



**PARADISE RIVER PROJECT  
(PIEMAN RIVER GROUP)  
TASMANIA  
EL36/2005**

**ANNUAL PROGRESS REPORT  
27<sup>TH</sup> FEBRUARY 2007 TO 26<sup>TH</sup> FEBRUARY 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**

Bass Metals Ltd (BSM) commenced management of the Paradise River exploration licence (EL36/2005) on 26th February 2007. For the year ended 26<sup>th</sup> February 2008 work conducted on the licence has included -

- Review and compilation of historic exploration data
- Magnetic survey and gravity data for the area obtained

**Expenditure** – Reporting period \$3,792.52

Total to date \$6,578.97

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## **1. INTRODUCTION**

This report is a summary of the exploration activities conducted on the Paradise River exploration licence, EL36/2005 (Figure 1), for the period 27 February 2007 to 26 February 2008. The licence covers a total area of 17 km<sup>2</sup>. The Paradise River licence is subject to an exploration joint venture agreement between Bass Metals Ltd ("BSM") and Clancy Exploration Tasmania Pty Ltd. BSM is currently managing exploration of the licence from a base at the Hellyer Mine site.

### **1.1 Location and Access**

The Paradise River licence is located on the west coast of Tasmania, 6.5km South East of Corinna. Access to the area is via the sealed Waratah to Savage River Road then via an unsealed road to Corinna. Within the tenement access is via a limited number of 4wd tracks, which can be accessed mainly during dry weather, and tend to deteriorate rapidly when not maintained or during wet weather. Access to the majority of the tenement is on foot. Walking tracks and cleared gridlines are required in order to conduct the most basic field exercises.

The licence area can be found on the Meredith and Livingston 1:25,000 topographic map sheets.

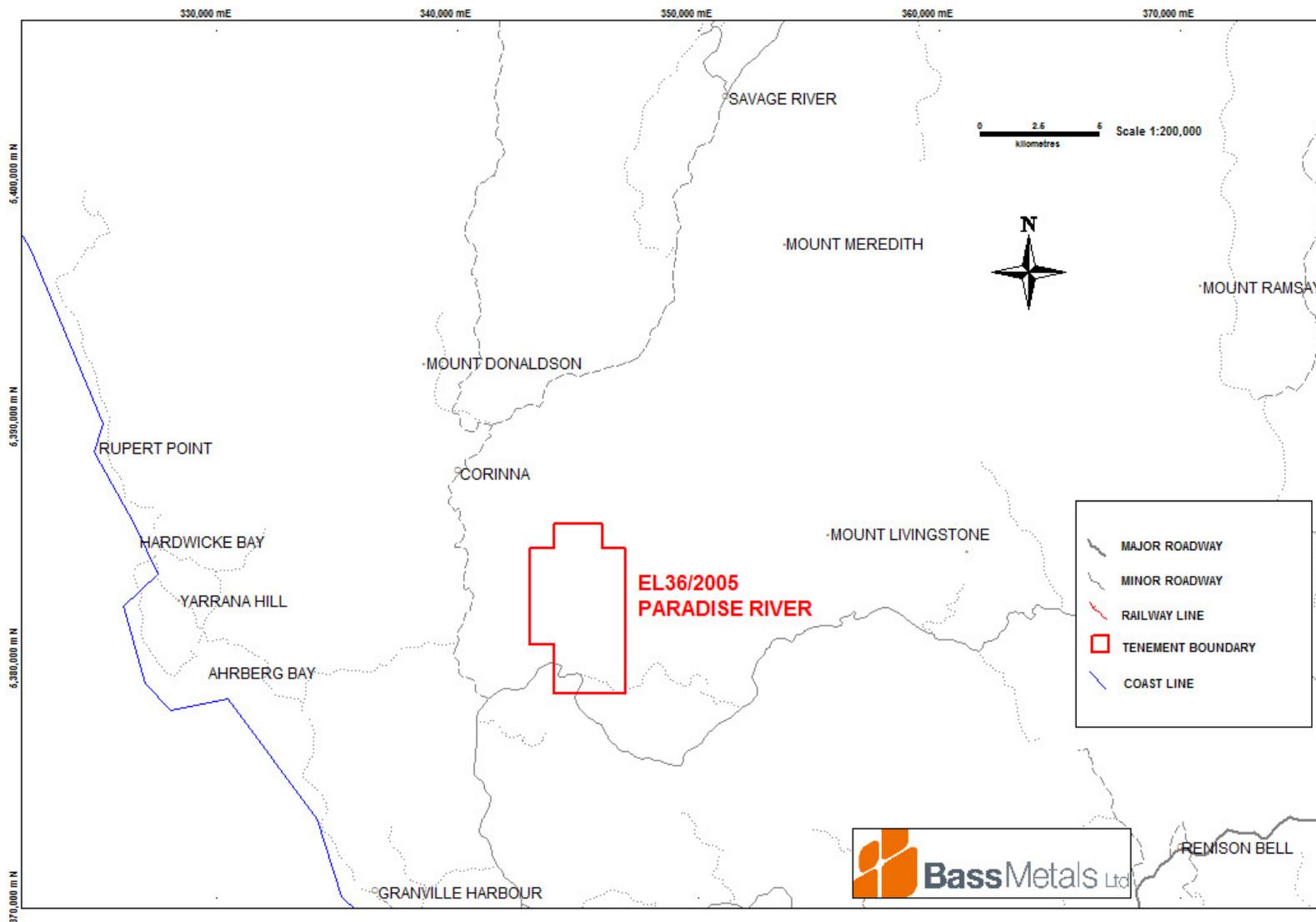


Figure 1. Paradise River Exploration Licence (EL36/2005) is located in north-western Tasmania.

## 1.2 Geology Overview

The Paradise River tenement is located in an area generally referred to as the Corinna Goldfields. The Corinna Goldfields are historically an area of significant alluvial gold production in north-western Tasmania. The Paradise River area is primarily composed of a sequence of Proterozoic meta-sediments which is common throughout the north-west of the state.

### 1.2.1 Tyennan Metamorphics

The constituent Proterozoic polydeformed metamorphic rocks of the Tyennan region are considered to comprise a complex stack of two metamorphic assemblages (one allochthonous), typically in mutual fault contact:

- a) A low-grade (up to greenschist facies) assemblage of metaquartzite and graphitic and chloritic metapelite
- b) A high-grade assemblage of garnetiferous schist-quartzite-(amphibolite), including mafic meta-igneous rocks with metamorphic grades up to eclogite.

The high-grade metamorphism is attributed to the Early Cambrian Tyennan Orogeny which was probably also responsible for some of the low-grade assemblage (Meffre *et al*, 2000).

### 1.2.2 Rocky Cape Group

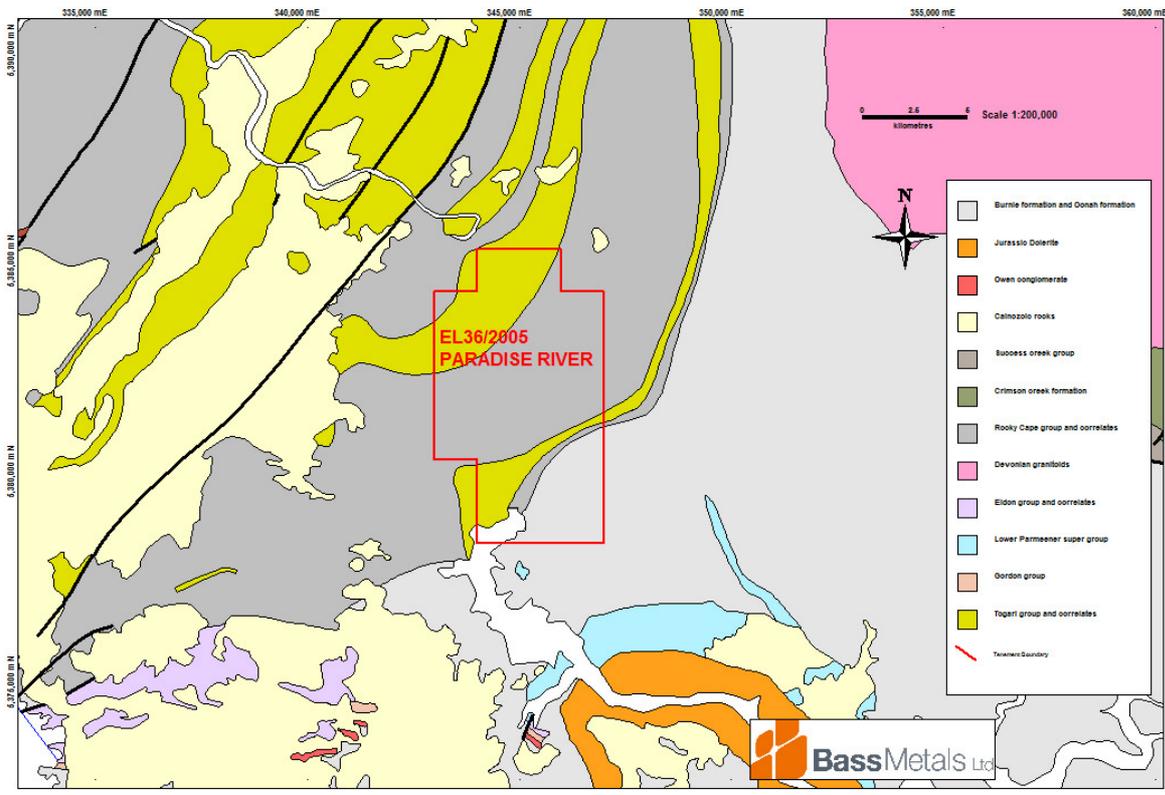
The Rocky Cape Group is considered to represent a block of autochthonous basement lying west of the limit of allochthon emplacement during the Tyennan Orogeny. It comprises a 10km thick sequence of cross-bedded quartz sandstone, laminated siltstone, pyritic shale, and minor dolomite, deposited in an open marine shelf environment varying from low-energy below storm wave base, to relatively high-energy above storm wave base.

### 1.2.3 Burnie and Oonah Formation

The Burnie and Oonah Formation is a thick, polydeformed Proterozoic quartzwacke turbidite succession, widespread in western Tasmania. The formation comprises of two lithological associations. The dominant quartzwacke turbidite association, which includes minor alkaline dolerite intrusions and lavas, consists of interbedded quartz sandstone, quartzwacke, siltstone and pelite. The secondary lithological association is predominately pelite and/or carbonate including mafic volcanics and conglomerate in some places. Near Zeehan this association is host to a number of Devonian vein, skarn and replacement-tin deposits, and at Mt Bischoff a dolomitic unit hosted major Devonian tin lodes (Seymour *et al*, 2006).

### 1.2.4 Parmeener Supergroup

Sediments of the Parmeener Supergroup represent Late Carboniferous to Late Triassic intrabasinal lithologies deposited unconformably on top of Late Devonian granites and older folded rocks. The Lower Parmeener Supergroup consists of mostly glacial and glaciomarine rocks, while the Upper Parmeener Supergroup consists of mostly fluvial and lacustrine sedimentary rocks (Seymour *et al*, 2006).



**Figure 2. Regional geology showing licence area boundary**

### **1.3 Exploration Rationale**

Although well prospected for alluvial gold and displaying a small amount of mining; this region was firstly regarded as un-prospective due to the fact that the majority of the lithology was Oonah quartzite and slate.

## **2. REVIEW OF PREVIOUS WORK - *prior to current tenement;***

### **2.1 Historical Mining**

There are no accurate historical records for the Corinna Goldfield as it is thought that most of the gold found was taken directly to Victoria. The first known gold discovery from the area was in 1879 with alluvial gold found at Middleton's Creek to the west of the current Paradise River tenement. By 1881 workings at Nancy Creek, Lucy Creek and Paradise River were all reporting the discovery of coarse gold.

In 1882 a 7.5kg gold nugget was recovered from 5-6 feet of gravel from Rocky River to the North. This area produced further finds of coarse gold until 1900 with notable nuggets of 30 and 39 ounces being unearthed. After the turn of the century (1900) small scale alluvial mining has been ongoing in the area until the present day. Historic hard-rock mining has been small scale and scattered with the largest mine being the Rocky River Mine which operated between 1895 and 1900. Modern day sampling conducted by a Goldstream-Titan JV showed the mineralization at the Rocky River Mine to be quite low grade.

### **2.2 Previous Exploration**

Mineralisation was first discovered in the area in 1879 with alluvial gold found at Middleton's Creek to the west of the current Paradise River tenement. The Paradise River area has historically been explored by several companies;

#### **Rio Tinto Exploration – Pre 1961**

- Conducted regional airborne magnetic surveys.
- Examined regional airborne magnetic anomalies identified as massive magnetite-pyrite mineralisation within the Bowry Member. Drilling of these targets resulted in the conclusion that the targets were of no further interest.

#### **Savage Resources – 1961 to 1988 (formerly Industrial and Mining Investigation)**

- Continued to examine the magnetic anomalies identified by Rio Tinto.
- Following the discovery of the Savage River Mine (Magnetite-Pyrite) exploration focused on similar deposits which resulted in the generation of some possible Fe resources (non-JORC compliant) in the area. The first being 30 Mt grading 28% Fe at Long Plains South and the other being the Rocky River Deposit of 4 Mt at 10-15% Fe. The Rocky River prospect is located on the Whyte River tenement to the north of Paradise River.
- Savage Resources continued to explore the area for a wide range of commodities including gold, diamonds and base metals.
- Some drilling of gold targets was conducted. Results from the drilling was generally un-encouraging, however a close association between magnetite and gold was noted.

#### **Outokumpu Exploration – 1991**

- Conducted exploration over the southern half of the current Whyte River tenement, and northern part of the Paradise River tenement.

- Work carried out included geological mapping, soil and rock chip sampling and limited amounts of stream sediment sampling.
- Minor anomalous gold and copper results were identified on the eastern boundary of the Bowry formation, whilst on the western boundary of the same formation magnetite-pyrite lenses return low values for gold and copper but up to 70% Fe.

#### **Fodina – 1993**

- Conducted eight profile traverses detailing geology between Rocky River and the Owen Meredith River.
- Information collected during these traverses included mapping geology, sampling rock chips and the B/C soil horizon and recording ground magnetic measurements.
- The sampling returned isolated anomalous value for both arsenic and gold.

#### **Goldstream/Titan Joint Venture – 1993 to 2002**

- During this period Titan Resources and Goldstream Mining commenced work under a joint venture agreement which cover most of the present Whyte River tenement.
- The exploration conducted during this JV is the first systematic search for the source of the alluvial gold present within the area.
- Initially stream sediments were investigated using a panned concentrate and a minus 80 mesh sieved sample from every site. The panned concentrate was to provide information on gold grain morphology, fineness and provide the variation in the abundance of gold through the surveyed area. The grain morphology studies indicated a proximal source for the alluvial gold.
- Some coarser gold grains were used in polished section studies to investigate inclusions in the grains.
- The inclusion and fineness studies both confirm the morphology studies results for a localized source for the alluvial gold.
- Helimag surveys at 50m line intervals were conducted, however the results of these surveys have only had minor initial processing.
- Later close-spaced (50m spacing) stream sediment sampling was conducted to determine prospect boundaries.
- Reconnaissance diamond drilling, C horizon soil sampling and rock chip sampling from the southern adits and hydraulic workings from Lucy Spur were also completed by Goldstream/Titan.
- From stream sediment sampling south of the Owen Meredith River it was determined that this area of the Bowry Formation is not prospective for gold.

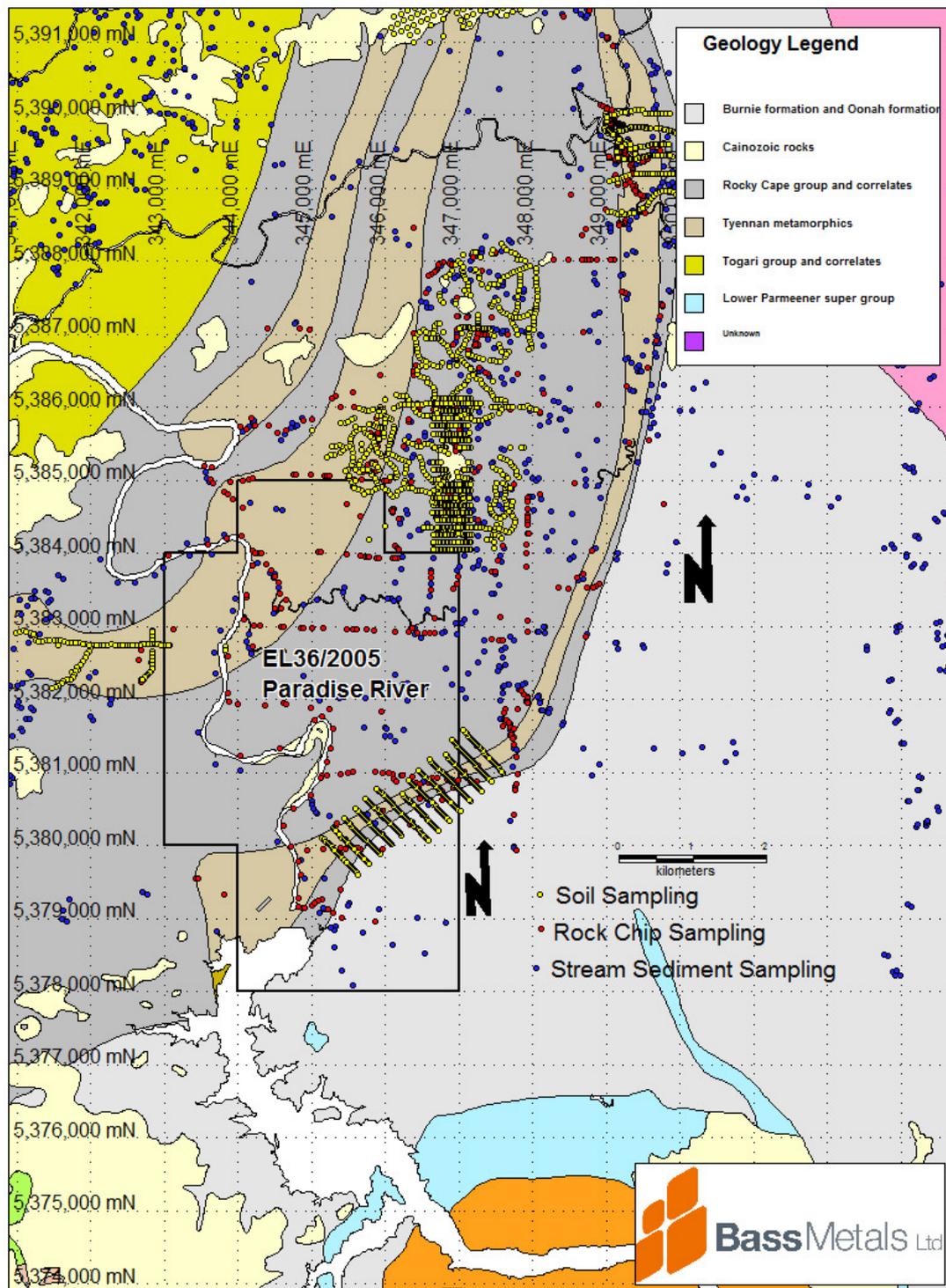


Figure 3. Historic exploration activity showing geochemical sampling

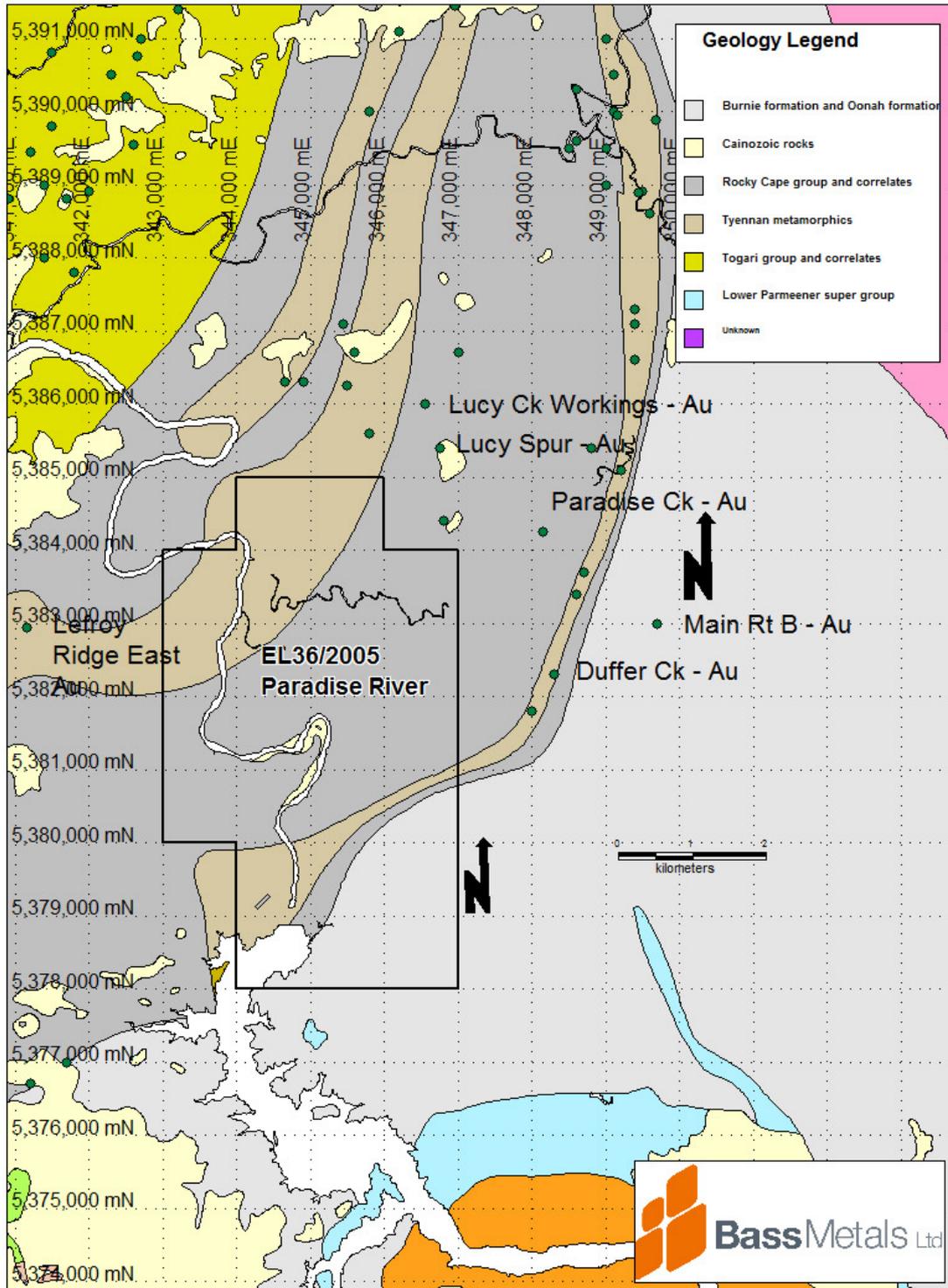


Figure 5. Historic known deposits in the area

#### **4. Current Work; Exploration completed during the report period (27th Feb 2007 – 26<sup>th</sup> Feb 2008).**

##### **4.1 Bass Metals Ltd.**

During the reporting period BSM have undertaken the following preliminary exploration activities -

- Compilation of historical exploration data
- Review of reports relevant to the Paradise River tenement and surrounding areas
- Downloaded magnetic survey data for the area.
- Gravity data was downloaded for the area covering the tenement from the Geoscience Australia website.

##### **4.2 Geoinformatics Geological Modelling & Targeting**

Paradise River was pending during the Geoinformatics 1B and Stage 2 Intervention projects (involving capture of historical data, 3D geological modeling, and probabilistic targeting using Monte Carlo analysis) and as such, no targets were generated for this area.

#### **4. PROPOSED EXPLORATION**

Proposed exploration over the next year on the Paradise River license includes;

- Review gold potential at structural intersections, map, rock-chip programs
- Review Ni potential of ultramafics, mapping and rock-chip programs
- Assess potential of magnetic anomalies for Savage River style magnetite resources

#### **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.

No field work has been conducted at the Paradise River exploration licence by BSM at this point in time.

The attached Environmental Activity Map (Figure 6) shows the location of the Exploration Licence relative to conservation areas. It is a condition of the Licence that the Company observe the request by the Tarkine National Coalition Inc. to adopt strict entry protocols to prevent the spread of *Phytophthora Cinamomi* and/or Myrtle Wilt. BSM have appropriate hygiene measures in place to comply with these requests as outlined in the Mineral Exploration Code of Practice.

#### **Land Tenure**

The Paradise River Exploration Licence comprises:

- CAR Reserve System Informal Reserve
- Hydro Electric Corporation Land
- Regional Reserve
- State/Multiple Use Forest
- Tasmanian Community Forest Agreement Area



## 6. EXPENDITURE

| February 2007 - February 2008        |                                |                   |
|--------------------------------------|--------------------------------|-------------------|
| <b>Geoscientific Costs</b>           | <b>Geology</b>                 | 3,301.00          |
|                                      | <b>Geochemistry</b>            |                   |
|                                      | <b>Geophysics</b>              |                   |
|                                      | <b>Remote Sensing</b>          |                   |
| <b>Drilling &amp; Gridding Costs</b> | <b>Gridding</b>                |                   |
|                                      | <b>Drilling</b>                | 6.00              |
|                                      | <b>Land Access Costs</b>       |                   |
|                                      | <b>Rehabilitation Costs</b>    |                   |
|                                      | <b>Feasibility Study Costs</b> |                   |
|                                      | <b>Other Costs</b>             | 403.00            |
|                                      | <b>Admin Costs</b>             | 83.00             |
|                                      | <b>Total - eligible</b>        | <b>\$3,792.52</b> |

**Table 1. Expenditure 27<sup>th</sup> February 2007 to 26<sup>th</sup> February 2008**

Expenditure, for the twelve months 27<sup>th</sup> February 2007 to 28<sup>th</sup> February 2008, has primarily been taken up with investigation and processing of existing available data.

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