

GIANTS REEF MINING LIMITED

A.B.N. 71 058 436 794

1/26 IRVINE STREET TENNANT CREEK NT 0860

PO BOX 1244 TENNANT CREEK NT 0861

Telephone 08 8962 1330 Facsimile 08 8962 2900

Email: email@giantsreef.com.au Website: www.giantsreef.com.au

EXPLORATION LICENCE 8430

REDBACK

THIRD ANNUAL REPORT

8 March 2001 - 7 March 2002

LICENSEE:

SANTEXCO PTY LTD

A.C.N. 002 910 296

formerly

NORMANDY TENNANT CREEK PTY LTD

A.C.N. 002 910 296

AUTHORS:

P. G. SIMPSON

S.C. RUSSELL

May, 2002

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Santexco Pty Ltd

Giants Reef Mining Limited



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TENNANT CREEK 1:250 000

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TENNANT CREEK 1:100 000

SUMMARY

Exploration Licence 8430 *Redback* is located approximately 8 km southeast of Tennant Creek township. Access to the Licence area is via the sealed Peko and Nobles Nob roads and the gazetted Gosse River road. A well-developed network of gravel tracks extends from these roads to provide good vehicular access.

Exploration Licence 8430 consists of two graticular blocks (6.6 km²) and was granted to Normandy Tennant Creek Pty Ltd (NTC) on 8 March 1999 for a period of six years.

On 13 June 2001, Giants Reef Exploration Pty Ltd, a wholly owned subsidiary of Giants Reef Mining Limited, purchased all of the shares in NTC from Normandy Consolidated Gold Holdings Pty Ltd, a wholly owned subsidiary of Normandy Mining Limited. As a result of this, NTC is now a wholly owned subsidiary of Giants Reef and has had its name changed to Santexco Pty Ltd (Santexco).

This report records exploration undertaken by NTC and Giants Reef Mining Limited (Giants Reef) on Exploration Licence 8430 *Redback*, for the period from 8 March 2001 to 7 March 2002.

Normandy appears not to have worked on any specific targets within EL 8430, although the EL and a wide surrounding area was covered in two detailed airborne geophysical surveys.

Approximately 44% of the two blocks is free for exploration under EL 8430. The rest is taken up with Claims, Leases and Holdings involved in the Peko Rehabilitation (tailings treatment) Project.

Giants Reef has noted a subtle magnetic anomaly on the southern boundary of the western block of EL 8430, at AGD84 AMG co-ordinates 423800E 7819550N. Part of this anomaly appears to be in the adjacent EL 8199 (also owned by Santexco). Given its proximity to Nobles Nob and its position along the Eldorado-Juno-Nobles Nob trend, this anomaly is seen as a future target for magnetic modelling, and for subsequent drilling if warranted.

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1. Location and Surrounding Tenements

1. INTRODUCTION

This report records the exploration undertaken by Normandy Tennant Creek Pty Ltd (NTC) and Giants Reef Mining Limited (Giants Reef) on Exploration Licence 8430 *Redback*, for the period from 8 March 2001 to 7 March 2002.

On 13 June 2001, Giants Reef Exploration Pty Ltd, a wholly owned subsidiary of Giants Reef Mining Limited, purchased all of the shares in NTC from Normandy Consolidated Gold Holdings Pty Ltd, a wholly owned subsidiary of Normandy Mining Limited. As a result, NTC is now a wholly owned subsidiary of Giants Reef and has had its name changed to Santexco Pty Ltd (Santexco).

2. LOCATION & ACCESS

Exploration Licence 8430 *Redback* is located approximately 8 km southeast of the Tennant Creek township. Access to the Licence area is via the sealed Peko and Nobles Nob roads and the gazetted Gosse River Road. A well-developed network of gravel tracks extends from these roads to provide good vehicular access.

During and immediately after rain the area is mostly inaccessible. Figure 1 shows the EL and surrounding tenements.

3. TENURE

Exploration Licence 8430 consists of two graticular block (6.6 km²) and was granted to Normandy Tennant Creek Pty Ltd (now Santexco) on 8 March 1999 for a period of six years. At the end of the year 3, the eastern block of the two was relinquished.

The Licence is within Aboriginal Freehold land held by the Warumungu Land Trust.

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) would give the reader a good introduction to the regional geology and styles of gold-copper mineralisation of the area.

The regional geology of the Tennant Creek Inlier has also been described in the 1:250,000 Tennant Creek geological map and its explanatory notes, published by the Northern Territory Geological Survey in 1999.

4.2 Local Geology

The geology in EL 8430 consists of minor outcrops of weathered siltstone and greywacke of the Palaeoproterozoic Warramunga Formation. In places these outcrops are silicified. The steeply dipping bedding in the outcrops generally strikes WNW and displays sub-vertical cleavage.

5. WORK CARRIED OUT

5.1 Previous work

In 1998, the year before EL 8430 was granted, Normandy flew a detailed aeromagnetic survey over the southern part of the Tennant Creek goldfield including EL 8430. The key specifications of the survey were north-south flight lines 50 metres apart, at a mean flying height of 40 metres above the terrain.

The data collected included topographic information and radiometrics as well as magnetics. The information was used to locate and evaluate magnetic targets within the survey area.

In October and November 1999, a Normandy proprietary airborne Time Domain Electro Magnetic (TDEM) system was flown over the Nobles Nob and Peko areas, including EL 8430. The key specifications of the survey were north-south flight lines 100 metres apart and helicopter - borne sensor of 30 metres above the terrain.

Since the granting of EL 8430, Normandy's work in the area consisted of target generation, validation of a Datamine database and compilation of a GIS database.

Reports for the first two years do not mention any field work being carried out. A land access agreement was signed with the Central Land Council to allow entry on to Warumungu Land Trust areas, which include EL 8430.

5.2 Work by Santexco since acquisition

The acquisition of NTC's Tennant Creek interests by Giants Reef took place in June, 2001. During the first months of the third year of the Licence, NTC appears to have done no significant work on EL 8430.

After the acquisition Giants Reef, on behalf of Santexco, made a brief search of the ex-Normandy files but so far has not found mention of any specific targets within EL 8430. It is probable that Normandy took up EL 8430 because of favourable structural and geophysical reasons and proximity to known economic mineralisation.

It was noted that 89% of the eastern block and 50% of the western block of EL 8430 are under Mineral Claims, Mineral Leases or Holdings surrounding the Nobles Nob mine. This leaves approximately 44% of the two blocks free for exploration under EL 8430. The smaller tenements making up the other 56% are involved in the Peko Rehabilitation (tailings treatment) Project and Giants Reef does not have access to these areas.

After a preliminary search of the ex-Normandy detailed magnetic data over the EL and its surroundings, Giants Reef has noted a subtle magnetic anomaly on the southern boundary of the western block of EL 8430, in the part of the EL outside the Claims and Leases. Part of this anomaly appears to be in the adjacent EL 8199 (also owned by Santexco). AGD84 AMG co-ordinates of this feature are 423800E 7819550N. The site is about 2.6km WSW from Nobles Nob. According to the NTGS 1:100,000 scale Tennant Creek geology map 5758, the anomaly is in the red soil plains on the south side of the east-west ridges where Nobles Nob and the smaller Archangel mines are located. It is within the highly gold-productive corridor that includes Eldorado, Juno, Nobles Nob and others. This anomaly is seen as a future target for magnetic modelling, and for subsequent drilling if warranted.

6. REHABILITATION

As no on-ground work that could cause substantial disturbance was conducted on EL 8430, no environmental rehabilitation was done during the reporting period.

7. CONCLUSIONS

Normandy appears to have done no work on any specific targets within EL 8430, although the EL has been included in two detailed airborne geophysical surveys.

Approximately 44% of the two blocks are free for exploration under EL 8430. The rest is taken up with Claims, Leases and Holdings involved in the Peko Rehabilitation (tailings treatment) Project.

Giants Reef has noted a subtle magnetic anomaly on the southern boundary of the western block of EL 8430, at AGD84 AMG co-ordinates 423800E 7819550N. Part of this anomaly appears to be in the adjacent EL 8199 (also owned by Santexco). Given its proximity to Nobles Nob and its position along the Eldorado-Juno-Nobles Nob trend, this anomaly is seen as a future target for magnetic modelling, and for subsequent drilling if warranted.

8. EXPENDITURE

Expenditure for Year 3 has been estimated at \$1,000, against a covenant of \$14,050. As the minimum expenditure for the year was not met, an application for variation of the expenditure accompanies this report.

9. PROPOSED PROGRAMME AND EXPENDITURE FOR YEAR FOUR

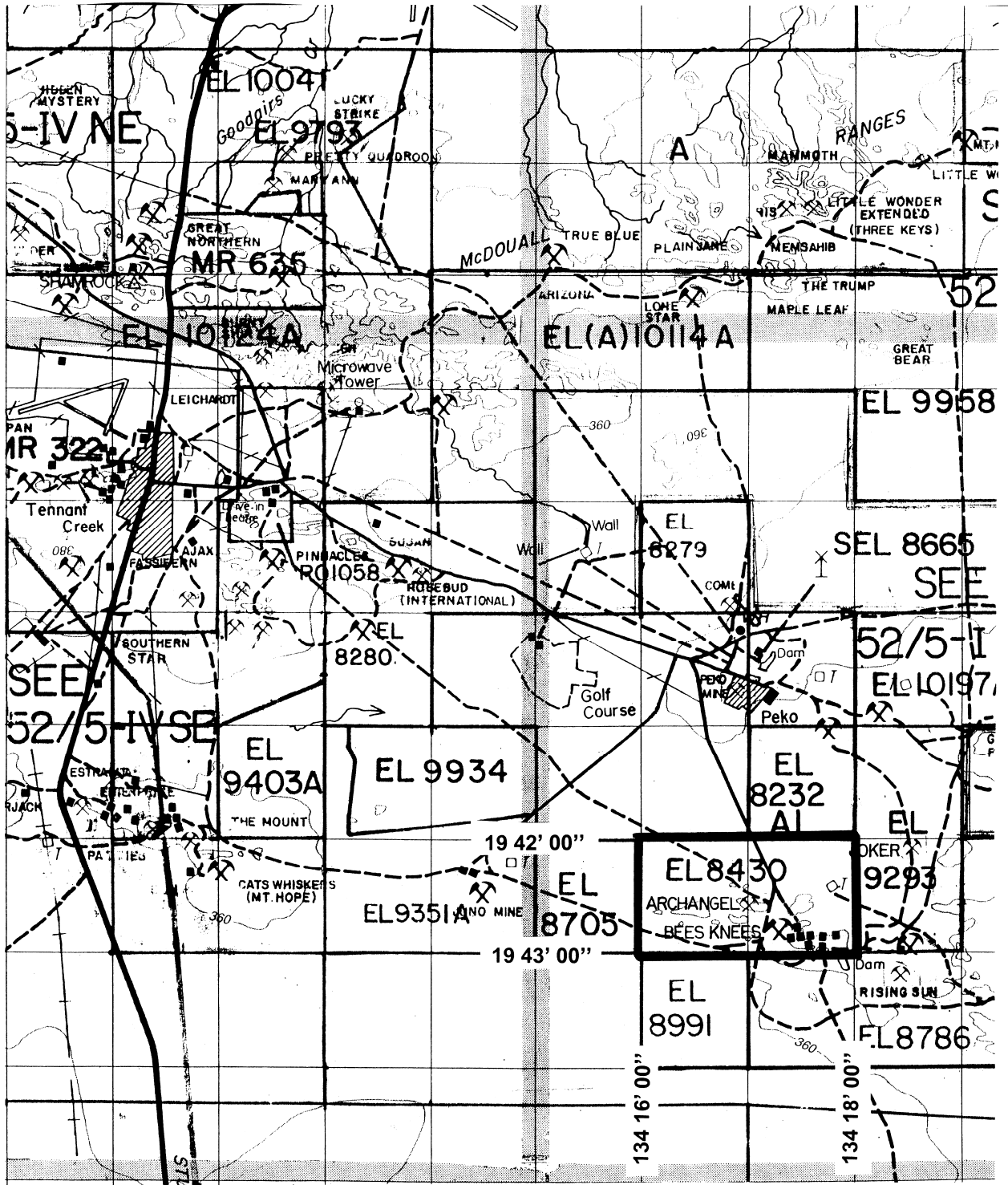
Work in the third year is planned to include ground reconnaissance, and modelling of the magnetic anomaly noted in the southern part of the Licence.

Geology	\$ 500
<i>reconnaissance, planning and supervision</i>	
Geophysics.....	1,500
<i>modelling</i>	
Drilling.....	3,500
<i>reverse circulation</i>	
Analytical.....	700
<i>drill samples</i>	
Rehabilitation.....	500
Administration/overheads.....	800
	TOTAL \$7,500

Exploration programmes can be affected by results, and while this is the proposed programme and expenditure, specific activities may vary according to the results achieved.

P G SIMPSON
EXPLORATION MANAGER

S C RUSSELL
EXPLORATION GEOLOGIST



<p align="center">SANTEXCO PTY LTD TENNANT CREEK NORTHERN TERRITORY</p>			
AREA	EL 8430 <i>REDBACK</i>		
MAP REF	52/5 TENNANT CREEK 1:100 000		
SUBJECT	Location and Surrounding Tenements <i>Extract DME MINING TENURE 52/5</i>		
DATE	AUTHOR	SCALE	
AUG 2000		1:100,000	FIGURE 1