

# GIANTS REEF MINING LIMITED

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## EXPLORATION LICENCE 8786

*FIRST LIGHT*

### 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:*

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S.C. RUSSELL

*May, 2002*

#### DISTRIBUTION:

Department of Business, Industry and Resource Development  
Santexco Pty Ltd  
Giants Reef Mining Limited

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TENNANT CREEK 1:250 000

5758

TENNANT CREEK 1:100 000

## SUMMARY

Exploration Licence 8786 *First Light* is located approximately 15km southeast of Tennant Creek. Access to the Licence area from Tennant Creek is via the sealed road to the Peko and Nobles Nob mines, and then along the Gosse River road.

The Exploration Licence covers four graticular blocks (approximately 13km<sup>2</sup>), and was granted to Normandy Tennant Creek Pty Ltd (NTC) on 8 March 1999 for a period of six years.

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

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 subsidiary of Normandy Mining Limited. As a result of this, NTC is now a wholly owned subsidiary of Giants Reef and its name has been changed to Santexco Pty Ltd (Santexco).

This report records exploration undertaken by and Giants Reef Mining Limited (Giants Reef) on Exploration Licence 8786 *First Light* for the period from 8 March 2001 to 7 March 2002.

Targets are Tennant Creek-style ironstone hosted gold-copper orebodies. The Licence area is underlain by siltstones and greywackes of the Palaeoproterozoic Warramunga Formation.

An airborne electromagnetic survey by NTC in the first year of EL 8786 appears not to have located any conductive targets in EL 8786.

The 7300 West prospect in the eastern part of EL 8786 is a prime exploration target, based on an analogy with the Nobles Nob mine.

Magnetic modelling of the 7300 West magnetic source in EL 8786 indicated a depth to the causative body of 840m, but this does not detract from the non-magnetic Nobles Nob exploration model.

Giants Reef intends to test the 7300 West prospect during the 2002 field season by RC drilling. The Central Land Council has given an approval for this work.

## CONTENTS

	PAGE
SUMMARY.....	i.
CONTENTS.....	ii.
1. INTRODUCTION.....	1.
2. LOCATION AND ACCESS.....	1.
3. TENURE.....	1.
4. GEOLOGY.....	1.
4.1 Regional Geology.....	1.
4.2 Local Geology.....	1.
5. WORK CARRIED OUT IN YEAR 3.....	1.
5.1 Previous Work.....	1.
5.2 Work by Santexco since acquisition.....	2.
6. REHABILITATION.....	2.
7. CONCLUSIONS.....	3.
8. EXPENDITURE.....	3.
9. PROPOSED PROGRAMME AND EXPENDITURE FOR YEAR 4.....	3.

## FIGURES

1. Location and Surrounding Tenements
2. Year 3 Licence area
3. Proposed Drillholes 7300 West Prospect

## 1. INTRODUCTION

This report records exploration undertaken by Normandy Tennant Creek Pty Ltd (NTC) and Giants Reef Mining Limited (Giants Reef) on Exploration Licence 8786 *First Light* 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 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).

## 2. LOCATION & ACCESS

Exploration Licence 8786 *First Light* is located approximately 15km southeast of Tennant Creek. Access to the Licence area from Tennant Creek is via the sealed road to the Peko and Nobles Nob mines, and then along the Gosse River road. During and immediately after rain the area is generally inaccessible.

Figure 1 shows the EL and surrounding tenements.

## 3. TENURE

EL 8786 *First Light* covers four graticular blocks (13 km<sup>2</sup>) and was granted to Normandy Tennant Creek Pty Ltd (now Santexco) on 8 March 1999 for a period of six years.

The Licence is on Inalienable 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) give a good introduction to the regional geology and styles of gold-copper mineralisation of the area.

More recently, the regional geology of the Tennant Creek Inlier has 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 8786 includes many outcrops of siltstones and greywackes of the Palaeoproterozoic Warramunga Formation, which underlies most of the area. In the southern part of the EL, sediments of the Cambrian Rising Sun Conglomerate occur as low ridges. Alluvial and colluvial material covers the flats and low-lying areas.

## 5. WORK CARRIED OUT IN YEAR 3

### 5.1 Previous work

In 1998, the year before EL 8786 was granted, Normandy flew a detailed aeromagnetic survey over the southern part of the Tennant Creek goldfield including EL 8786. 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.

After the granting of EL 8786, Normandy conducted a proprietary airborne Time Domain Electromagnetic (TDEM) survey over the Nobles Nob and Peko areas, including EL 8786, in October and November 1999. The main specifications of the survey were north-south flight lines 100 metres apart, with the helicopter-borne sensor at a nominal height of 30 metres above the terrain.

NTC records indicate that no conductive targets were generated in EL 8786 as a result of this survey.

Since then, 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 fieldwork 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 8786.

## 5.2 Work by Santexco since acquisition

The purchase of NTC's Tennant Creek interests by Giants Reef took place in June, 2001. In the first months of the third year of the Licence, NTC seems not to have done any significant work on EL 8786.

From various NTC records, it is clear that the "7300 West" prospect in the eastern blocks of the Licence was Normandy's prime exploration target, and RC drilling was recommended and budgeted for as an initial test program. In the event, the drilling was not carried out because of Normandy's departure from the Tennant Creek goldfield.

There are two separate magnetic-geochemical anomalies, about 400m apart, at the 7300 West prospect. The western anomaly is entirely within EL 8786, but only a small portion of the larger eastern anomaly is within this EL. The remainder of the eastern anomaly is in Santexco's adjacent SEL 8665.

These two targets are regarded as indicating the presence of unexposed Noble Nob-style occurrences. They lie along the highly prospective ESE-trending structural zone that runs through Eldorado, Enterprise, Juno, Nobles Nob and a number of lesser mines.

Giants Reef's consulting geophysicist, Mr Frank Lindeman of Lindeman Geophysics Pty Ltd, Melbourne, has carried out modelling of the magnetic anomalies at the 7300 West prospect. He has calculated the depth to the top of the western causative body (in EL 8786) to be 840m below surface. This depth is not seen as downgrading the target concept, because the Nobles Nob mine model involves a substantial near-surface mass of non-magnetic haematite.

Giants Reef intends to test both anomalies at the 7300 West prospect during the 2002 field season by RC drilling.

Figure 3 shows the locations of the three proposed drillholes at the 7300 West magnetic target located within EL 8786.

Santexco, through Giants Reef, has advised the Central Land Council of the drilling proposal, and this has been accepted. The Santexco program is in effect a renewed but essentially similar version of the program from NTC that the CLC accepted two years ago.

## 6. REHABILITATION

No work that could cause substantial disturbance was conducted on EL 8786, so no environmental rehabilitation work was done during the reporting period.

## 7. CONCLUSIONS

The airborne TDEM survey by Normandy in the first year appears not to have located any conductive targets in EL 8786.

The 7300 West prospect in the eastern part of EL 8786 is a prime exploration target, based on analogy with the Nobles Nob mine.

Magnetic modelling of the 7300 West magnetic source in EL 8786 indicated a depth to the causative body of 840m, but this does not detract from the non-magnetic Nobles Nob exploration model.

Giants Reef intends to test the 7300 West prospect during the 2002 field season by RC drilling.

## 8. EXPENDITURE

Expenditure for Year 3 has been estimated at \$1,000 against a covenant of \$7,550. As the minimum expenditure for the year was not met, an application for variation of the expenditure accompanies this report.

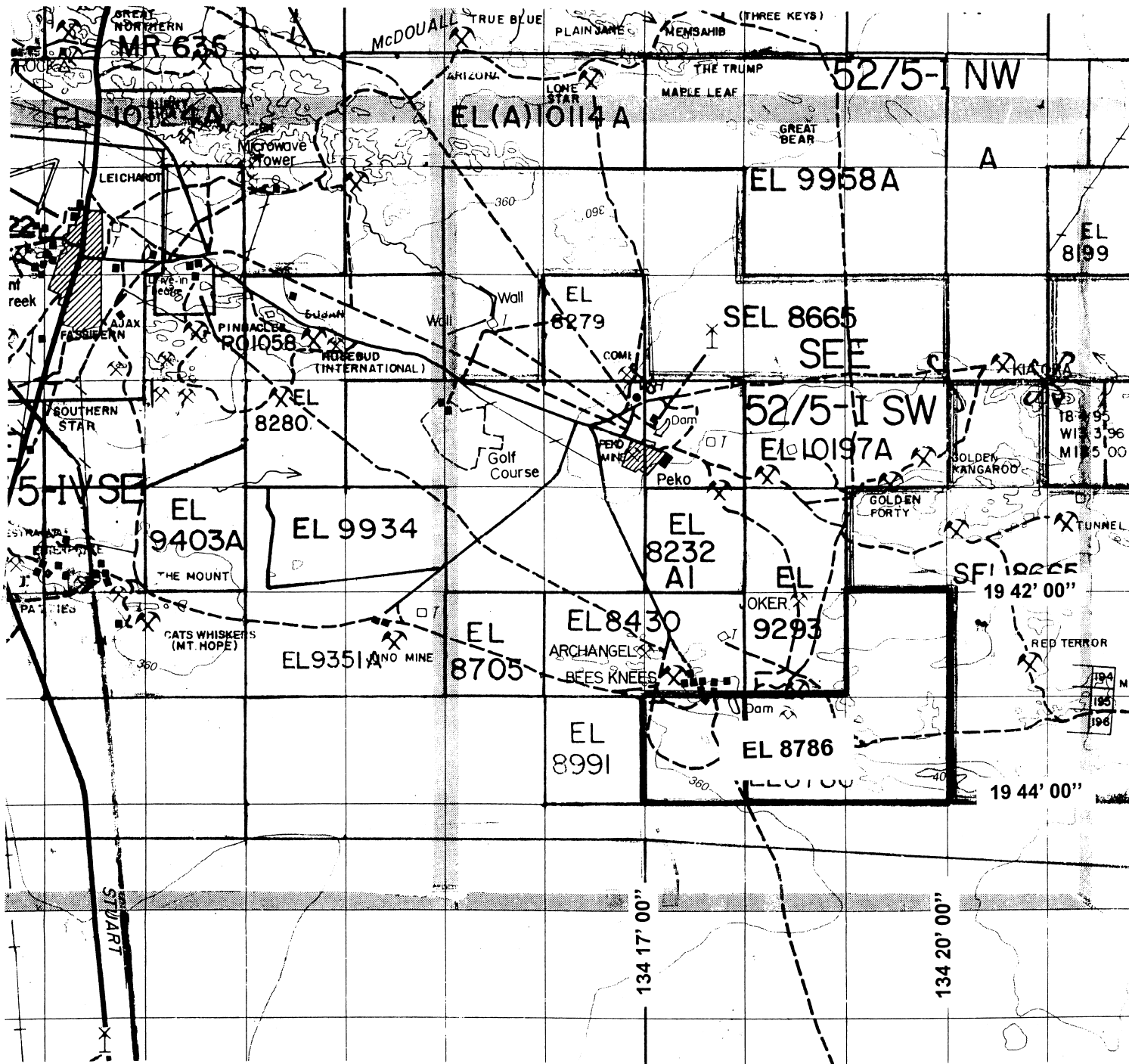
## 9. PROPOSED PROGRAM AND EXPENDITURE FOR YEAR 4

	\$
Geology .....	1,000
<i>Reconnaissance, planning and supervision</i>	
Geophysics.....	1,000
<i>Assessment and modelling</i>	
Geochemistry .....	0
<i>Rock chip sampling</i>	
Drilling.....	12,000
<i>RC drilling</i>	
Analytical .....	5,000
Rehabilitation.....	1,000
Administration/overheads.....	3,000
TOTAL	\$23,000

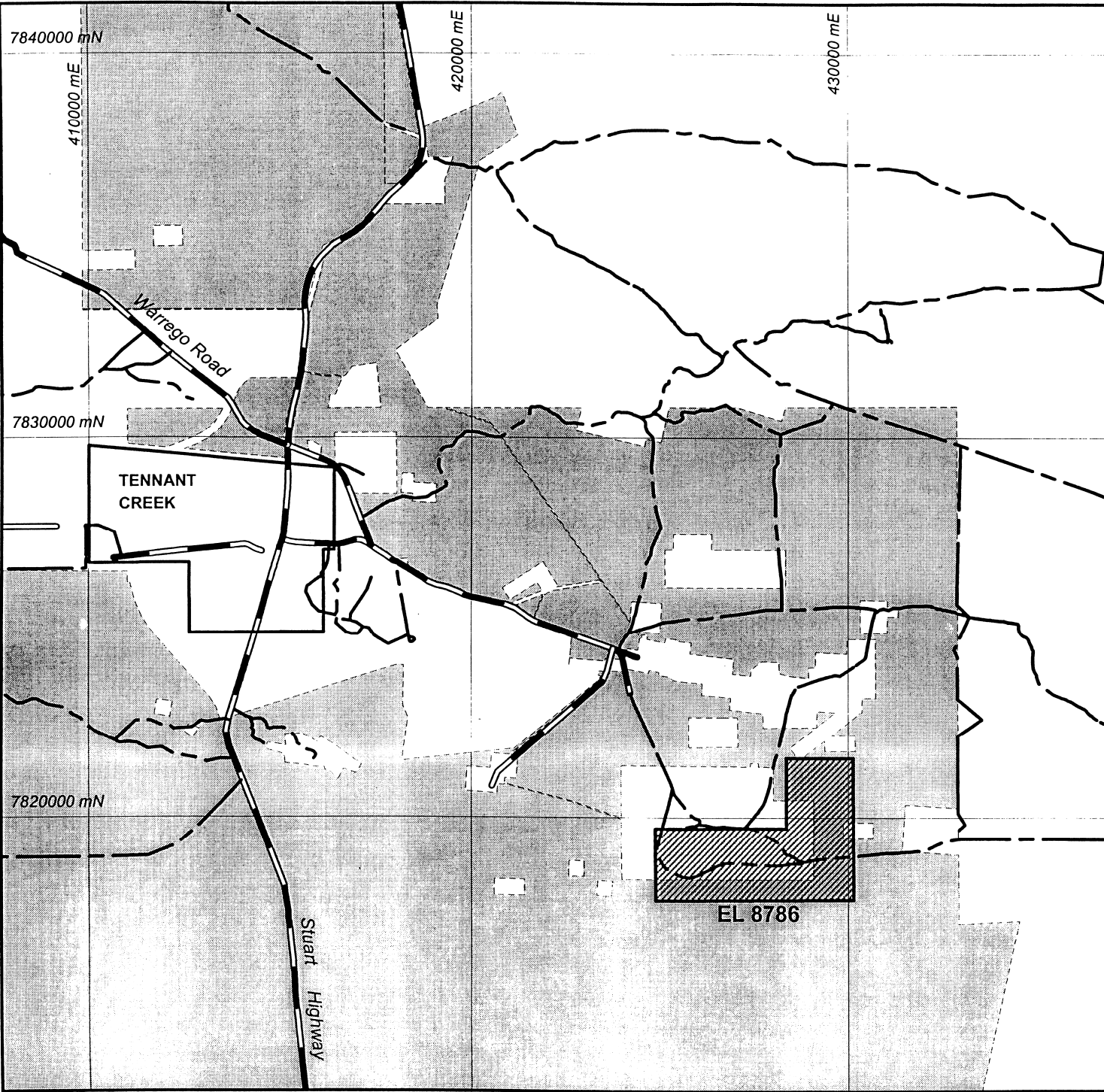
Exploration programs are affected by the results achieved as the work progresses, and while this is the proposed program and expenditure for the coming year, some changes may become necessary.

P G SIMPSON  
EXPLORATION MANAGER

S C RUSSELL  
EXPLORATION GEOLOGIST



<p align="center"><b>SANTEXCO PTY LTD</b>  <b>TENNANT CREEK NORTHERN TERRITORY</b></p>			
AREA		EL 8786 <i>FIRST LIGHT</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	<b>FIGURE 1</b>
AUG 2000		1:100,000	



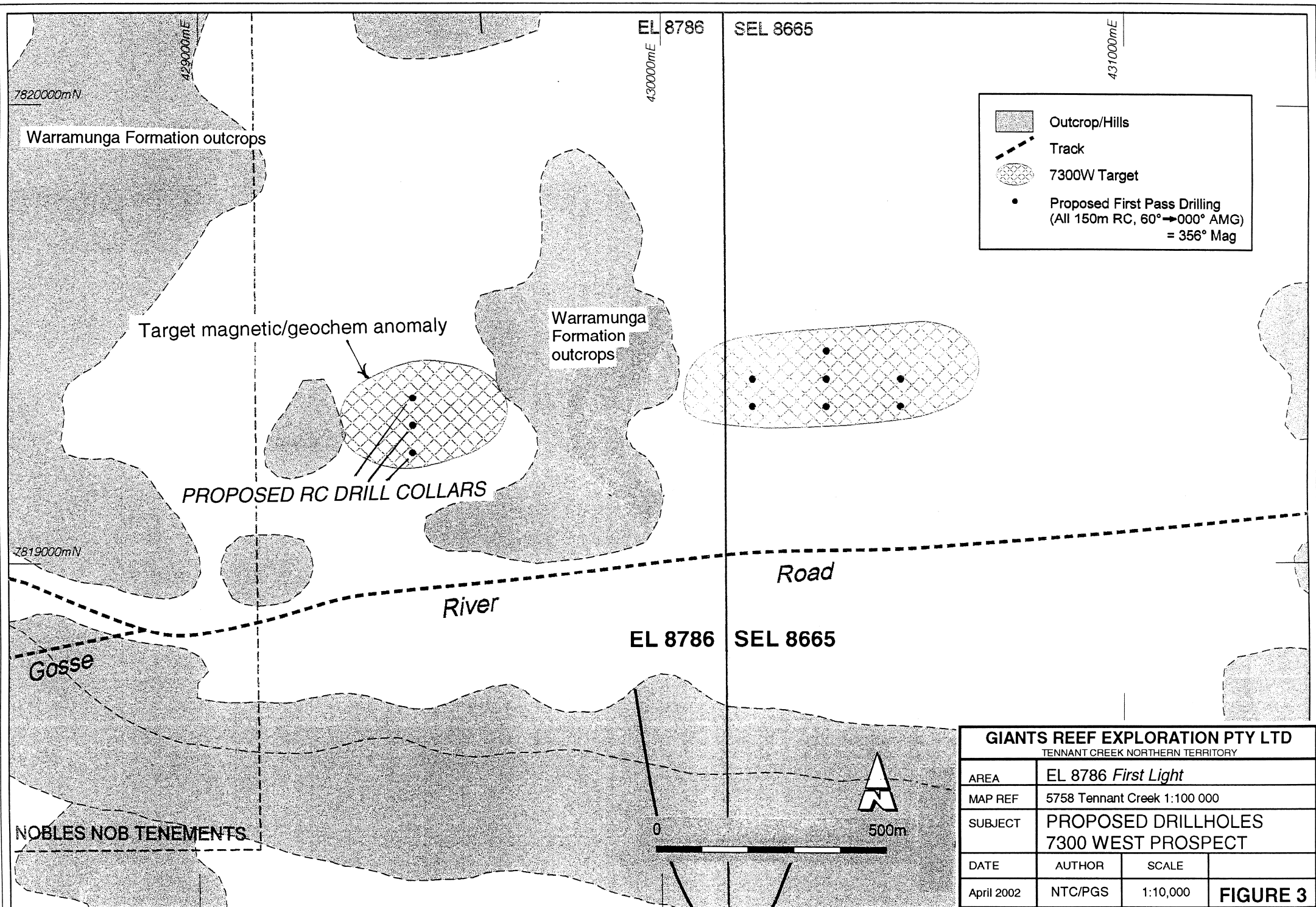
 ABORIGINAL LAND



0 2.5 5  
Kilometres

SANTEXCO PTY LTD			
TENNANT CREEK NORTHERN TERRITORY			
AREA	EL 8786 <i>FIRST LIGHT</i>		
MAP REF	52/5 TENNANT CREEK 1:100 000		
SUBJECT	YEAR 3 LICENCE AREA		
DATE	AUTHOR	SCALE	
May 2001	SCR	1:150,000	FIGURE 2





GIANTS REEF EXPLORATION PTY LTD			
TENNANT CREEK NORTHERN TERRITORY			
AREA	EL 8786 <i>First Light</i>		
MAP REF	5758 Tennant Creek 1:100 000		
SUBJECT	PROPOSED DRILLHOLES 7300 WEST PROSPECT		
DATE	AUTHOR	SCALE	
April 2002	NTC/PGS	1:10,000	<b>FIGURE 3</b>