

EMMERSON RESOURCES PTY LTD  
A.C.N. 117 086 745  
LEVEL 1, 65 HAY ST, SUBIACO, W.A., 6008  
PO BOX 1573, WEST PERTH, W.A., 6872  
Telephone 08 89489 7086 Facsimile 08 89489 7080

**MINING ACT COMPLIANCE REPORTING**  
**1 MAY 2006 – 30 APRIL 2007**

**EXPLORATION LICENCE 10079**  
**SETTLEMENT**

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

**AUTHOR:**  
**ADAM WALTERS**

**JUNE 2007**

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

☐  
☐  
☐

**MAP SHEETS:**  
**TENNANT CREEK**  
  
**FLYNN**

**SE53-14**  
**1:250 000**  
**5759**

**1:100 000**

## MINING ACT COMPLIANCE REPORTING FOR EL 10079

Annual reporting for EL 10079 is now incorporated into the Northern Project Area Annual Report. Therefore the annual report submission for this license will be submitted as a part of the Northern Project Area Annual Report, due on 15 June 2007. As part of compliance with the Mining Act, all Expenditures, Variation of covenants, Waiver of reductions, Renewals and Rents will be submitted as per their anniversary date requirements.

All Mining Act Compliance Reporting requirements, for the reporting of EL 10079, are listed below.

### 1. EXPENDITURE FOR REPORTING YEAR

#### 1.1 EL 10079 Settlement

The proposed expenditure for the reporting year of tenure was \$2,500. Actual expenditure was as follows:

	\$
1. Geology	\$836.00
2. Geophysics	\$0
3. Geochemistry	\$0
4. Surveying	\$0
5. Data integration	\$0
6. Drafting	\$0
6. Analytical	\$0
7. Drilling	\$0
8. Tenure maintenance	\$418.00
9. Administration and overheads	\$0
10. Rehabilitation	\$0
9. Land Access clearances/CLC	\$0
TOTAL	\$1,254.00

A variation to covenant will accompany this report.

#### DISTRIBUTION:

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

☐  
☐  
☐

#### MAP SHEETS:

TENNANT CREEK  
  
FLYNN

SE53-14  
1:250 000  
5759

1:100 000

## 2. PROPOSED PROGRAM AND EXPENDITURE FOR THE NEXT REPORTING YEAR

### 2.1 EL 10079 Settlement

	\$
1. Geology	\$1,000
2. Geophysics	\$500
3. Geochemistry	\$0
4. Surveying	\$0
5. Data integration	\$300
6. Drafting	\$200
6. Analytical	\$0
7. Drilling	\$300
8. Tenure maintenance	\$200
9. Administration and overheads	\$200
10. Rehabilitation	\$0
11. Land Access clearances/CLC	\$0
TOTAL	\$2,700

Exploration programs are affected by the results achieved as the work progresses, and while these are the proposed programs and expenditures for the coming year, some changes may become necessary.

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

MAP SHEETS:  
☐ TENNANT CREEK SE53-14  
☐ 1:250 000  
☐ FLYNN 5759  
1:100 000

Expenditure for Year 4 on EL 10079 was \$1,254.00 against a covenant of \$2,500.00 resulting in a shortfall of \$ 1,246.00.

## **REASON TO SUPPORT VARIATION OF COVENANT FOR EL 10079**

The geology identified within Licence Area agrees with GRM's initial desktop interpretation in that there is limited potential for ironstone bodies to exist within this geological environment. The reconnaissance field trip in July 2004 confirmed the absence of outcropping geology. A deep marine environment is suggested for this area based on the thin to medium bedded nature of sublithic and lithic arenite float rocks picked up during the field trip.

Although the causative body(s) for the magnetic cluster could not be ground located further evaluation of the Licence Area is still required.

Detailed magnetic and gravity modelling of the magnetic cluster of anomalies as discussed in the Year 1 Annual Report is recommended however due to other priorities in the Tennant Creek Goldfield this process has not commenced.

Emmerson Resources will focus on target generation and exploration over EL 10079, this will include geophysical and geochemical modelling and compilation.

Whilst Giants Reef Exploration did complete a review of the company's data base with that of old geological records and no on-ground exploration was performed on the Licence area, Emmerson Resources will reassess all previous work and data for the EL in the coming tenure year.

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 this licence area is excellent.

As a result of the restructure for the sale of Centralian Minerals under administration, all former Centralian Minerals Limited (and its subsidiaries, including Giants Reef Exploration) tenements were void of in-ground exploration. Emmerson Resources purchased Centralian Minerals Limited and all its subsidiaries, including Giants Reef Exploration on 1<sup>st</sup> August 2006, and now with the employment of new administration and geological staff, Emmerson Resources respectfully requests a variation to covenant for EL 10079 to allow for the low expenditure on exploration over the administration and Emmerson's purchase period.