



EXPLORATION LICENCE 7676
SOUTH RINGWOOD

THIRD YEAR RELINQUISHMENT REPORT
4 MARCH 1994 - 3 MARCH 1995

MANAGER:

Giants Reef Exploration Pty Ltd
A.C.N. 009 200 346

14 October 1994 - 3 March 1995

LICENSEES:

Marcella Isabella COOKE
Joseph Anthony COOKE
Grazina Marija MAINELIS
John James FARRELL
John Anthony EARTHROWL

PINE CREEK 1:250 000
SD52-8
BATCHELOR 1:100 000
5171
Margaret River 1:50 000
5171-I

DMEL LIBRARY
28 SEP 1995
SCANNED

P. G. SIMPSON
TENNANT CREEK, N.T.
JULY, 1995

SUMMARY

Exploration Licence 7676, *South Ringwood*, is located approximately 100 kilometres southeast from Darwin. The Licence was granted to a local syndicate on 4 March 1992 for a term of 6 years. The area was reduced from 16 to 12 blocks at the end of the second year, and to 6 blocks at the end of the third year of tenure. This report covers the exploration work done on the six blocks relinquished.

The targets are gold orebodies in quartz vein stockworks and reefs developed in anticlinal structures in the Early Proterozoic Burrell Creek Formation sediments.

Work by the Licensees included auger sampling and limited rock chip sampling.

One of the rock chip samples, taken from where some old diggings were located at Area S, assayed 2.43 g/t Au (repeat assay 2.79 g/t Au).

Giants Reef Exploration Pty Ltd entered into an agreement with the Licensees in October 1994, under which Giants Reef would conduct future exploration. By the time that the exploration agreement was finalised, the wet season was approaching and no field work was done by Giants Reef in the relinquished areas.

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1. INTRODUCTION

Exploration Licence 7676, *South Ringwood*, is located approximately 40 kilometres east-northeast from the town of Adelaide River, Northern Territory.

The area was granted in 1992 to a local syndicate to search for gold occurring in reefs or vein stockworks. In October 1994, an agreement was signed between the Licensees and Giants Reef Exploration Pty Ltd whereby Giants Reef would take over exploration of the EL.

2. LOCATION AND ACCESS

The Licence area is centred approximately 100 kilometres southeast from Darwin and about 40 kilometres east-northeast from Adelaide River.

The area can be reached from the Stuart Highway north of Adelaide River and driving easterly along the Tortilla Flats road to Mount Ringwood station homestead, or by leaving the Stuart Highway south of Adelaide River and following Fisher Road almost as far as the now defunct Goodall mine, then turning north.

Access is possible throughout most of the Licence area along station tracks and fencelines during the dry season, but not during the wet season, when even the Tortilla Flats road into Mount Ringwood station becomes impassable at times.

Figure 1 shows the locations of the areas relinquished.

3. TENURE

EL 7676 was granted on 4 March 1992 to Marcella Cooke, Joseph Cooke, Grazina Mainelis, John Farrell and John Earthrowl for a term of 6 years. Each of the Licensees had a 20% share.

At the end of the second year, the Licence area was reduced from its original area of 16 blocks to 12 blocks, and further reduced to 6 blocks at the end of the third year.

Figure 2 shows the successive reductions of the EL. The Licence covers part of Mount Ringwood station (Pastoral Lease 718).

An agreement between Giants Reef and the titleholders was struck in October 1994, whereby Giants Reef Exploration Pty Ltd (a subsidiary of Giants Reef Mining N.L.) would take over the exploration of the Licence in return for a gold production royalty to the titleholders in the event of a mine being developed.

4. GEOLOGY

Bedrock throughout and surrounding the EL consists of folded Early Proterozoic greywackes and shales of the Burrell Creek Formation. Subdued outcrop is limited to gentle rises and occasional low hills, with the greater part of the area being covered by black soils and alluvials.

Photo interpretation and mapping in the 1980s by previous explorers indicates an anticlinal structure (the Johns Hill Anticline) running north-south through the remaining area of EL 7676. A number of regional air photo lineaments also cut through the area.

5. WORK DONE

5.1 Literature research

Following a general review of data held by the titleholders, a literature search was carried out of the NTDME open file records of work done by previous titleholders to the area.

5.2 Auger drilling near Johns Hill

Six auger holes, S1 to S6, were put down at approximately 20m intervals along the west bank of Ryan Creek with the object of ascertaining if the tailings at the former battery site extended into the creek area. Results of this exercise were not encouraging and it appeared that the tailings do not extend in this direction.

The locations of these holes are marked on Figure 1, and the assay results are given in the Appendix.

5.3 Area S rock sampling

Exploration around this locality (see Figure 1) located some old diggings and surface disturbance.

Three rock samples, Nos. 1, 2 and 3, were collected from the old diggings. The highest assay result was 2.43 g/t Au (repeat assay 2.79 g/t Au). The Amdel assay report is given in the Appendix.

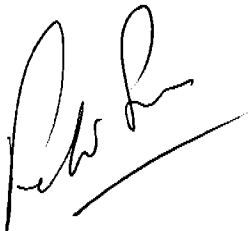
5.4 Area W reconnaissance

Three foot traverses were undertaken north of the tracks passing through this area (see Figure 1). No major quartz outcrops were found and no samples taken, but old diggings

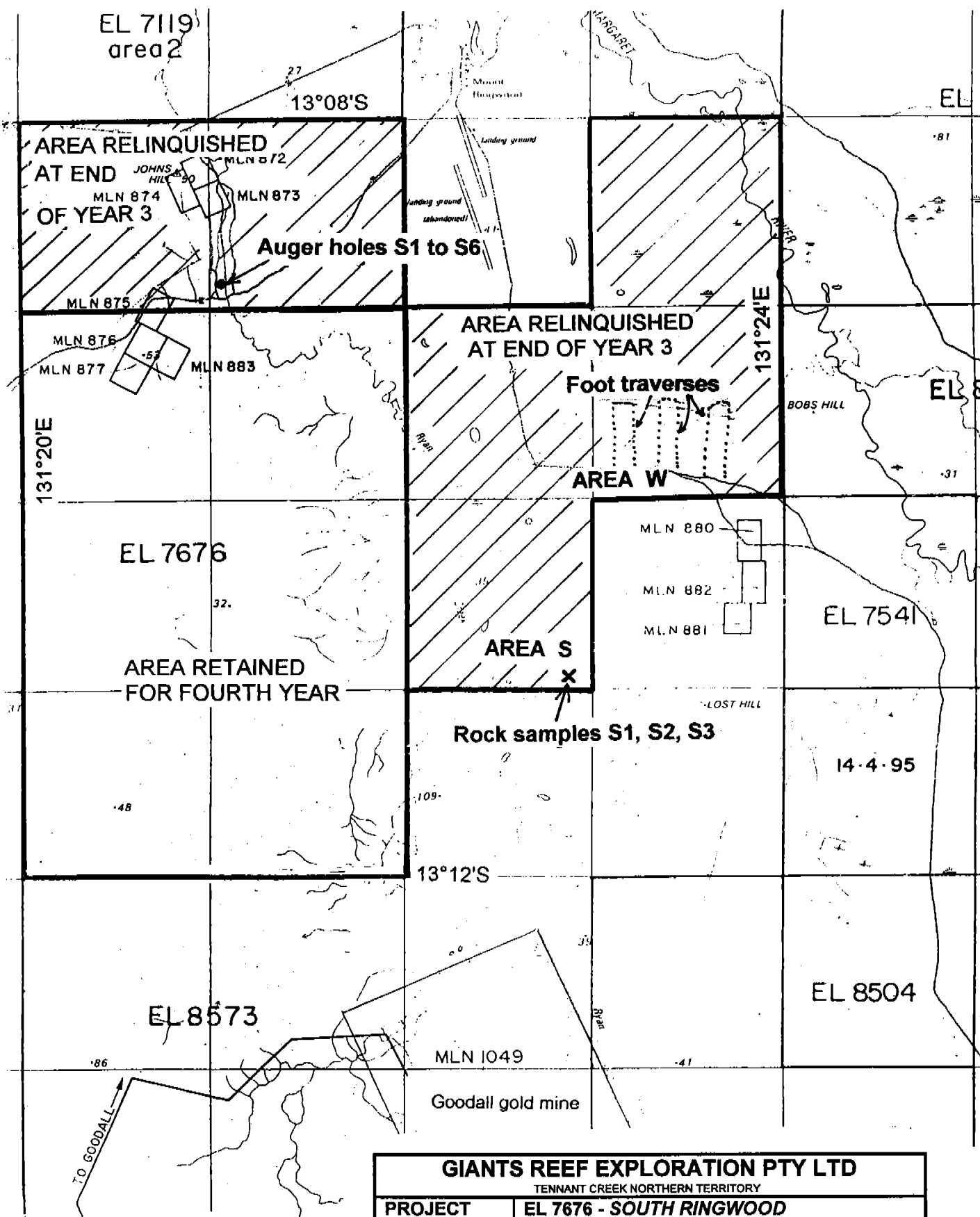
were noted in the general area and some of the loose quartz may have indicated underlying quartz bodies. Most of this area is flat plains.

6. CONCLUSIONS

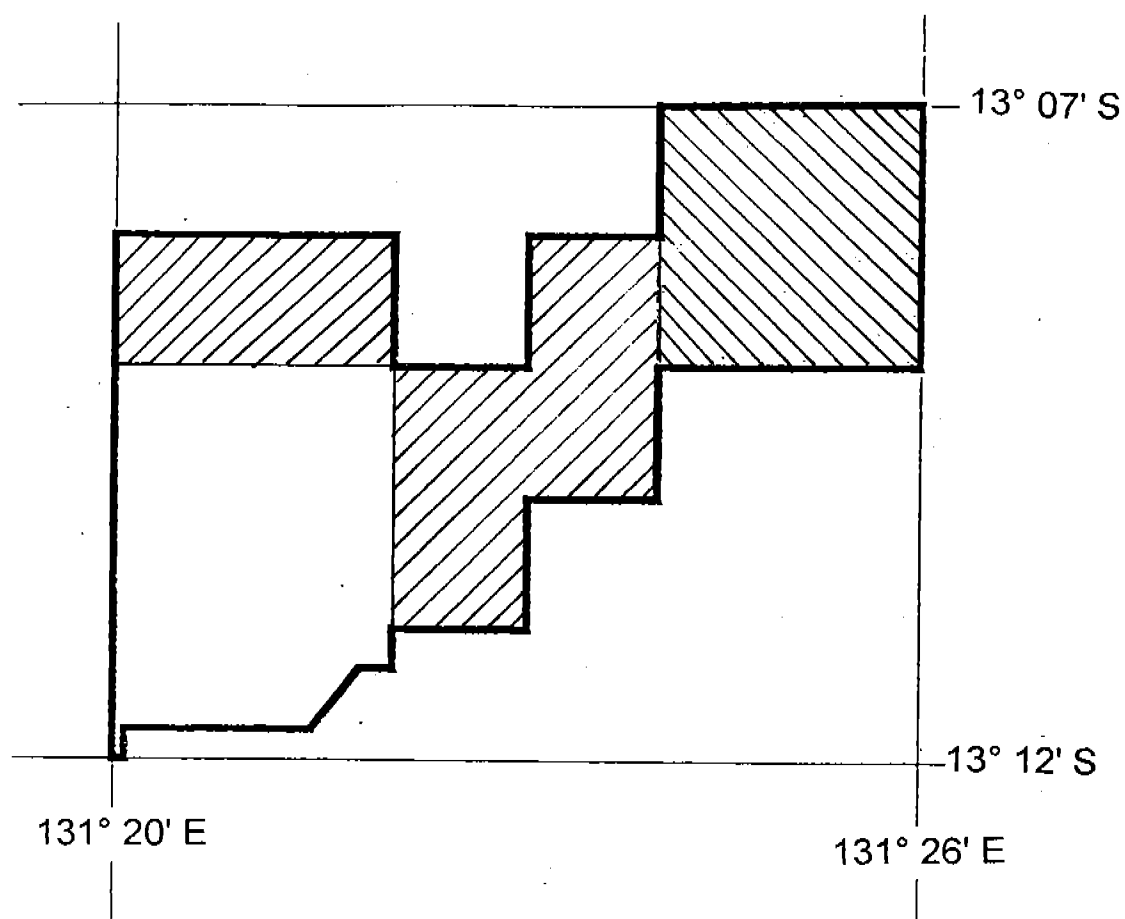
Although some encouragement was gained from the work done, notably from the sampling of the old diggings at Area S, it was decided that better prospectivity lay in other parts of the EL. Accordingly, the six blocks described in this report were relinquished.

A handwritten signature in black ink, appearing to read 'P. G. Simpson', with a long horizontal stroke extending to the right.

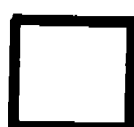
P. G. SIMPSON
EXPLORATION MANAGER



| GIANTS REEF EXPLORATION PTY LTD | | | |
|----------------------------------|---|-------|----------|
| TENNANT CREEK NORTHERN TERRITORY | | | |
| PROJECT | EL 7676 - SOUTH RINGWOOD | | |
| MAP REF. | MARGARET RIVER DME 1:50 000 Sheet 14/2.I EXTRACT | | |
| SUBJECT | Locations of Relinquished Areas | | |
| DATE | AUTHOR | SCALE | PLAN |
| MARCH 1995 | PGS | | FIGURE 1 |



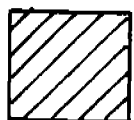
EL7676
16 BLOCKS
50 sq kms



ORIGINAL AREA



BLOCKS RELINQUISHED AT END OF YEAR 2



BLOCKS RELINQUISHED AT END OF YEAR 3

| GIANTS REEF EXPLORATION PTY LTD | | | |
|----------------------------------|----------------------------------|-------|----------|
| TENNANT CREEK NORTHERN TERRITORY | | | |
| PROJECT | EL 7676 - SOUTH RINGWOOD | | |
| MAP REF. | Licence Document extract | | |
| SUBJECT | EL 7676 Successive Reductions | | |
| DATE | AUTHOR | SCALE | PLAN |
| | | | FIGURE 2 |

APPENDIX 1

AUGER DRILLING RESULTS

AUGER DRILLING RESULTS

| Sample | Au (ppm) |
|--------|----------|
| S1 | 0.04 |
| S2 | 0.03 |
| S3 | < 0.02 |
| S4 | 0.02 |
| S5 | < 0.02 |
| S6 | < 0.02 |

APPENDIX 2

AMDEL REPORT NO 3DN1345



21 Marjorie Street, Berrimah, Northern Territory
Postal Address : P.O. Box 58, Berrimah, N.T. 0828
Telephone: (089) 322 637 Facsimile: (089) 323 531

Mr. J. Cooke
PO Box 40
BATCHELOR

N.T. 0845

ANALYSIS REPORT :

Your Reference :

Our Reference : 3DN1345

Samples Received : 17/12/93

Results Reported : 21/12/93

Number of Samples : 3

Report Pages : 1 to 1

This report relates specifically to the samples tested in so far as the samples supplied are truly representative of the sample source.

If you have any enquiries please contact the undersigned quoting our reference as above.

Report Codes:

N.A. -Not Analysed

L.N.R. -Listed But Not Received

I.S. -Insufficient Sample

A handwritten signature in dark ink, appearing to read 'A Ciplys', written over the printed name 'ALAN CIPLYS'.

Approved Signature:

for

ALAN CIPLYS
Manager - Darwin
AMDEL LABORATORIES LIMITED
A.C.N. 009 076 555



Job: 3DN1345
O/N:

Final

ANALYTICAL REPORT

| SAMPLE | Au | AuDp1 |
|--------|-------|-------|
| 1 | <0.01 | <0.01 |
| 2 | 2.43 | 2.79 |
| 3 | 0.13 | 0.12 |

} Area S

Rock Chips

Job No. 3DN1345

| | | |
|---------|------|------|
| UNITS | ppm | ppm |
| DET.LIM | 0.01 | 0.01 |
| SCHEME | FA1 | FA1 |