EXPLORATION LICENCE 7118
EAST RINGWOOD

FOURTH ANNUAL AND FINAL REPORT
5 FEBRUARY 1991 - 4 FEBRUARY 1995

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

14 October 1994 - 4 February 1995

LICENSEEES:
Marcella Isabella COOKE
Joseph Anthony COOKE
Grazina Marija MAINE LIS
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
SUMMARY

Exploration Licence 7118, East Ringwood, located 40 kilometres east-northeast from Adelaide River, was granted in 1991 to the five titleholders to explore for gold.

During the four years of tenure, the Licence area was explored by vehicle-mounted and foot sampling traverses, and auger drilling in selected areas. This work produced some minor gold and arsenic anomalies, but has not exhausted the prospectivity of the area.
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FIGURES

1. EL LOCATION
2. SUCCESSIVE REDUCTIONS OF EL 7118
1. **INTRODUCTION**

Exploration Licence 7118, *East Ringwood*, is located approximately 40 kilometres east-northeast from the town of Adelaide River, Northern Territory.

The area was acquired in 1991 by a local syndicate to search for gold occurring in reefs or vein stockworks. In October 1994, Giants Reef Exploration Pty Ltd entered into an agreement with the Licensees under which Giants Reef would conduct future exploration.

2. **LOCATION AND ACCESS**

EL 7118 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 EL location.

3. **TENURE**

EL 7118 was granted on 5 February 1991 to Marcella Cooke, Joseph Cooke, Grazina Mainelis, John Farrell and John Earthrowl for a term of 4 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 4 blocks to 2 blocks, and further reduced to 1 block 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.
The BMR/NTGS 1:100 000 scale "Geology of the Batchelor-Hayes Creek Region" map shows the setting of EL 7118 in relation to the geology of the surrounding district.

5. EXPLORATION ON EL 7118

5.1 Work during first year

Studies were made of open file reports of previous companies' exploration work in the area.

Traverses of the Licence area were made, both on foot and by vehicle. Seven rock chip samples were collected, one of which (594954) assayed 0.11 g/t Au.

Another sample (594957) assayed 330 ppm arsenic. Overall, no sulphide-mineralised quartz veining was found.

A helicopter traverse was conducted to check the regional setting of the EL in relation to the Goodall mine.

The locations of the traverses and sample sites, and assay results were given in the first Annual Report on EL 7118.

5.2 Work during second year

Additional sampling traverses were made by vehicle and on foot, during which 26 rock chip samples were collected for analysis. Gold assays ranged from 0.02 to 0.12 g/t Au.

An auger drill was hired and holes drilled at 8 sites, but results were disappointing with a maximum assay of 0.04 g/t Au.

The locations of the rock samples and auger holes and the analytical results can be found in the second Annual Report.

5.3 Work during third year

Exploration by vehicle was hampered by the fact that the area had not been burnt off for several years. The intended bulk sampling of selected areas was therefore postponed. Four foot traverses were made through the remaining two blocks, three running north-south and the fourth east-west. No new major quartz outcrops were located, and no samples assayed. The positions of these traverses are shown in the third Annual Report.

5.4 Work during fourth year

The only work carried out in the fourth year was an informal review of the data gathered.

EL 7118, together with adjacent ELs 7119 and 7676, was to have been included in a portfolio of exploration properties which were to have been the subject of a public float on
the Australian Stock Exchange by Playford Resources NL. Considerable effort and expense was put into preparing the prospectus. However, the float did not eventuate. By the time that the exploration agreement was reached between the five titleholders and Giants Reef, the wet season was approaching and no field work was attempted.

6. CONCLUSIONS

Exploration to date has revealed some minor anomalous gold and arsenic results.

The work has not exhausted the possibilities for finding gold mineralisation within the original area of EL 7118. A detailed BLEG-type geochemical drainage survey may produce a better indication of the prospectivity of this area.

7. EXPENDITURE

The minimum expenditure covenant for the fourth year of EL 7118 was $2000.

Total expenditure for the year was as follows:

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<thead>
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<th>Expenditure by Titleholders:</th>
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<td>• Independent Prospect Evaluations</td>
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<th>Expenditure by Giants Reef Exploration Pty Ltd:</th>
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<td>• Tenure</td>
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<td>• Administration</td>
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<td>• Overheads</td>
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**TOTAL** $2,579

P. G. SIMPSON
EXPLORATION MANAGER
EL 7118
4 BLOCKS
13 sq kms

Original 4 blocks
Retained for 3rd year
Retained for 4th year

GIANTS REEF EXPLORATION PTY LTD
TENNANT CREEK NORTHERN TERRITORY

<table>
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<th>PROJECT</th>
<th>EL 7118- EAST RINGWOOD</th>
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<tr>
<td>MAP REF.</td>
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<td>EL 7118 Successive Reductions</td>
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<td>PLAN</td>
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