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EXPLORATION LICENCE 9125

NAVSIX EXTENSION

SEVENTH ANNUAL REPORT

8 June 2001 - 7 June 2002

LICENSEE:

SANTEXCO PTY LTD

A.C.N. 002 910 296

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Santexco Pty Ltd
Giants Reef Mining Limited

SE53-14

TENNANT CREEK 1:250 000

5659

SHORT RANGE 1:100 000

SUMMARY

Exploration Licence 9125 (*Navsix Extension*) is centred 1.5km east of the White Devil gold mine and 45km northwest of Tennant Creek. Access to the Licence area is via bush tracks extending out from the White Devil mine site.

The EL consists of one graticular block and was granted to Normandy Tennant Creek Pty Ltd (NTC) on 8 June 1995 for a period of six years. EL 9125 was purchased by Giants Reef Exploration Pty Ltd (Giants Reef) along with all of NTC's assets in the Tennant Creek district, and NTC's name was changed to Santexco Pty Ltd (Santexco).

EL 9125 is subject to the Golden Mile Joint Venture between Santexco and Tennant Creek Gold Ltd.

This report records the work conducted by Giants Reef, on behalf of Santexco, on EL 9125 during its seventh year of tenure from 8 June 2001 to 7 June 2002.

Since the purchase of the NTC tenements by Giants Reef, no fieldwork has been done on EL 9125. A brief appraisal of the EL shows that about two-thirds of its one-block area is taken up by Mineral Claims. This leaves a total of only about one square kilometre, in two separate pieces, available for exploration under the terms of EL 9125.

While there are geophysical anomalies within the above claims, Giants Reef has not noted any geological or geological targets in the two small areas of EL 9125 that are outside the Mineral Claims.

A further assessment of this EL, in the wider context of its geological and geophysical surroundings, is required before any active exploration can be planned for EL 9125.

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FIGURES

1. EL 9125 Location Map

1. INTRODUCTION

Exploration Licence 9125 *Navsix Extension* is situated immediately east of the White Devil gold mine.

On 13 June 2001, Giants Reef Exploration Pty Ltd, a wholly owned subsidiary of Giants Reef Mining Limited, purchased all of the shares in Normandy Tennant Creek Pty Ltd (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).

This report records the work conducted by Giants Reef on behalf of Santexco over EL 9125 from 8 June 2001 to 7 June 2002.

2. LOCATION & ACCESS

Exploration Licence 9125 is centred 1.5km east of the White Devil gold mine and 45km north west of Tennant Creek.

Access to the Licence area is via bush tracks extending out from the White Devil mine site (Figure 1).

3. TENURE

Exploration Licence 9125 consists of one graticular block granted to Normandy Tennant Creek Pty Ltd (now Santexco) on 8 June 1995 for a period of six years.

The EL is subject to the Golden Mile Joint Venture with Tennant Creek Gold Ltd.

It lies within NT Portion 408, Perpetual Pastoral Lease 946, Phillip Creek Station.

There are seven separate Mineral Claims held by Santexco within the boundaries of the EL. These are MCs C1112, C1113, and C1117 to C11120, which are all held as part of the Golden Mine Joint Venture between Santexco and Tennant Creek Gold Ltd. The seventh is Mineral Claim C760 held as part of the Central No. 1 Joint Venture, between NTC (now Santexco), Pacmin Mining NL (now owned by Sons of Gwalia) and Normandy NFM Limited (now Newmont NFM Limited).

An application to renew the Licence for a period of two years was approved by the Department of Business Industry and Resource Development.

4. GEOLOGY

4.1 Regional Geology

The geology of the Tennant Creek Inlier is well explained in the 1:250,000 scale Tennant Creek geological map SE 53-14 and its Explanatory Notes, published by the Northern Territory Geological Survey in 1999.

The oldest exposed rocks in the Tennant Creek Inlier are the metasediments of the Warramunga Formation, which are the hosts to virtually all the ironstone Au-Cu-Bi deposits of the Tennant Creek goldfield. These Palaeoproterozoic metasediments were deposited at approximately 1860 Ma. Deformation and intrusion of the Warramunga Formation by voluminous porphyries and granitoids occurred during the Barramundi Orogeny (1858 Ma to 1845 Ma).

Following deformation and uplift, volcanics and volcanoclastics of the Flynn Sub-group were erupted (1845 Ma to 1827 Ma), with more intrusion of porphyries and minor granitoids into the Warramunga Formation. Following an additional deformation event, the deposition of the Hatches Creek Group (south of Tennant Creek) and the Tomkinson Creek Sub-group sediments and bi-modal volcanics (north of Tennant Creek) took place from 1820 Ma to 1785 Ma, accompanied by the intrusion of late-stage granitoids and porphyries into both the Warramunga Formation and Flynn Sub-Group at 1650 to 1712 Ma.

4.2 Local Geology

The geology in EL 9125 consists of minor outcrops of weathered siltstone and greywacke of the Palaeoproterozoic Warramunga Formation. The steeply dipping bedding in the outcrops generally strikes WNW and displays sub-vertical east-west cleavage. Intrusive quartz-feldspar porphyries also crop out in the area.

5. WORK CARRIED OUT DURING YEAR 7

Since the purchase of the NTC tenements by Giants Reef, no fieldwork has been done on EL 9125. A brief appraisal of the EL shows that about two-thirds of its one-block area is taken up by the Mineral Claims listed in Section 3 above. This leaves a total of only about one square kilometre, in two separate pieces, available for exploration under the terms of EL 9125.

While there are geophysical anomalies within the above Claims, Giants Reef has not noted any geological or geological targets in the two small areas of EL 9125 that are outside the Mineral Claims.

A further assessment of this EL, in the wider context of its geological and geophysical surroundings, is required before any active exploration can be planned for EL 9125.

6. REHABILITATION

No work that could cause substantial disturbance was conducted on EL 9125, so no environmental rehabilitation was done during the reporting period.

7. CONCLUSIONS

The targets within the Mineral Claims within the EL 9125 block have not been fully tested or by Giants Reef. It is possible that any mineralisation within these claims may extend into EL 9125, and future work within the EL is largely dependent on the outcome of the planned assessment and any subsequent exploration within them.

8. EXPENDITURE

Expenditure for Year 7 was \$987, against a covenant of \$2,000. As the minimum expenditure for the year was not met, an application for variation of the expenditure accompanies this report.

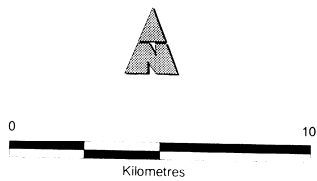
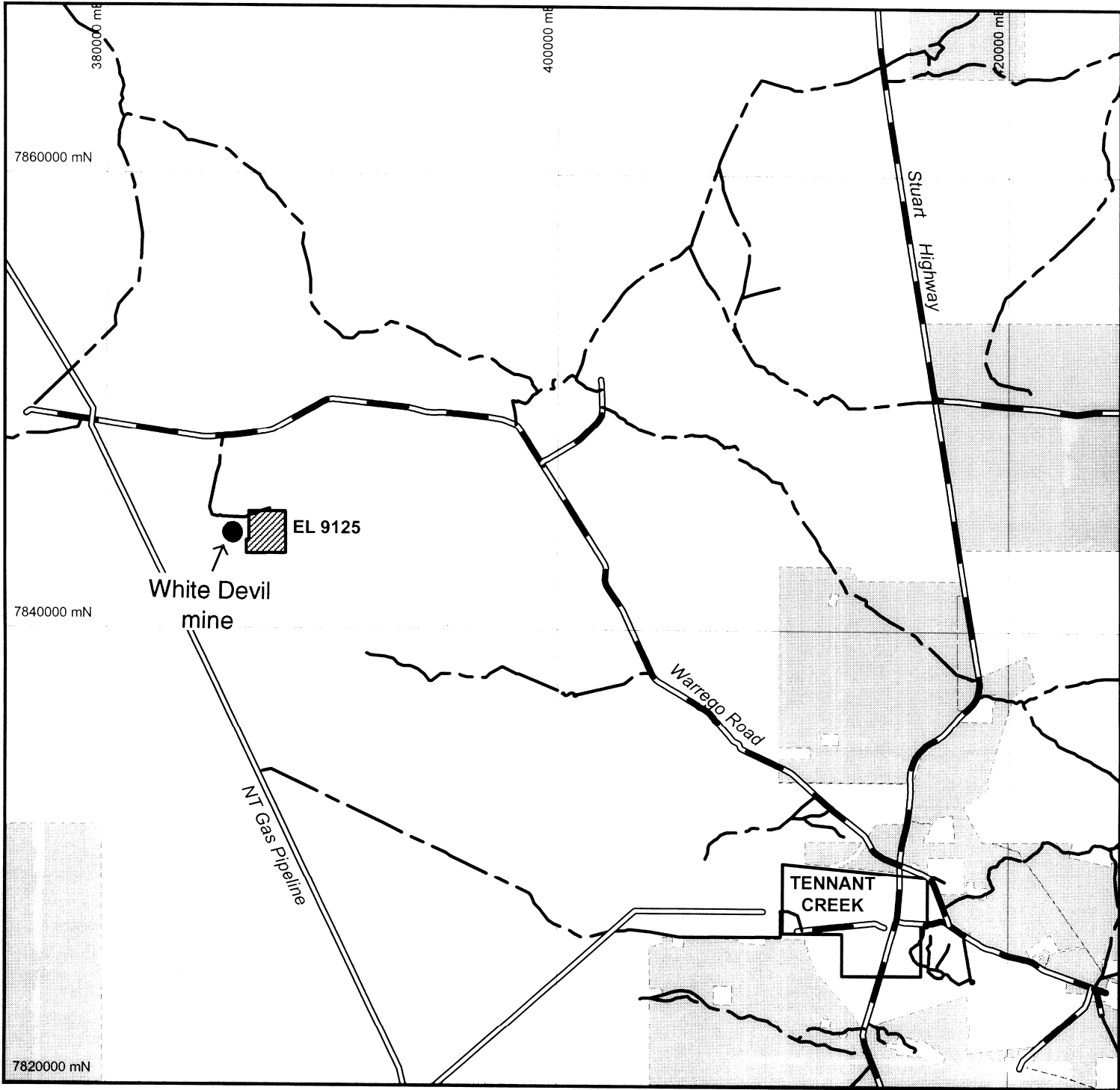
9. PROPOSED PROGRAM AND EXPENDITURE FOR YEAR 8

Geology	\$ 400
Assessment and reconnaissance	
Geophysics.....	750
Interpretation of local and regional geophysics	
Geochemistry	0
Analytical	0
Rehabilitation.....	400
Administration/overheads.....	250
	TOTAL \$1,800

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

P G SIMPSON
EXPLORATION MANAGER

S C RUSSELL
EXPLORATION GEOLOGIST



SANTEXCO PTY LTD TENNANT CREEK NORTHERN TERRITORY			
AREA	EL 9125 NAVSIX EXTENSION		
MAP REF	52/5 TENNANT CREEK 1:100 000		
SUBJECT	EL 9125 Location Map		
DATE	AUTHOR	SCALE	
JULY 2002		1:250,000	FIGURE 1