



ABN 31 109 933 995

**BONDS RANGE PROJECT
TASMANIA
EL28/2002**

**ANNUAL REPORT FOR PERIOD
31ST JANUARY 2008 TO 30TH JANUARY 2009**

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Distribution:

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Note: All figures and grids are according to the GDA94, Zone 55 datum.

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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 2008 to 30 January 2009.

Activities during the reporting period include;

- Diamond drill holes BRD004 – BRD007 completed with 243.5m. No significant mineralisation intersected.
- 4.25km of gridding comprising the Tiger Plains soil grid saw 75 c-horizon soil samples collected in this helicopter assisted program.
- Geological mapping of the soil lines was undertaken and this largely confirmed the available government geological mapping. Rock chip samples were submitted from this area. No significant anomalism detected.
- Relinquishment of 24km²
- Field reconnaissance of the Lea River area, undertaking review of the geophysical signature of known skarn occurrences in the area.
- Rehabilitation was undertaken of sumps and scarifying of created tracks.
- Proposal of 3.3km of line cutting for the completion of an IP Survey

Expenditure – Reporting period \$148,517.32

Total to date \$569,499.04

**Expenditure reported is up to and including 30th November 2008*

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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 2008 to 30 January 2009. The licence covers a total area of 30km² and is due to expire on the 31st 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 (e.g. 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 106km² to three blocks that total 54 km² in area. The licence area can be found on the Sophia and Hellyer (1:100,000) map sheets. A partial relinquishment at during the 6th year resulted in the licence area being reduced once again to 30km² retaining only the most northern licence block.

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.

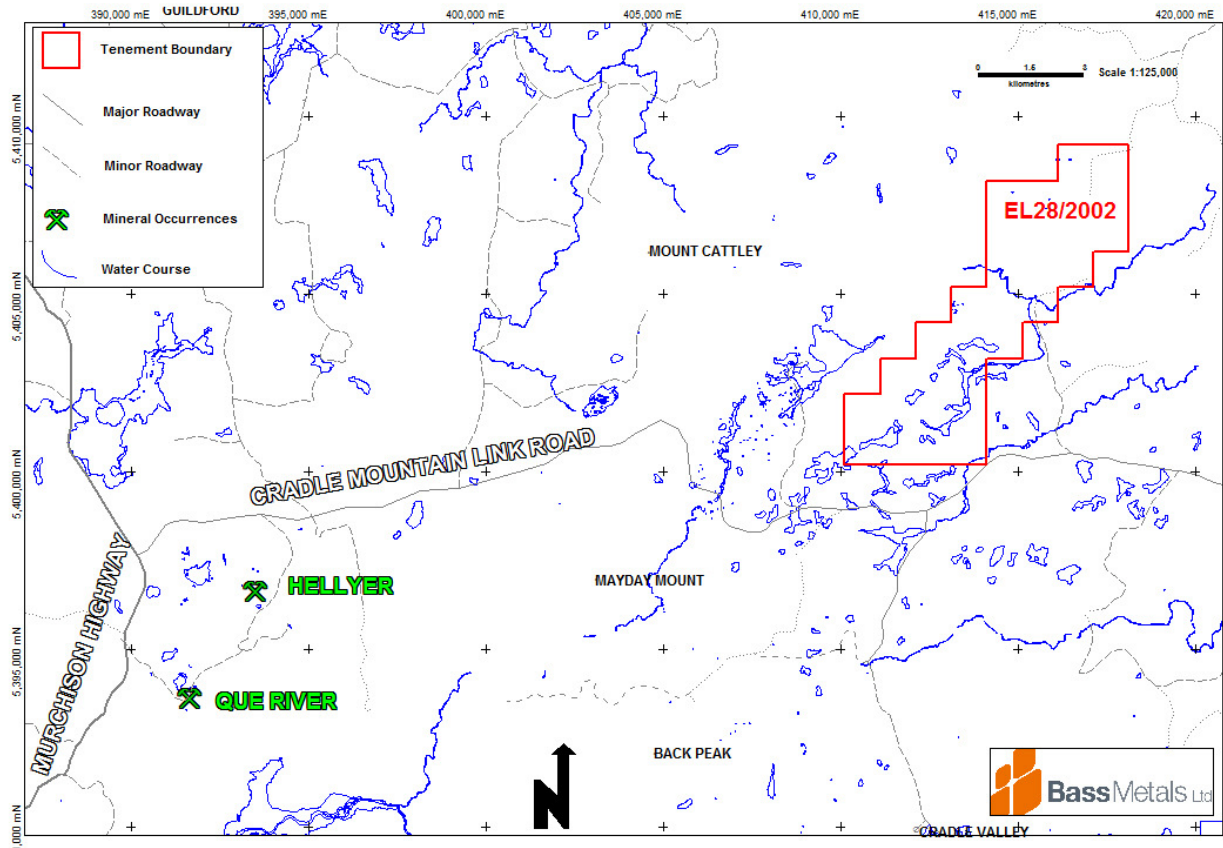


Figure 1. Bonds Range Tenement (EL28/2002), including major roads & towns and deposits in the vicinity

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 crop out over the southern half. Refer to the Regional Geology Map in Figure 2.

1.2.1 Mount Read Volcanics

The Mount Read Volcanics (MRV) is 10 to 20km wide and has a strike length of 250km. To the east of this belt lies the Dundas element and to the west lies the edge of the Tyennan Block. The MRV consist of underwater eruptions interbedded with sediment. The volcanic, volcanoclastic and sedimentary rocks of Mid-Cambrian age contain lavas ranging from basic through to intermediate to acid and reside along with volcanic clastics such as breccia, pumice and intrusions. The massive sulphides were formed by hot springs on the sea floor and have become major ore deposits for lead, zinc, silver and copper, while the breccia contain pieces of andesite massive sulphide and dacite. Tectonism was in the vicinity of the east-west extensional during the Mount Read deposition, as recorded by the orientation of the hydrothermal veins and dykes in the Hentley Fault Zone (Gemmell and Large, 1992)

Andesite Occurrence

The licence block is mapped as having and 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.

Central Volcanic Complex

The main mineralised belt of the MRV is the Central Volcanic Complex (CVC), which is dominated by rhyolite and dacite flows, domes and cryptodomes and massive pumice breccias, andesite and rare basalt (hyaloclastites, lavas and intrusive rocks). This belt was deposited in a marine environment (Corbett, 1989; 1992; 2002; Gifkins and Kimber, 2003),

Eastern Quartz-Phyric Sequence

Flanking the CVC to the east is the Eastern Quartz-Phyric Sequence (EQPS), containing quartz-feldspar-phyric lavas, volcanoclastic sandstone, intruded by magnetite series granites. The basal unit consists of Precambrian-derived conglomerate and sandstone which gradationally passes upward into volcanoclastic sandstone.

Western Volcano-Sedimentary Sequence

A small area in the licence block is mapped as belonging to the Western Volcano-Sedimentary Sequence. This unit is coeval with the CVC of the MRV though older than the above Tyndall Group. It is described as including beds of lithwacke 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. It hosts a quartz-hematite stockwork (containing gold mineralisation) at Ten Mile Creek.

Tyndall Group

The WVS are overlain by the Tyndall Group of quartz-bearing volcanoclastic sandstone and conglomerate of andesitic and mixed felsics. With the andesite, minor felsic, andesitic lavas welded ignimbrite and intrusive rocks toward the base. (White and McPhie, 1996) Before the deposition of the Tyndall group local erosion took place depositing clasts of altered volcanic and granite in the basal Tyndall Group in the Mount Darwin area (Corbett, 2002; Morrison, 2002)

1.2.2 The Owen Group

The Owen Group is Cambrian to Ordovician in age and sits unconformably on the MRV. The unit typically includes large volumes of coarse siliciclastic conglomerate composed dominantly of metaquartzite clasts derived from the Tyennan Proterozoic sequences, 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.

1.2.3 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.

1.2.4 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).

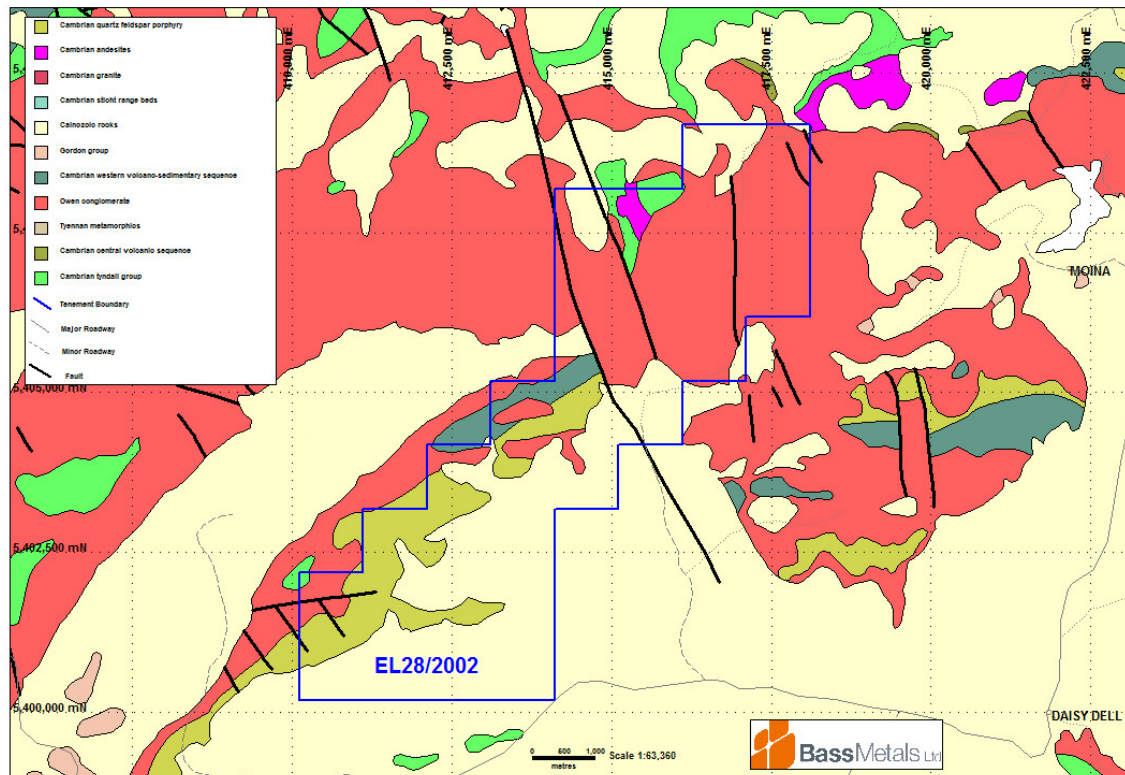


Figure 2. Regional Geology showing Licence Area boundaries, roads and towns.

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.

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).

2.3 During Current Licence Area Pre 31st 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 31st January 2006 to 30th 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 this technical report for a summary Geoinformatics report.

2.5 Exploration completed 31st January 2007 to 30th January 2008 (BSM)

A 3 hole diamond drilling program 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.

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)

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 sulphide 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 sulphide mineralisation.

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.

Infill soil sampling

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. 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.

Refer to previous annual report for details on exploration for this reporting period.

3. EXPLORATION COMPLETED – CURRENT REPORTING PERIOD

31st January 2008 to 30th January 2009

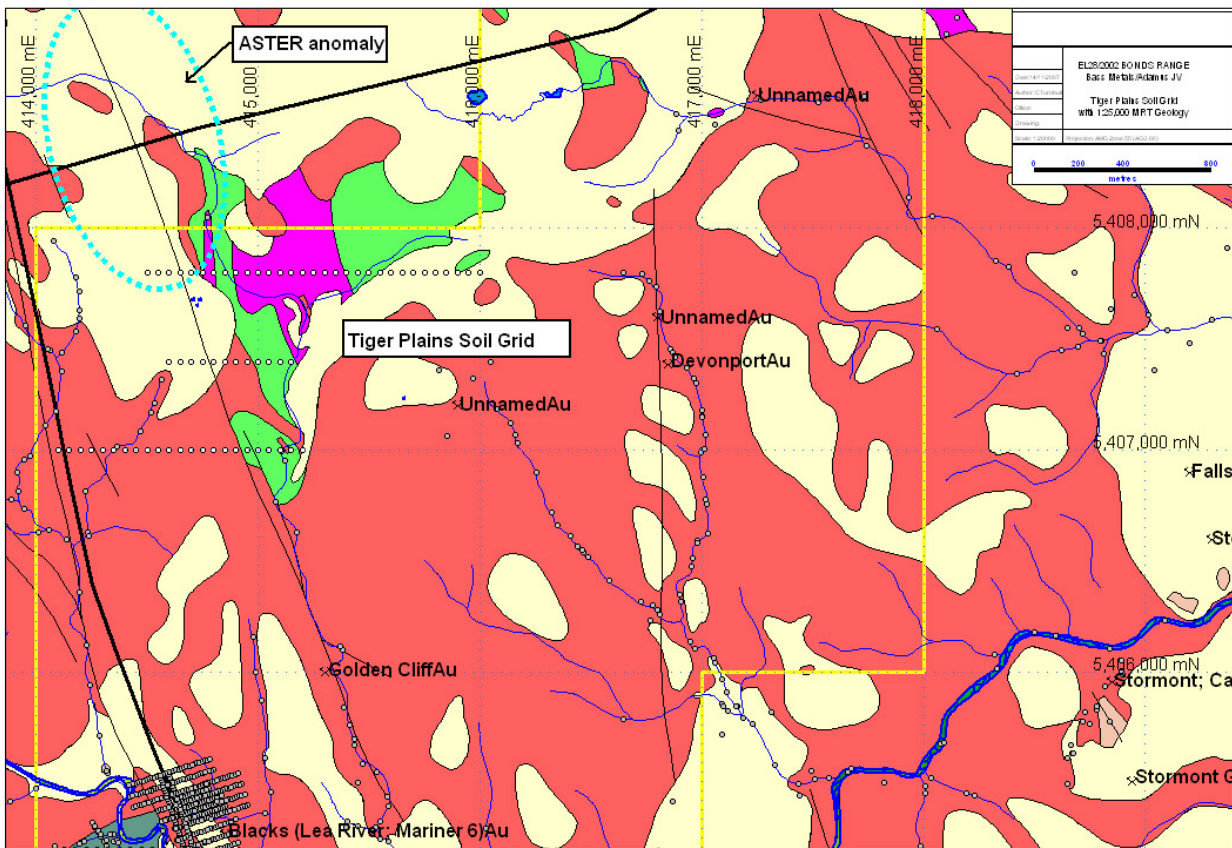
Diamond Drilling -

This program was 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. Drill holes BRD004 – BRD005 were completed with 226.2m drilled. Both holes encountered highly fractured quartz-feldspar porphyry (Bonds Range Porphyry) with discrete zones 30-100cm wide of propylitic/phylic (chlorite-sericite-quartz-clay-pyrite) alteration associated with two stages of veining including earlier quartz+chlorite+pyrite+galena+arsenopyrite and later(?) quartz+carbonate+/- albite+/-pyrite+galena veins. No significant mineralisation was encountered, and a sectional interpretation concludes that together with BRD003 the lead surface anomaly has been completely drill tested across and along strike. Of geological interest, faulting identified in BRD003 and possibly BRD005 is thought to represent the interpreted NE-SW oriented fault modelled by Geoinformatics which intersects the Iris River magnetic anomaly along strike of the west.

BRD006 – BRD007 (2 holes) completed, with 217.3m drilled. As expected, BRD006 collared in Tertiary basalt, but failed to pass into the interpreted 'magnetic intrusive'. Alternatively, the basalt exhibited moderate to strong magnetism to a depth of 85m explaining the magnetic anomaly. The hole passed through the basalt into saprolitic Bonds Range porphyry with no indication of mineralisation or associated alteration and hence the hole was abandoned at 89.9m. BRD007 was designed to test the mineralised vein encountered in holes BRD001 and BRD002 approximately 100m along strike. Unfortunately only discrete alteration and mineralisation was intercepted in the hole culminating in a 10cm galena vein at 119.8m depth. For this reason the mineralisation is considered to be of insufficient quantity and too inconsistent to warrant further work at this point.

Soil Geochemistry Program -

A soil geochemistry program over Tiger Plains was proposed and approved last reporting period to test an ASTER anomaly coincident with a major structure known to host minor gold mineralisation along strike. The Tiger Plains soil grid (4.25km of gridding) saw 75 c-horizon soil samples collected in the helicopter assisted program. The highest Pb value was 403ppm and 227ppm Zn. This anomaly is coincident with observed trace amounts of pyrite and patchy albite alteration within the Tyndall Group andesite. Anomalism on the southern line is consistent with outcropping pyrite-sericite altered volcanic approximately 20m south of this grid line. Refer to Appendix 6 for assay results and figure 3 for sample locations.

Figure 3. Tiger Plains geochemical sample locations**Geological mapping -**

Geological mapping of the soil lines was undertaken, and this largely confirmed the available government geological mapping. A feature not recorded by the existing mapping was discovered in a creek near the southern most grid-line. This comprised outcropping sericite-pyrite-silica altered Tyndall Group volcanoclastics. This outcrop had approximately 12m extent down the creek which traversed the interpreted trend of stratigraphy at a low angle. Rock chip samples were submitted from this area. Refer to table 1 below for results.

Table 1. Tiger Plains Rock Chip samples

Sample	Cu	Pb	Zn	Ag	As	Fe	Tl	Sb	Au
	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm
147729	44	50	103	2	23	2.33	<1	25	0.02
147730	49	47	64	1	106	3.60	1	30	0.02
147731	80	18	24	2	57	5.54	<1	41	0.03

Low-level Pb and Zn anomalism is observed (Figure 4 and 5) the highest Pb value is 403ppm and Zn, 227ppm. This anomalism is coincident with observed trace amounts of pyrite and patchy albite alteration within Tyndall Group andesite.

Anomalism on the southern line is consistent with outcropping pyrite-sericite altered volcanics approximately 20m south of this grid line (rock chip results reported in the March eom report).

The low level of the anomalism (anomaly generally defined at a >150ppm Pb+Zn), lack of coincident Au, Ag, As, Sb; and the lack of intense alteration in the andesite suggests that the Tiger Plains area does not require follow-up work.

Figure 4. Tiger Plains Soil grid coloured for Pb (ppm), yellow dashed polygon indicating potential extent of the soil anomaly.

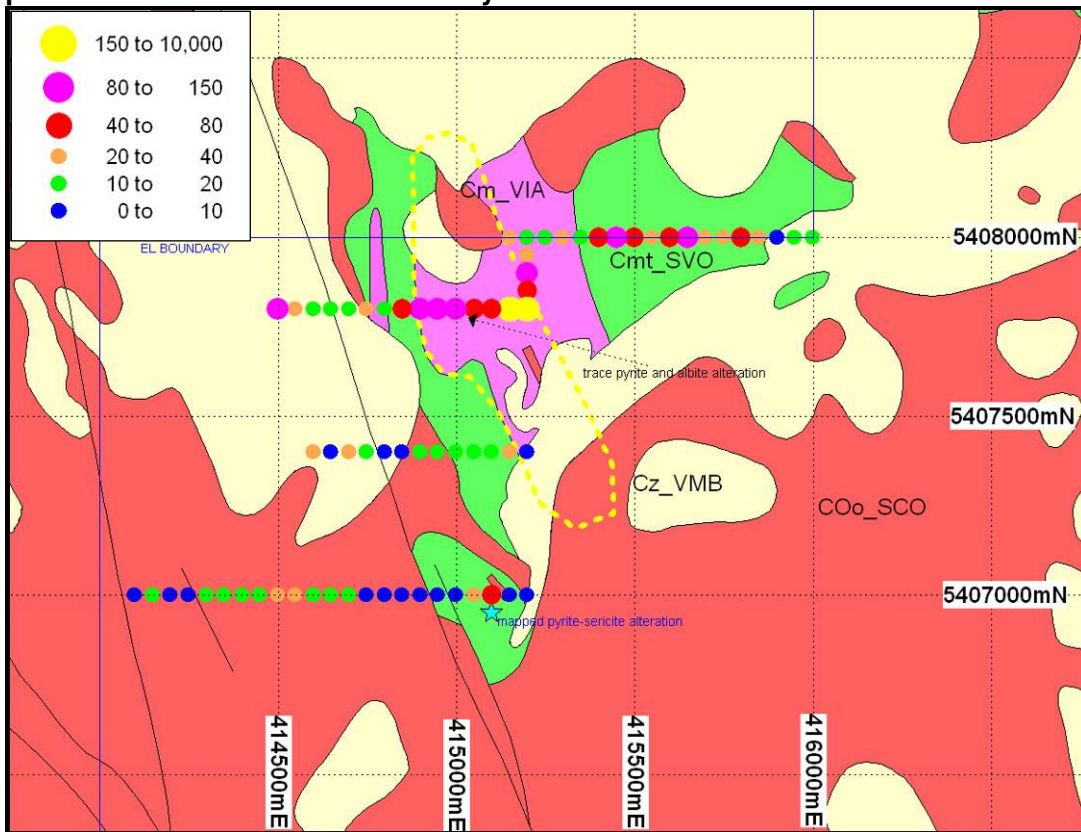
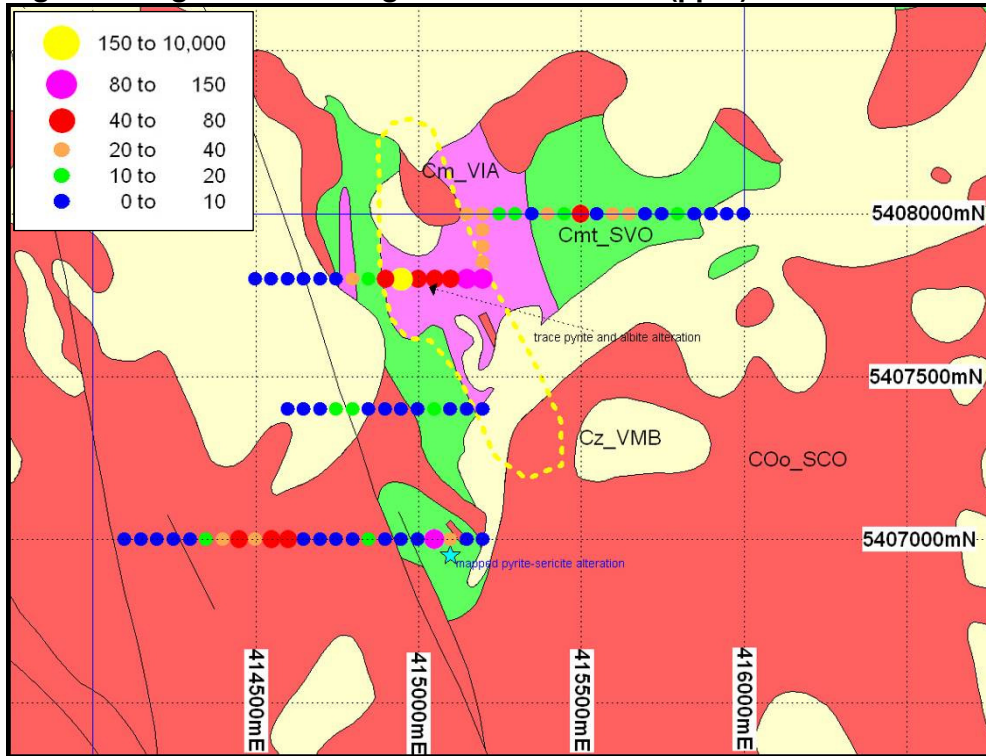


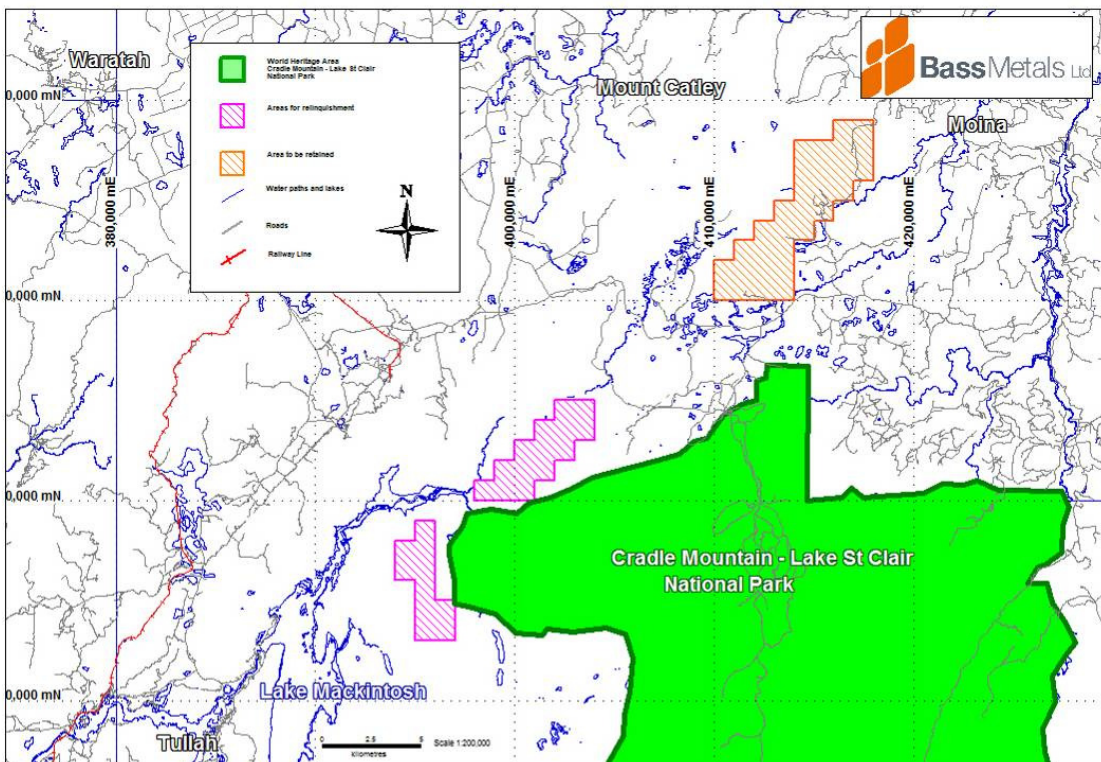
Figure 5. Tiger Plains Soil grid coloured for Zn (ppm)



Partial Relinquishment -

Relinquishment of 24km². The area underwent a review process and a decision was made to relinquish both of the southern tenements. These 2 areas lacked any targets including the 7 VHMS style targets generated by Geoinformatics. This partial relinquishment was approved by Mineral Resources Tasmania on 4th November 2008.

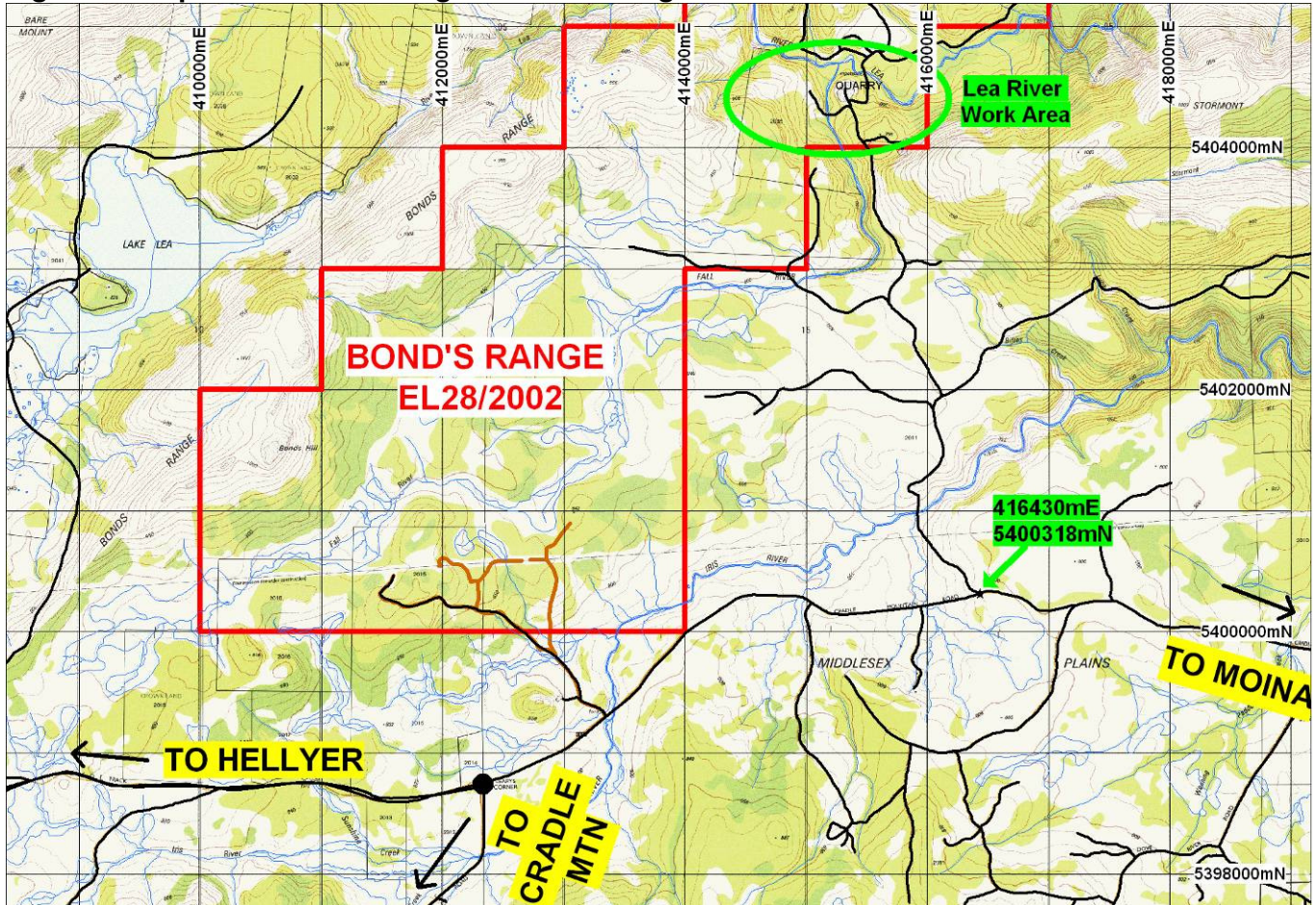
Figure 6. Plan of the Bond's Range exploration licences with areas relinquished coloured magenta.



Field reconnaissance -

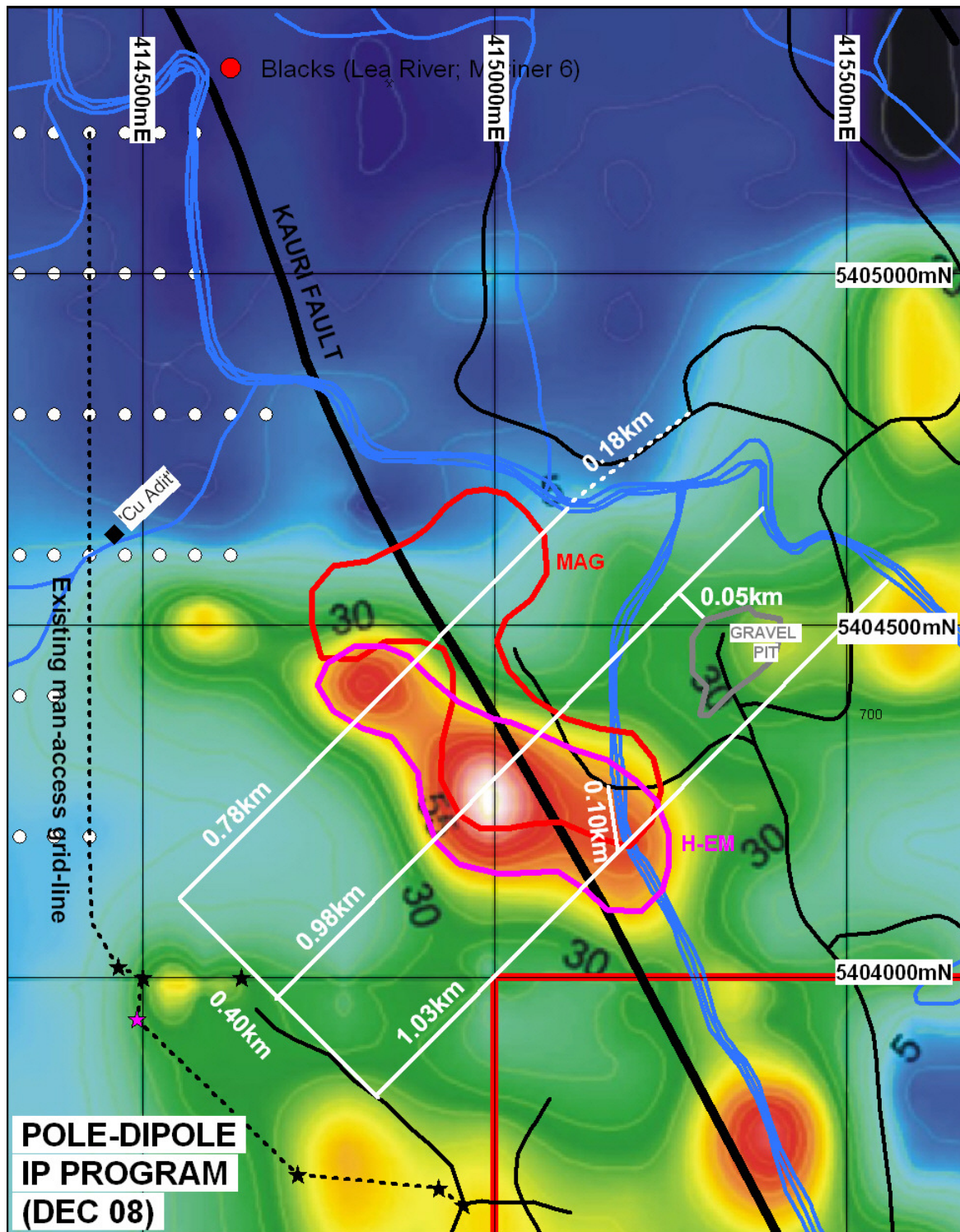
Field reconnaissance of the Lea River area has begun with the aim of testing the potential skarn occurrence situated in the same structural and stratigraphic setting as the nearby historical Black's Gold Mine, Stormont Gold Mine, and Skarn Au-Bi-Ag-Pb-Zn mine

Figure 7. Map of the Bond's range area indicating the Lea River area



- A review of the geophysical signatures of known skarn occurrences in the area identifies the Lea River anomaly as a prospective target in that there is coincidence of both EM and Mag response and the EM response is situated within a broader magnetic anomaly (Figure 8)
- The target area is under tertiary basalt cover (Figure 9) and glacial till and it is therefore possible that the magnetics is reflecting the distribution of basalts. However the coincidence of the anomalism with the regional Kauri Fault and the recognition of historical gold workings within 1km along strike on this fault (Figure 8) suggest that this target is worthy of follow-up.

Figure 8. Image illustrating the IP grid (white) proposed to test the coincident EM/Magnetic anomaly in the lea River area. Background image is EM. Red polygon indicates the coincident magnetic anomaly.

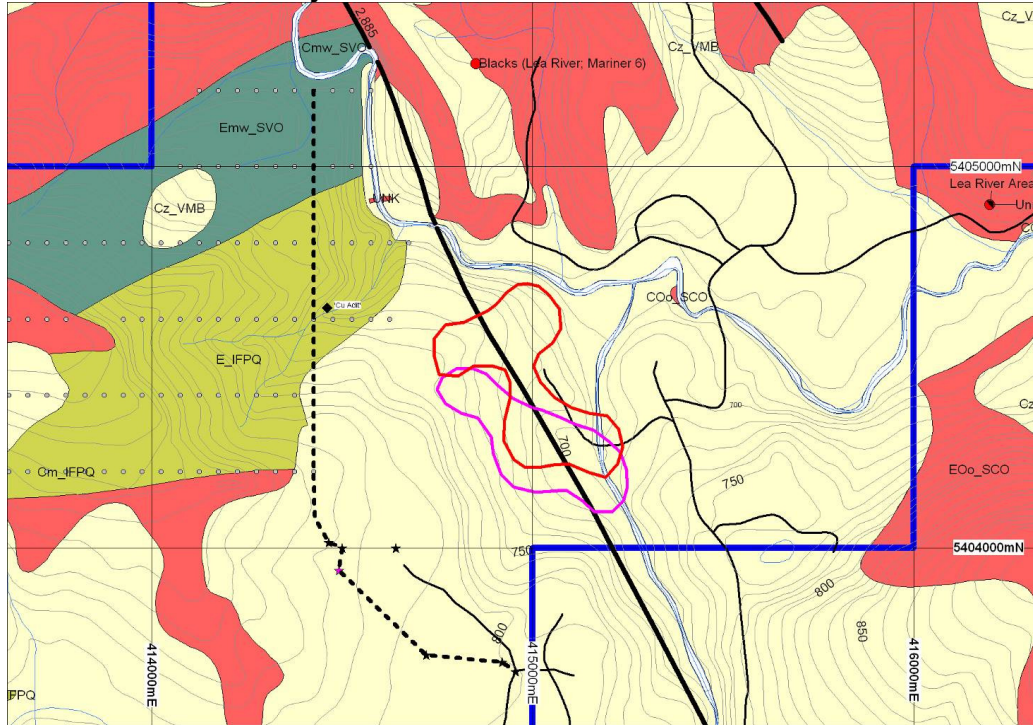


The Black's Mine area (ca. 1900) approximately 1km to the northwest of the target area (Figure 8) comprised quartz-specular hematite-pyrite veins which carried free gold. The veins were hosted in the Moina sandstone ('Tubicular Sandstone' of Twelvetees – 1913) which also hosts the nearby Stormont Gold deposit and further afield, the Beaconsfield Gold Mine.

Sampling from the mine, whilst active, yielded between 3 and 14dwt (4.7 – 21.8g/t)Au and more recent sampling of material on the mine dumps by Geopeko geologists yielded a best result of 68g/t

Au. Geopeko found that IP mapped the anomalous gold distribution in soils due to the presence of pyrite in the ore-veins.

Figure 9. Geology of the Lea River area with the magnetic anomaly (red) and EM anomaly (magenta) appended. Note the large area of Cenozoic cover over the target area and coincidence of the anomalies with the Kauri fault (heavy black line). The heavy blue line indicates the tenement boundary.



The coincident EM and Magnetic anomaly situated on the regional Kauri Fault is considered sufficient for follow-up with ground geophysics. An IP survey has been approved and is explained in detail in the proposed work program and Appendix 5.

Rehabilitation -

Rehabilitation was undertaken of sumps and scarifying of created tracks created for the diamond drilling program that was completed during this reporting period.

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 undertake the proposed IP survey 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. The recently submitted proposal for the development of a 3.3km grid for execution of an IP program in the central region of EL28/2002 has been approved for the assessment of the Lea River skarn area. This area comprises a coincident EM and Magnetic anomaly (obtained from the Hummingbird EM data) which is considered to have a skarn-like geophysical signature. The IP will be used to detect for the presence of sulphides in the target area and will determine the prospectivity of the prospect for either vein-hosted gold or skarn-mineralisation. The grid cutting will be undertaken by Bass Metals Ltd employees and will be kept to minimal width to only enable man-access. Quad bike access will be available up to the southern corner of the grid. This program began in mid-December and data and interpretation will not

be available until mid-January 2009. Please refer to attached letter dated 31st October 2008. (Appendix 5)

2. Assessment of the Black's and Golden Cliffs Au mineral occurrences/historical mines.
3. A further relinquishment of 18.75km² is also anticipated for this coming year. (Refer to submitted Partial Relinquishment Report)

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 10 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

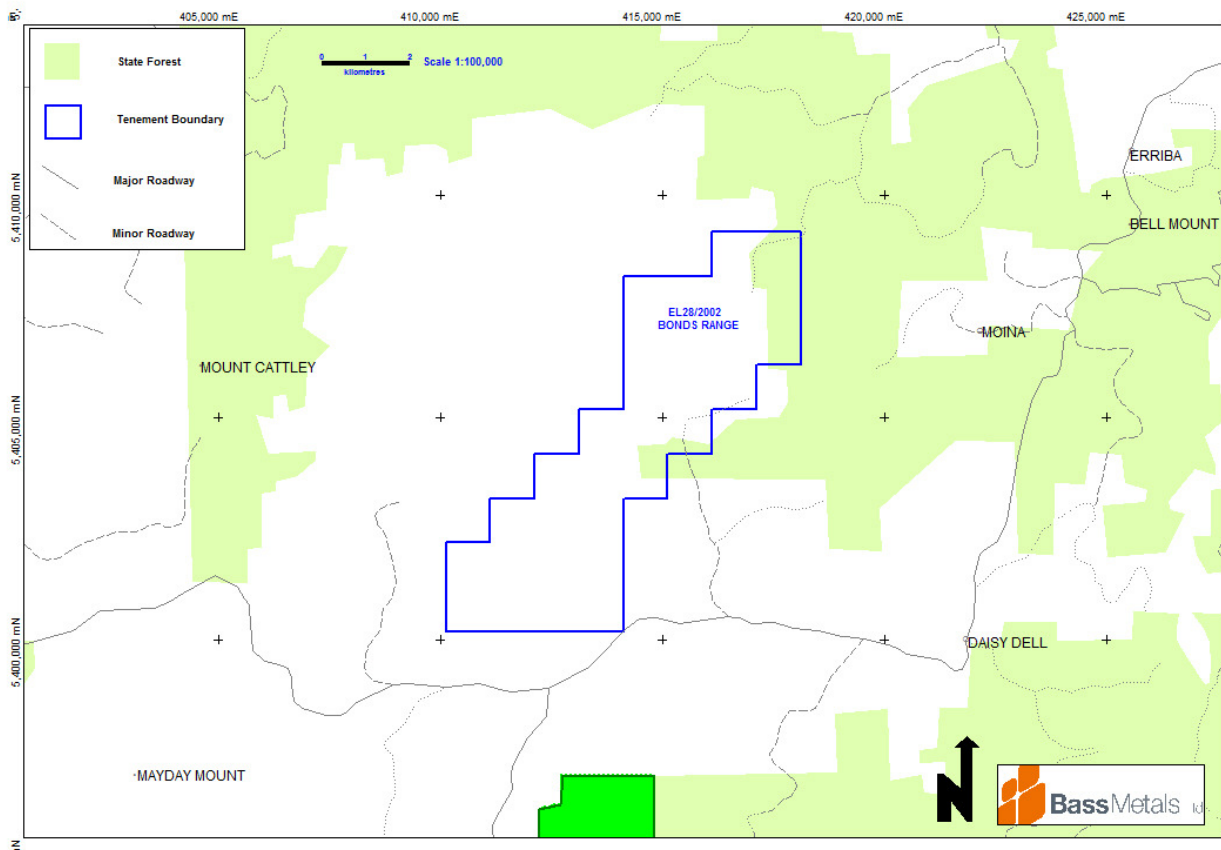


Figure 10. Environmental Activity Map

6. EXPENDITURE

January 2008 - January 2009		
Geoscientific Costs	Geology	114,333.54
	Geochemistry	19,046.49
	Geophysics	
	Remote Sensing	
Drilling & Gridding Costs	Gridding	1,251.03
	Drilling	13,385.35
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	340.91
	Admin Costs	160.00
	Total - eligible	148,517.32

Table 2. Expenditure 31 January 2007 to 30 January 2008.
 **Expenditure reported is up to and including 30th November 2008

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APPENDIX 1 – Collar File (BRD004 – BRD007)

APPENDIX 2 – Assay File (BRD004 – BRD007)

APPENDIX 3 – Survey File (BRD004 – BRD007)

APPENDIX 4 – Lithology Logs (BRD004 – BRD007)

APPENDIX 5 – Exploration proposal & approval documents

APPENDIX 6 – Assay Results – Tiger Plains geochemical sampling