

GRIGM RESOURCES PTY LTD A.C.N. 148 051 567

4 Britomart Garden, Alawa NT

Tel: +61 3 98508619 Fax: +61 3 98508619 Email: landfdiamond@bigpond.com

EL 29044

FIRST ANNUAL REPORT

FOR THE PERIOD

5 Apr. 2012 to 4 Apr. 2013

By

Company Geologists

Dr Zhiyu Jiang & Dr Jianchun Lu

May 12 2013

TABLE OF CONTENT

Title Page.....	3
Abstract.....	4
Introduction.....	5
Tenure Details.....	5
Geological Setting	6
Mineralisation	6
Field Reconnaissance Works	7
Geophysical Images	9
Expenditure	13
Conclusion.....	13
Recommendation.....	14
References	14
Appendix	one rock sample analyses results

Title Page

Name of titleholder: GRIGM RESOURCES PTY LTD

Name of project operator: GRIGM RESOURCES PTY LTD

Report Title: EL29044

Report Type: First Annual Exploration Report

Reporting Period: 5 Apr. 2012 to 4Apr. 2013

Author: Dr Zhiyu Jiang & Dr Jianchun Lu

Date: 12 May 2013

Target: Sn, Ta, Nb and REE

Related NT 1:100 000 Bynoe, 5072

Related NT 1:250 000 Darwin, SD5204

Contact: Zhiyu Jiang, Phone:0291917587 or 0477168036
E-Mail:zhiyu.jiang830@gmail.com
Address:62 Cameron St. Jesmond, NSW 2299

Jianchun Lu, Phone:03 98508619 or 0457460243
E-Mail:landfdiamond@bigpond.com
Address:9 Frederick St. Bulleen, VIC 3105

Copyright: GRIGM Resources Pty Ltd owns the copyright of all the annual report. The report was compiled by GRIGM Resources Pty Ltd for submission to the Northern Territory Department of Mines and Energy as part of tenement reporting requirements in accordance with the Minerals Titles Act. All relevant authorisations and consents have been obtained. Authorisation is hereby given for the department to copy and distribute the report and associated data.

Abstract

Exploration title EL29044 has been granted to GRIGM RESOURCES PTY LTD on 5 Apr. 2012. During this first year, a detailed review of the previous exploration work have been conducted, this has revealed that the title area has potential for tin, tantalum and niobium mineralisations associated with pegmatite in the area. Only three Sn-Ta-Nb mineral occurrences located in the northwest area of the EL29044 have been mentioned in the previous reports. Most tin, tantalum and niobium minerals are present in the adjacent areas at west and southwest. Previous explorations and mining activities had only carried out in a limited depth, generally less than 50 meters in depth. There is no information discussing a possibility of planer gresien underneath with mineralisation. Aero-geophysical images have been used to understand substructures in the area. A series of aeromagnetic anomalies occur in the area in NNE direction with a small gentle positive aero-gravity anomaly at south.

Two reconnaissance trips have been undertaken to the area in the first year. Unfortunately, the first reconnaissance had been blocked by heavy rains in wet season without access to the tin field. The second reconnaissance had accessed to the tin field, but failed to find a track to the mineral occurrences in EL29044. Samples had been taken from the tin field and analysis of the samples returned good results.

Introduction

Exploration Licence EL29044 was granted to GRIGM RESOURCES PTY LTD by NT State DEPARTMENT OF RESOURCES on 5 Apr. 2012 for a period of six years. This report summarises work carried out on EL29044 during the period 5 Apr. 2012 to 4 Apr. 2013.

Tenure details

EL29044, total of 14 units (Table 1), is located about 15km southwest of Darwin, accessing by Cox Peninsula Road and local 4WD tracks (Fig. 1).

GRIGM Prospect area 2

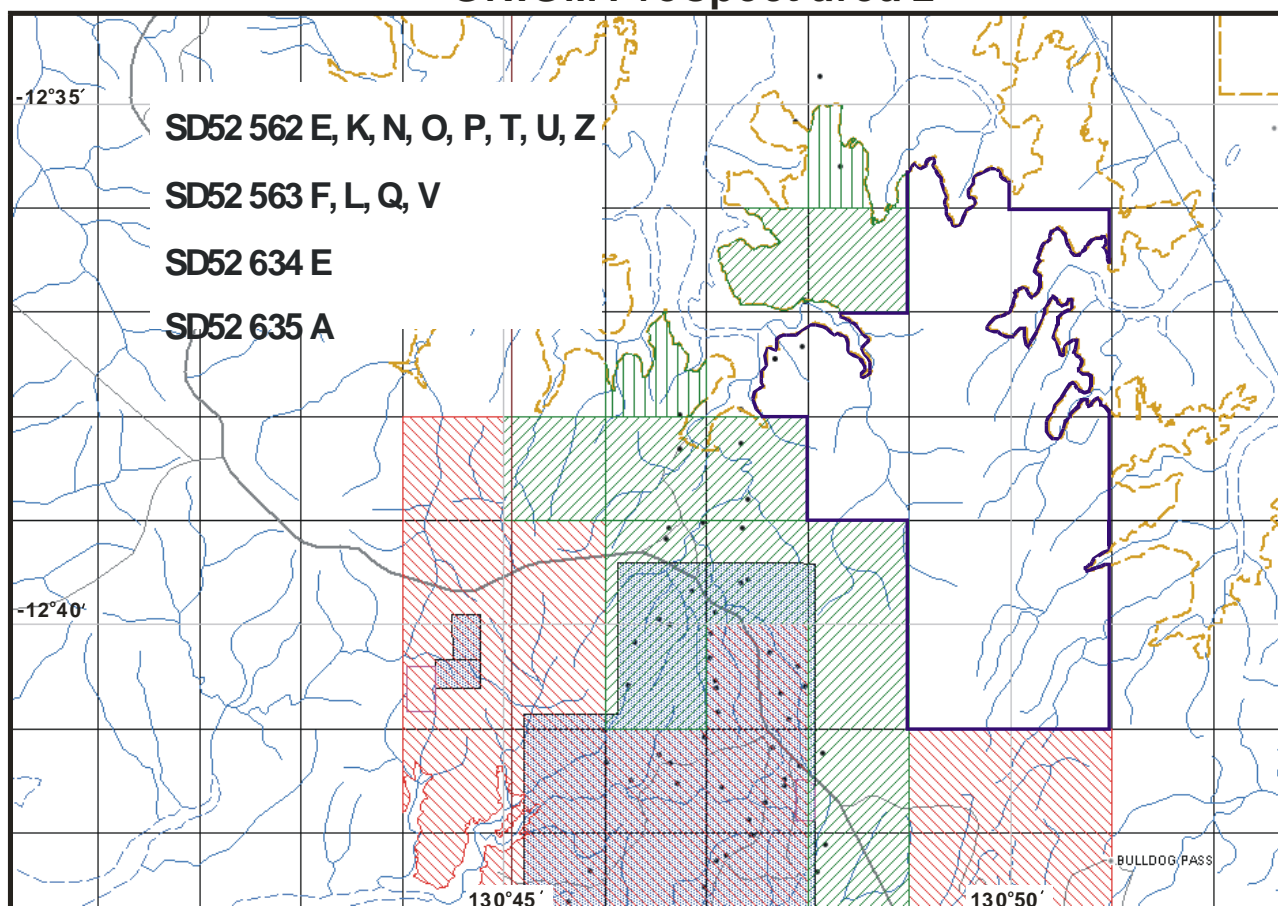


Figure 1 EL29044 Location Diagram

Table 1 EL29044 unite

BLOCK NO	UNITS
SD52 562	E, K, N, O, P, T, U, Z
SD52 563	F, L, Q, V
SD52 634	E
SD52 635	A

Geological Setting

Geologically the tin field, including the area of EL29044, is located in the Palaeoproterozoic Pine Creek Orogen. The Archaean basement is overlaid by the McArthur, Birrindudu, Daly, Arnhem and Money Shoal Basins. Outcrop rocks include metamorphosed Greywacke, shale, siltstone, sandstone, dolostone, tuff, granite, felsic volcanic rocks, dolerite, basalt, micaceous schist, metapelite, calc-silicate rock, quartzite and intrusive rocks.

Mineralisation

Mineralisation in the Pine Creek Orogen includes gold, uranium, base metals, PGE, iron ore, manganese, magnesite and phosphate. The major tin-tantalum pegmatite fields of the Northern Territory occur on the western and southwestern margins of the PCO and the northern margin of the Arunta Region. Their location on craton margins is typical of Proterozoic terranes, where parent granites are commonly late to post-tectonic bodies, confined to pre-existing granite contacts or deep regional faults (Černý 1989). In this tin field, Bynoe area, deposits accounts for 98% of past tin production and 97% of identified resources and 99% of past Ta production and 99% of identified resources in NT.

Tin- and tantalum-bearing pegmatites in the Bynoe area are located in a north-trending, 10 km-wide belt extending from Kings Table to the Finnis River in the Bynoe 1:100k sheet. These occurrences were discovered at the turn of the last century and total recorded production is 533 t of cassiterite concentrate and 63 t of tantalite concentrate.

There are over 150 mineralised pegmatite bodies concentrated in three fields in the Bynoe area. The northern group, centred on Observation Hill, contains the majority of mineralised pegmatites and was investigated by Greenbushes Tin Ltd. The second group is situated along the upper reaches of Leviathan Creek and contains about 30 closely spaced pegmatites. The third group is between Annie River and Gorge Creek and contains about 35 widely spaced pegmatites (Fig. 2).

Previous mining and exploration of Bynoe pegmatites is restricted to the weathered zone down to 20 m in depth. Several pegmatites extend to the south of the Bynoe area. One group includes the historic Mount Finnis, Goodwill and Bamboo Creek Mines and is concentrated around the margins of the granite stock straddling the northern boundary of Litchfield National Park. Recently, other tin-tantalum pegmatites have been recognised overlying granite on Labelle and Twins Stations to the west and southwest of the Litchfield stock.

Elsewhere in the Pine Creek Orogen, tin-tantalum pegmatites were mined in the Shoobridge area prior to 1890. During 2001, Julia Corporation sampled a mineralised pegmatite swarm (Two Bobs) located to the south of Shoobridge.

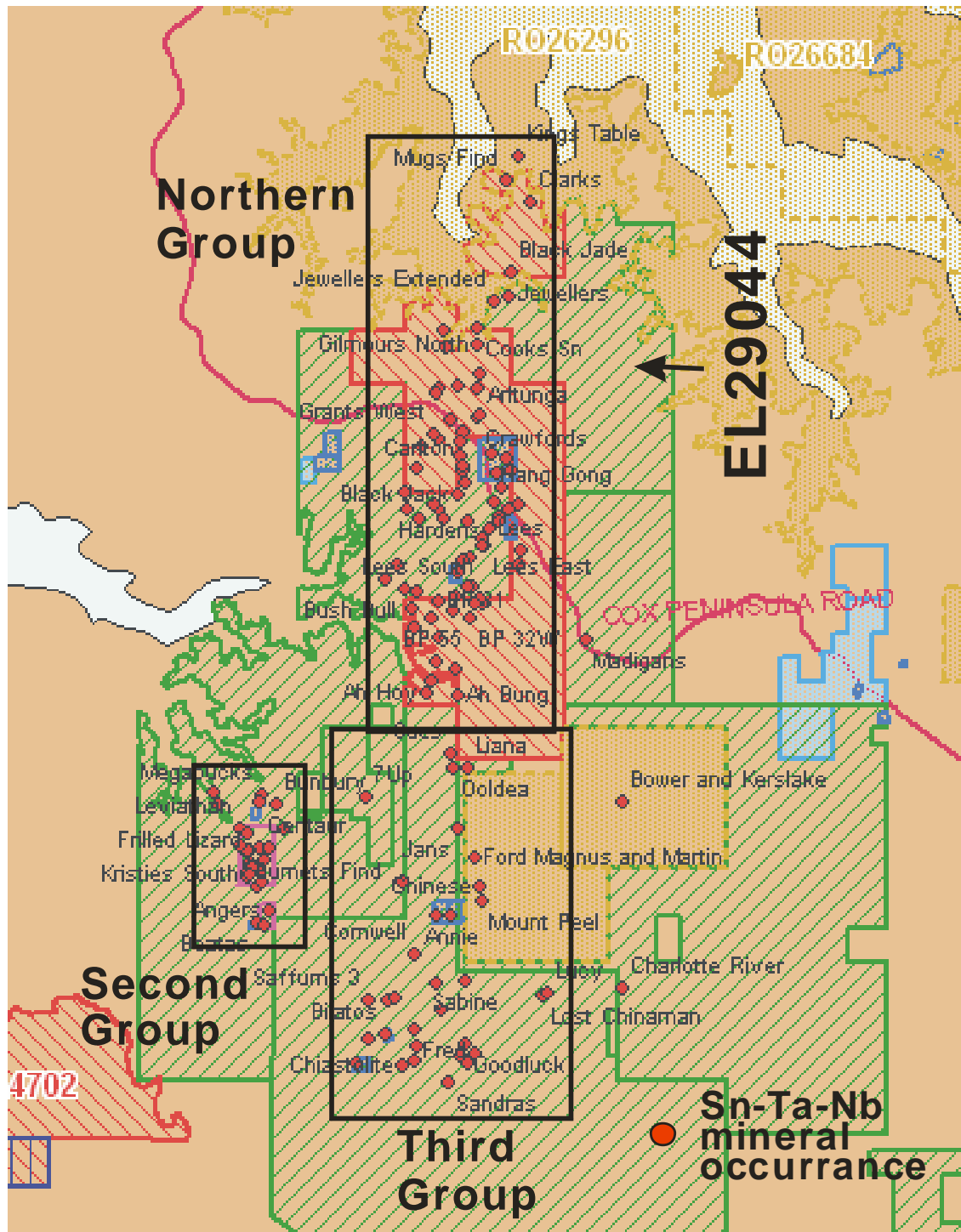


Fig. 2 Sn-Ta-Nb mineralisation in the Bynoe area.

EL29044 is located east of the northern group with three minerals occurrences, named as Jewellers Extended, Perseverance Extended Sn and Perseverance, at northwest of the tenament.

Field Reconnaissance Works

Two field reconnaissance trips have been carried out in the Sep. 2012 and March 2013 with chief and senior geologists from China to the tin field. These

geologists have decades of experience in exploration in tin mineralisation associated with granite. Along the Cox Peninsula Road and local unsealed roads, a number of old pits had been visited in the tin field in the first trip to get an idea of the tin-Ta-Nb mineralisation in the area. Unfortunately, most of the old mines have been abandoned or back filled and covered by the luxuriant vegetation of tropical rain forests. No pegmatite and mineralisation can be seen. Only one old mine had been visited, where the open pit has been filled up by water (Photo 1). Samples have been taken from the processing plant area. One of the samples has been crashed into powder under 200 mesh and analysed for tin, Ta and Nb using XRF. The results are shown in Table 1.



Photo 1. Old mining pit in the tin field (at 130.79548 and -12.677638)



Photo 2 . Hand specimen of Sn-Ta-Nb ore from the tin field (at 130.79383 and -12.671268).

Table 1 Hand specimen analyses results

Sample		Location			Sn	Sn+/-	Nb	Nb+/-	Ta	Ta+/-
Sample type	Sample ID	Zone	Easting	Northing	(%)	(%)	(%)	(%)	(%)	(%)
Whole rock	Sn-1	53	130.79383	-12.671268	19.78	0.05	0.24	0.02	0.42	0.02

Three mineral occurrences in EL29044 have been planned to visit in the reconnaissance. Unfortunately, five company geologists failed to find accessing tracks and got lost in the jungle in the first trip.

Between later Feb. and early Mar. 2013, the company geologists have undertaken the second reconnaissance with experts from China again. Unfortunately, people have been blocked away by flood with heavy rains in the field. None mineral occurrences in EL29044 has been visited.

Geophysical Images

As all previous works are carried out near the surface, approximately less than 50 meters in depth associated with pegmatites in the tin field. Fluid inclusion study appears that the mineralisation temperature is about 300°C which indicates that the mineralisation forms in the last low temperature stage of hydrothermal fluid activities or near the surface associated with intrusion of granite. Under the pegmatites, there may be massive mineralisation associated with greisen at contact zone between the granite and country rocks, like the Limu Sn-Nb-Ta deposit in China (Fig. 3). In the tin field, people have found that the mineralisation is concentrated around the margins of the granite stock straddling the northern boundary of Litchfield National Park, such as the historic Mount Finniss, Goodwill and Bamboo Creek Mines. Also some tin-tantalum pegmatites have been recognised overlying granite on Labelle and Twins Stations to the west and southwest of the Litchfield stock recently. It indicates that there is a possibility to find massive mineralisation with greisen at contact zone between granite and the country rocks underneath the pegmatites at depth in this tin field. Therefore, geophysical images have been reviewed to identify subsurface structures.

Fig. 4 shows the magnetic TMI image of the tin field and EL29044 area. It is well known that the southeast corner magnetic anomaly represents a largely exposed granite complex. In EL29044 a series of small anomalies distributes in northeast direction. Generally, granite will have negative gravity anomaly and positive uranium anomaly comparing to country rocks. Unfortunately, the gravity images did not show significant sub-surface structures in the tin field and EL29044 area with an exception of the area at southeast corner which represents a granite complex (Fig. 5). Image of uranium (Fig. 6) shows that the tin field area are all in red, positive anomaly of uranium. However, it is not good to identify specific spots with relative high contents of uranium in the tin field and EL29044 prospect area. The data need to be retrieved to show whether there are some relative interesting area for target massive mineralisation associated with greisen at contact zone between the country rocks and unexposed small granite at depth.

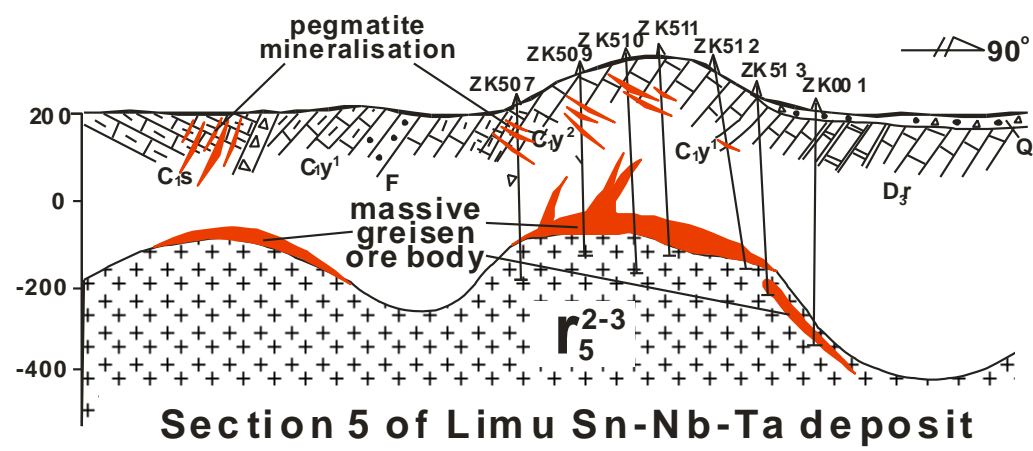
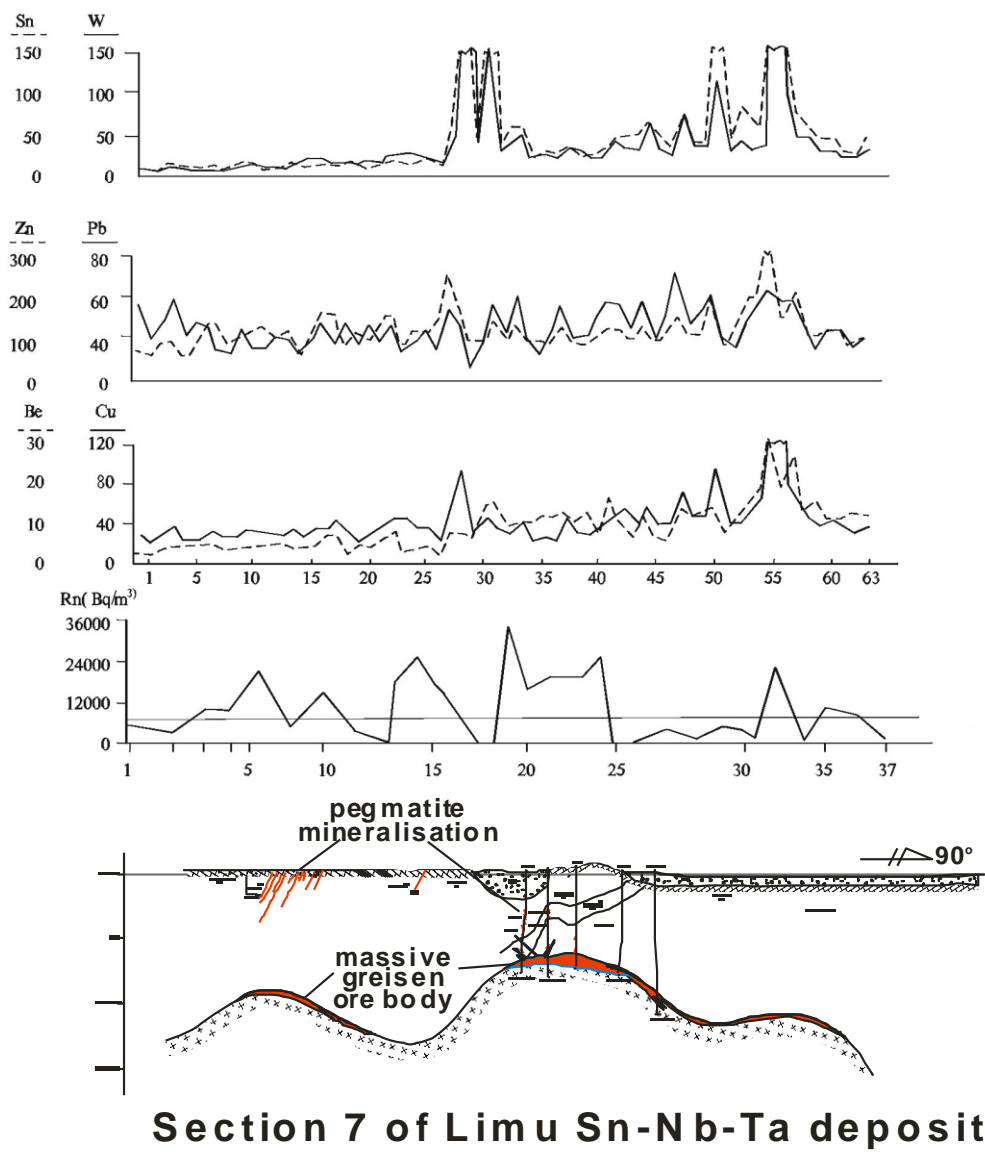


Fig. 3 Mineralisation associated with pegmatites and massive greisen at Limu Sn-Nb-Ta deposit in China

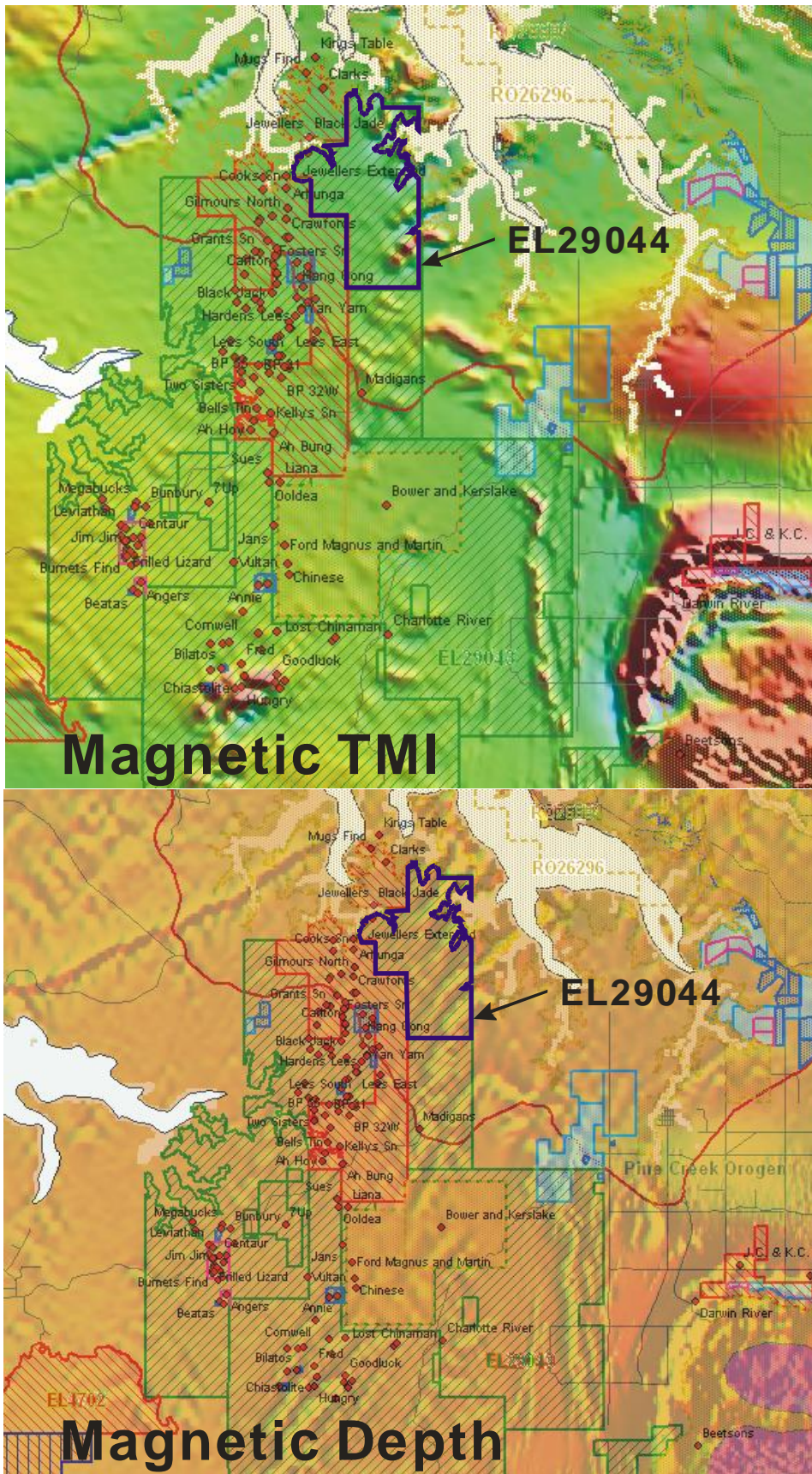


Fig. 4 Aero-magnetic images of the tin field and EL29044 area.

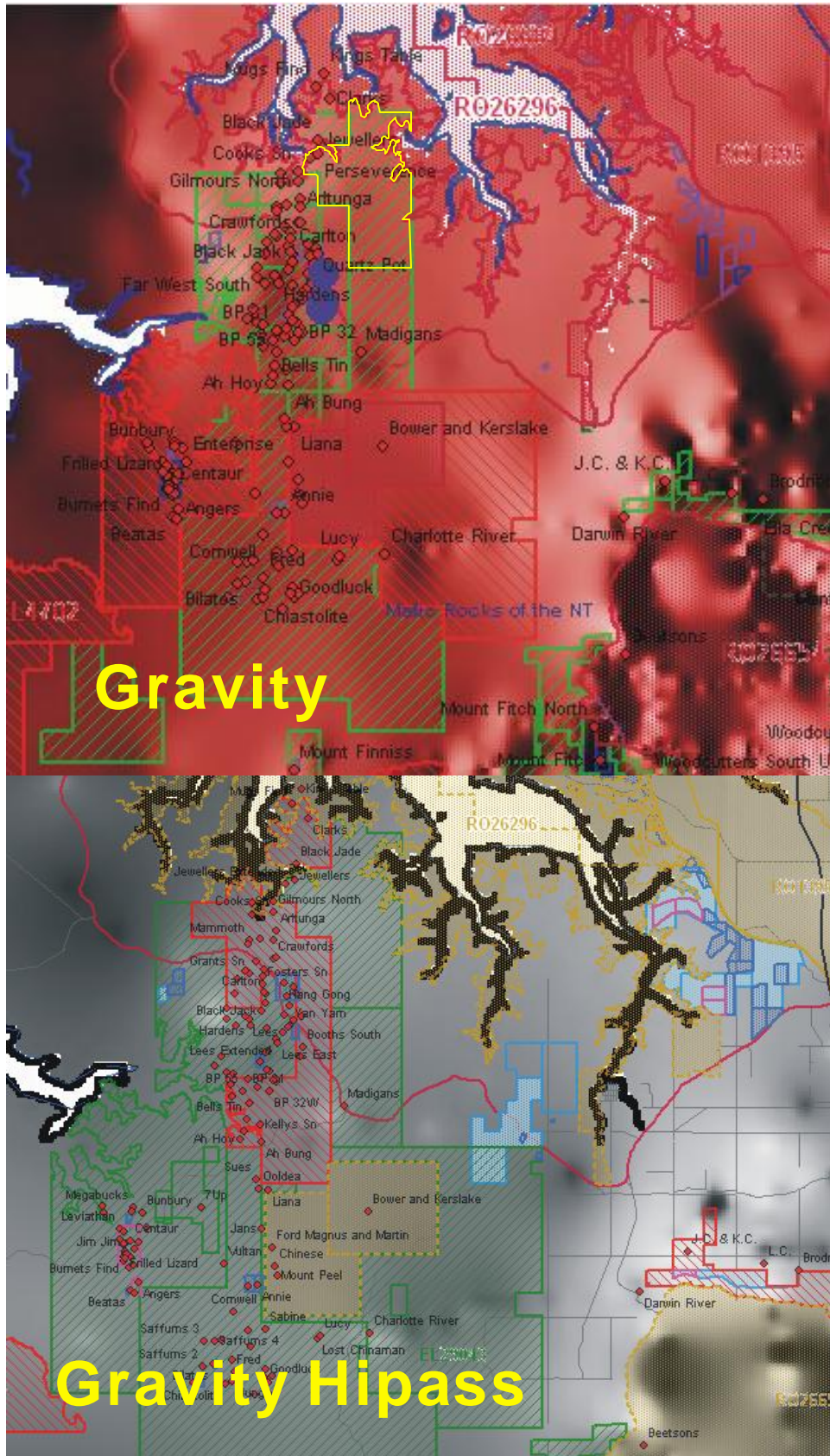


Fig. 5 Gravity images of the tin field and EL20944 area

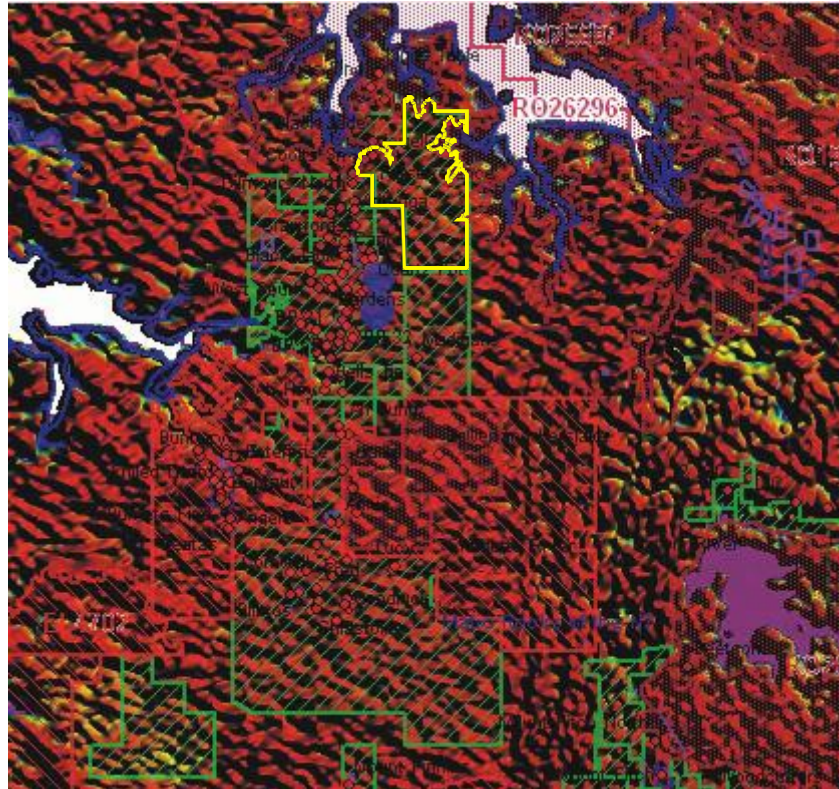


Fig. 6 Image of uranium at the tin field and EL29044 area.

Expenditure

Item	Cost
Literature review	\$3080.00
Aero-geophysical and image analyses	\$3566.00
Remote sensing	\$1000.00
Reconnaissance	\$18256.00
Equipment include hire Innov-X XRF	\$3100.00
Insurance	\$700.00
Lab analyses and petrographic examination	600.00
Salary and wages	\$9000.00
Total Expenditure	\$39,302.00

Conclusion

There is a potential to explore for tin, tantalum and niobium in the area of EL29044 although only three Sn-Ta-Nb mineral occurrences located in the northwest area of the EL29044 mentioned in the previous reports. Previous explorations and mining activities in the tin field had only carried out in a

limited depth, generally less than 50 meters in depth. There is a possibility of planer gresien with massive mineralisation under the sub-surface mineralisation associated with pegmatites. Aero-geophysical images have been used to understand substructures in the area. A series of aeromagnetic anomalies occur in the area in NNE direction with a small gentle positive aero-gravity anomaly at south.

Recommendation

Following works have been recommended for the next 12 months:

1. Finishing the remote sensing and retrieve aero-geophysical data in detail, especially for the area of EL29044 to find some interesting spots;
2. Find accessing tracks to inspecte the three mineral occurances and check the areas identified by remote sensing and retrieving geophysical data;
3. Detail mapping and rock chip sampling at the identified spots;
4. Geochemical sampling at the interesting area.

References

Frater KM, 2005. Tin-tantalum pegmatite mineralisation of the Northern Territory. Northern Territory Geological Survey; Report 16.

Hatcher M, 1986. Annual Report, Cox Peninsula. Bynoe Joint Venture. *Northern Territory Geological Survey, Open File Company Report CR1986-0160.*

Hatcher M, 1987a. Annual report on Cox Peninsula, period 27-3-86 to 26-3-87. Bynoe Joint Venture. *Northern Territory Geological Survey, Open File Company Report CR1987-0081.*

Hatcher M, 1987b. Final report on EL2193, Cox Peninsula. Bynoe Joint Venture. *Northern Territory Geological Survey, Open File Company Report CR1987-0124.*

Hatcher M, 1987c. Exploration Licence 4082, Cox Peninsula, annual report – 21st June 1987. Bynoe Joint Venture. *Northern Territory Geological Survey, Open File Company Report CR1987-0202.*

Hatcher M, 1987d. Annual report for 1987, EL4183, Cox Peninsula, Northern Territory. Bynoe Joint Venture. *Northern Territory Geological Survey, Open File Company Report CR1987-0203.*

Hatcher M, 1987e. Annual report for Cox Peninsula. Bynoe Joint Venture. *Northern Territory Geological Survey, Open File Company Report CR1987-0204.*

McGain A, 1980. Annual report on EL2188. *Northern Territory Geological*

Survey, Open File Company Report CR1980-0206.

Pietsch BA and Stuart-Smith PG, 1987. *Darwin, Northern Territory. 1:250 000 geological map series explanatory notes, SF 52-04*, Northern Territory Geological Survey, Darwin and Alice Springs.

Pietsch BA and Clayton W, 1990. Bynoe area tin-tantalum deposits: in Hughes FE (editor) *Geology of the mineral deposits of Australia and Papua New Guinea*. Australasian Institute of Mining and Metallurgy, Melbourne, 813–815.

Mollemans F, 1988a. Annual and relinquishment report, EL4183, Cox Peninsula, Northern Territory. Bynoe Joint Venture. *Northern Territory Geological Survey, Open File Company Report CR1988-0259*.

Mollemans F, 1988b. Annual report on EL5271, Cox Peninsula, NT. Bynoe Joint Venture. *Northern Territory Geological Survey, Open File Company Report CR1988-0286*.

Pietsch BA, 1986. *Bynoe, Northern Territory. 1:100 000 geological map series explanatory notes, 5072*. Northern Territory Geological Survey, Darwin and Alice Springs.

Pietsch BA, 1989. *Reynolds River, Northern Territory. 1:100 000 geological map series explanatory notes, 5071*, Northern Territory Geological Survey, Darwin and Alice Springs.

Point Pty Ltd, 1990. Annual and final report, EL5118, Bynoe Project, Cox Peninsula, NT. Bynoe Joint Venture. *Northern Territory Geological Survey, Open File Company Report CR1990-0235*.