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EL 23284

Corridor 1

FINAL REPORT

LICENSEE:

GIANTS REEF EXPLORATION PTY LTD

A.B.N.009 200 346

(A wholly owned subsidiary of Emmerson Resources Ltd)

16 July 2003 – 14 September 2011

AUTHOR: ADAM WALTERS
DECEMBER 2011

DISTRIBUTION:

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MAP SHEETS:

TENNANT CREEK
TENNANT CREEK

SE53-14

5758

1:100 000

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1. SUMMARY

This Final Report records exploration work done on EL 23284 between 16 July 2003 and 14 September 2011.

Emmerson's considers the area covered by EL 23284, now covered by EL 28775 to be highly prospective. During 2010 Emmerson applied the VRMI concept to the area revealing extensive VRMI anomalism. Drilling of this anomalism confirmed the presence of ironstone, although assay results were mixed. Emmerson's application of HeliTEM and the success of the 'Proof of Concept' drilling of HeliTEM anomalies in the Gecko Area has increased the potential for EL 23284 (EL 28775). Emmerson will continue with 'Proof of Concept' drilling for the remainder of 2011 and 2012, Emmerson will complete its evaluation, processing and targeting of any HeliTEM anomalism in HeliTEM block 3, which includes the area covered by EL 23284 with the aim of drill testing any targets under the new tenure EL 28775.

Emmerson considers EL 23284 to be highly prospective and is encouraged by early interpretations of the HeliTEM and VRMI data and will continue exploration over the area under the newly granted SEL 28775.

2. INTRODUCTION

Exploration Licence 23284 CORRIDOR 1, is located approximately 4km west of the Tennant Creek Township. The licence falls on the Tennant Creek 1:100 000 scale map sheet (5758).

Figure 1 below, shows the location of EL 23284 and surrounding tenure.

This Final Report records exploration work done on EL 23284 between 16 July 2003 and 14 September 2011.

3. LOCATION

Exploration Licence 23284 CORRIDOR 1, is located approximately 4km west of the Tennant Creek Township. The licence falls on the Tennant Creek 1:100 000 scale map sheet (5758).

Access to the Licence area is via the Chariot Mine Access Road, which runs through the southern part of the licence. From here EL 23284 is reached via a series of north trending unsealed, 4x4 and fence line tracks. During and immediately after rain the area is generally inaccessible.

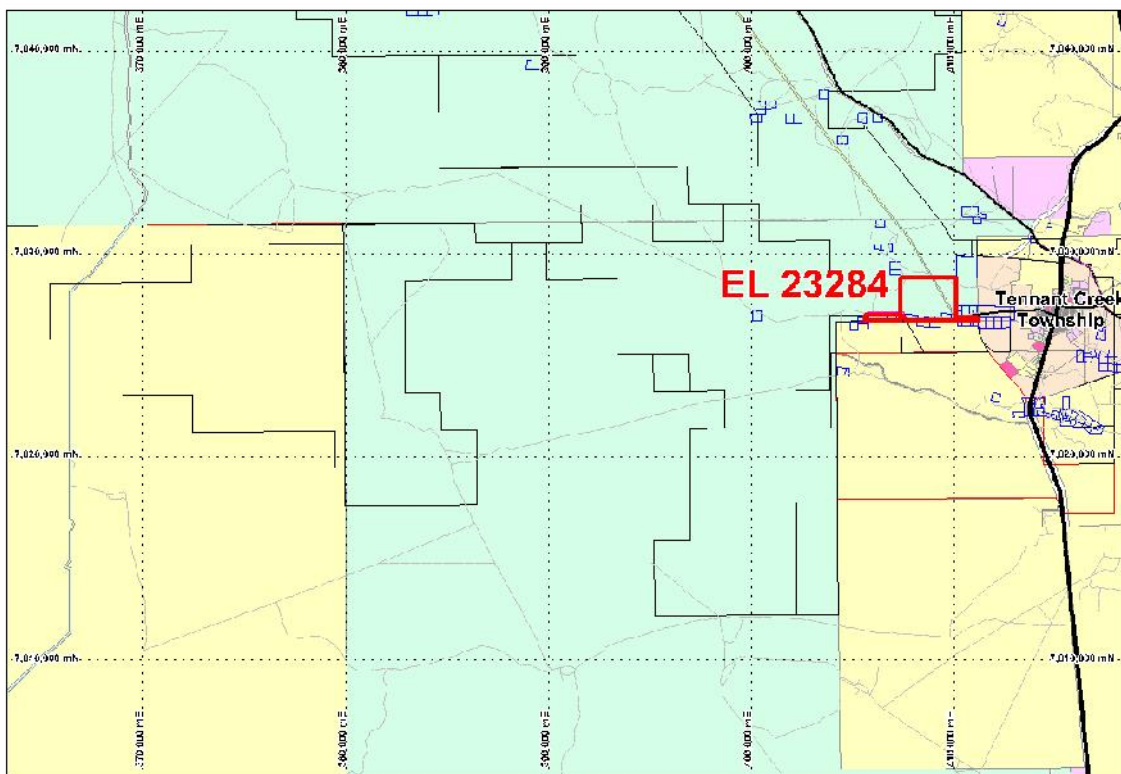


Figure 1: Location of EL 23284.

4. TENURE

Exploration Licence 23284 Corridor 1, was granted to Giants Reef Exploration Pty Ltd on the 16 July 2003 for a period of six years, with a 2year renewal term granted in 2009. The EL covers an area of 6 graticular blocks (6.51 km²).

EL23284 lies within NT Portion 494, Perpetual Pastoral Lease 1142, Tennant Creek station.

EL23284 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. Article 3.1c of the ILUA provides that the ILUA covers the application for any future exploration tenure within the above mentioned Perpetual Pastoral Lease.

EL 23284 expired on 14 September 2011.

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

There are no outcrops of Proterozoic basement rocks in EL 23284, which is blanketed by a layer of colluvium, outwash and aeolian sand up to seven metres thick. In the north of the Licence area, numerous coarse grained quartz-feldspar porphyry outcrops are present.

The Palaeoproterozoic Warramunga Formation is assumed to underlie the southern portion of the Licence 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. EXPLORATION

6.1 Targets and Concepts

Exploration for large base metal deposits possibly associated with a regional gravity anomaly, termed the Bluebush Anomaly, centred in the central and eastern parts of the licence and extends east into 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 – 16 July 2003 to 14 September 2011

EL 23284 consisted of 6 blocks (6.51km²) when first applied for by Giants Reef, to cover an area of land proximal to the TC8 mine and the developing Chariot gold deposit (250K

oz Au). Both of which occur within the same structural corridor (CMC). The land had been part of the Reservation from Occupation No. 22439, covering the Darwin to Alice Springs Railway Corridor. On the 25th July 2001 the Reservation was revoked as the Railway Corridor was reduced to 800m wide, and an additional portion of the land covered by EL 23284 became available on the 1st August 2001.

Several granted Mineral Claims and Leases are located within Exploration Licence 23284. These are located on the southern boundary of the Licence area and extend east and west. Exploration activities within these tenements are subject to individual tenement reports and will not be reported in this Annual Report.

TENEMENT	NAME	TITLE HOLDER
ML C66 – C67	TRAMINER	Santexco Pty Ltd (GRM)
ML C18	WEST GIBBET	Santexco Pty Ltd (GRM)
MC C55 & C57	MONDUESE	Santexco Pty Ltd (GRM)
MC C56	SHIRAZ	Santexco Pty Ltd (GRM)

Exploration conducted on the remaining area outside of the Mineral Claims and Leases in Exploration Licence 23284 are reported below.

Exploration work conducted during the first year of tenure included:

- Literature Review - Exploration Licence 23287 is located approximately 5km east of the non-magnetic haematite-rich Chariot Gold Mine, and less than 1km east of the TC8 mine. The Licence, TC8 and Chariot mine are positioned on the magnetic structural ridge (corridor) extending from the Extension mine (300t @ 19.5g/t Au) to TC8 mine (80,680t @ 18g/t Au and 1.2% Cu). Consequently the EL and surrounding tenure has been subject to much interest by Giants Reef for its potential to host orebodies of a similar size and style of mineralisation as the Chariot mine. Interest has further increased with the recently discovered Malbec West Gold Mine (900m west of Chariot) commencing production in September 2004. Geophysical data identified several, quality magnetic targets currently held under Mineral Claims and Leases in the southern part of the Licence. Three lower amplitude magnetic anomalies were identified within the Licence as described below:

Anomaly Name	GDA_East	GDA_North
Analytic - 1	408210	7827050
Analytic - 2	408450	7826120

Analytic - 3	409850	7826230
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No other obvious magnetic targets exist within the reporting area EL 23286, in contrast to the Monduese, Traminer, Shiraz and West Gibbet Leases and Claims, which enclose the more prominent magnetic anomalies within the area.

- Tenement Review Ranking - An internal review of the Giants Reef tenement portfolio and a classification of exploration opportunities assessed the exploration potential of EL 23284. The review was based on the potential to discover high-grade gold mineralisation in both magnetic and haematite-dominant ironstones at shallow (<100m depths). The location of the Chariot mine and TC8 gold mines to EL 23284 along the Chariot trend made this Exploration Licence a highly prospective target area due to its structural significance and probable complexity. Additionally the highly developed understanding of the local geology as a consequence of continued exploration on the Chariot resource, combined with the EL's location to existing mine infrastructure ranked this Licence area as a high priority exploration project area.
- Gravity Survey - A detailed ground gravity survey was conducted within EL 23284 as part of a broader, regional survey covering most of the Chariot Mineralised Corridor. Survey specifications are as follows:
 - Techniques Employed – GPS, Gravity
 - Station Spacing – 20 metres
 - Line Spacing – 80 metres
 - Gravity Meter – Scintrex CG-3 SN 9408275, 970465
 - GPS – Leica SR530
 - Stations (EL23284) - 797

The survey was carried out during September 2003 and was completed by Daishsat Pty Ltd of Murray Bridge, South Australia. One Scintrex CG-3 gravity meter was used for the gravity data acquisition. Each loop started and ended at the Tennant Creek airport gravity base station (Gravity base 0034). For horizontal and vertical GPS control, two Leica System 530 dual frequency GPS receivers were used. The gravity base (GPS base 099) was set up at the Chariot mine opposite a fence and gate, which was marked with a short star picket. Gravity observations were made on the regular grids set out by real-time GPS. Two observations were made for each station and each observation consisted of a 20-second or greater stacking time. Two observations were made at each station so that any seismic or instrumental noise could be immediately detected. The accepted tolerance between readings was 0.02 milligals to ensure accuracy. At the survey station the

Scintrex CG-3 automatically recorded the station, time and readings, which were made digitally to allow for downloading into a computer. Raw data was processed daily to check for quality and integrity. This interim process produced a set of Bouguer Gravity values, which were contoured and imaged to provide a check for any anomalous reading that would require repeating. Geosoft GRAVRED software was used for the gravity reduction in the field. At the conclusion of the job, the data was reprocessed using the standard AGSO formulae.

Giants Reef's consultant geophysicist Mr Frank Lindeman was on hand in Tennant Creek to supervise the survey on a day-by-day basis.

Several low order bouguer gravity anomalies were identified within the Licence area. These anomalies were ranked along with numerous others within the CMC by Lindeman, of Lindeman Geophysics. No high priority gravity anomalies were identified within EL 23284.

Due to Giants Reefs exploration commitments within the last tenure year being focussed on drill testing of the various gravity anomalies generated from the broader gravity survey, no other on-ground exploration was conducted over EL 23284. Further modelling and refinement of the gravity data with EL 23284 will continue next year.

- Mine Management Plan - Giants Reef submitted a Mining Management Plan, detailing all aspects of Giants Reef's plans to explore along the CMC. The plan was subsequently approved by the Department of Business, Industry & Resource Development (DBIRD) under Authorisation 0179-01. Pursuant to condition 4 of the Authorisation, a security of \$6,000 was lodged with DBIRD. This security covered all the tenements included within the West TC8 Project Area, of which includes EL 23284. Release of the \$6,000 security is conditional upon Giants Reef's compliance with the activities and commitments contained in the accepted plan (Authorisation 0179-01).

Exploration work completed during the second year of tenure included:

- Gravity Modelling - A detailed ground gravity survey was conducted within EL 23284 as part of a broader regional survey in 2003 as detailed above. Further modelling and refinement of the gravity data collected within EL 23284 continued during the second year. Three low-order gravity anomalies have been identified for further investigation.
 1. Grav 1 – 407800mE / 7827200mN
 2. Grav 2 – 409200mE / 7827350mN
 3. Grav 3 – 409670mE / 7827200mN

Although these bouguer gravity anomalies are considered low order, encouragement is provided that low-magnetic ironstones hosting gold mineralisation are known to exist within the corridor. These lower order anomalies

with the Licence may represent potential for new, shallow gold mineralisation. These anomalies are ranked along with numerous others within the CMC.

- Reconnaissance - Three lower amplitude analytic signal magnetic anomalies were identified for further work. Two of the three anomaly sites were subsequently visited in May 2005. It was hoped that these anomalies may have a surface expression that may be geologically mapped and sampled. Both anomalies are located north of the Chariot Haul Rd. Exact locations are provided below;

Anomaly Name	GDA_East	GDA_North
Analytic - 1	408210	7827050
Analytic - 2	408450	7826120

Although no ironstone or sediment outcrop was located at either site, the area is suitable for a soil sampling program or preferably a vacuum drilling program. Gravity over the anomaly area has identified two weak low-order residual bouguer gravity anomalies which are coincident with the Analytic-1 and 2 analytic magnetic anomalies. A brief description of each area is below.

Analytic – 1 This is the western and weaker of the two anomalies. The area is typically flat-lying, covered with sand and fine silty soil. No outcrop was located within a 200m radius of the projected surface position for the anomaly. Minor drilling rubbish including, 44 gallon drums, spanners and a drill steel were located in the area however no drill collars could be located. One piece of qtz-magnetite ironstone was noted however this may have been introduced to the area as no other ironstone float could be found.

Analytic – 2 This is the eastern and stronger of the two anomalies. The area again was flat-lying, covered with sand and fine silty soil. Several large mature snappy gum trees were identified in the general area. No outcrop was located within a 200m radius of the projected surface position for the anomaly and no drilling rubbish could be located. It appears that this area has not attracted any historical exploration activity.

- Mine Management Plan - Giants Reef submitted an Updated Mining Management Plan in July 2004, detailing all aspects of Giants Reef's plans to explore along the Chariot Mineralised Corridor including areas within EL 23284. The plan was subsequently approved by the Department of Business, Industry & Resource Development (DBIRD) and re-issued under Authorisation 0179-02. Pursuant to condition 4 of the Authorisation, an additional security of \$1,250 was lodged with DBIRD increasing the security payment to \$7,250. This security covered all the tenements included within the West TC8 Project Area MMP, of which includes EL 23284. Release of the \$7,250 security is conditional upon Giants Reef's

compliance with the activities and commitments contained in the accepted plan (Authorisation 0179-02).

- Historical Data Compilation - During the second year of tenure Giants Reef employed a dedicated data administrator to assist with the compilation and validation of the extensive paper and digital database currently held by the Company. The CMC was prioritised as a key area and included EL 23284. This work indicates that there has been minimal historical or modern exploration conducted within the Licence area. The majority of work completed in the area has occurred within the various Mineral Leases and Claims in the southern portion of the Licence area and therefore not subject to this report.

During the 2008/09 reporting period exploration drilling was conducted in EL 23284 and also within MLC's 66, 67 & 18 and MCC's 55 & 57 all contained within EL 23284. This exploration drilling targeted the Traminer, Mondeuse, Shiraz, Analytic, West Gibbet and Nebbiolo Prospects. 39 Reverse Circulation (RC) holes (TRRC031 – 038; MORC008 – 010; SHRC001; ANRC001 – 002; WGRC024 – 048; NBRC001) were drilled by Gomex Drilling and McKay Drilling, between 16 April 2008 and 19 November 2008, for a total of 7,004m, and are detailed in the table below.

Hole ID	Datum	Easting	Northing	RL	Total Depth	Date Drilled
ANRC001	MGA94_53	408210.190	7827099.589	343.974	378	11-14-Nov-08
ANRC002	MGA94_53	408434.948	7827230.136	344.941	408	14-18-Nov-08
MORC008	MGA94_53	409275.189	7826799.310	346.447	108	7-8-Nov-08
MORC009	MGA94_53	409274.184	7826809.930	346.452	348	8-10-Nov-08
MORC010	MGA94_53	408434.832	7826753.943	343.568	150	19-Nov-08
NBRC001	MGA94_53	409889.921	7826885.267	349.689	246	1-2-Nov-08
SHRC001	MGA94_53	407368.304	7826860.646	341.793	348	3-7-Nov-08
TRRC031	MGA94_53	406849.776	7826879.815	340.552	150	26-Oct-08
TRRC032	MGA94_53	406899.746	7826819.798	340.588	150	26-Oct-08
TRRC033	MGA94_53	406924.808	7826839.891	340.647	138	27-Oct-08
TRRC034	MGA94_53	406924.999	7826945.028	340.880	210	28-Oct-08
TRRC035	MGA94_53	406874.813	7826893.163	340.625	138	29-Oct-08
TRRC036	MGA94_53	406949.994	7826962.562	340.922	192	30-Oct-08
TRRC037	MGA94_53	407324.774	7826929.480	341.850	156	31-Oct-08

TRRC038	MGA94_53	407249.892	7826909.110	341.685	80	31-Oct-08
WGRC024	MGA94_53	409613.36	7826880.29	348.39	143	16-Apr-08
WGRC025	MGA94_53	409675.06	7826891.03	348.66	126	19-Apr-08
WGRC026	MGA94_53	409629.82	7826951.78	348.67	227	25-Apr-08
WGRC027	MGA94_53	409680.14	7826779.26	348.47	227	26-Apr-08
WGRC028	MGA94_53	409604.24	7826904.89	348.42	275	27-29-Apr-08
WGRC029	MGA94_53	409801.79	7826880.30	349.22	245	01-May-08
WGRC030	MGA94_53	409726.80	7826898.47	348.97	216	2-3-May-08
WGRC031	MGA94_53	409677.53	7826822.41	348.56	261	4-7 May 08
WGRC032	MGA94_53	409629.82	7826910.71	348.52	227	8-9 May 08
WGRC033	MGA94_53	409623.08	7826880.50	348.44	137	22-Jun-08
WGRC034	MGA94_53	409590.00	7826870.83	348.21	113	23-Jun-08
WGRC035	MGA94_53	409589.57	7826890.16	348.33	114	24-Jun-08
WGRC036	MGA94_53	409599.41	7826884.16	348.29	131	24-Jun-08
WGRC037	MGA94_53	409610.00	7826900.27	348.42	173	26-Jun-08
WGRC038	MGA94_53	409623.14	7826889.65	348.50	137	27-Jun-08
WGRC039	MGA94_53	409629.84	7826893.33	348.49	137	27-Jun-08
WGRC040	MGA94_53	409569.33	7826880.86	348.12	101	29-Jun-08
WGRC041	MGA94_53	409579.67	7826870.06	348.14	101	29-Jun-08
WGRC042	MGA94_53	409579.56	7826860.68	348.10	95	30-Jun-08
WGRC043	MGA94_53	409610.21	7826866.97	348.34	125	09-Jul-08
WGRC044	MGA94_53	409649.92	7826880.51	348.49	113	09-Jul-08
WGRC045	MGA94_53	409549.02	7826833.30	347.87	83	10-Jul-08
WGRC046	MGA94_53	409560.10	7826840.61	347.90	95	10-Jul-08
WGRC047	MGA94_53	409579.77	7826850.71	348.63	89	10-Jul-08
WGRC048	MGA94_53	409639.30	7826880.72	348.46	113	11-Jul-08

Significant intercepts are detailed in the table below;

Hole ID	From	To	Interval	Au (g/t)	Cu (%)	Bi (ppm)	U (ppm)	Ag (g/t)	Lith
WGRC034	60	63	3	5.83	0.009	2.1			
WGRC037	101	102	1	1.32	0.032	211			
WGRC038	83	86	3	2.7	0.0034	238.7			
	117	118	1	10.2	0.0202	21.5			
WGRC039	86	90	4	1.46	0.003	272.8			
	88	90	2	2.39	0.0037	531.5			
ANRC001	266	268	2	60.7	0.08	623	2.85	44.5	CM / QC
Incl.	266	267	1	117	0.14	1100	2.4	80	CM
and	296	297	1	1.43	0.12	6	2.9	0.3	CRK
and	248	249	1	0.26	1.38	14	5.5	5.5	CHRK
TRRC033	114	115	1	1.17	0.1	600			
TRRC036	87	90	3	0.42	1.06	152			
Inc.	89	90	1	0.25	1.47	115			
and	109	112	3	0.27	1.2	177			
Inc.	109	110	1	0.1	1.39	120			
and	112	113	1	2.1	0.91	215			
and	116	127	11	0.1	1.41	31			
Inc.	116	120	4	0.13	2.08	36			
inc	116	118	2	0.16	3.01	40			
Inc.	116	117	1	0.19	3.47	50			
and	139	140	1	0.01	2.75	30			
and	155	156	1	1.86	0.04	335			
TRRC037	128	129	1	3.57	0.03	345			
TRRC038	38	41	3	1.22	0.16	265			

Inc.	38	39	1	1.06	0.13	185			
Inc.	40	41	1	2.39	0.13	490			

Further to the geophysical surveys and drilling conducted during 2008 and 2009 exploration activities conducted over 2010 and 2011 in EL 23284 were focused on the application of two new geophysical technologies and techniques, VRMI & HeliTEM, as explained below and drilling of an additional one RC hole, two new diamond holes, one retry of an historical hole and one wedge from an existing diamond holes; as detailed below;

Hole ID	Datum	Easting	Northing	RL	Total Depth	Date Drilled
WGRC049	GDA94_Zone 53	409749.75	7826939.13	349.09	354	28/10/10
WGDD050	GDA94_Zone 53	409679.81	7827120.23	349.15	264	29/10/10
WGBDD06B	GDA94_Zone 53	409716.49	7827019.76	349.10	520	04/11/2010
WGDD051	GDA94_Zone 53	409679.90	7826900.36	348.75	276.90	17/11/2010
WGBDD06BW1	GDA94_Zone 53	409716.49	7827019.76	349.10	330.90	20/11/2010

No significant assays were returned.

HeliTEM

Heli-TEM is a helicopter mounted system capable of measuring the conductivity of the rocks to significant depth and utilises the world's most powerful airborne, time-domain electromagnetic system. A breakthrough during late 2010 and early 2011 has been the recognition that drill core from the mineralised portions of Tennant Creeks historic deposits is conductive up to 80times the background levels. Emmerson has just completed the first phase of 'proof of concept' drilling of HeliTEM targets in the Gecko Area within EL 23183 (now SEL 28777). Drilling has been extremely encouraging with interceptions of high grade copper and gold with intersections of mineralisation present in many of the holes drilled, assays results for approximately eight drill holes are still pending. This early success gives high encouragement for the success of HeliTEM to identify mineralised systems. EL 23284 was included in one of the 5 survey areas, the Chariot – Mt Samuel survey block, and has yet to be fully evaluated. This evaluation is due to be conducted during the 'Wet Season' and will be done using the ITEM processing technique and using the knowledge gained from the successful proof of concept drilling in the Gecko Area.

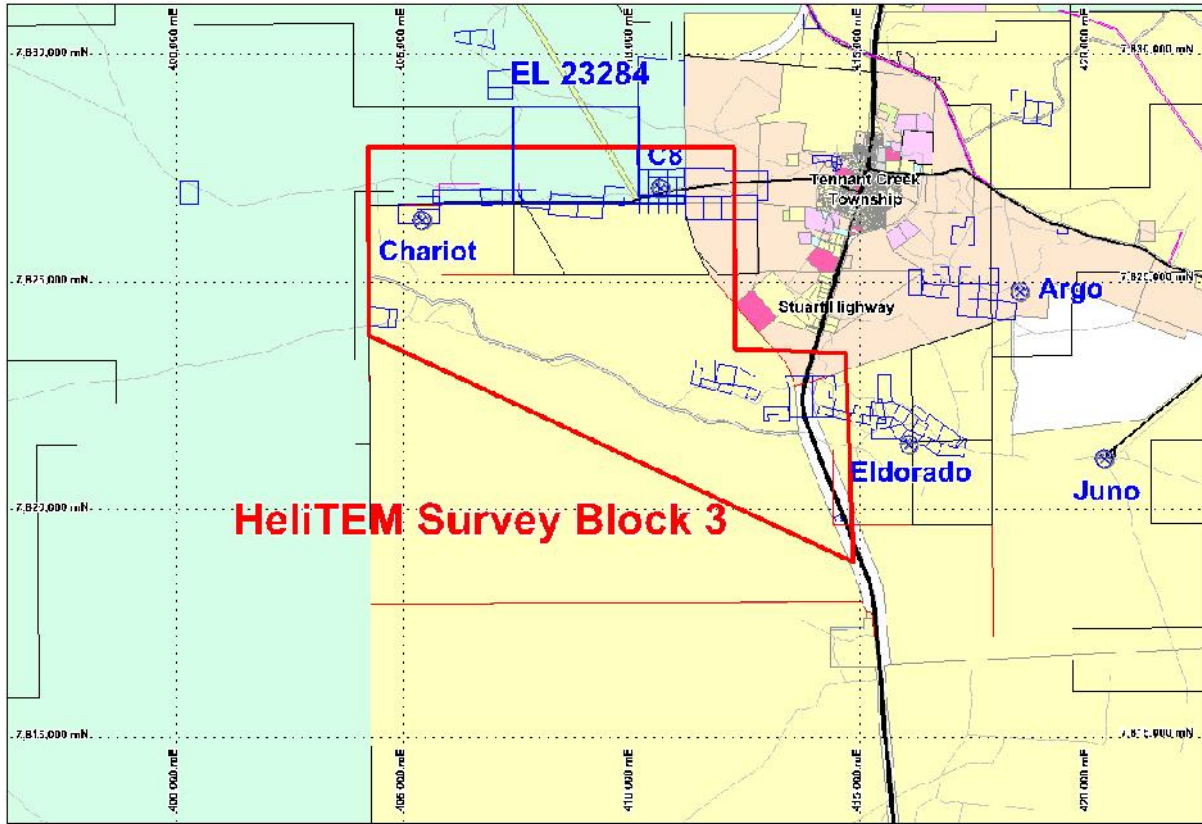


Figure 2: HeliTEM Survey Block 3 vs. EL 23284

VRMI

Also during the reporting period Emmerson and contract geophysical consultants, Spinifex Geophysics, further developed a processing technology, Vector Residual Magnetic Intensity (VRMI) aimed at existing magnetic data from Emmerson’s Tennant Creek tenure package, figures 3 (pre-VRMI) & 4 (VRMI) represent the success of the VRMI technology. Immediate identification of highly prospective VRMI targets reprioritised Emmerson’s target matrix, the Red Bluff Area became the No. 1 priority area for exploration activities. Drilling during 2010 at Red Bluff confirmed the VRMI technology with significant intercepts of thick ironstones, although assay results were mixed, the successful ironstone intercepts were evidence to support the development and use of VRMI technology.

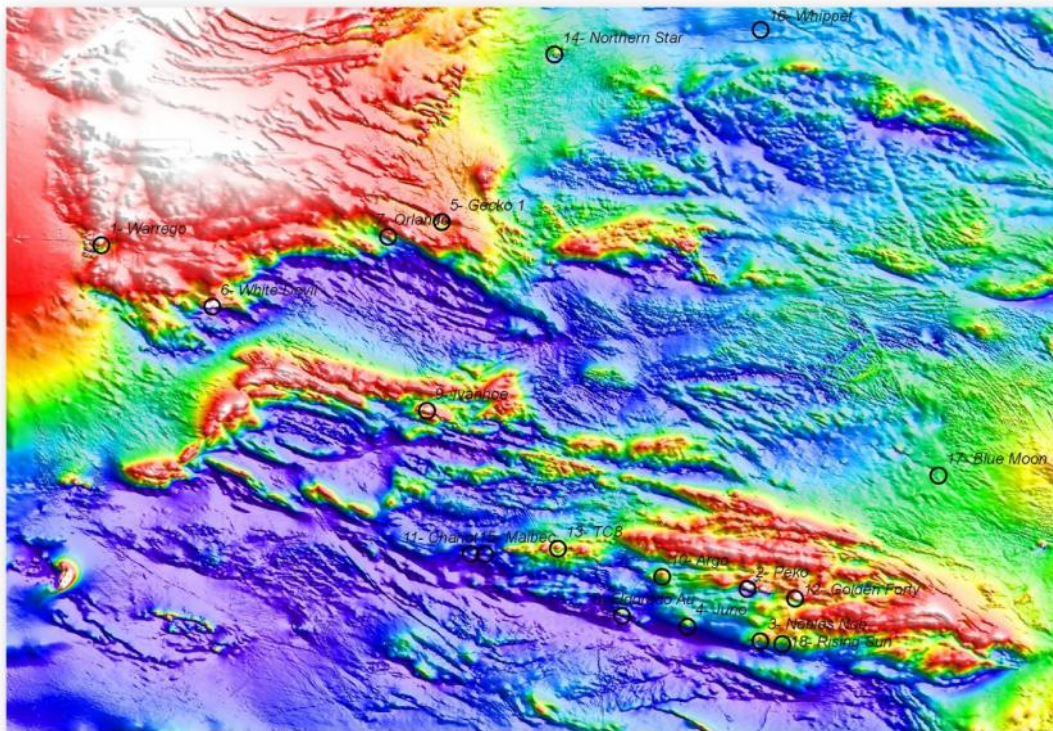


Figure 3: Conventional Magnetics

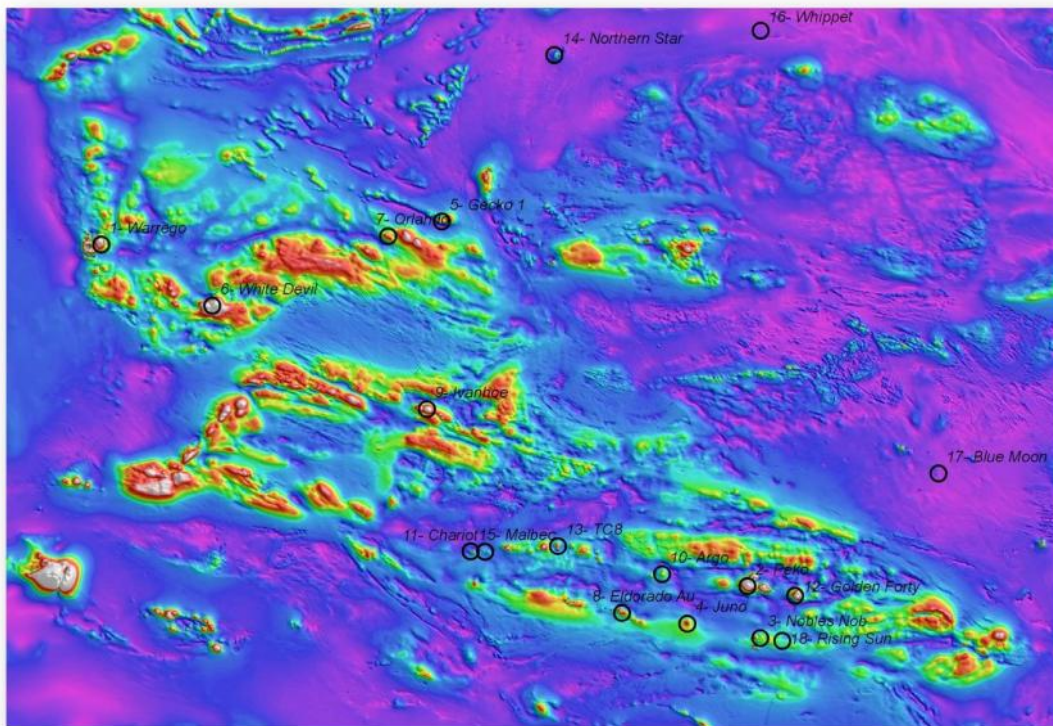


Figure 4: VRMI

7. REHABILITATION

All rehabilitation has been completed in accordance with Emmerson's Southern Project Area Mining Management Plan, Authorisation 0475-03. This has been detailed in the Authorisation submission for 2010/11, and will be reaffirmed in the 2011/12 submission.

8. CONCLUSIONS

Emmerson's considers the area covered by EL 23284, now covered by EL 28775 to be highly prospective. During 2010 Emmerson applied the VRMI concept to the area revealing extensive VRMI anomalism. Drilling of this anomalism confirmed the presence of ironstone, although assay results were mixed. Emmerson's application of HeliTEM and the success of the 'Proof of Concept' drilling of HeliTEM anomalies in the Gecko Area has increased the potential for EL 23284 (EL 28775). Emmerson will continue with 'Proof of Concept' drilling for the remainder of 2011 and 2012, Emmerson will complete its evaluation, processing and targeting of any HeliTEM anomalism in HeliTEM block 3, which includes the area covered by EL 23284 with the aim of drill testing any targets under the new tenure EL 28775.

Emmerson considers EL 23284 to be highly prospective and is encouraged by early interpretations of the HeliTEM and VRMI data and will continue exploration over the area under the newly granted SEL 28775.

9. EXPENDITURE

Expenditure for the term of the tenure for EL 23284 is as follows:

ITEM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	TOTAL
Geology	\$415	\$4,000	\$2,347.21	\$627.00	\$20,140.63	\$76,208.63	\$11,176	\$14,448	
Geophysics	\$20,561	#397	\$2,003.00	\$0	\$4,108.01	\$10,540		\$27,762.99	
Geochemistry			\$0	\$0					
Surveying	\$118		\$0	\$0					
Data Integration	\$774	\$275	\$1,966.84	\$0					
Drafting			\$0	\$0					
Analytical			\$0	\$0		\$55,013	\$1,035	\$2,291	
Drilling			\$0	\$0		\$439,885.74	\$1,381.82	\$63,340.05	
Tenure Admin	\$486	\$475	\$1,890.43	\$418.00	\$1,920	\$3,982.50	\$600	\$1,290	
Administration and Overheads	\$870	\$1,758	\$411.12	\$209.00					
Rehabilitation			\$0	\$0			\$4,488.85	\$90	
TOTAL	\$23,224	\$6,905	\$8,618.60	\$1,254.00	\$26,168.64	\$585,629.87	\$18,681.27	\$109,222.04	\$779,703.42