

Rio Tinto Exploration Pty. Limited

ABN 76 000 057 125 / ACN 000 057 125

A member of the Rio Tinto Group

Seventh Annual Report for the Period Ending 15 May 2003, EL 9058 Nimue, Northern Territory, Australia

Exploration Report No. 26157

Tenement Holder: Rio Tinto Exploration Pty Limited

Date: June 2003

Author: S R Bishop

Submitted: G M Rheinberger

Distribution: Department of Business Industry &

Resource Development - NT RTE Perth Information Centre

This report and its contents are confidential. All rights to the report and its contents (including, without limitation, rights to confidential information and copyright in all works (including photographs, diagrams, charts, maps and graphs) comprised in the report) remain the property of Rio Tinto Exploration Pty. Limited. No part of this report or the information contained in it may be disclosed to any person without the consent of Rio Tinto Exploration Pty. Limited. No part of this report, or the information contained in it may be reproduced (including being stored in any form), transmitted, published or used for any purpose without the prior consent of Rio Tinto Exploration Pty. Limited.

SUMMARY OF ACTIVITIES

EL 9058 Nimue is located 20km south east of the Merlin diamond mine in the McArthur River Region in the Northern Territory.

The geology is dominated by Palaeoproterozoic Tawallah Group within the "Foelschse Inlier" of the McArthur Basin. The Palaeoproterozoic sediments are overlain by Cambrian Bukalara Sandstone of the Georgina Basin and outlying remnants of Cretaceous Dunmarra Basin sediment. Outcrops of Tawallah Group and Bukalara Sandstone dominate in the east and west of the tenement, respectively.

Previous exploration identified clusters of chromite, micro diamonds and macro diamonds within the tenement. These were followed up with EM-34 and ground magnetic surveys. Various prioritised geophysical anomalies were tested with RAB drilling but no kimberlites were intersected. Chromite and micro diamonds returned from processed rock samples suggest that the indicator mineral clusters might be derived from secondary sources, i.e., Proterozoic and Cretaceous sediments.

During the previous reporting period RTE completed a detailed helicopter-borne Hummingbird EM survey that covered the entire tenement. None of the EM resistivity features were considered to represent "large" kimberlite diatremes.

During the current reporting period no field-based exploration was completed. Divestment of the EL along with the Merlin Diamond Mine was unsuccessful so now the EL is being divested separately along the other "near mine" tenement. Commercial negotiations were being held with an interested party regarding the "near mine" tenement.

Page iii

VERIFICATION LISTING

Exploration Work Type	File Name	Format
Office Studies		
Literature search		
Database compilation		
Computer modelling		
Reprocessing of data		
General research		
Report preparation	26157 Nimue.pdf	.pdf
Other (specify)	WAp45179 (Tenement Location Plan)	.pdf
Airborne Exploration Surveys		
Aeromagnetics		
Radiometrics		
Electromagnetics		
Gravity		
Digital terrain modelling		
Other (specify)		
Remote Sensing		
Aerial photography		
LANDSAT		
SPOT		
MSS		
Radar Other (enecify)		
Other (specify) Ground Exploration Surveys		
Geological Mapping		
Regional		
Regional Reconnaissance		
Prospect		
Underground		
Costean		
Ground Geophysics		
Radiometrics		
Magnetics		
Gravity		
Digital terrain modelling		
Electromagnetics		
SP/AP/EP		
IP		
AMT		
Resistivity		
Complex resistivity		
Seismic reflection		
Seismic refraction		
Well logging		
Geophysical interpretation		
Other (specify)		
Geochemical Surveying		
Drill sample		
Stream sediment		
Soil		
Rock chip		
Regolith		
Water		
Biogeochemistry		
Isotope		
Whole rock		
Mineral analysis		
Other (specify)		
Drilling		
Aircore		
Auger		
Diamond Reverse circulation		
Reverse circulation		
Rotary paraussion		
Rotary percussion Tungsten carbide bit (coring)		
Groundwater drilling		
All drilling		
File Verification Listing (this table)	26157 Nimue.pdf	.pdf
i ne vermeation Library (this table)	20107 Nillide.pul	.pui