EXPLORATION LICENCE 7806

FIRST ANNUAL AND FINAL REPORT

LICENSEE:
GIANTS REEF EXPLORATION PTY LTD
A.C.N. 009 200 346

TENNANT CREEK 1:250 000
SD53-14
TENNANT CREEK 1:100 000
5758

M. SIMPSON
TENNANT CREEK, N.T.
MAY, 1995
SUMMARY

Exploration Licence 7806, located 25 kilometres east-southeast from Tennant Creek, NT, was granted to Giants Reef Exploration Pty Ltd on 25 February 1994 for a term of 2 years. It covered parts of 2 blocks.

The targets were Tennant Creek style gold-copper orebodies.

During the tenure of the Licence, work consisted of reconnaissance and a geophysical assessment. Results were not encouraging and the Licence was surrendered on 27 February 1995.

Total expenditure during the year was $1890.
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# FIGURES

1. EL 7806 AND SURROUNDING TENEMENTS
2. BOUNDARIES OF EL 7806
   (from NTDME Licence document)
1. INTRODUCTION

Exploration Licence 7806 was acquired to explore for gold and copper mineralisation. This report records the work done by Giants Reef during the term of the Licence, from its grant on 25 February 1994 to its surrender on 27 February 1995.

2. LOCATION AND ACCESS

EL 7806 is located 25 kilometres east-southeast from Tennant Creek, NT on the Tennant Creek 1:100 000 scale map sheet.

The area is reached from Tennant Creek by the sealed road to Nobles Nob, thence east along the formed dirt road for approximately 12 kilometres, then south across country for 2 kilometres into the Licence area. There are no established tracks.

Figure 1 shows the location of the EL and the surrounding tenements.

3. TENURE

EL 7806 was granted on 25 February 1994 to Giants Reef Exploration Pty Ltd for a term of 2 years. The Licence covered parts of 2 one-minute blocks, and enclosed a total area of approximately 3 square kilometres. Figure 2 shows the boundaries of the licence area.

The EL lies partly within Pastoral Lease 897, Tennant Creek Station, and partly on land defined under the Mining Act as private land.

4. GEOLOGY

The Licence is underlain by greywacke and siltstones of the Early Proterozoic Warramunga Group, with small outcrops of quartz feldspar porphyry on the northern and southern boundaries. Over the greater part of the EL, the bedrock is concealed under Recent sands and colluvium.

Regional magnetics maps show a strong magnetic gradient, intensifying towards the northeast.

5. EXPLORATION DURING THE YEAR

5.1 Reconnaissance

A field reconnaissance was made to ascertain access and to inspect the bedrock exposure. Limited sandstone outcrops, some with white quartz veining were examined.
No ironstones or other ferruginous formations were noted during the field work.

5.2 Geophysical assessment

An examination of the available airborne magnetic data by a consulting geophysicist resulted in the prospectivity of the area being downgraded because of the lack of discrete magnetic targets. It was therefore decided that the ground magnetics proposed in the EL application could not be justified.

6. CONCLUSIONS

As a result of the field reconnaissance carried out and an assessment of the geological and magnetic characteristics of this small EL, it was concluded that the Company's exploration funds would be better spent elsewhere in the Tennant Creek region. It was therefore decided not to proceed with the planned vacuum sampling programme and to surrender the Licence.

7. EXPENDITURE

The minimum expenditure covenant for the first year of EL 7806 was $2,000.

Total expenditure during the period was as follows:

- Geological reconnaissance 1,230
- Geophysical assessment 300
- Administration 210
- Overheads 150

TOTAL $1,890

As a result of the assessment of the licence area after field reconnaissance, the decision was made not to proceed with the vacuum drilling and sampling programme which had been planned. Consequently, the minimum expenditure for the period of tenure was not achieved.

P. G. SIMPSON
EXPLORATION MANAGER

GIANTS REEF EXPLORATION PTY LTD

15/05/95
EL7806
2 BLOCKS
3 sq kms

GIANTS REEF EXPLORATION PTY LTD
TENNANT CREEK NORTHERN TERRITORY

PROJECT   EL 7806
MAP REF.   TENNANT CREEK 5758
SUBJECT   EL 7806
          Boundaries of Licence (DME Letter of Grant)

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