

EXPLORATION LICENCE 7687
"NOBLES NOB EAST"

FIRST ANNUAL REPORT

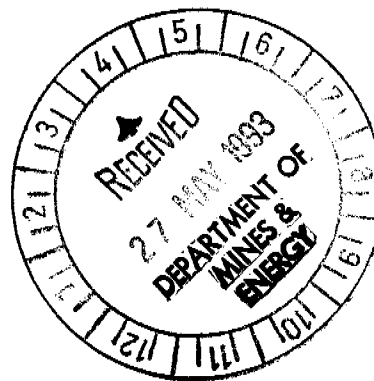
21 APRIL 1992 - 20 APRIL 1993

LICENSEE:

TC8 PTY LTD
A.C.N. 009 644 188

CR 93 / 373

TENNANT CREEK 1:250,000
SE53-14
TENNANT CREEK 1:100,000
5758



P. G. SIMPSON
DARWIN N.T.
MAY, 1993

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1. INTRODUCTION AND SUMMARY

This report records the exploration work carried out on Exploration Licence 7687 for the first year of the Licence, from 21st April 1992 to 20th April 1993.

Exploration Licence 7687, "Nobles Nob East", is held by TC8 Pty Ltd, a subsidiary of Giants Reef Mining N.L. The Licence area is of 8 blocks totalling approximately 26 square kilometres but half of this area is excluded by prior leases and claims held by other parties.

The targets are gold and copper orebodies.

The Licence area is generally undulating with some outcrop. The bedrock is interpreted to be Early Proterozoic Carraman Formation, and this, plus the proximity of several old gold mines, gives the area a high degree of prospectivity.

Reconnaissance and rock sampling has located a low order bismuth anomaly, associated with a magnetic low, in the northern part of the Licence. Gold assays from this site are contradictory, and it is uncertain whether there is a coincident gold anomaly present or not.

Future work will entail a substantial programme of gridding, geological mapping, vacuum or auger drilling and detailed gravity and ground magnetics surveys.

2. LOCATION AND ACCESS

EL 7687 is situated about 15 kilometres southeast of Tennant Creek, in the vicinity of the Nobles Nob, Rising Sun, Golden Kangaroo and Golden Forty mines. Figure 2 shows the location of EL 7687 and competitors tenements in relation to the Licence area.

Access to EL 7687 is good via the Nobles Nob/Gosse River road and numerous tracks which traverse the tenement and in the northern parts of the Licence by tracks connecting the Peko, Golden Forty and Golden Kangaroo mines.

The area is generally undulating with light scrubby vegetation.

3. TENURE

Exploration Licence 7687 was granted to TC8 Pty Ltd, now a wholly-owned subsidiary of Giants Reef Mining N.L., on 21st April 1992 for a period of four years. Figure 1 shows the boundaries of the granted Licence area.

The expenditure covenant for the first year was \$10,000.

The Licence area covers 8 one-minute blocks totalling approximately 26 square kilometres but about half of this is excluded from EL 7687 by pre-existing leases and claims. This cuts the EL into two separate areas, a northern block, and a larger southern block which wraps around the leases containing Nobles Nob and the Rising Sun mines.

4. GEOLOGY AND MINERALISATION

EL 7687 is generally undulating with little outcrop, as virtually all the outcropping area within the eight blocks are covered by the numerous pre-existing leases and claims.

The outcrops in these leases and the regional magnetics both suggest that the EL is underlain by the magnetically identifiable Black Eye Member of the Carraman Formation, part of the Early Proterozoic Warramunga Group.

The southern strip of EL 7687 is mapped as containing felspar porphyries and may include Warramunga Group sediments other than the Carraman Formation.

A major east-west anticlinal fold runs through the Licence area about 0.5 kilometres north of the Nobles Nob and Rising Sun mines. A parallel synclinal fold occurs north of the Golden Kangaroo mine. Bedding dip angles are moderate to steep in these structures, and axial plane cleavage generally dips from 70° north to vertical.

The interpreted geology and the proximity of Nobles Nob and other smaller mines, give the Licence area a high prospectivity, although targets are expected to be concealed beneath shallow outwash cover.

5. PREVIOUS EXPLORATION

The area has been held by other companies under many Authorities to Prospect and Exploration Licences since the 1950's but little or none of this work is recorded on open file.

The most recent explorer appears to have been Metana Minerals N.L., who held an area which included the southern part of EL 7687, but no targets were explored within this actual area.

Geopeko held the northeastern portion of the present EL during the period from 1984 to 1987, but no targets were defined there.

Between 1972 and 1976, Australian Development Ltd explored the area. Their work included a low level aeromagnetic survey, but no records of any targets found are available.

6. FIRST YEAR'S EXPLORATION

6.1 Air photographs

Coloured 1:25,000 scale air photos of the licence area were purchased through AiResearch Mapping Pty Ltd in Darwin.

6.2 Work done

Work in the first year consisted of literature research, general field reconnaissance identifying competitors' boundaries and rock sampling over the Licence area.

Rock sample locations are plotted on Figure 2, and the analytical results from Assaycorp Pty Ltd in Pine Creek are listed in the Appendix.

A total of twenty rock samples and twelve soil samples were collected during two field trips. These were all from low rises where concentrations of scattered ferruginous rock material were observed. The samples consisted of 1 kilogram bags of chips of ironstone and/or ferruginous sediment surface float rock, collected from areas of up to 50 metre radius. In all cases, the material collected in the samples was thought to be locally derived.

Only two samples showed anomalous gold levels. These were samples NNE1 and NNE2, from a low east-west aligned rise in the northeast part of the Licence. Some of the float rocks here were quite magnetic when tested with a hand magnet, although on the BMR 1:250,000 Total Magnetic Intensity contours map, this location relates to a magnetic low.

The first assay results were as follows:

SAMPLE	GOLD (g/t)	COPPER (ppm)	BISMUTH (ppm)
NNE1	0.15, 0.13	34	20
NNE2	0.05, 0.03	20	48

Repeat assays from the coarse crushings of these samples were carried out (see Appendix), which still show trace gold to be present. The bismuth results also suggests a geochemical anomaly here.

A second round of sampling was carried out at this site, to check on the apparent anomaly. This additional work consisted of collecting two more of the same kind of rock chip samples (NNE19 and 20), and 12 lag samples (NNE21 to 32). These latter were taken by sieving out a minus 6mm-plus 2mm fraction on site and submitting this for assay. The lag samples were taken within a 100 metre radius of the area from which NNE1 and NNE2 were taken (see Figure 2).

The second batch of samples returned gold assays of less than 0.01 grams per tonne. However, in samples NNE19 and NNE20, bismuth levels of 70 and 25 ppm

respectively are still showing a slight bismuth anomaly. A more substantial geochemical programme is needed to confirm and delineate any anomaly present. This will be done during the course of the future work outlined in this report.

Rock samples from elsewhere in the EL did not produce any anomalous gold results.

During the reconnaissance work, two old cleared surveyed grid lines were found in the northern part of the Licence, aligned north-south and east-west on AMG. They cross at 30,000E 24,620N. Some of the co-ordinates on the pegs are still legible, and these lines will be useful for establishing a new grid in the second year of tenure.

7. CONCLUSIONS

Reconnaissance rock sampling has suggested a possible gold and bismuth geochemical anomaly over a low rise associated with a small regional magnetic low in the northern part of the EL.

Further work is required at this location and over the rest of the Licence, as detailed in this report.

8. EXPENDITURE

Total expenditure costed to EL 7687 for the first year of tenure is as follows:

Research	686
Reconnaissance	1300
Geological	5265
Geochemical	1685
Administration	551
Overheads	1423

TOTAL	\$10910
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9. PROGRAMME FOR SECOND YEAR

During the second year of tenure a substantial gridding programme is planned to allow a detailed gravity survey, ground magnetics, geological mapping and vacuum or auger drilling over the Licence area.

Targets developed from this work will be tested by a reverse circulation percussion drilling and/or diamond drilling. Some of this drilling is likely to be carried out in the following year.

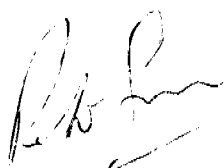
10. PROPOSED EXPENDITURE

The estimated minimum expenditure for the planned exploration on EL 7687 during the second year of tenure is as follows:

• Ground line clearing	\$ 2,000
• Geological mapping	1,000
• Gravity survey	7,000
• Ground magnetics	2,000
• Vacuum or auger drilling (including assays)	5,000
• Percussion drilling	8,000

TOTAL \$25,000

Exploration programmes can be affected by results, and while \$25,000 is the proposed minimum expenditure, the specific activities may vary according to the results achieved.



P. G. SIMPSON
EXPLORATION MANAGER

TC8 PTY LTD

BOUNDARIES OF EL 7687

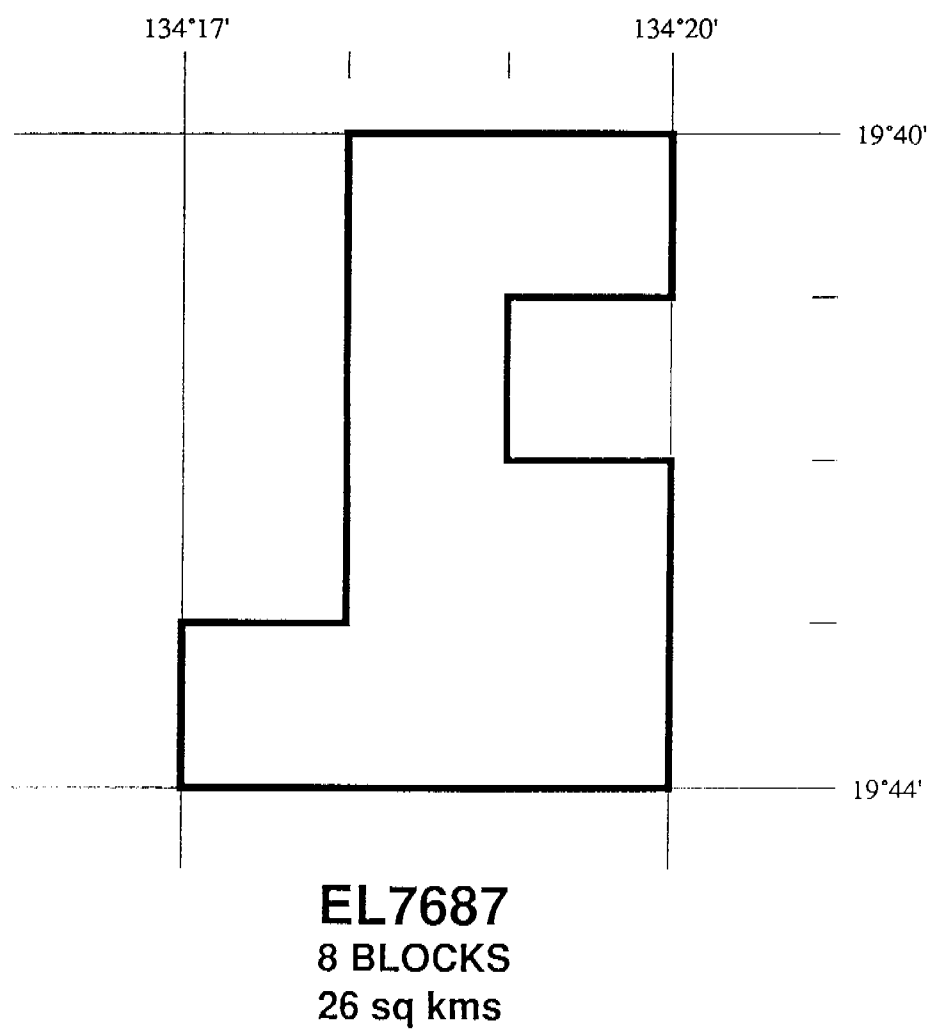
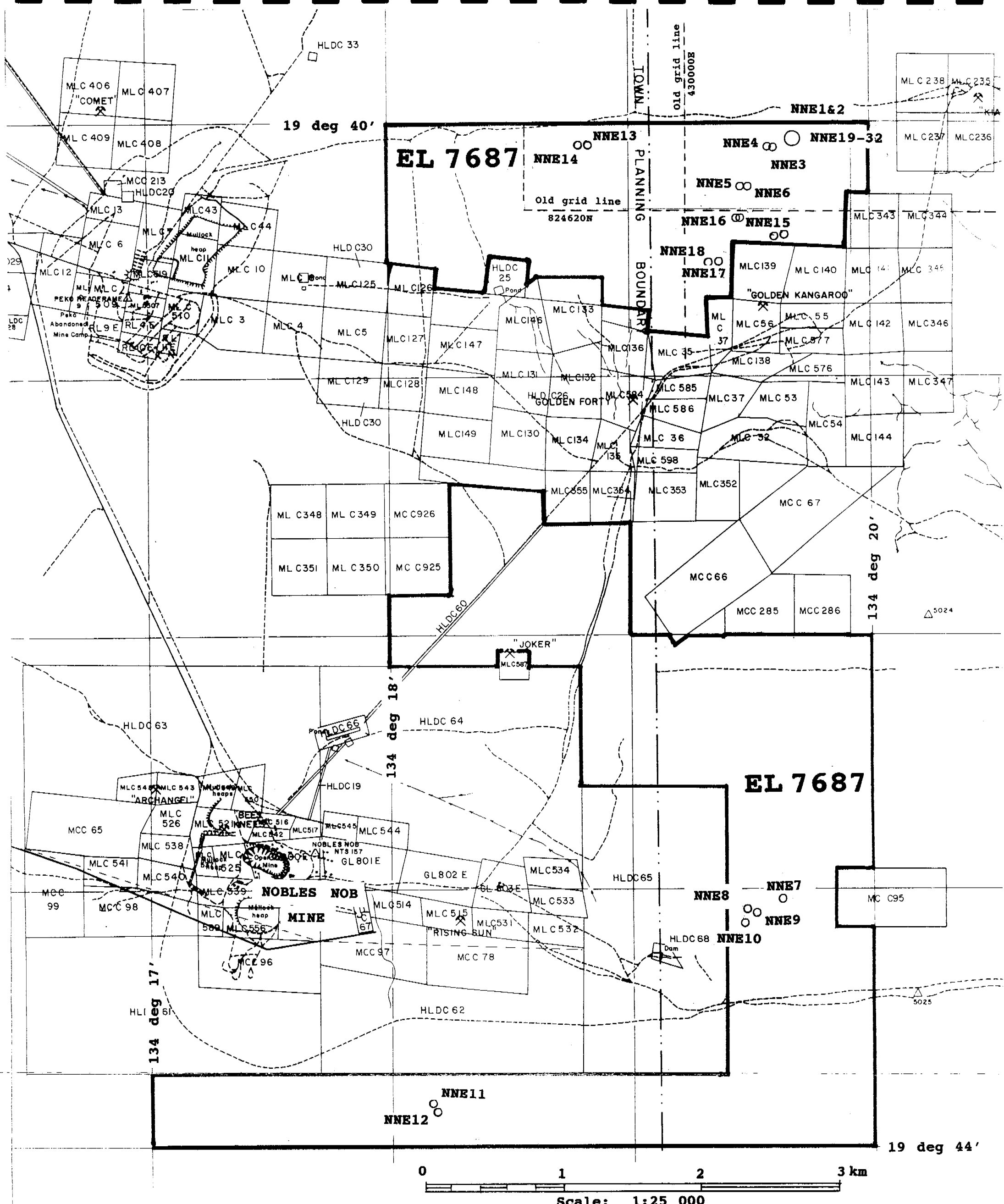


FIGURE 1



GIANTS REEF EXPLORATION PTY LTD

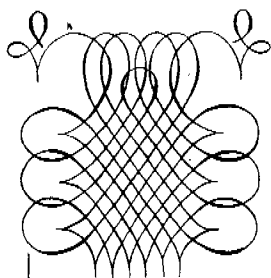
EL 7687

ROCK & SOIL SAMPLE LOCATIONS

Source: NTDME Tenement Map 52/5.1.SW Jan 1993 **FIGURE 2**

APPENDIX 1

ASSAY RESULTS



ASSAYCORP PTY LTD

A.C.N. 052 982 911

174 Ward Street, Pine Creek, N.T. 0847

P.O. Box 41, Pine Creek, N.T. 0847

Telephone (089) 76 1262

Facsimile (089) 76 1310

ASSAY CODE: AC 06319

Giants Reef Mining NL

Distribution

Peter Simpson

Client Reference:

Date Received:

26/03/1993

Project :

Number of Samples:

12

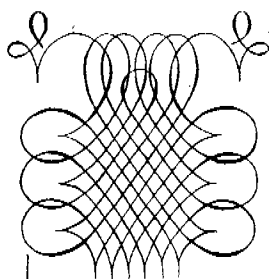
Cost Code:

Sample Preparation

Analysis	Analytical Technique	Precision & Accuracy	Detection Limit	Data Units
Au	FA50	Acc. \pm 15%	0.01	ppm
Au(R)	FA50	Acc. \pm 15%	0.01	ppm
Cu	AAS/MA-3	Prec. \pm 10%	2	ppm
Bi	AAS/MA-3	Prec. \pm 10%	1	ppm

Authorisation: Ray Wooldridge

Report Dated: 05/04/1993



ASSAYCORP PTY LTD

A.C.N. 052 982 911

174 Ward Street, Pine Creek, N.T. 0847

P.O. Box 41, Pine Creek, N.T. 0847

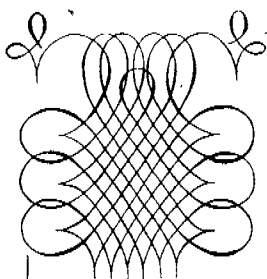
Telephone (089) 76 1262

Facsimile (089) 76 1310

ASSAY CODE: AC 06319

Page 1 of 1

Sample	Au (ppm)	Au(R) (ppm)	Cu (ppm)	Bi (ppm)
NNE 1	0.15	0.13	34	20
NNE 2	0.05	0.03	20	48
NNE 3	<0.01		22	11
NNE 4	<0.01		46	14
NNE 5	<0.01		21	12
NNE 6	<0.01		9	3
NNE 7	<0.01		4	<1
NNE 8	<0.01		2	6
NNE 9	<0.01	<0.01	2	6
NNE 10	<0.01		<2	12
NNE 11	<0.01	<0.01	<2	<1
NNE 12	<0.01	<0.01	<2	1



ASSAYCORP PTY LTD

A.C.N. 052 982 911

174 Ward Street, Pine Creek, N.T. 0847

P.O. Box 41, Pine Creek, N.T. 0847

Telephone (089) 76 1262

Facsimile (089) 76 1310

ASSAY CODE: AC 06397

Giants Reef Mining NL

Distribution

Peter Simpson

Client Reference:

Date Received:

31/03/1993

Project :

Number of Samples:

6

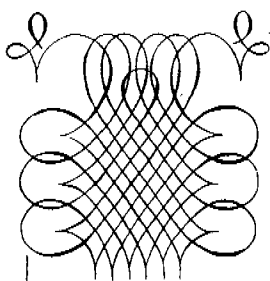
Cost Code:

Sample Preparation

Analysis	Analytical Technique	Precision & Accuracy	Detection Limit	Data Units
Au	FA50	Acc. \pm 15%	0.01	ppm
Au(R)	FA50	Acc. \pm 15%	0.01	ppm
Cu	AAS/MA-3	Prec. \pm 10%	2	ppm
Bi	AAS/MA-3	Prec. \pm 10%	1	ppm

Authorisation: Ray Wooldridge

Report Dated: 05/04/1993



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174 Ward Street, Pine Creek, N.T. 0847

P.O. Box 41, Pine Creek, N.T. 0847

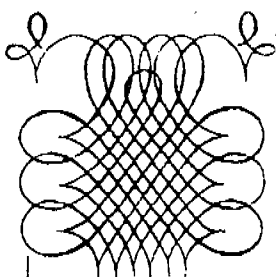
Telephone (089) 76 1262

Facsimile (089) 76 1310

ASSAY CODE: AC 06397

Page 1 of 1

Sample	Au (ppm)	Au(R) (ppm)	Cu (ppm)	Bi (ppm)
NNE 13	<0.01		39	19
NNE 14	<0.01		32	31
NNE 15	<0.01	<0.01	28	17
NNE 16	0.01		23	12
NNE 17	<0.01		25	5
NNE 18	<0.01		24	4



ASSAYCORP PTY LTD

A.C.N. 052 982 911

174 Ward Street, Pine Creek, N.T. 0847

P.O. Box 41, Pine Creek, N.T. 0847

Telephone (089) 76 1262

Facsimile (089) 76 1310

To: Peter Simpson
Exploration Manager
Giants Reef Mining

From: Ray Wooldridge
Assaycorp Pty Ltd

Subject: Assay repeats on Jobs AC 06319 and AC 06396

As a result of the queries raised in your fax of the 04.04.93 we carried out additional check assays on resplits from the bulk residue to confirm the data reported to you. This data is as follows.

Job AC 06319

Samples	Cu	Bi	Original Data		Resplit 1		Resplit 2	
			Au 1	Au 2	Au 1	Au 2	Au 1	Au 2
NNE 1	34	20	0.15	0.13	0.04	0.05	0.05	0.06
NNE 2	20	48	0.05	0.03	0.02	0.19	0.03	0.30

The repeat data confirms that the samples have "kicked" with trace levels of Au.

(excerpt from letter re check assays)



R7/5/93

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. N. Byrne
GIANTS REEF MINING N.L.
PO BOX 38254
WINNELLIE

NT 0821

ANALYSIS REPORT :

Your Reference : E536201

Our Reference : 3DN0263

Samples Received : 15/04/93

Results Reported : 20/04/93

Number of Samples : 18

Report Pages : 1 to 1

(14 on EL7687)

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 words 'Approved Signature:' and 'for'.

Approved Signature:

for

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

Final

ANALYTICAL REPORT

SAMPLE	Au	AuDp1	Cu	Bi
NNE 19	<0.01	--	66	70
NNE 20	<0.01	--	73	25
NNE 21	<0.01	--	24	15
NNE 22	<0.01	--	23	10
NNE 23	<0.01	--	22	15
NNE 24	<0.01	--	23	10
NNE 25	<0.01	<0.01	22	10
NNE 26	<0.01	--	22	<10
NNE 27	<0.01	--	19	15
NNE 28	<0.01	<0.01	20	15
NNE 29	<0.01	--	23	15
NNE 30	<0.01	--	21	10
NNE 31	<0.01	--	24	15
NNE 32	<0.01	--	24	<10

ADDITIONAL CHECK SAMPLES, SAME AREA

AS EARLIER SAMPLES NNE1 & NNE2.

- NNE 19 & 20 = ROCK CHIP SAMPLES
(COLLECTIONS OF FLOAT)
- NNE 21-32 = LAG SAMPLES (-6mm+2mm)

UNITS	ppm	ppm	ppm	ppm
DET.LIM	0.01	0.01	2	10
SCHEME	FA1	FA1	AAS2	AAS2