

# GIANTS REEF EXPLORATION

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## EXPLORATION LICENCE 22488 *QUARTPOT*

### SECOND ANNUAL REPORT *3 December 2002 - 2 December 2003*

*LICENSEE:*  
**GIANTS REEF EXPLORATION PTY LTD**  
A.B.N. 009 200 346

*AUTHORS:*  
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J.L. CAHILL

December 2003

DISTRIBUTION:

Department of Business, Industry & Resource Development   
Giants Reef Exploration Pty Ltd   
Giants Reef Mining Limited

SF53-11  
ELKEDRA 1:250 000  
SF53-07  
HUCKITTA 1:250 000  
6153  
Lucy 1:100 000  
6154  
Ooratippra 1:100 000

## SUMMARY

Exploration Licence 22488 *Quartpot*, was acquired by Giants Reef Exploration Pty Ltd (Giants Reef) to explore for ironstone-related gold-copper deposits as well as large base metal deposits.

This report summarises the exploration work carried out on EL 22488 during its second year of tenure from 3<sup>rd</sup> December 2002 to 2<sup>nd</sup> December 2003.

Exploration Licence 22488 is surrounded by competitors (Elkedra Diamonds NL, De Beers and Rio Tinto) who are actively exploring for indicator minerals and/or diamonds. The Licence area appears to be in a significant structural position and geophysical appraisal suggests that many magnetic responses within the EL could represent diamond bearing rock types. To progress these target areas further the Company is actively seeking a Joint Venture or Alliance partner.

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## 1. INTRODUCTION

Exploration Licence 22488 *Quartpot*, was acquired by Giants Reef Exploration Pty Ltd (Giants Reef) to explore for ironstone-related gold-copper deposits as well as large base metal deposits.

This report summarises the exploration work carried out on EL 22488 during its second year of tenure from 3<sup>rd</sup> December 2002 to 2<sup>nd</sup> December 2003.

## 2. LOCATION

Exploration Licence 22488 is situated approximately 350km south-east of Tennant Creek. The Licence area spans the boundary between the Elkedra and Huckitta 1:250,000 scale map sheets and is located on the Lucy (6153) and the Ooratippra (6154) 1:100 000 scale map sheets.

Access to the Licence area from Tennant Creek is south via the Stuart Highway and then east onto the Ali Curung Aboriginal Community road. This leads to the Sandover Highway which is then followed approximately 80km east to the north-west portion of the Licence area. Most of EL 22488 has little relief and vegetation, and is quite accessible via good station tracks servicing the water bores in the area.

Alternatively, the Licence area may be accessed via the Sandover Highway from Mount Isa or from Alice Springs, and from the south using the Lucy Creek pastoral station roads.

Figure 1 shows the location of the Exploration Licence area.

## 3. TENURE

Exploration Licence 22488 covering 388 blocks (1236km<sup>2</sup>) was granted to Giants Reef Exploration Pty Ltd on the 3<sup>rd</sup> December 2001 for a period of six years.

The Exploration Licence lies within NT Portion 2891, being Ooratippra Perpetual Pastoral Lease 921.

A waiver of reduction was applied for at the end of the second year to retain the 388 blocks.

Figure 2 shows the Exploration Licence area held in the second year.

## 4. GEOLOGY

### 4.1 Regional Geology

The reader is referred to AusIMM Monograph 14 (Geology of the Mineral Deposits of Australia and Papua New Guinea), Volume 1, pp. 829-861, to gain a good introduction to the regional geology and styles of gold-copper mineralisation of the area.

### 4.2 Local Geology

The Sandover River flows east through the Exploration Licence with extensive flood out areas and tributaries flowing into the EL. North of the Sandover River there is little outcrop and much of the area is covered by alluvial outwash cover.

South of the Sandover River, southerly flowing drainage channels have been diverted by areas of Cambrian outcrop. The outcropping Cambrian Arrintheta Formation sediments of the Georgina Basin Sequence are generally flat lying throughout the central to southern parts of the Licence Area. The Ooratippra fault strikes north west - south east through the central portion of the Licence area.

## 5. WORK DONE DURING THE YEAR

In the second tenure year Exploration Licence 22488 was ranked by Giants Reef as an area of extreme interest due to the diamond indicator minerals reported to have been discovered on nearby competitors' tenements. There have also been reports of high-grade manganese mineralisation discovered close by.

Giants Reef acknowledge that the Company focus is not on diamond exploration, however the company is presently actively seeking a Joint Venture or Alliance partner to establish exploration for diamonds within the tenement area. Furthermore, the company is actively seeking a Joint Venture or Alliance partner to explore for buried iron oxide copper gold systems potentially associated with the coincident gravity and magnetic anomaly.

## 6. REHABILITATION

None of the work done on EL 22488 in the second year of tenure by Giants Reef has required any rehabilitation measures.

## 7. CONCLUSIONS

Exploration Licence 22488 is surrounded by competitors (Elkedra Diamonds NL, De Beers and Rio Tinto) who are actively exploring for indicator minerals and/or diamonds. The Licence area appears to be in a significant structural position and geophysical appraisal suggests that many magnetic responses within the EL could represent diamond bearing rock types. To progress these target areas further the Company is actively seeking a Joint Venture or Alliance partner.

## 8. YEAR 2 EXPENDITURE

The proposed expenditure for the second year of tenure was \$20,500. Actual expenditure was as follows:

	Year 1 \$	Year 2 \$
1. Geology.....	4,463	0
2. Geophysics .....	4,025	0
3. Geochemistry.....	0	0
4. Surveying.....	0	0
5. Data integration .....	111	0
6. Analytical.....	0	0
7. Drilling.....	0	0
8. Tenure maintenance.....	4,656	244
9. Administration and Overheads .....	106	16
10. Rehabilitation .....	0	0
	<b>TOTAL</b>	
	\$13,360	260

Total expenditure amounted to an approximate \$260. As the expenditure covenant was not met for EL 22488, an application for variation of the minimum expenditure accompanies this report.

### 9. PROPOSED PROGRAM AND EXPENDITURE FOR YEAR 3

Work proposed for Year 3 of the Exploration Licence includes further geological review of all the data generated over the Licence area. Success in forming a Joint Venture or Alliance partner/s for exploration over the Licence area will generate active exploration in the next tenure year.

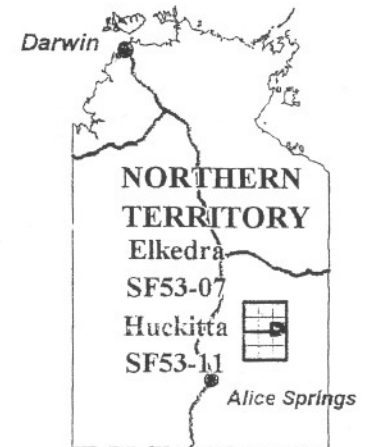
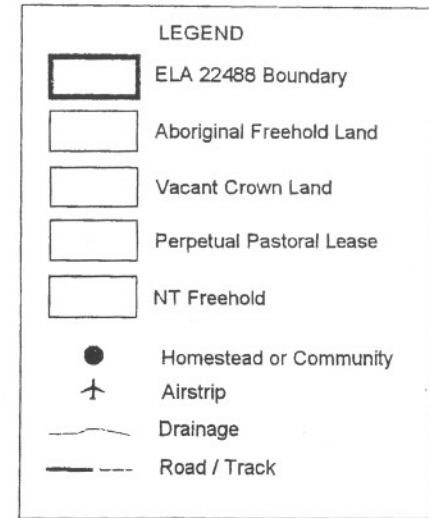
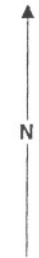
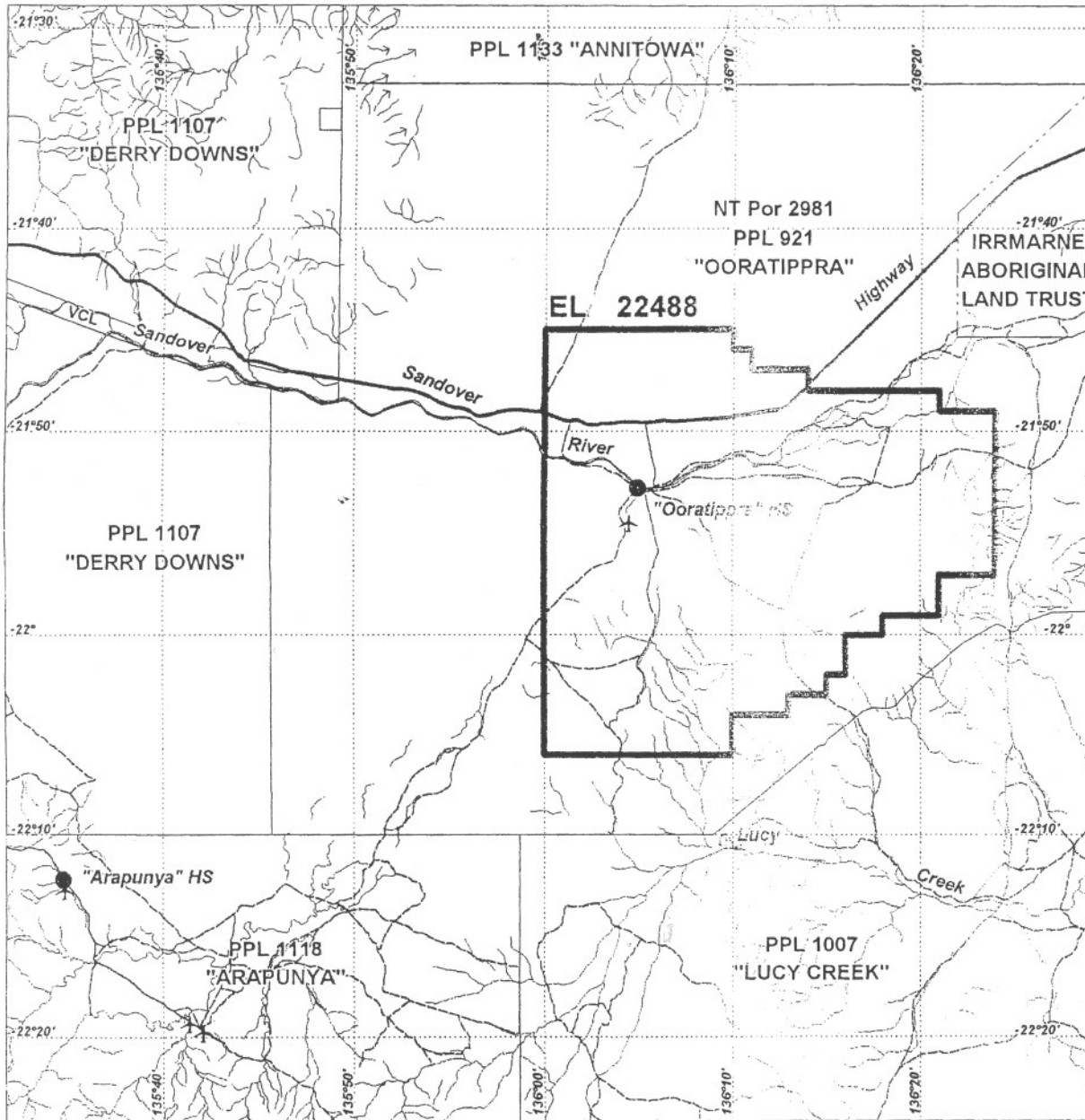
The proposed expenditure for the third year is as follows:

	\$
1. Geology.....	4,000
2. Geophysics .....	3,000
3. Geochemistry.....	3,000
4. Surveying .....	0
5. Data integration .....	1,000
6. Analytical.....	1,000
7. Drilling.....	0
8. Tenure maintenance.....	500
9. Administration and Overheads .....	2,500
10. Rehabilitation .....	0
TOTAL	\$15,000

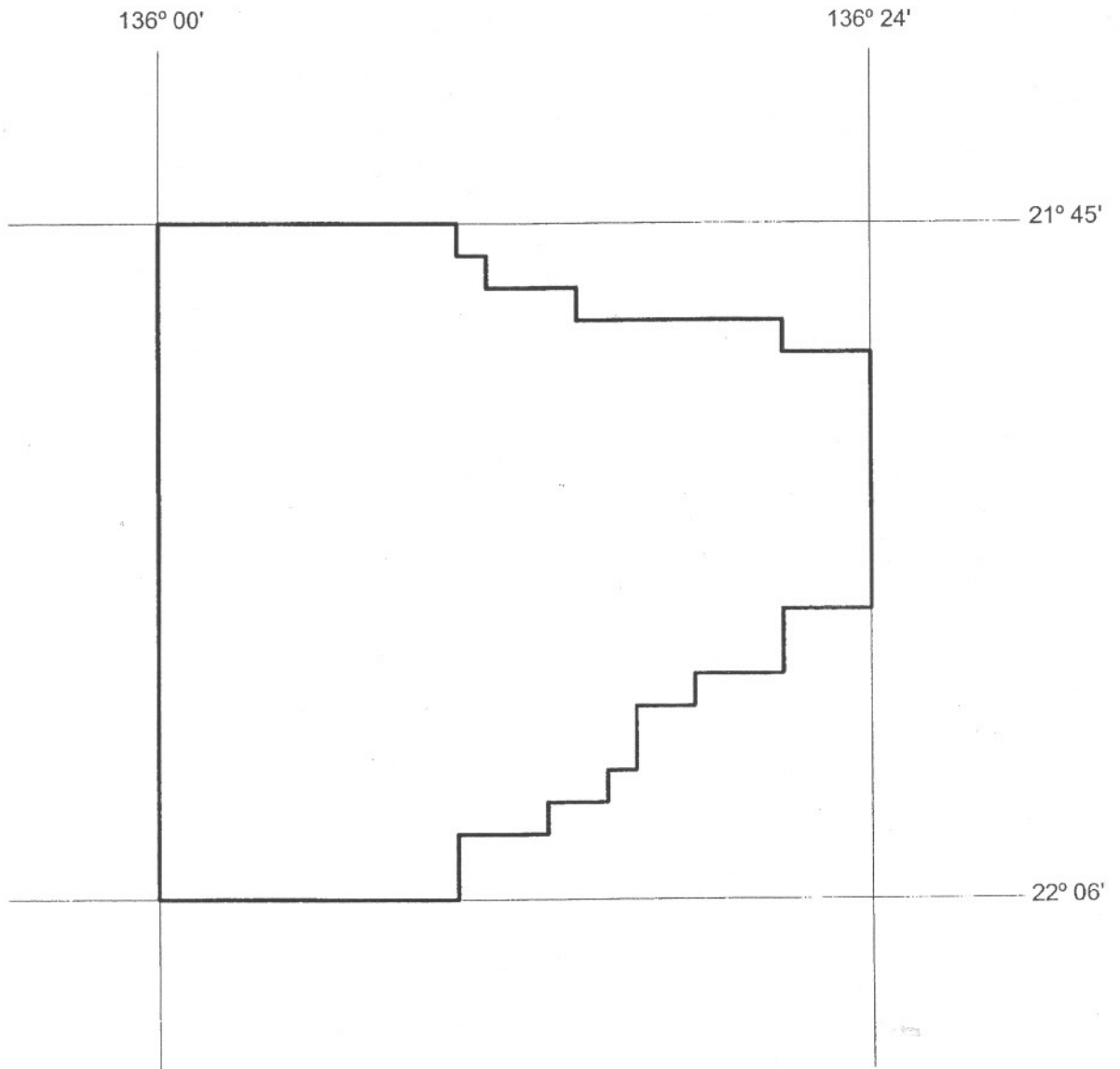
Exploration programs can be affected by results, and while these are the proposed programs and expenditure, specific activities may vary according to the results achieved.

STEVE RUSSELL  
SENIOR EXPLORATION GEOLOGIST

JUSTINE CAHILL  
EXPLORATION GEOLOGIST



GIANTS REEF MINING LIMITED			
TENNANT CREEK NORTHERN TERRITORY			
AREA	EL 22488 <i>Quartpot</i>		
MAP REF.	6153 LUCY 1:100 000 6154 OORATIPPRA 1:100 000		
SUBJECT	LOCATION MAP		
DATE	AUTHOR	SCALE	
MAR 2000		1:600 000	<b>FIGURE.1</b>



**EL 22488**  
**388 BLOCKS**  
**1236 sq kms**

GIANTS REEF MINING LIMITED			
TENNANT CREEK NORTHERN TERRITORY			
AREA	EL 22488 <i>Quartpot</i>		
MAP REF.	6153 LUCY 1:100 000 6154 OORATIPPRA 1:100 000		
SUBJECT	EL 22488 Year 2 Licence Area Extract <i>DME THIRD SCHEDULE</i>		
DATE	AUTHOR	SCALE	
DEC 2001	DBIRD		<b>FIGURE 2</b>





# GIANTS REEF MINING LIMITED

## ***HARD COPY REPORT META DATA FORM***

REPORT NAME: EL 22488 *Quartpot*, SECOND ANNUAL REPORT 3<sup>RD</sup>  
DECEMBER 2002 – 2<sup>ND</sup> DECEMBER 2003

PROSPECT NAMES(s): QUARTPOT

GROUP PROSPECT NAME:

TENEMENT NUMBERS(s): EL 22488

ANNIVERSARY DATE: 3 DECEMBER 2001

OWNER/JV PARTNERS: GIANTS REEF EXPLORATION PTY LTD

AUTHOR(s): S.C. RUSSELL  
J.L. CAHILL

COMMODITIES: GOLD, COPPER, DIAMOND, MANGANESE

MAPS 1:250 000: ELKEDRA SF53-11  
HUCKITTA SF53-07

MAPS 1:100 000: LUCY 6153  
OORATIPPRA 6154

MAPS 1:25 000:

TECTONIC UNIT(s): GEORINA BASIN

STRATIGRAPHIC NAME(s) ARRINTHRUNGA FORMATION

AMF GENERAL TERMS:

AMF TARGET MINERALS: GOLD, COPPER, LEAD, ZINC, DIAMOND

AMF GEOPHYSICAL:

AMF GEOCHEMICAL:

AMF DRILL SAMPLING:

HISTORIC MINES:

DEPOSITS:

PROSPECTS:

KEYWORDS: QUARTPOT, EL 22488