BRIDGING REPORT TO COVER EXPLORATION ACTIVITIES
OVER MLC 559
31 JULY 2007 – 28 SEPTEMBER 2009

MLC 559
White Devil

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

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SEPTEMBER 2009

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Figure 1. Location Map of the MLC 559 in relation to the Tennant Creek Township.
1. SUMMARY

Mineral Lease 559, White Devil, 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 this tenement during the term 31 July 2007 to 28 September 2009.

The level of exploration on MLC 559 was limited during the reporting term, due to a number of factors as follows;

Giants Reef Mining former owner of Giants Reef Exploration Pty Ltd changed its name to Centralian Minerals in December 2005 before entering into administration in January 2006. Emmerson purchased a group of assets which included Giants Reef Exploration Pty Ltd on 1 August 2006. Emmerson then listed on the Australian Stock Exchange (ASX) on 17 December 2007 following a lengthy and successful IPO raising $20 million. During this period of restructure, administration and IPO all tenements were void of exploration activities and included MLC 559.

During 2009 Emmerson further strengthened its financial position by inking an agreement with Ivanhoe Australia to spend $28 million over 5 years to earn a 51% farmin stake on the Tennant Creek Tenements

These strong financial foundations and the employment of new administration and geological staff puts Emmerson in a position assess and review previous exploration and commence new exploration activities.

Emmerson commenced its aggressive exploration strategy, which included the completion of a detailed ground gravity survey, airborne geophysical surveys and structural modelling conducted by the Centre for Exploration Targeting (CET) and arm of the University of Western Australia (UWA), with the aim of generating targets for further exploration and drill testing before relinquishing any of the current tenure. MLC 559 was included in the area covered by the ground gravity geophysical survey and interpretation and analysis of the captured data has commenced and will continue during the next tenure term.
2. **INTRODUCTION**

Mineral Lease 559, White Devil, 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 this tenement during the term 31 July 2007 to 28 September 2009.

3. **LOCATION**

Mineral Lease 559 is a tenement located within Exploration Licence 23914 and Substitute Exploration Licence 24979, west of the Stuart Highway and south of the Warrego Road. The tenure group is located approximately 35km north west of the Tennant Creek Township.

Access to tenure area is gained west via Warrego Road then south (approximately 8km from the Warrego Treatment Plant, via a series of unsealed and 4WD tracks leading to the historical White Devil mine.

Figure 1 shows the location of the tenure are with respect to the town of Tennant Creek.

4. **TENURE**

Tenure details for the 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 Expiry</th>
<th>Period of Grant Sought</th>
</tr>
</thead>
<tbody>
<tr>
<td>MLC 559</td>
<td>Santexco Pty Ltd</td>
<td>9</td>
<td>31/12/2009</td>
<td>10 Years</td>
<td></td>
</tr>
</tbody>
</table>

The tenure area lies within NT Portion 00408, Perpetual Pastoral Lease 946, Phillip Creek Station.

MLC 559 is covered by Emmerson’s EL 23914 & SEL 24979, held under Giants Reef Exploration Pty Ltd (Giants Reef).

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

In the vicinity of the White Devil leases, which includes MLC 559, the Warramunga Formation consists of interbedded greywacke, sandstone and shale. Several NW trending lenticular bodies of quartz-feldspar porphyries outcrop in the central part of the leases.

The porphyries consist of coarse phenocrysts of microcline, orthoclase and quartz in a matrix of fine grained quartz, orthoclase, sericite and chlorite. The porphyries are sheared and altered (intense chloritisation) where they abut the magnetite bodies. The porphyries have near vertical dips suggesting that they are dykes.

Gold mineralisation at the White Devil Mine is associated with ironstones consisting of magnetite-chlorite-hematite and quartz located in the hinge region of an open anticlinal fold.

6. PREVIOUS EXPLORATION

MLC 559

White Devil  384 601E  7 844 801N  
Black Angel   384 301E  7 844 701N

Detailed historical exploration and mining in the White Devil-Black Angel area is described in Mouchet (1999).

Exploration has included RC/Diamond drilling of the Crusader, Black Angel and Navsix alteration systems (for a total of 2289m RC and 1306.5m diamond drilling). This was followed up by down hole magnetic probing of the diamond drill holes. Upgrading of the
ground magnetic data over the northern and western areas of the licence and Time Domain Electro-Magnetic (TDEM) resistivity survey’s over the Crusader and Navsix alteration systems was also undertaken. The RC and Diamond drilling confirmed the Navsix chlorite and magnetite alteration system continues with depth, plunging towards the east, but there was no significant mineralisation associated with it. RC drilling of the Crusader mineralised system in the west of the licence closed off the potential for a shallow gold resource. While the RC drilling above the known boundaries of the Navsix ore body identified zones of weak gold mineralisation including 6m @ 3.5 gm/t Au. The grades were generally sub-economic and lacked continuity. A ground magnetic survey was carried out to the north and west of the White Devil Mine to improve the quality of the existing data. The new data was used to remodel the White Devil magnetic anomalies.

Exploration undertaken during the period 13 May 1996 to 12 May 1997 on MLC’s 554, 557, 559, 560, 675, 676 & 700 (belonging to the former Warrego Reporting Group) is detailed in Ward (1997).

Normandy’s in-house TDEM resistivity survey technique was carried out over the Crusader and Navsix areas and did resolve the alteration zones that were known to be present. Exploration undertaken between 24 December 1996 and 23 December 1997 on the tenure area comprised RC/diamond drilling of the Crusader, Black Angel and Navsix alteration systems, the TDEM survey mentioned above and an upgrading of ground magnetic data over the northern and western areas of the licence (Morris, 1998).

In January 1998, a helimagnetics survey was flown over the White Devil Leases. The survey was completed by Normandy’s in-house geophysics department on a 50m NS line spacing and with a 30m sensor height. Details are presented in Mouchet (1999).

Diamond and RC drilling continued throughout 1998 testing Pinter C, Pinter B structures and Lower West Extension targets at White Devil. A total of 3 diamond holes, WDDD-1253A(594.6m), WDDD-1261 (429.5m), WDDD-1262 (381.6m) and 5 RC holes (1,462m) were drilled. The drilling confirmed that the Pinter C structure has limited exploration potential along strike to the east (Mouchet, 1999).

Three RC exploration holes (WDRC-1267, 1268 & 1269) for 482m were drilled to test for extensions to the 850 Tops mineralisation at White Devil. These holes effectively limit any extensions to the known mineralisation (Mouchet, 1999).

Assay results for WDRC-1270 (256m) which was reported in the annual report by Mouchet, 1999, returned a maximum of 0.02g/t Au, 358ppm Cu and 205ppm Bi. The only significant intersection was 3m @ 5.93g/t Au from 39m depth at the base of a small ironstone pod with known sub-economic mineralisation.

A new target was generated and tested 200m south of White Devil in April 1999, the Red Duke prospect. Magnetic modelling of the known White Devil ironstones indicated the possibility of an ironstone body in this area to explain the difference between the observed and modelled magnetic fields. This area coincides with a mapped east-west shear and a surface rockchip sample of quartz veined hematitic siltstone assaying 0.89g/t Au.
The drilling program was designed to intersect the potential lodes at a depth of 250m. Two RC holes were completed for a total of 686m while a third hole (WDRC1271) was abandoned at 60m due to excessive deviation. Hole WDRC1272 intersected moderately chlorite altered siltstone with fine disseminated or stringer magnetite from 172-330m and numerous hematite altered quartz porphyry dykes. No massive ironstone was evident. Hole WDRC1273 intersected moderately chlorite altered siltstone with fine disseminated or stringer magnetite from 54-350m, but no massive ironstone was intersected.

Downhole magnetic probing showed no evidence of magnetite ironstone bodies near the holes. The large volume of disseminated magnetite alteration probably explains the difference between the observed and modelled magnetic fields.

A total of 235 three metre composites were submitted to ALS and maximum assays received showed only 0.02g/t Au and 58ppm Cu.

Summary logs of the drill holes follow:

**Summary Log: WDRC1272**

Approx. 5175E 4760N

Drilling: -77° / 349° magnetic

0 – 1m OVERBURDEN
1 – 48m Clay
48 – 108m Siltstone – weak to moderate chlorite alteration
108 – 140m Quartz Porphyry
140 – 172m Siltstone – weak to moderate chlorite alteration
172 – 246m Chlorite Rock weakly magnetic
246 – 266m Quartz Porphyry
226 – 330m Chlorite Rock weakly magnetic
330 – 336m Quartz Porphyry

**Summary Log: WDRC1273**
Approx. 5050E 4760N
Drilling: -78° / 345° magnetic

0 – 19m Siltstone
19 – 26m Clay
26 – 54m Siltstone – Weak hematitic alteration
54 - 350m Siltstone – Moderate chlorite alteration, weakly magnetic

During October 2004 exploration included RC drilling, which commenced Thursday 7th October 2004. Six RC holes (BARC047 – 052) were completed at the Black Angel Oxide Gold resource target for 346m. This area lies immediately east of the old backfilled Black Angel pit. Drilling targeted near surface oxide gold mineralization close to the higher grade zones with particular attention given to achieving a spread of intercepts at various depths to gain a better understanding of the near surface copper distribution.

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8. REHABILITATION

As the geophysical surveys were considered non-invasive rehabilitation for these is not required.

9. REFERENCES


