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EL 9988
NO.1 BORE

FINAL REPORT

LICENSEE:
GIANTS REEF EXPLORATION PTY LTD
A.B.N.58 009 200 346
(A wholly owned subsidiary of Emmerson Resources Pty Ltd)

04 October 2004 – 28 April 2006

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DISTRIBUTION:
Department of Primary Industry, Fisheries & Mining
Central Land Council
Emmerson Resources Pty Ltd

MAP SHEETS:
TENNANT CREEK SE53-14
1:250 000
SHORT RANGE 5659
1:100 000

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Figure 1. Location Map

1. SUMMARY

This Final Report records exploration work done on EL 9988 between 04 October 2004 and 28 April 2006.

The work completed has indicated the potential for the discovery of shallow concealed oxide (i.e. hematite) gold deposits. Geophysical modelling of magnetic data in the future will be aimed at modelling deeper primary targets for drill testing. The size of the ironstone, and consequent target size may have previously been underestimated, and depths to target overestimated. This is interpreted to be due to higher haematite content. Further refinement of the target geological and geophysical models is planned preparatory to drilling.

The discovery of the haematite-magnetite Chariot deposit in 1998 has shown the potential for variations on the classic magnetite ironstone hosted gold +/- copper deposits, where lower order magnetic anomalies, plus gravity methods can define new targets. Discoveries by Giants Reef of mineralisation such as at Malbec West, Marathon and Billy Boy further support this.

Automatic cancellation of EL 9988 occurred on 28 April 2006 upon the grant of Substitute Exploration Licence 24980.

2. INTRODUCTION

Exploration Licence 9988 was acquired by Giants Reef Exploration Pty Ltd (Giants Reef) to search for Tennant Creek style iron oxide copper-gold deposits (“IOCG”).

Giants Reef Exploration is a wholly owned subsidiary of Emmerson Resources Pty Ltd (Formerly Centralian Minerals Limited).

This Final Report records exploration work done on EL 9988 between 04 October 2004 and 28 April 2006.

3. LOCATION

Exploration Licence 9988 NO.1 BORE is located approximately 14km southwest of the township of Tennant Creek. The Licence falls on the Tennant Creek (5758) 1:100,000 scale map sheet.

Access to the Licence area is via the Chariot Mine Access Road to its western most point, from here EL 9988 is reached by via a series of south to southwest unsealed, 4x4 and fence line tracks for approximately 6kms. During and immediately after rain the area is generally inaccessible.

Figure 1 shows the location of EL 9988 Licence with respect to the Tennant Creek Township.

4. TENURE

Exploration Licence 9988 NO. 1 BORE, was granted to Giants Reef Exploration Pty Ltd (Giants Reef) on the 3rd October 2004 for a period of six years. The EL covers an area of 17 graticular blocks (54.96 km²).

EL9988 lies within NT Portion 494, Perpetual Pastoral Lease 1142, Tennant Creek station.

EL 9988 is subject to an Indigenous Land Use Agreement (ILUA) signed in September 2000 between the Native Title holders of the Tennant Creek region, represented by the Central Land Council (CLC), and Giants Reef.

Figure 1 shows the location of the Licence area and surrounding tenure.

5. GEOLOGY

5.1 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.

In 1995 the Northern Territory Geological Survey released a geological map and explanatory notes for the Flynn 1:100,000 sheet, which covers the area of the licenses.

The rocks of the Warramunga Formation host most of the orebodies in the region and underlie most of the Exploration Licenses.

5.2 Local Geology

The licence area is located in the south western region of the Tennant Creek Province.

Outcrop only occurs in a small area in the central region of the lease and this includes Palaeoproterozoic units of what has been interpreted as the Flynn Group (Churchills Head Group). These units comprise undivided, felsic ignimbrite, tuff, lapilli tuff, and lava; chert (silicified tuff?); lithic and sub-lithic arenite, lithic wacke, shale and mudstone; minor pebble beds, conglomerate and breccia. The remaining 99% of the licence is covered by Cainozoic sediments, which include alluvial/red soil plains, sheet and dune sand, sandy soil and minor calcrete.

The basement geology of the area is poorly known, although available drilling data, including previous company exploration holes (vacuum, RAB and DDH), have provided some insight in this respect. The N.T. Geological Survey's interpretation of regional magnetic and gravity data suggests that the Licence is underlain by Palaeoproterozoic Ooradidgee Group (Po) (Flynn Group) sediments, which include undifferentiated felsic tuff, tuff, lapilli tuff, lava, chert; lithic and sublithic arenite and wacke; shale and mudstone; minor pebble beds; conglomerate and breccia. Subgroup Yungkulungu Formation also is interpreted within the Licence and includes quartz-magnetite-bearing lithic to sub-lithic arenite; siltstone and shale; medium to coarse sandstone; coarse pebble beds; conglomerate and felsic tuff (Po-s). A number of major north west trending structures occur within the Licence. Areas of low magnetic and gravity responses have been interpreted as Tennant Creek Supergroup undifferentiated Granite (Pg). Prominent magnetic linear highs are interpreted as intrusive dolerite dykes and sills(Pdl).

Reconnaissance mapping by ADL (1993) showed the Nail 33 anomaly to be associated with narrow west northwest trending banded iron formation and pods of quartz feldspar porphyry parallel to the BIF-metasediment contact. Prospect mapping and drill hole logging by PosGold (Normandy Tennant Creek Pty Ltd) suggests that the sediments could in fact represent Palaeoproterozoic units of the prospective Warramunga Formation as opposed to younger and less prospective Flynn Group units.

Although the Licence does not include any known deposits, several magnetic targets including Nail 19, Nail 20 and Nail 33 have received only preliminary testing by previous explorers.

6. EXPLORATION

6.1 Targets and Concepts

Exploration for large base metal deposits possibly associated with a regional gravity anomaly centred in the southern part of the area covered by the adjoining Licences, with additional targets including Tennant Creek-type ironstone hosted Au-Cu-Bi ore bodies.

Proterozoic Inliers world-wide, and particularly in Australia, are renowned for their iron-rich mineralisation and world class base metal deposits. For many years prominent geologists and researchers in the industry have pointed out the geological similarities that the broader Proterozoic Tennant Creek Inlier shares with the Gawler Craton, host to the Olympic dam deposit, and to the Eastern Succession of the Mt Isa Inlier that hosts the Ernest Henry and Selwyn deposits. These similarities, though recognised, had not been widely acted upon by the industry.

Exploration was aimed at discovering large deposits of base metals along with substantial gold and/or silver, probably accompanied or hosted by large volumes of iron oxide minerals.

Giants Reef's target model iron oxide-rich lithologies and are therefore likely to be associated with regional or district-scale gravity anomalies, and potentially coincident with a magnetic anomaly.

The discovery of the haematite-magnetite Chariot deposit in 1998 has shown the potential for variations on the classic magnetite ironstone hosted gold +/- copper deposits, where lower order magnetic anomalies, plus gravity methods can define new targets. Discoveries by Giants Reef of mineralisation such as at Malbec West, Marathon and Billy Boy further support this. Giants Reef considers the potential for the discovery of mineralisation in hematite dominant ironstones in the relinquished group is limited.

6.2 Exploration Undertaken – 04 October 2004 to 28 April 2006

The main work completed during the tenure period included a combined quantitative/qualitative ranking, based on geological, geochemical & geophysical characteristics and other parameters covering work status, target type, land status and economics. As part of this work geochemical data sets, including all historical drilling data, were integrated into the Company's database and GIS for analysis.

Further refinement of geophysical assessments of the defined magnetic anomalies was conducted and continues. From this detailed review conducted by Centralian Minerals Limited a number of geophysical anomalies were identified. Consideration will be given to a more detailed geophysical survey over these defined anomalies, with the view to generating shallow RAB targets within the prospect area.

A number of reconnaissance field trips were undertaken to inspect target areas previously tested and survey control was undertaken in these areas in preparation for future work.

7. REHABILITATION

Exploration within EL 9988 during the term of tenure was limited to non-invasive reassessment and revaluation of previous exploration work and geophysical surveys, data integration of all previous data into Emmerson Resources Database, and as such, no rehabilitation was required.

8. CONCLUSIONS

Exploration work carried out during the tenure period included:

- Compilation and review of all available historical exploration data;
- Reconnaissance field trips, including the inspection of all previously explored targets and examination of Palaeoproterozoic outcrops;
- Preliminary structural interpretation of geophysics and likely controls on mineralisation.

The work completed has indicated the potential for the discovery of shallow concealed oxide (i.e. hematite) gold deposits. Geophysical modelling of magnetic data in the future will be aimed at modelling deeper primary targets for drill testing. The size of the ironstone, and consequent target size may have previously been underestimated, and depths to target overestimated. This is interpreted to be due to higher haematite content. Further refinement of the target geological and geophysical models is planned preparatory to drilling.

9. EXPENDITURE

Expenditure for the term of the tenure for EL 9988 is as follows:

ITEM	YEAR 1	YEAR 2	TENURE TERM TOTAL
Geology	2,800.00	985.65	
Geophysics	1,080.00	554.55	
Geochemistry	0	0	
Surveying	720.00	0	
Data Intergration	1,756.00	324.78	
Drafting	121.00	0	
Analytical	646.00	0	
Drilling	0	0	
Tenure Administration	1,260.00	555.55	
Administration and Overheads	3,066.00	231.20	
Rehabilitation	0	0	
TOTAL	11,449.00	2,651.73	14,100.73

GIANTS REEF EXPLORATION PTY LTD***HARD COPY REPORT META DATA FORM***

REPORT NAME: EL 9988 NO.1 BORE FINAL REPORT 04 OCTOBER 2004 TO 28 APRIL 2006

PROSPECT NAMES(s): NO.1 BORE

GROUP PROSPECT NAME:

TENEMENT NUMBERS(s): EL 9988

ANNIVERSARY DATE: 04 OCTOBER 2004

OWNER/JV PARTNERS: GIANTS REEF EXPLORATION PTY LTD

AUTHOR(s): ADAM WALTERS

COMMODITIES: GOLD, COPPER, LEAD, ZINC, SILVER, BISMUTH

MAPS 1:250 000: TENNANT CREEK SE53-14

MAPS 1:100 000: SHORT RANGE 5659

MAPS 1:50 000

TECTONIC UNIT(s): TENNANT CREEK INLIER,

STRATIGRAPHIC NAME(s) WARRAMUNGA FORMATION, CAMBRIAN WISO BASIN

AMF GENERAL TERMS:

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

AMF GEOPHYSICAL: .

AMF GEOCHEMICAL:

AMF DRILL SAMPLING:

HISTORIC MINES:

DEPOSITS:

PROSPECTS:

KEYWORDS: NO.1 BORE, EL 9988,

WARREGO ROAD

STUART HIGHWAY

TENNANT CREEK
TOWNSHIP

EL9988

A map of Tennant Creek Township showing a network of roads and land parcels. Warrego Road runs from the top left towards the center, and Stuart Highway runs vertically through the center. A red-outlined parcel labeled EL9988 is located in the bottom left. A blue line highlights a path starting from the Stuart Highway, moving west, then north, then east, and finally south towards the parcel EL9988. The map also shows various other parcels, some with grid patterns, and small building icons.