BRIDGING REPORT TO COVER EXPLORATION ACTIVITIES OVER MLC 18
01 JANUARY 2001 – 13 AUGUST 2007

MLC 18
West Gibbet

LICENSEE:
SANTEXCO PTY LTD
A.C.N. 002 910 296

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AUGUST 2007

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MAP SHEETS:
TENNANT CREEK SE53-14
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1:100 000
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FIGURES

Figure 1. Location Map of the West Gibbet Tenure Area
1. SUMMARY

Mineral Lease 18, West Gibbet, was acquired by Santexco Pty Ltd (Santexco) to search for Tennant Creek style iron oxide copper-gold deposits.

This bridging report records the exploration work done on these group of tenure during the term 01 January 2001 to 13 August 2007.

During September 2004 the following exploration work was conducted over the West Gibbet tenement area; Fifty (50) RAB holes (WGRB001 – 050) were drilled for 998m. The gravity anomaly (DC = 0.60 gm/cc) was pattern drilled using a 20m x 20m grid designed to intersect shallow haematite ironstone positioned directly above the previously defined deep West Gibbet magnetic ironstone (560nT).

Significant gold mineralisation within the West Gibbet shallow ironstone included 16m @ 246 ppb Au from 15 metres (WGRB021), and 15m @ 465 ppb Au from 9 metres (WGRB026).

During November 2004 the following exploration work was conducted over the West Gibbet tenement area; Six RAB holes (WGRB051-056) for 364m were drilled by Bostech Drilling Pty Ltd, prior to rig breakdown.

During January 2005 the following exploration work was conducted over the West Gibbet tenement area; One RC hole (WGRC023) for 150m was drilled in January, targeting the intermediate zone between the deep ironstone body and the shallow ironstone discovered in recent RAB drilling. The drill hole intersected one meter of ironstone, which was only slightly anomalous in base metals. Down-hole probe modelling shows the ironstone to be largely under the drillhole and therefore the hole has traversed over the top of the main body. Two possibilities were postulated: (1) the two ironstones are separate bodies or (2) the upper body plunges off section to the lower body past and underneath the RC drill hole.

Overall, the gold zones intersected in the upper/oxide and deeper portions of the West Gibbet ironstone(s) are patchy, narrow and mostly low grade. It appears unlikely that this system can host a resource >50,000Ozs. There is an undrilled portion of the ironstone to the eats of this most recent hole, but potential is rated lowly due to the massive nature of the ironstone.

The main remaining target to be tested is the magnetic spur running to the ESE of the main magnetic anomaly. Testing of this spur, which occurs in a similar position to the Chariot spur but on the opposite of the main anomaly, cannot be carried out until ELA23905 (Jackie) is granted. Grant is now subject to execution of the Lynx East agreement.
2. INTRODUCTION

Mineral Lease 18, West Gibbet, was acquired by Santexco Pty Ltd (Santexco) to search for Tennant Creek style iron oxide copper-gold deposits.

This bridging report records the exploration work done on these group of tenure during the term 01 January 2001 to 13 August 2007.

3. LOCATION

Mineral Lease 18 is a tenement located within Exploration Licence 23284, west of the Stuart Highway and overlies the road to the Chariot mine. The tenement is located approximately 5km west of the Tennant Creek Township.

Access to tenure area is gained west via the Chariot mine road which bisects the tenement, access to the remainder of the tenement is north or south via a series of 4WD tracks.

Figure 1 shows the location of the West Gibbet tenement with respect to the town of Tennant Creek.
4. TENURE

Tenure details for the West Gibbet Tenement is as follows:

<table>
<thead>
<tr>
<th>Tenure</th>
<th>License Holder</th>
<th>Blocks &amp; part-blocks</th>
<th>Area (ha)</th>
<th>Date of Grant</th>
<th>Period of Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>MLC 18</td>
<td>Santexco Pty Ltd</td>
<td></td>
<td>17</td>
<td>19th February 1958</td>
<td>51 Years</td>
</tr>
</tbody>
</table>

The tenure area lies within NT Portion 00494, Perpetual Pastoral Lease 1142, Tennant Creek Station.

Figure 1 shows the tenure area as it was during the reporting term.
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 an 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 Tennant Creek 1:100,000 sheet, which covers the area of the license.

The rocks of the Warramunga Formation host most of the ore bodies in the region and underlie the Exploration License.

5.2 Local Geology

There are no outcrops of Proterozoic basement rocks in the tenement, which is blanketed by a layer of colluvium, outwash and aeolian sand up to seven metres thick.

The Palaeoproterozoic Warramunga Formation is assumed to underlie the tenement area. This formation is host to virtually all the magnetite-haematite (ironstone–hosted) gold-copper-bismuth mineralisation and ore bodies in the Tennant Creek goldfield. The Chariot and TC8 deposits are typical occurrences of this type in the area. The Chariot gold deposit is hosted by haematite dominated ironstone which is quite unique to the Tennant Creek goldfield.

In January 2004 Giants Reef announced the discovery of economic gold mineralisation within Malbec Mineral Claims C527-C528. Subsequent exploration and definition drilling delineated a shallow oxide gold resource containing 15-20,000 oz Au. Gold mineralisation occurs within a haematite dominant ironstone and proximal altered Warramunga Formation sediments, not dissimilar to the Chariot style of mineralisation. This orebody is referred to as the Malbec West deposit. Giants Reef commenced mining of the Malbec West gold mineralisation in September 2004 with completion in late December 2004. The deposit produced 38,890 tonnes at 18.1 g/t Au for 20,584 oz Au.
6. PREVIOUS EXPLORATION

MLC 18

West Gibbet 409 561E 7 826 701N

The West Gibbet tenure, MLC 18, was granted to GeoPeko on the 19 February 1958. GeoPeko completed an interpretation of the available aeromagnetic survey data followed-up by one diamond hole that intersected 222 feet of dense siliceous magnetite (Ryan, 1959).

A re-assessment of the drill core from West Gibbet holes 1 and 2 was undertaken by GeoPeko in order to determine if further drilling was required (MacNeil, 1961). GeoPeko drilled six more diamond holes into the magnetic anomaly between 1961 and 1977 revealing a shallow dipping conformable magnetite body with minor gold and bismuth mineralisation (Duck, 1977).

GeoPeko undertook an auger-drilling programme over several of their leases and claims in 1985; 70 samples were taken on West Gibbet (Explorer 44) and assayed for Cu, Pb and Zn; 13 samples were assayed for Se only. All results are presented in GeoPeko (1985). Peko entered into a joint venture agreement with Cuprex Ltd (Cuprex) in which Cuprex had the opportunity to buy in through exploration expenditure. Cuprex drilled six diamond holes into the anomaly in 1987. All results are presented in Wedekind (1987). By 1991 Cuprex earned a 40% interest and elected to cease as sole contributor. Poseidon Gold Limited (Poseidon; later Normandy) bought all Peko assets in June 1991 and became Cuprex’s joint venture partner over MLC 18.

The Bureau of Mineral Resources (BMR) undertook geochemical testing for Selenium as a pathfinder in 1967. Geochemical traverses to assess this possibility were made over four known localities of mineralisation in the Tennant Creek area: at West Gibbet, Golden Forty, Nobles Nob and Warrego. The West Gibbet Prospect yielded anomalous selenium values over a complex ironstone body at depth. The traverses were made using a Gemco auger drill belonging to the Mines Branch NT. The samples were assayed for Se, Mo, Bi, Cu, Pb and Zn. GeoPeko duplicated the selenium assays on the West Gibbet Prospect. Details of the traverses are discussed in Taube (1969).

Metana explored in a joint venture agreement with Allender / Lebrun the area surrounding MCC 56 (west of MLC 18) under EL 5729 (Southern Strip) in the late 1980s. Work completed by the joint venture partners included regional geology, aeromagnetic interpretation, stream sediment sampling, soil sampling, ground magnetics and is detailed in Eeles (1989) and Pearson (1989).

NFM explored the area surrounding MCC 56 under EL 7415 between 26 August 1991 and 14 August 1995 under a joint venture agreement with Roebuck Resources NL. Exploration undertaken by the joint venture partners included RAB drilling (92 holes, 1,738m) followed-up with four holes for 212m over a copper-bedrock anomaly. A regional aeromagnetic survey interpretation was completed in 1993 followed-up by vacuum drilling (105 holes, 992m) and RAB drilling (12 holes, 194m). Work completed during 1994
included infill vacuum drilling, a ground magnetic survey and RAB drilling (143 holes, 1,438m). Four zones of anomalous bedrock geochemistry were tested in 1995 by 12 inclined RAB holes (639m); a fifth zone (Anomaly 3) was tested with 14 vertical holes (377m). All results are presented in Romanoff (1996).

Normandy contracted Kevron to complete a regional aeromagnetic survey including MLC 18 in late 1998.

The survey was flown on fifty metre spaced NS lines, at a sensor height of forty metres, with an in-line sample spacing of seven metres.

An environmental audit was completed and covered all historical disturbances in the Tennant Creek mineral field, including West Gibbet. The audit located and detailed all occurrences of disturbance including mine workings, tracks, dumps, drillholes, excavations, buildings and rubbish. All historical drill holes on MLC 18 were located and plugged.

7. WORK DONE DURING THE REPORT PERIOD

MLC 18

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During September 2004 the following exploration work was conducted over the West Gibbet tenement area; Fifty (50) RAB holes (WGRB001 – 050) were drilled for 998m. The gravity anomaly (DC = 0.60 gm/cc) was pattern drilled using a 20m x 20m grid designed to intersect shallow haematite ironstone positioned directly above the previously defined deep West Gibbet magnetic ironstone (560nT).

Shallow quartz-haematite ironstone was intersected within the central section of the West Gibbet drill pattern and at the upward projected position to the deeper magnetic ironstone. Warramunga Formation sediments were intersected east and west of the ironstone. These sediments were not mineralised.

Significant gold mineralisation within the West Gibbet shallow ironstone included 16m @ 246 ppb Au from 15 metres (WGRB021), and 15m @ 465 ppb Au from 9 metres (WGRB026).

During November 2004 the following exploration work was conducted over the West Gibbet tenement area; Six RAB holes (WGRB051-056) for 364m were drilled by Bostech Drilling Pty Ltd, prior to rig breakdown.
Drilling of the six holes had confirmed the continuation of the West Gibbet ironstone to at least 65m vertical depth over the main gravity/magnetic anomalies. Gold values appear to be increasing with depth.

During January 2005 the following exploration work was conducted over the West Gibbet tenement area; One RC hole (WGRC023) for 150m was drilled in January, targeting the intermediate zone between the deep ironstone body and the shallow ironstone discovered in recent RAB drilling. The drill hole intersected one meter of ironstone, which was only slightly anomalous in base metals. Down-hole probe modelling shows the ironstone to be largely under the drillhole and therefore the hole has traversed over the top of the main body. Two possibilities were postulated: (1) the two ironstones are separate bodies or (2) the upper body plunges off section to the lower body past and underneath the RC drill hole.

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All drilling rubbish generated during the Diamond RC and RAB drill programs within the West Gibbet tenement area has been removed and disposed of at the Tennant Creek tip.
9. REFERENCES


