TENURE

Exploration Licences 10017 was granted to Giants Reef Exploration Pty Ltd on the 20th March 2001, for a period of 6 years.

EL 10017 is within NT Portion 408, Perpetual Pastoral Lease 946, and Phillip Creek Station.

Exploration Licence 10017 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 (CLC), and Giants Reef.

At the end of the fourth tenure year a statutory relinquishment was applied to this tenement. EL 10017 was reduced from 4 graticular blocks to 2 graticular blocks.

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 area.

A more recent reference is the 1:250,000 Tennant Creek geology map and Explanatory Notes, published by the Northern Territory Geological Survey in 1999, which includes a revised stratigraphy.

4.2 Local Geology

The EL 10017 comprises units of the Ooradidgee Group and these are dominated by the Wundirgi Formation which is comprised of arenite, siltstone, shale, tuff, chert, silicified tuff, rhyolitic lava and ignimbrite. No Warramunga Formation occurs in the EL.

5. SUMMARY OF PREVIOUS WORK

EL 10017 was originally explored under the terms of Giant Reef's Alliance with Billiton Exploration Australia Pty Ltd. On the 25th July 2003 the Alliance between BHP Billiton and Giants Reef was terminated.

Year 1

Exploration included a literature search, reconnaissance, geophysical assessment or recent magnetic and gravity data sets and securing clearances from the CLC.

Several vehicle trips were made to the area around the centre of the Rosella Gravity Anomaly. These trips revealed the difficulties of travelling in this area, without providing much in the way of additional geological knowledge.

Year 2

No on-ground exploration was conducted over the Licences during the year. The tenements were reduced by 50%.

Year 3

No on-ground exploration was conducted over the Licence during the year. A waiver of reduction was approved.

Year 4

Although no on ground exploration work was carried out on this tenement, it was included within a package of tenements which were subject to a combined quantitative/qualitative ranking, based on geological, geophysical & geophysical characteristics and other parameters covering work status, target type, land status and economics. As part of this work geochemical data sets were integrated into the Company's GIS for analysis. The tenements were down graded to "Non-Core A" which includes areas comprising only limited Warramunga Formation, weak anomalies, no proven corridors of mineralisation, however still largely unexplored.

The prospectivity of the EL to host economic gold/copper mineralisation was recently reviewed and downgraded for the following reasons;

The areas considered most prospective for exploration include a number of vacuum geochemical anomalies which warrant further investigation.

The prospectivity of the EL to host economic gold/copper mineralisation was recently reviewed and downgraded for the following reasons;

- a.) The EL contains no prospective Warramunga Formation.
- b.) The areas proposed for reduction have been largely tested by vacuum drilling and no significant results were returned from this work.
- c.) The tenement has no recorded occurrences of Au-Cu mineralisation.
- d.) The area proposed for reduction includes a western portion of the Rosella Gravity Anomaly, however its prospectivity has been down-graded due to it being interpreted as a regional feature, reflecting a thick package (up to 2km) of sediments (Ooradidgee and Hatches Creek Group) against lower density granites i.e. Warrego granite. The Rosella anomaly appears to be only a part of an extensive anomaly, and appears not to constitute a specific or discrete anomaly which might provide a

drill target. Furthermore, magnetic features occurring within the Rosella Gravity Anomaly extend well away from it, suggesting that the magnetic and gravity features do not have a common source.

Figure 2 shows the relinquished area

6. REHABILITATION

None of the work done on the Exploration Licence area so far has required any rehabilitation measures.

7. CONCLUSIONS

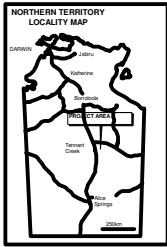
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EL 10017 was included within a package of tenements which were subject to a combined quantitative/qualitative ranking, based on geological, geophysical & geophysical characteristics and other parameters covering work status, target type, land status and economics. The tenements were down graded to "Non-Core A" which includes areas comprising only limited Warramunga Formation, weak anomalies, no proven corridors of mineralisation, however are still largely unexplored.

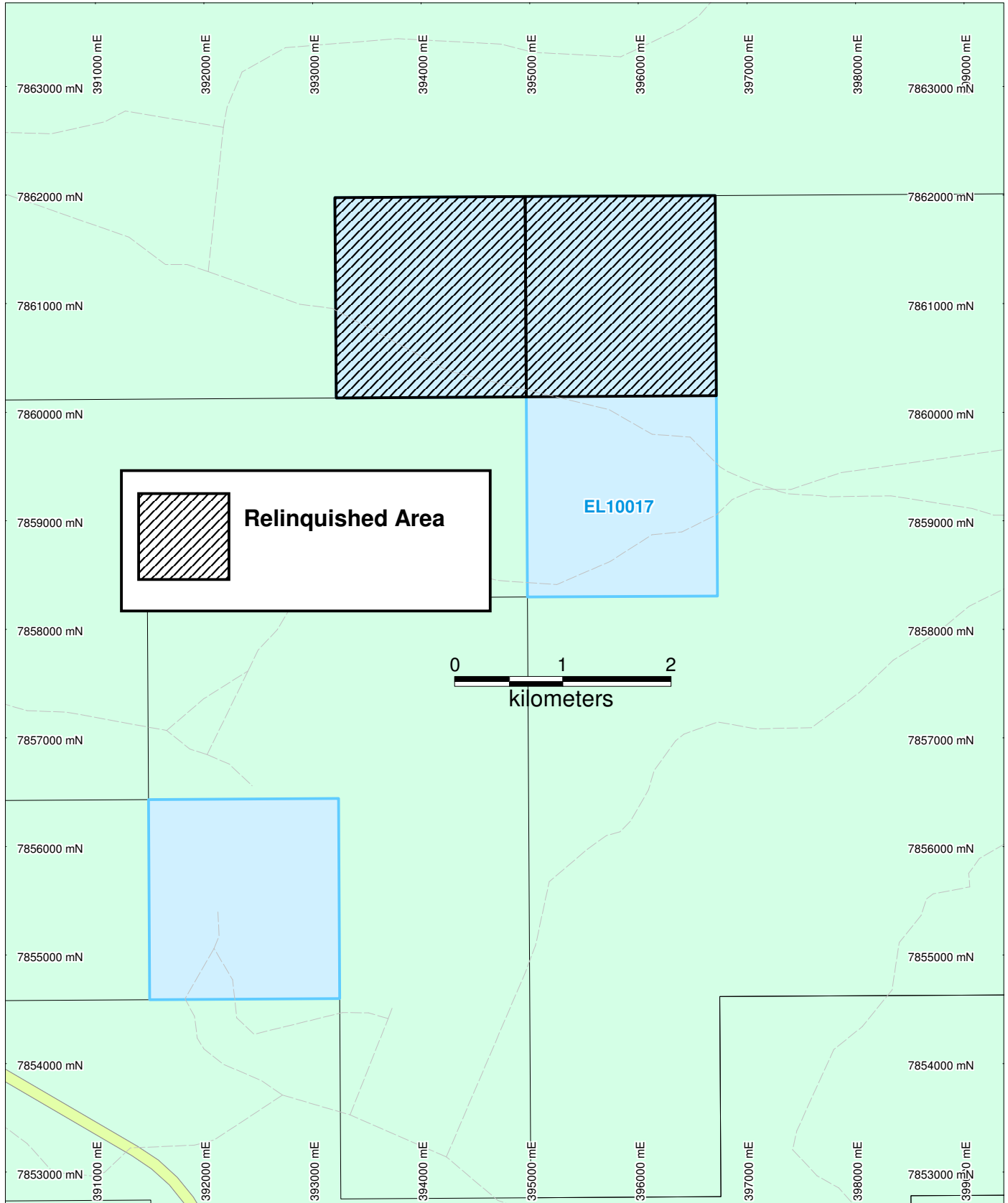
At the end of the fourth year of tenure EL 10017 was reduced from 4 to 2 graticular blocks.

DENIELLE CAMPBELL
TENEMENTS AND DRAFTING OFFICER

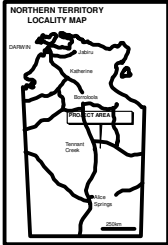
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Location of EL 10017 and Surrounding Tenure			
Author: GRM	Drawing No.:	Date: June 2005	Report No.:
Drawn: DMC	Projection: GDA94	Figure 1	Scale: 1:50,000



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Relinquished Area of EL 10017			
Author: GRM	Drawing No.:	Date: June 2005	Report No.:
Drawn: DMC	Projection: GDA94	Figure 2	Scale: 1:75,000

