



**BONDS RANGE PROJECT  
TASMANIA  
EL28/2002**

**ANNUAL REPORT FOR PERIOD  
31<sup>ST</sup> JANUARY 2007 TO 30<sup>TH</sup> JANUARY 2008**

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**Note: All figures and grids are according to the AGD66 datum and AMG66 grid system.**

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**ABSTRACT**

The following is an Annual Report on exploration activities at Exploration Licence 28/2002, Bonds Range, for the period 31 January 2007 to 30 January 2008.

Activities during the reporting period include;

- Field trip (16/02/2007) over Northern Bonds Range to look at access to an ASTER anomaly target and suitability for soil program.
- Infill soil sampling was undertaken; including 44 samples to extend the Geopeko grid and 46 to close the Bass Metals ("BSM") grid which included a prior 463 samples.
- A three-hole diamond drilling program was undertaken to test a Pb-Zn anomaly detected through the previous BSM soil sampling program, of which 3 samples were submitted for Pb isotope analysis.
- Rehabilitation of drill pads.
- Ten reconnaissance soil samples were collected over a circular magnetic feature to the west of the Iris River prospect.

**Expenditure –** Reporting period \$9078.89

Total to date \$422,818.08

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## 1 INTRODUCTION

This report is a summary of the exploration activities conducted on the Bonds Range exploration licence, EL28/2002 (Figure 1), for the period of 31 January 2007 to 30 January 2008. The licence covers a total area of 54km<sup>2</sup> and is due to expire on the 31<sup>st</sup> January 2008. A Farm in and Joint Venture Agreement between Adamus Resources Ltd and Bass Metals Ltd commenced in April 2005. BSM is currently managing exploration at the licence from a base at the Hellyer Mine site and had recently submitted an application for extension of term of exploration licence.

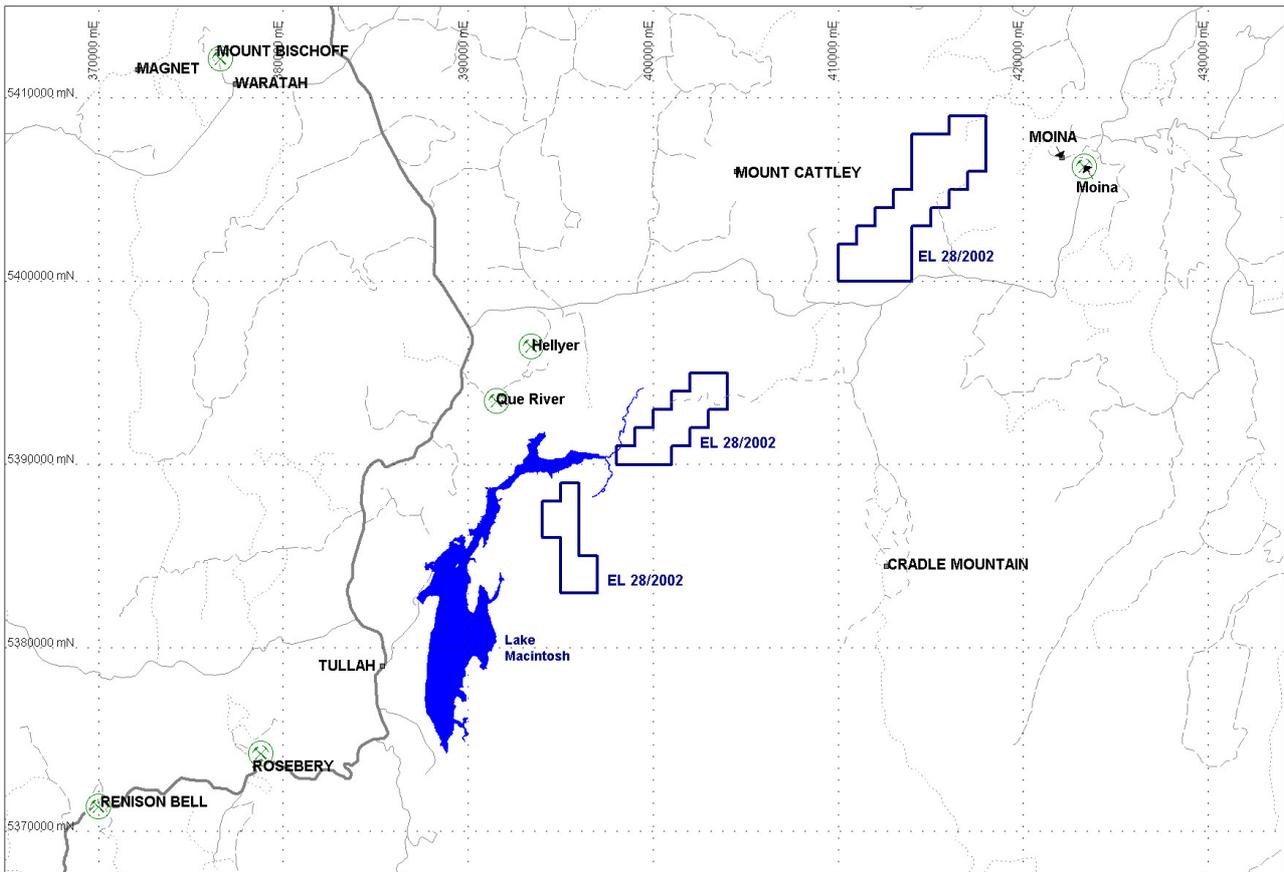
The licence is located in the northwest corner of Tasmania and contains a portion of the prospective Mount Read Volcanics belt ("MRV"). This belt hosts a number of large Volcanogenic Hosted Massive Sulphide ("VHMS") deposits in the nearby area, including, Hellyer (Pb-Zn-Ag-Au) and Que River (Pb-Zn) as well as having potential to host younger Devonian aged deposits including tin and gold (e.g. Mt Bischoff). Exploration at Bonds Range is likely to be for Cambrian VHMS deposits and Devonian granite and hydrothermal related deposits (eg. Ten Mile Creek).

### 1.1 Location and Access:

The Bonds Range Licence is located northeast of Rosebery, on the west coast of Tasmania (Figure 1). A partial relinquishment at the end of the second year resulted in the licence area being reduced from the originally granted block of 106km<sup>2</sup> to three blocks that total 54 km<sup>2</sup> in area. The licence area can be found on the Sophia and Hellyer (1:100,000) map sheets.

The southern two blocks are bound to the west by Lake Macintosh and to the east by the Cradle Mountain – Lake St Claire World Heritage Area. They can be accessed by driving south along the Cradle Mountain Lodge Road and then west along the northern boundary track of the World Heritage Area. The Cradle Mountain Link Road (C132) touches the south-eastern corner of the northern block giving direct access. Access to most of the licence is either by quad bike, on foot or by helicopter.

Topographically the area runs along the Bonds Range and is quite variable displaying steep wooded slopes, deeply incised valleys and grassed flat plateaus and broad plains. The licence area encroaches on several conservation areas. Including the Vale of Belvoir and Black Bluff Conservation Areas.



**Figure 1. Bonds Range Tenement (EL28/2002), including major roads & towns in the vicinity**

## 1.2 Geology Overview:

The oldest rocks in the licence area belong to the Mesoproterozoic to Neoproterozoic Tyennan Metamorphics (Seymour *et.al.*, 2006) and possibly underlie much of Tasmania including the Dundas Trough. The MRV are a Cambrian belt of rocks that lie unconformably on top of the Tyennan Metamorphics. Owen Group sediments are Cambrian to Devonian in age and overlay the MRV in the west and north of the licence. Tertiary basalts and Quaternary sediments are mostly confined to the northern most licence block, where they crop out over the southern half of it. Refer to the Regional Geology Map in Figure 2.

### 1.2.1 Tyennan Metamorphics

The Meso-Neoproterozoic Tyennan Metamorphics are confined to the southern half of the Southern most licence block. According to Bulletin 72 (Seymour *et.al.*, 2006), the Tyennan Metamorphics are a complex thrust stack of two units:

- A low-grade (up to greenschist facies) assemblage of metaquartzite and graphitic metapelite. Derived from an early Neoproterozoic sedimentary sequence broadly similar to the Rocky Cape Group of northwest Tasmania.
- A high-grade (up to eclogite facies) assemblage of garnetiferous schist-quartzite-(amphibolite) and mafic meta-igneous rocks. Recent dating favours a Mesoproterozoic age (Franklin Metamorphic Complex).

The Romulus East Prospect is located in the Tyennan Metamorphics.

### 1.2.2 The Mount Read Volcanics

The MRV are a belt of volcanic, volcanoclastic and sedimentary rocks of Mid-Cambrian age. The belt is famous for hosting Tasmania's world-class polymetallic VHMS deposits (eg Rosebery, Hellyer, Que River).

#### *Andesite Occurrence*

The northernmost licence block is mapped as having an occurrence of andesite amongst Tyndall Group correlates. The andesite may indicate the presence of a new or equivalent cycle of volcanism to the Hellyer-Que River Volcanics. Or it may be of less significance belonging to the basal beds of the Tyndall Group.

#### *Western Volcano-Sedimentary Sequence*

A small area in the northernmost licence block is mapped as belonging to the Western Volcano-Sedimentary Sequence. This unit is coeval with the Central Volcanic Complex of the MRV though older than the above Tyndall Group. It is described as including beds of lithicwacke turbidite, mudstone, siltstone and shale. It also contains subordinate intrusive and volcanic rocks, which are commonly andesitic (Seymour *et.al.*, 2006).

#### *Bonds Range Quartz Feldspar Biotite Porphyry*

The Bonds Range Quartz-Feldspar-Biotite (+Hornblende) Porphyry crops out over significant areas in each licence block. It is recorded as being complex showing variations in colour, grain size, degree of alteration and deformation, and phenocryst assemblage (Geol Rep 4). It hosts a quartz-hematite stockwork (containing gold mineralisation) at Ten Mile Creek.

#### *Tyndall Group*

The Tyndall Group is a unit of quartz-bearing volcanoclastic sandstone and conglomerate. Though also contains minor volcanic, intrusive and ignimbritic rocks of mixed felsic and andesitic provenance (Seymour *et.al.*, 2006).

### 1.2.3 The Owen Group

The Owen Group is Cambrian to Ordovician in age and sits unconformably on the Mt Read Volcanics. The unit typically includes large volumes of coarse siliclastic conglomerate composed dominantly of metaquartzite clasts derived from the Tyennan Metamorphics, but also includes turbidite and shallow marine sandstone units (Seymour *et.al.*, 2006). It is not likely to host any exhalative styles of mineralisation such as Taylor and Mathison (1990) report for the younger Gordon Group. However, it could host mineralisation associated with Late Devonian–Early Carboniferous granitoids.

### 1.2.4 Tertiary Basalts

Radiometric dates from basalts across Tasmania indicate an age range of between 16.4Ma and 64.5Ma (Everard *et al.*, 2004). At the licence these basalts cover a significant amount of the north most licence block. These basalts most likely sit on the Back Peak Beds and the Sticht Range Formation. These units host historical copper workings to the south at Lake Dora and Mt Selina (Rust *et al.*2005).

### 1.2.5 Quaternary Sediments

Pleistocene glacial deposits and Holocene alluvium cover a portion of the northern most licence block. These units sit on the Tertiary basalt and underlying units of the MRV (Rust *et al.*2005).

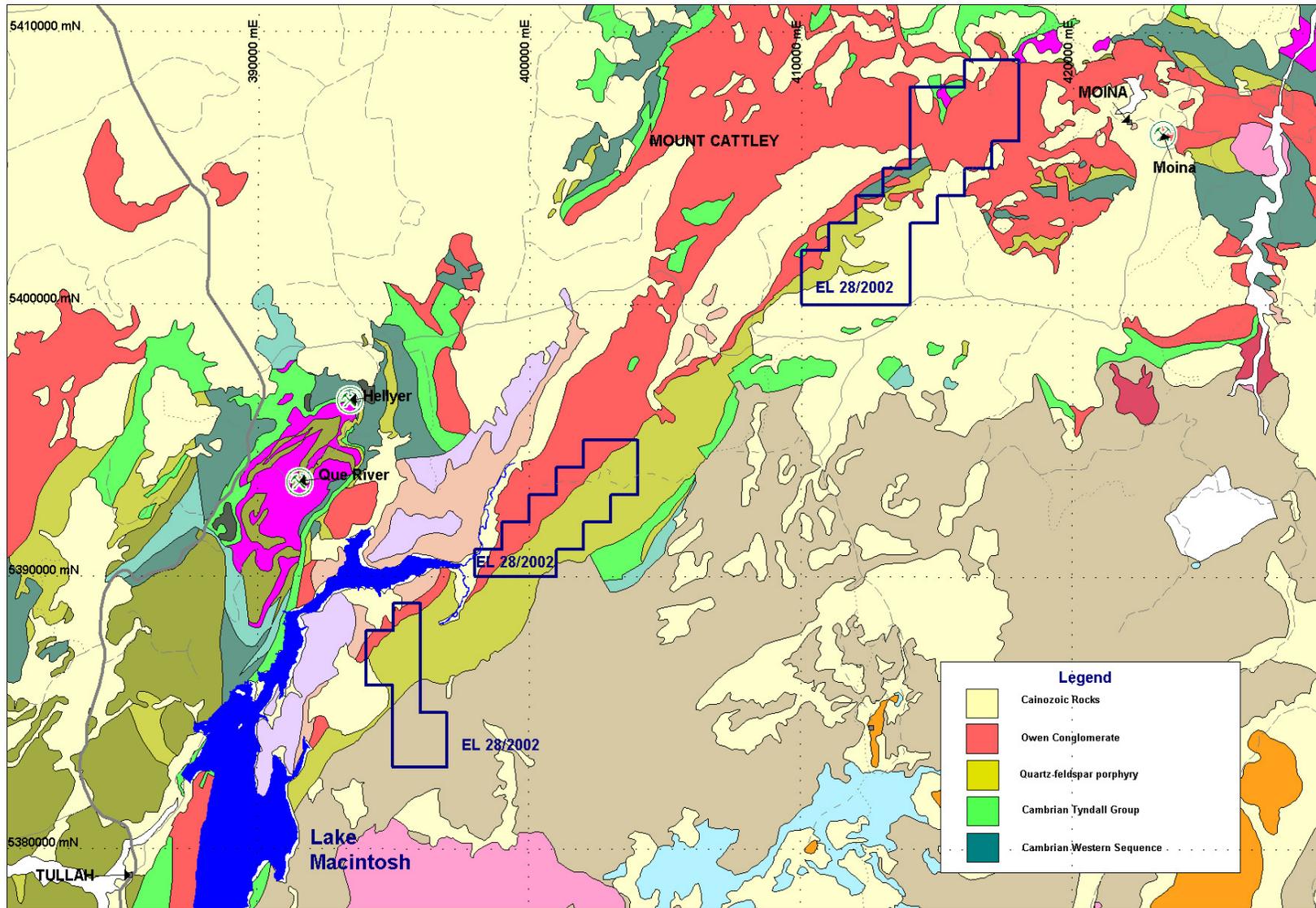


Figure 2. Regional Geology showing Licence Area boundaries, roads and towns.

### 1.3 Exploration Rationale:

EL28/2002 was acquired for two reasons. The first was to explore for polymetallic VHMS deposits similar to those in the adjacent Hellyer and Que River mineral field. The second was to explore for gold deposits of several possible genetic styles.

#### *Northern Licence Block*

The northernmost licence block offers the best prospectivity for VHMS deposits. This licence block has mapped occurrences of andesite, Western Volcanic Sequence and the younger Tyndall Group. Owen Group Conglomerates contain gold workings in the area and may be thin enough in places to enable testing of the MRV units beneath their cover. The Back Peak Beds and Stitch Range Formation are less prospective for VHMS deposits though in areas of little or no Tertiary Basalt or Quaternary Sediment cover are worth exploring.

#### *Southern Two Licence Blocks*

The southern two licence blocks also contain several workings and prospects. These workings and prospects mostly test epigenetic (fault hosted) styles of base metal and gold mineralisation. The Cambrian Bonds Range QFBP hosts the Ten Mile Creek prospect where quartz-hematite veining extends over a 2 kilometre strike length. Samples collected from chlorite and sericite wall rock alteration at minor workings at the prospect produced gold grades as high as 8.08ppm.

## 2. WORK COMPLETED

### 2.1 Historical Mining:

Historical work in the licence area commenced in the mid 1890's with the discovery of an auriferous gossan, by prospector B.L.F.G. Thomas, near the northern end of the Bonds Range. Primarily searching for base metals, bismuth, tin and gold, a number of leases were taken up around this area, including a number of small scale mining ventures at Blacks, Golden Cliff, Mt Stormont and further south towards Speeler and Fleece Creeks. At the Blacks Mine trenches and a number of prospecting shafts and tunnels were excavated into pink quartzite and conglomerate with pyrite quartz veining. Limited small-scale alluvial mining was undertaken in the adjacent creeks. This field was worked up until the outbreak of World War One. Assay results for the field show a degree of variation, due in part to the presence of nuggety free gold. The Blacks Mine reported dump samples of between 5 to 14 dwt per ton, whilst Mr Hartwell Condor, in a 1903 visit to the area, reported a number of samples between 3 to 6 dwt per ton from dumps associated with small shafts and drives. There are a number of other historical workings in the area to the northeast including the Davenport gold workings. (Rust, 2005)

### 2.2 Exploration Prior to Current Licence Area:

Modern exploration efforts in the Bonds Range region commenced in the mid 1960's. A summarized version of the history reported in the Bonds Range 2005 Annual Report can be found below:

**Date:** 1965 - 1971

**Company:** Picklands Mather Company International

**Exploration Philosophy:** Focus on locating base metals (Cu, Zn, Pb), gold and osmiridium utilising geophysical methods, mapping and stream sediment sampling.

**Work Completed:** A total of 52 stream sediment samples were collected from the Lea River, Fall River, The Vale of Belvoir and the drainages into Lake Lea from the Black Bluff Range.

**Results and Conclusions:** No further work was recommended by Smith (1968).

**Date:** 1970 - 1989

**Company:** Aberfoyle Limited

**Exploration Philosophy:** Focus on locating base metal deposits (Cu, Zn, Pb).

**Work Completed:** In work relevant to Bonds Range; Aberfoyle undertook soil, rock chip and trench sampling for Cu, Pb, Zn and Ag in the Fleece Creek and Back Peak areas (Krummei, 1970). Joint Venture partners Geopeko Limited and Cypress Minerals Australia undertook geophysical (EM), geochemical (soil, stream sediment, rock chip) and diamond drilling programmes between 1979 and 1987.

**Results and Conclusions:** An anomalous rock chip from the Carter prospect returned 4.04%Pb, 2.3%Zn, 16g/t Ag and 0.08g/t Au. Results from the diamond drilling were disappointing. No further work was recommended by Jones (1986a&b).

**Date:** 1973 - 1974

**Company:** Tasminex

**Exploration Philosophy:** Focused on a radiation anomaly in stream waters taken from a tributary flowing into the Lea River.

**Work Completed:** Technical reports could not be found.

**Date:** 1974 - 1978

**Company:** Cominco Exploration Pty Ltd & Paringa Mining and Exploration Company Pty Ltd in joint venture with Aberfoyle Limited.

**Exploration Philosophy:** Originally part of EL2/70 the area was relinquished then reacquired after the discovery of the Que River deposit.

**Work Completed:** A total of 97 stream sediment samples were collected.

**Results and Conclusions:** No significant results were reported (Rabone 1975).

**Date:** 1974 - 1983

**Company:** Geopeko Limited and Union Oil Development Corporation.

**Exploration Philosophy:** Focused on exploring for VHMS deposits early on. There was a shift in exploration focus to Sn-W and gold mineralisation towards the end of the licences life.

**Work Completed:** Over 1,397 geochemical samples (soil, rock chip, stream sediment, panned concentrate) were collected from a number (est. 10) of independent geochemical programmes. A Dighem II survey flown in early 1980 identified seven target areas. Follow up percussion drilling could not penetrate a surface basalt unit. A diamond drill hole at Mariner 6 failed to locate any significant mineralisation.

**Results and Conclusions:** A series of targets and prospects named Mariner 1 to 7 and occasionally suffixed with A, B or C were located. Despite some interesting results the licence was relinquished in late 1983 (Pemberton, 1983).

**Date:** 1978 - 1983

**Company:** Alcoa Australia and Shell Australia

**Exploration Philosophy:** Focused on exploring for tin and tungsten mineralisation with VHMS deposits a secondary target.

**Work Completed:** Airborne magnetic surveys identified 24 targets. Geochemistry at the targets (stream, soil and rock-chip sampling) identified some weak Pb – Zn anomalism at Romulus West and Fury Flats. A separate stream sediment programme of 26 samples identified a tin, tungsten and gold anomaly along Ten Mile Creek. A peak gold concentration of 1.20g/t was recorded at 39935E and 5391550N. At Romulous East 7 rock chip samples from a quartz veined gossan returned peak values of 14.2% As, 2.6% Pb and 2.3g/t gold. A

total of 59 stream sediment samples were collected in the same area. One sample returned a peak value of 2.80g/t gold from Backwater Creek (5387700N and 395500E).

**Results and Conclusions:** Results were generally disappointing and the licence was relinquished (Porter, 1976).

**Date:** 1980- 1983

**Company:** Aberfoyle Ltd, Geopeko Ltd and Paring Mining and Exploration Company Pty Ltd.

**Exploration Philosophy:** Focused on exploring for tin, tungsten and base metal VHMS deposits.

**Work Completed:** An airborne electromagnetic survey with follow-up soil and selected rock chip sampling.

**Results and Conclusions:** Results were generally disappointing and the licence was relinquished (Heithersay 1982, Pemberton and Sumpton 1984).

**Date:** 1984- 1990

**Company:** Renison Goldfields Consolidated Pty Ltd.

**Exploration Philosophy:** Focused on exploring for gold and base metal VHMS deposits.

**Work Completed:** A stream sediment sampling programme collected 122 samples from the Devonport Mine, Deep Creek along the Kauri Fault and the Mariner 4 and 6 areas. An assortment of geochemistry was conducted in the following areas; Mariner 4, 5, 6 and 7, Devonport Creek and its main western tributary, Devonport Mine, Iris River and Deep Creek. The programmes included; break of slope samples, rock chip samples, rock samples for petrology, soil sampling and channel sampling. A drilling programme of 21 short (<50m) diamond drill holes (SD001-SD021) was undertaken in the Stormont (Bi-Au) Mine and Fletchers Adit area during 1989-1990. Some grades up to 13 g/t Au were reported. This area lies to the east of the current Bonds Range licence.

**Results and Conclusions:** Following a review of all of the work completed the licence was relinquished (Castro and Fleming, 1990).

**Date:** 1984- 1992

**Company:** CRA Exploration Pty Ltd

**Exploration Philosophy:** Focused on exploring for gold deposits.

**Work Completed:** Rock chip sampling at Romulus East (24 samples) and Ten Mile Creek (15 samples). Two peak values of 1.04g/t and 8.08 g/t gold were returned from the sericitised porphyry at Ten Mile Creek. At Ten Mile Creek 27 bedrock samples were taken along a line (5391000N and 400000E). An additional 9 rock-chip and 2 stream sediment samples were also collected. Anomalous gold concentrations were recorded in samples taken from Hematitic stock-work samples.

Between 1988 and 1989 Aberfoyle entered into a Joint Venture with CRA. Work concentrated on Ten Mile Creek – with a programme of gridding, mapping and geochemical sampling. A total of 322 C-horizon soil samples were taken from the 2km long hematitic stockwork zone. A number of anomalous results were identified and typically found to be associated with the hematitic stock work. A total of 45 rock-chip samples were collected. A stream sediment sampling programme to the northeast tried to locate extensions to the deposit.

Following departure of Aberfoyle from the joint venture a diamond drilling programme was undertaken at Ten Mile Creek in February 1992. Four holes (TMC1-4) utilizing a man portable drill rig was completed for a total of 153.7m. TMC2 returned a peak value of 3m at 0.11g/t gold. TMC3 returned values up to 0.12g/t gold. TMC4 returned the best result of 1m at 0.52g/t gold near the bottom of the hole between 48-49m. The hole was terminated as it entered a zone of intense stockwork and veining.

**Results and Conclusions:** Following a review of all of the work completed the licence was relinquished (Newnham, 1992).

**Date:** 1987- 1988

**Company:** Billiton Australia and Shell Company of Australia

**Exploration Philosophy:** Focused on exploring for gold and base metal VHMS mineralisation at Mariner 1 and 2 prospects.

**Work Completed:** A field programme comprising limited stream sampling, C-horizon soils, mapping and rock-chip sampling was conducted during the tenure period. A total of 158 soil samples were taken from the Mariner 2 area. A southeast trending ellipsoidal gold anomaly was located in the vicinity of 401500E and 5401200N with a peak value of 0.29ppm Au. Ten sites in the Fall and Iris River catchments were sampled and analysed using BLEG. Ten rock chip samples were also collected. Results were weakly anomalous (Randell, 1988a).

**Results and Conclusions:** Following a review of all of the work completed the licence was relinquished (Randell, 1988a).

**Date:** 1987- 1989

**Company:** Aberfoyle Ltd and CRA Exploration Pty Ltd under the Mount Read Volcanics Joint Venture.

**Exploration Philosophy:** Focused on exploring for gold and base metal VHMS mineralisation.

**Work Completed:** In the area North of Ten Mile Creek 50 C-horizon soil samples were collected. Three moderately anomalous samples were reported. A peak grade of 0.152 Au was reported from 5392220N and 401390E though could not be explained by the presence of veining or alteration. A handful of rock chip and stream sediment / BLEG samples were collected though all reported disappointing results.

**Results and Conclusions:** Following a review of all of the work completed the licence was relinquished (Henham, 1989c).

**Date:** 1987- 1989

**Company:** Billiton and Shell Company of Australia.

**Exploration Philosophy:** Focused on exploring for base metal VHMS deposits.

**Work Completed:** Work comprised conducting broad spaced mapping and stream sediment sampling. A total of 20 BLEG and –80# duplicate stream samples were collected. One sample returned a value of 0.14 g/t in a North draining Creek near Back Peak (405840E and 5393100N). Exploration also involved ground truthing of Speeler Creek, Carters and Heap of Rocks prospects. At Carters and Heap of Rocks Prospect a total of 30 soil samples were collected to confirm previously identified anomalism. At the Speeler Creek Prospect a previously identified polymetallic anomaly (2200ppm Pb, 820ppm Zn and 0.25-0.35ppm Au) associated with a weak EM37 anomaly was targeted for drilling. Diamond drill hole BPD88-1 (166m @-50/132mag) was completed in December 1998.

**Results and Conclusions:** Results were uniformly discouraging and the licence was relinquished (Randell 1988b, 1989).

**Date:** 1987- 1998

**Company:** Aberfoyle Ltd.

**Exploration Philosophy:** Focused on exploring for base metal VHMS deposits.

**Work Completed:** Work comprised regional mapping and 2 diamond drill holes in 1988. Diamond drill hole MAC16 (367.4m) on the Fury Flats was drilled into the Central Volcanic Complex of the Mount Read Volcanics because of the presence of wall rock alteration typically associated with VHMS deposits. MAC20 (397.5m) on the Macintosh Creek aimed to test for mafic volcanic units beneath Tertiary basalt cover.

**Results and Conclusions:** No significant results were returned (McNeill 1989).

**Date:** 1994- 1997

**Company:** Rio Tinto Exploration Pty Ltd.

**Exploration Philosophy:** Focused on exploring for sediment hosted, low sulphide, Carlin style gold deposits.

**Work Completed:** A geochemical programme (-80# soil, stream sediment and panned concentrate sampling) was conducted over the Ordovician Gordan Limestone and Moina Sandstone during 1997. Caverners Creek and Mayday gold workings were rock-chipped (49 samples) and soil sampled (12 samples).

**Results and Conclusions:** The results were not encouraging (Menples 1996, Russell 1998).

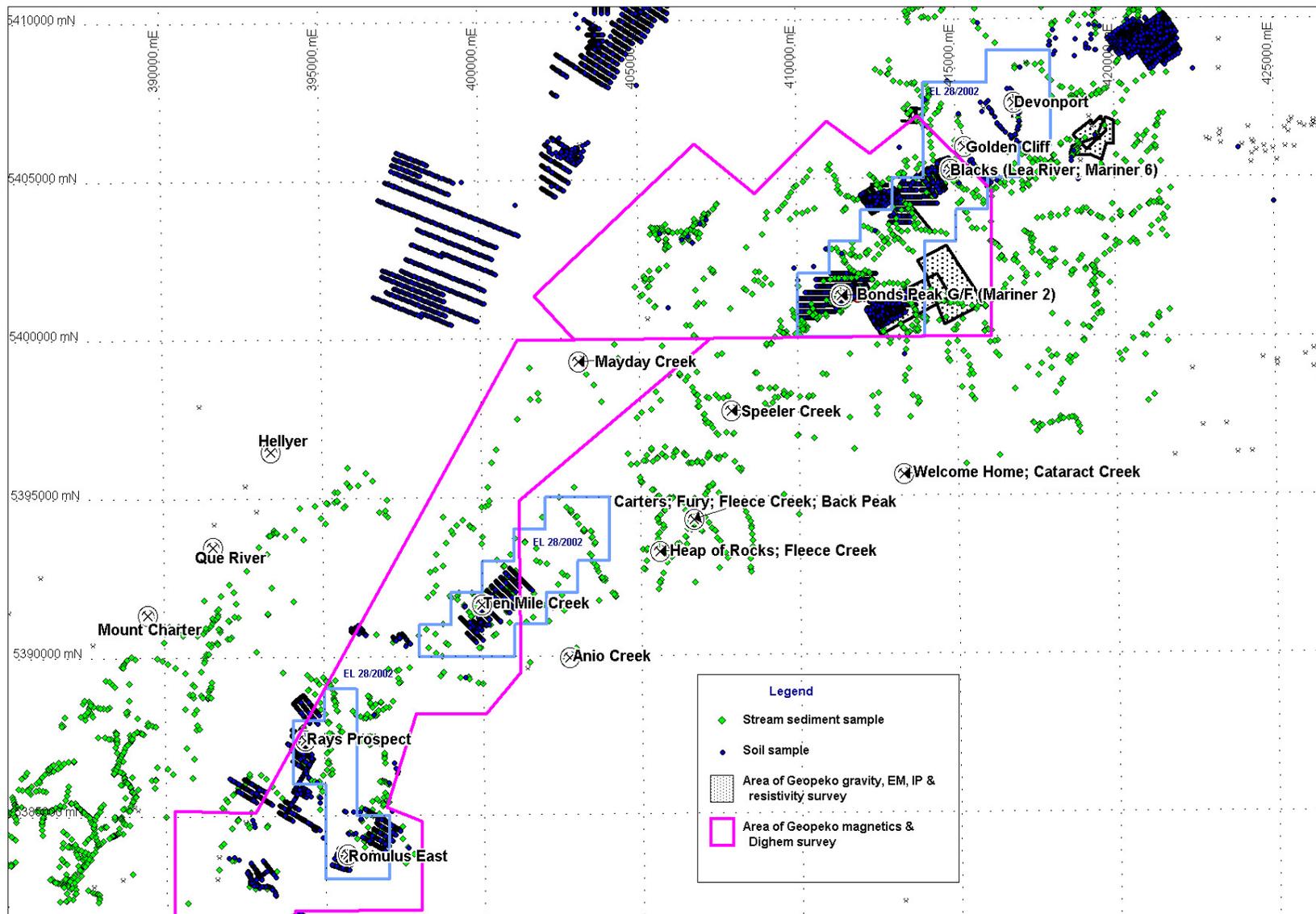


Figure 3. Historical Exploration Activity Map, showing old workings and prospects.

### 2.3 During Current Licence Area Pre 31<sup>st</sup> January 2005 (Adamus Resources)

- Literature review of historical exploration data, technical and annual reports.
- Compilation of historical data from open file sources.
- Adamus conducted gridding and soil sampling over selected targets.

### 2.4 Exploration completed 31<sup>st</sup> January 2006 to 30<sup>th</sup> January 2007 (BSM)

- A total of 505 soil samples were collected which included 463 field samples and further 42 check samples that were submitted for quality control purposes. Refer to the technical report for this period for results and details of the program.
- The compilation of data into a proprietary Geoinformatics database before three-dimensional modeling of the data and target generation was carried out. Refer to appendix 3 of previous technical report for a summary Geoinformatics report.

## 3. EXPLORATION COMPLETED – CURRENT REPORTING PERIOD

### 31<sup>st</sup> January 2007 to 30<sup>th</sup> January 2008

A 3 hole diamond drilling program (Figure 4) was undertaken to test an area of coincident Pb & Zn soil anomalism and a historic IP chargeability anomaly. Peak soil anomalism at the Mariner 1 Prospect is 10,000ppm Pb and 1,050ppm Zn. The soil anomaly overlies the Cambrian Bonds Range Porphyry within the MRV belt and is prospective for hybrid VHMS style deposits and for Devonian intrusion-related mineralisation. This anomalism lies in the south-eastern region of the tenement and has been observed in the recent BSM and historic Geopeko programs. The soil anomalism is supported by nearby stream sediment samples and is spatially coincident with a VLF and IP anomaly recognized by Geopeko. Refer to table 2 below for drilling details.

**Table 1. Bonds Range Drilling Details**

Hole	Target	Collar North	Collar East	Mineralisation	AZ (MAG)	Incl.	Depth
BRD001	Mariner 1	5400782	412998	Base metal veins Gn +/- Sp+As+Py+Qz	142	-60	109m
BRD002	Up dip BRD001	5400783	412997	Base metal min in Quartz veins	144	-35	120.7m
BRD003	Iris River Pb-Zn	5400963	412932	Minor Pyrite dissemination	303	-35	157.7m

Best intercepts included –

BRD001 - 3.5m @ 0.1% Cu 5.0% Pb, 1.1% Zn, 120ppm Ag, 1.1ppm Au from 88m

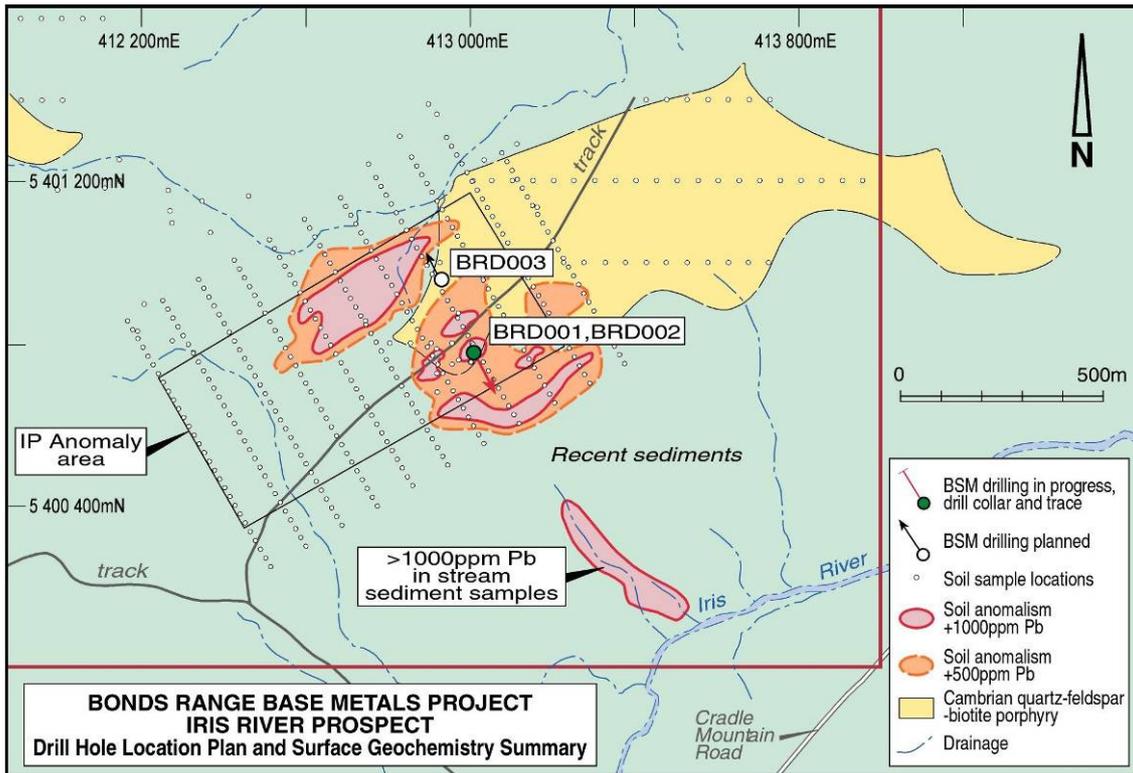
BRD002 - 1m @ 0.4m Pb and 0.3% Zn from 105.0m  
 - 0.5m @ 0.55% Zn from 113.0m and  
 - 0.7m @ 0.7% Pb from 115.3m

BRD003 - 7.5m @ 1246ppm Pb and 1230ppm Zn from 133.5m (1500 Pb+Zn cut off)

Anomalous results for BRD002 and BRD003 are strongly associated with galena and sphalerite mineralisation in Qz-Cl+/- Hm veins and also oxidised mineralisation on fractures in BRD003.

Drill hole sites for BRD001 to BRD003 have since been rehabilitated, sumps were filled-in and all holes have been labelled and capped per MRT requirements.

**Figure 4. Iris River prospect drill-hole location plan and geochemistry summary**



### Pb isotope analysis

Three galena samples from the mineralised zone in BRD001 were sent to the University of Tasmania for Pb-isotope analysis.

*Pb isotope analysis of galena crystals from BRD001 was undertaken to ascertain the deposit style, i.e. Cambrian vs Devonian; and hence aid in the generation of a geological and ore deposit model for the Iris River mineralisation.*

Samples of sulfide were collected from the BRD001 and sent to CODES at UTAS for Pb-isotope analysis. A comprehensive database of both Cambrian and Devonian base-metal deposits exists and it was likely that the analysis would be definitive for providing the provenance of the sulfide mineralisation.

### Results

Results for the 3 galena samples were received 30 May from Sarah Gilbert at CODES University of Tasmania. The Pb isotope ratios distinguish the Iris River galena as having a very high probability of being derived from a Devonian system with a very similar signature to the Murchison Lode deposit located in the Farrell field (Figures 5 & 6). Interestingly, the appearance of the mineralization in hand-specimen is also strikingly similar to the Murchison Lode.

In addition to the Pb isotope ratios, Ross Large from University of Tasmania suggested looking at the zinc ratio for the mineralisation;  $(Zn/Zn+Pb) \times 100$  (Large & Huston, 1987). Iris River BRD001 mineralisation plots well outside the Cambrian VHMS field and appears to be more closely related to known Devonian granite-related mineralisation with a ratio of between 12 and 18 (Figure 7).

The results appear to confirm mineralisation in BRD001 is derived from a Devonian granite-related system and not a Cambrian VHMS system. The plots also suggest that the type of mineralisation maybe analogous to that found within the Farrell field which is also evidenced by the high levels of Pb to Zn in the mineralised vein-structures encountered in both BRD001 and BRD002

However, Ross Large suggests in his correspondence that “the low 206/204 ratio suggests there maybe mixing with some Cambrian VHMS type Pb.” This is important to note in terms of the Cambrian host rocks potential to host Cambrian VHMS style mineralisation, and in terms of remaining open to further test work as future drilling is carried out in the target area.

Figure 5. Pb 207-206 plot

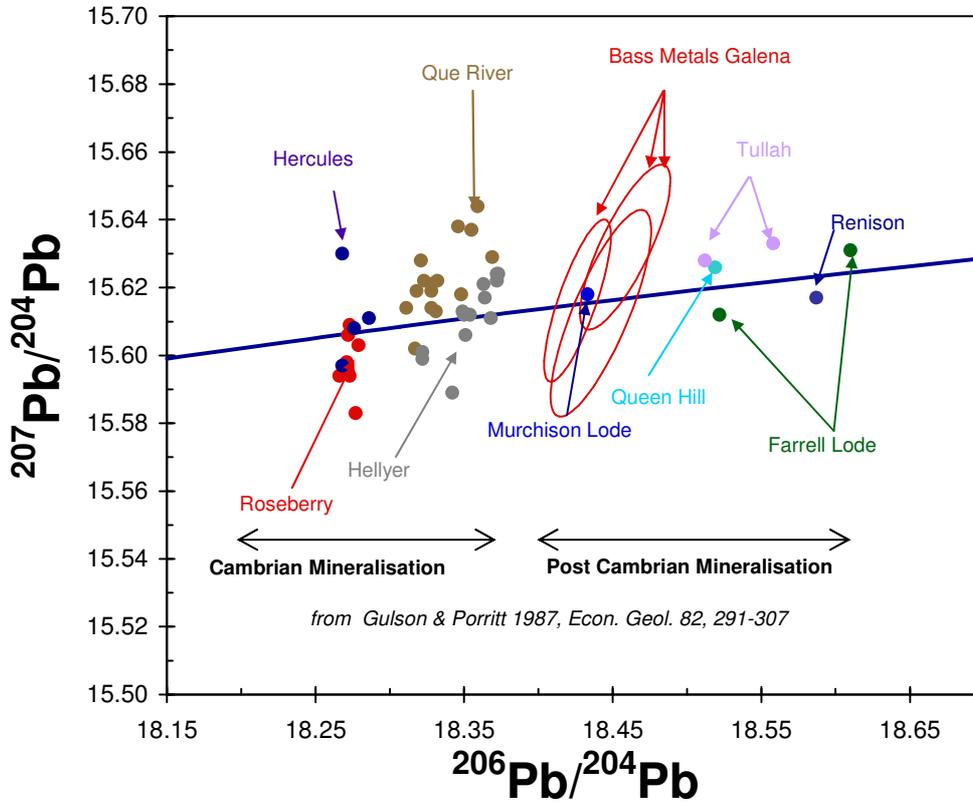


Figure 6. Pb 208-206 plot

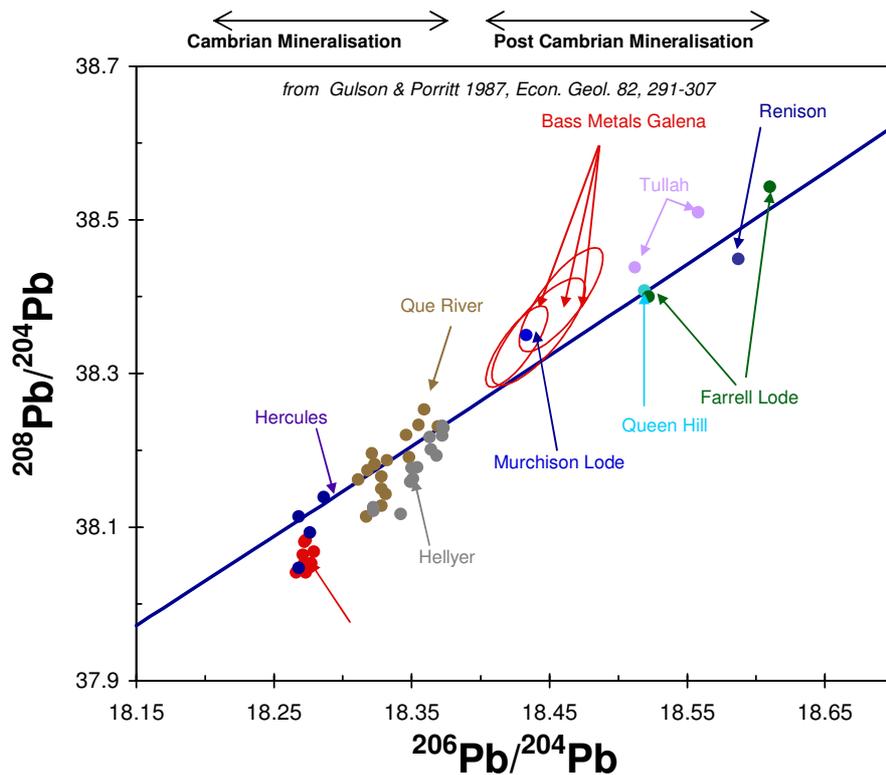
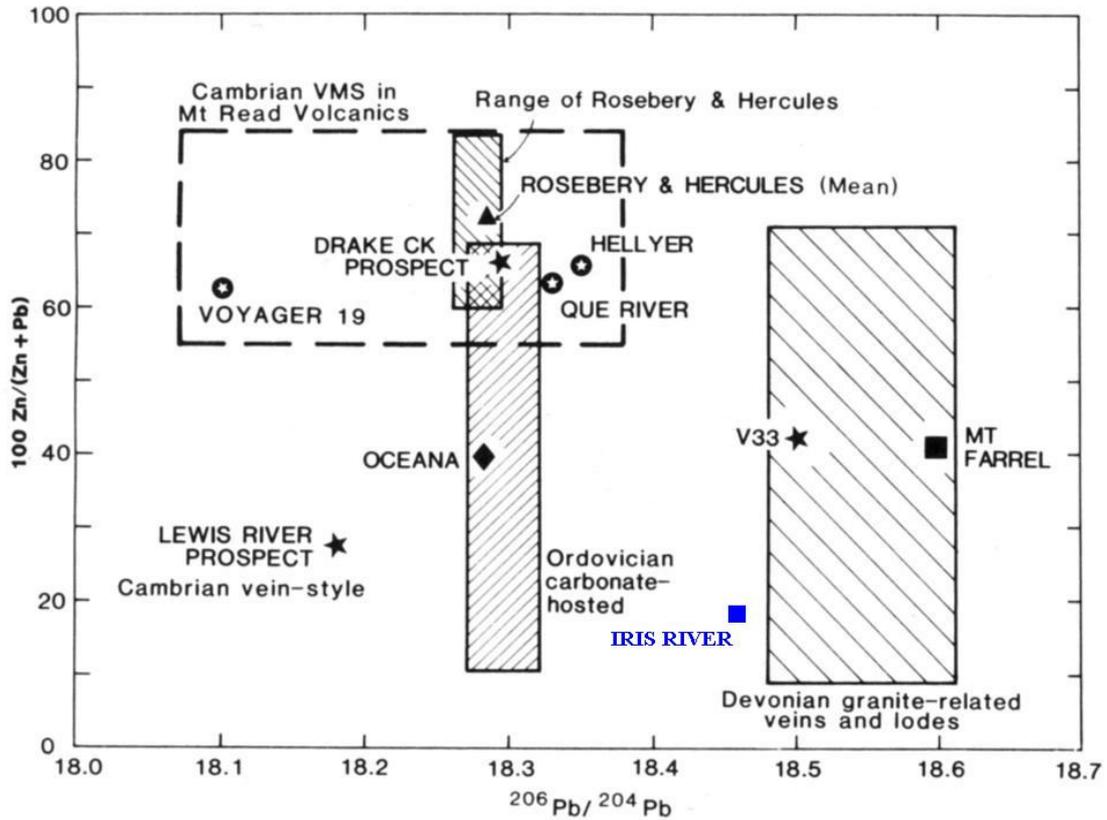
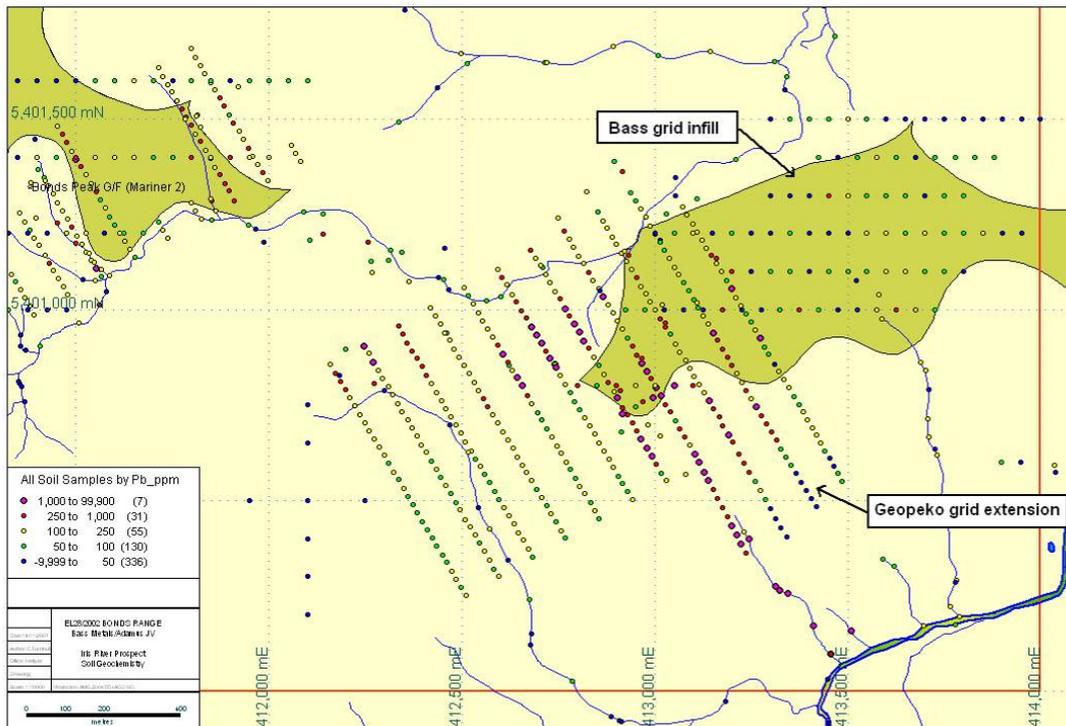


Figure 7. Zinc ratio – Pb isotope ratio plot



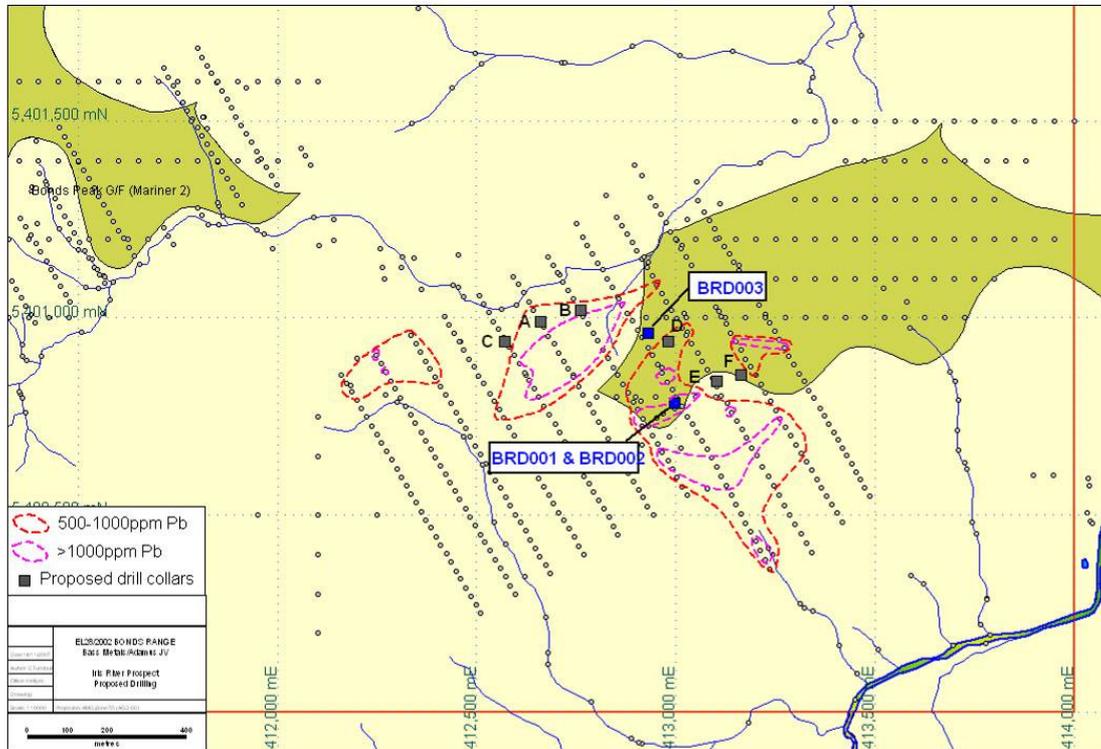
Whilst planning the second phase of drilling, infill soil sampling was completed to extend the Geopeko grid to close off an anomaly to the south, and to infill some spotty gold values in the Bass grid involving an additional 2.5km line cutting and 90 samples (Figure 5). Significant lead results sub-parallel to anomalous stream sediment samples may represent some downslope dispersion in the water logged ground between the Mariner grid and the Iris River. No further significant gold values were returned from the Bass infill grid.

Figure 8. Location of infill soils and Pb anomalism - Iris River Prospect



The second phase of drilling is currently underway. This program is proposed to test along strike of mineralisation encountered during the first program and to drill the previously untested larger Pb-Zn anomaly adjacent to the Fall River. In total 9 holes are planned for a maximum of 960m with a number of those holes contingent on intercepting mineralisation (Figure 3).

**Figure 9. Location of proposed phase 2 drilling in relation to soil anomalism.**



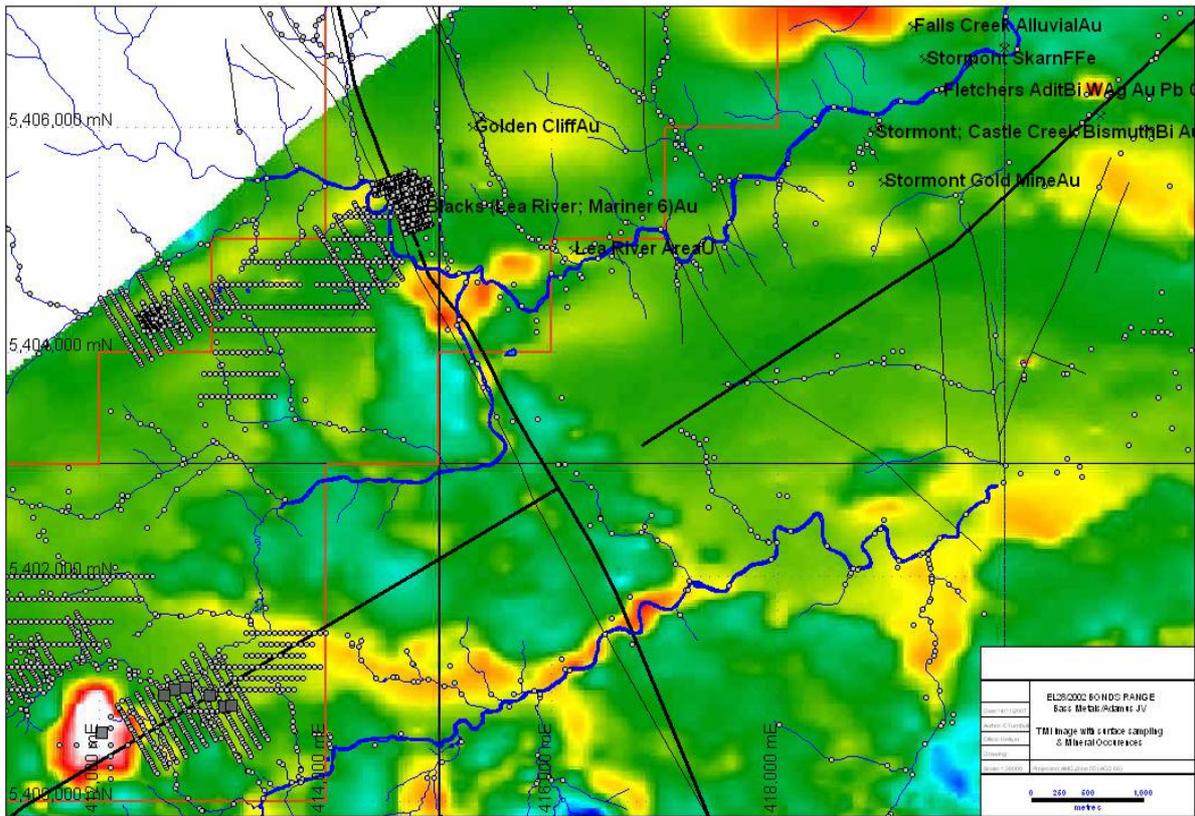
A review of available geophysical data was also conducted for the entire northern Bonds Range licence with special emphasis on the Iris River and Lea River areas. Prior to re-working the data, a number of soil samples were collected from the locations of the magnetic anomalies. Unfortunately results for samples from the Iris River anomaly were disappointing with Pb levels especially appearing almost depleted. The best explanation for the poor results is the known Tertiary basalt cover in that locality mapped across the entire width of the anomaly. Results for samples from the Lea River area are pending.

Despite the poor soil results, consultant geophysicist Jovan Silic was contracted to analyse the similarity between the magnetic features at the Iris River prospect and Lea River area with known skarns in the region related to the Dolcoath granite to the east. He concluded that the Iris River magnetic anomaly is most likely to be a magnetite rich intrusive, and the Lea River magnetic anomaly and the corresponding EM response do have a number of characteristics which could be associated with a skarn-type mineralised target.

In response to Jovan's findings, an additional drillhole has been proposed to test the Iris River magnetic anomaly as the possible source to the vein-style Pb-Zn-Ag-Au mineralisation drilled in BRD001. This cost of this hole will be substituted for one of the contingent holes in the phase two program. The total cost of the drilling program is estimated at approximately \$140,000.

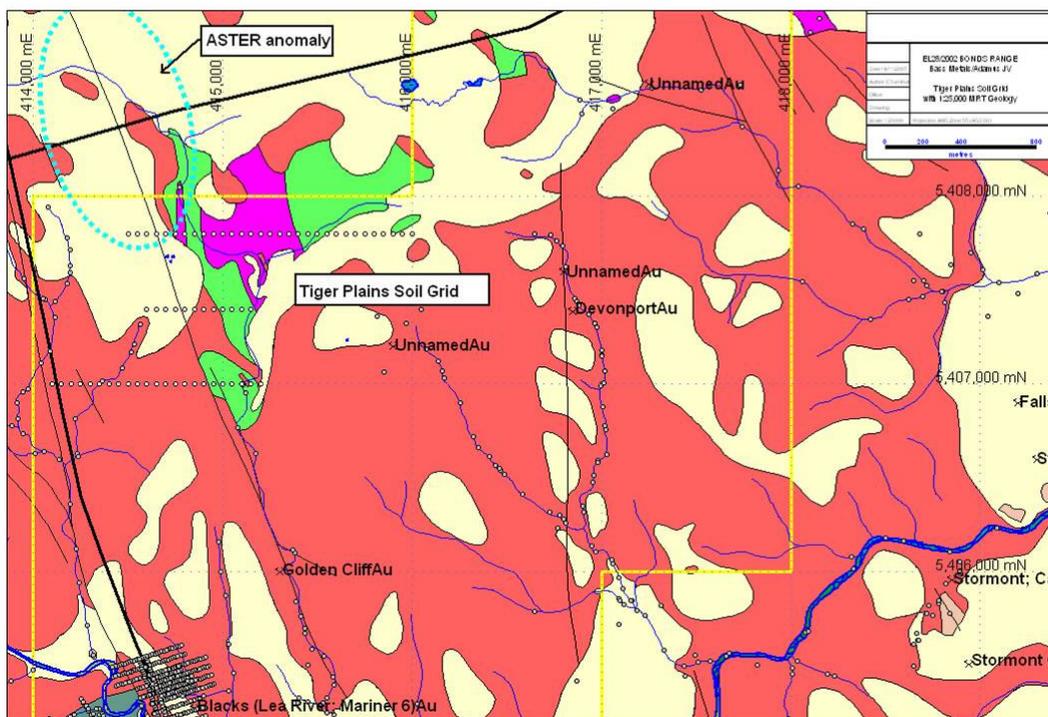
Jovan has also recommended the use of IP for identifying the vein-style galena-rich mineralisation encountered in drilling at Iris River.

**Figure 10. Soil sample locations and drilling in relation to magnetic anomalies at Iris River prospect and Lea River.**



Away from the Iris River prospect, a small soil geochemistry program over the Tiger Plains has been proposed to test an ASTER anomaly coincident with a major structure known to host minor gold mineralisation along strike (Figure 5). This work is estimated to cost \$28,000 and should take place in January 2008.

**Figure 11. Location of Tiger Plains soil grid in relation to major structures, known mineral occurrences and ASTER anomaly**



#### 4. PROPOSED WORK PROGRAMME

Exploration activities on the northern Bonds Range licence are dependent on the approval of an extension of the exploration licence. Extension will incur a new expenditure commitment and it is important that we drill the key holes at the Iris River prospect prior to determining the dollar amount and the decision to extend.

Assuming the extension of the licence is gained, activities will focus on three main areas;

1. Follow-up of successful drilling program with IP and further drilling.
2. Follow-up to significant results from Tiger Plains grid. Explore possible geophysical methods for identifying mineralisation.
3. Plan geochemistry/geophysics over Lea River area to identify possibility of skarn mineralisation similar to Stormont/Ti Tree gold mines.

## 5. ENVIRONMENT

The company has environmental policies in place that minimise the impact that exploration activities have on the environment. The policies include guidelines on how to reduce the risk of spreading plant diseases and weeds as a result of day-to-day exploration tasks.

The attached Environmental Activity Map in Figure 9 shows the location of the licence relative to conservation areas and all grid lines cut during the life of the tenement.

### Land Tenure

The Bonds Range Exploration Licence comprises:

- Conservation Area
- HEC Land
- Informal Reserve
- Nature Recreation Area
- Private Parcel
- State Forest

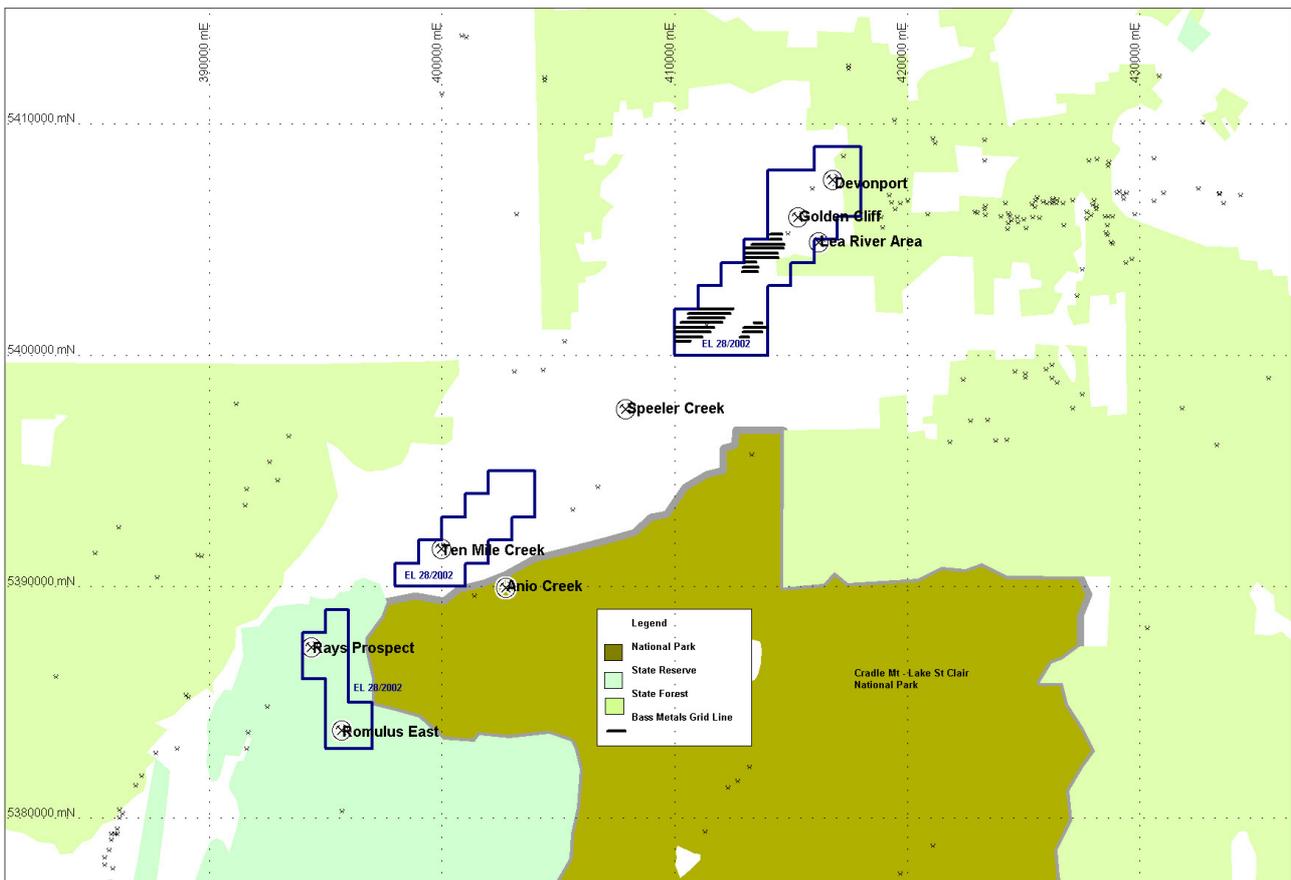


Figure 12. Environmental Activity Map.

## 6. EXPENDITURE

<b>Period Ending</b>	<b>Jan-06 to Jan-07</b>
<b>Administration</b>	
<b>Geology-Personnel &amp; Overheads.</b>	\$7,833.82
<b>Gridding</b>	
<b>Geochemistry</b>	\$1,228.42
<b>Geophysics</b>	
<b>Drilling</b>	\$16.65
<b>Feasibility Studies</b>	
<b>Rehabilitation</b>	
<b>Other – Safety Equipment</b>	
<b>Total - Eligible</b>	<b>\$9078.89</b>
<b>Cumulative Total</b>	<b>\$422,818.08</b>

Table 2. Expenditure 31 January 2007 to 30 January 2008.

*\*Expenditure does not include the figures for the months of December 2007 or January 2008. (Drilling is ongoing)*

Expenditure, for the period January 31<sup>st</sup> 2007 to January 30<sup>th</sup> 2008, consisted of the drilling of 3 diamond holes totalling 387.40m.

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