

**GRANITE TOR PROJECT
(NORTH ROSEBERY GROUP)
TASMANIA
EL30/2008**

**FINAL REPORT
18TH NOVEMBER 2008 TO 23RD JANUARY 2009**

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Mineral Resources Tasmania
Bass Metals Ltd
Clancy Exploration Ltd

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The conclusions and recommendations expressed in this report / table represent the opinions of the Authors based upon the data available and provided to them. The opinions and recommendations provided from this information are in response to a request from the client and no liability is accepted for commercial decisions or actions resulting from them.

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

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ABSTRACT

Bass Metals Ltd (BSM) commenced management of the Granite Tor exploration licence (EL30/2008) on 11th November 2008. For this reporting period work conducted on the licence has included -

- Desktop review of data and access
- Review for full relinquishment

Expenditure – Reporting period \$12,400.36

Total to date \$12,400.36

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1. INTRODUCTION

This report is a summary of the exploration activities conducted on the Granite Tor exploration licence, EL30/2008 (Figure 1), for the period 11 November 2008 to 23 January 2009. The licence covers a total area of 127 km². The Granite Tor 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

13km East of Tullah, extending to the Western boundary of the Cradle Mountain-Lake St Clair National Park. The tenement covers 127km² of what is known as the Granite Tor area. Topographically majority of the area is quite rugged with drainage into the Mackintosh River in the North and the Murchison River to the South. Vegetation consists of mainly button grass to dense rainforest. Access is via foot or helicopter only. The Granite Tor tenement can be found on the boundary of the Burnie and Queenstown 1:250,000 geological sheets and is partially covered by the Mackintosh 1-mile geological map.

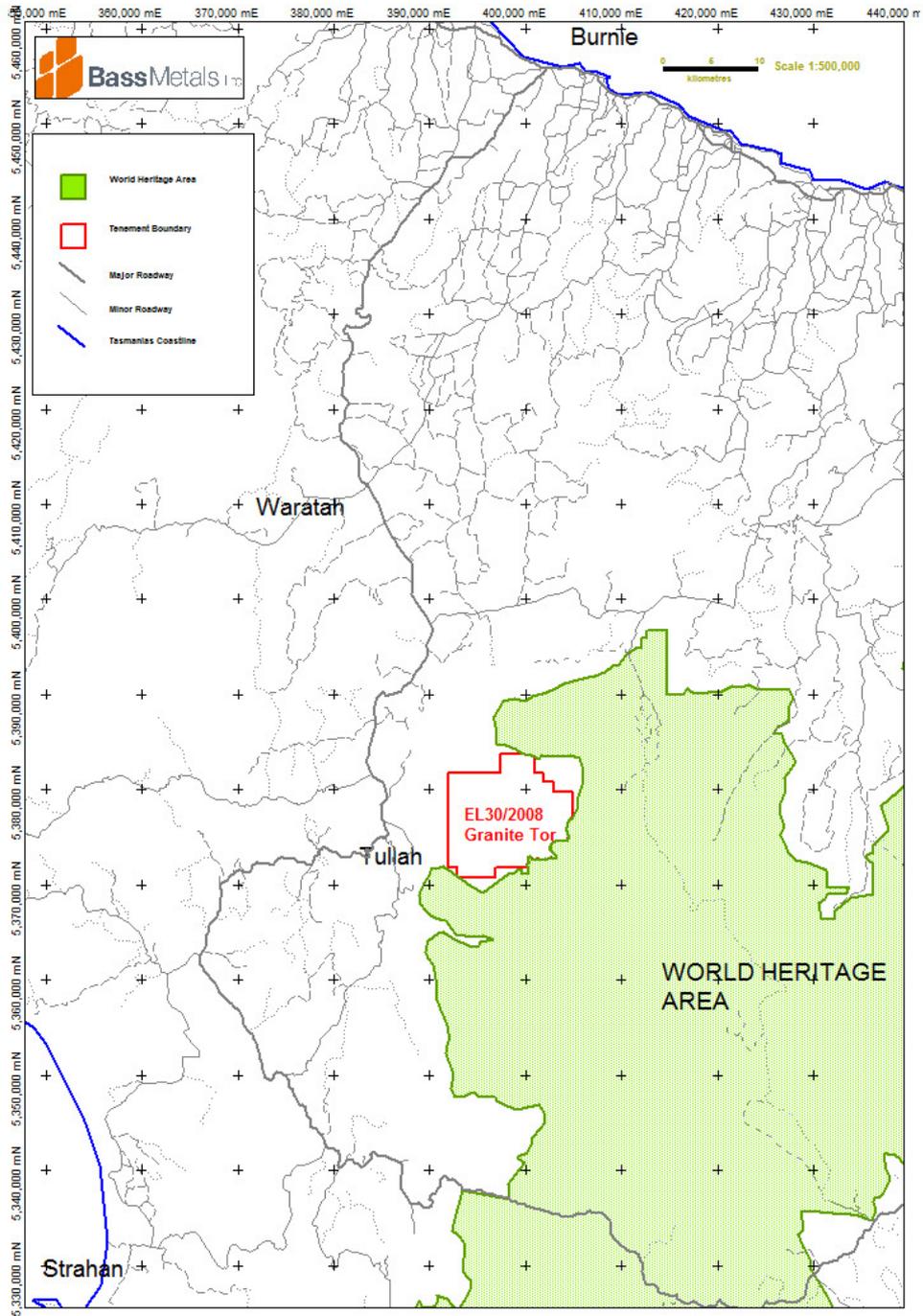


Figure 1. Granite Tor Exploration Licence (EL30/2008 location map)

1.2 Geology Overview

The area is dominated by the Granite Tor Pluton which is of Devonian age and is interpreted to have connectivity to the Heemskirk and Interview granites associated with mineralisation at Avebury and Renison as well as the Farrell trend.

The Devonian Granite Tor Pluton has been studied by MRT geologists and is reported to be of adamellite to granite composition and is interpreted as a highly fractionated S-type intrusion (McClenaghan, 2003). This is significant as it is inferred that highly fractionated granites are generally enriched in incompatible elements and may yield Sn and W deposits (McClenaghan, 2003). The granite body is laterally continuous into the World Heritage area however the margins on the northern, southern, and western edges of the granite are interpreted to dip gently. The implication of this is that there is a greater area of the granite contact to explore for cupola and greisen style tin targets.

The granite intrudes the Tyennan Metamorphics which are comprised of Precambrian alternating sequences of quartzite and metapelitic units. Rare carbonate horizons are recognised in the southeast of the area (Speijers, 1982).

Known mineralisation in the Granite Tor area occurs as tin-bearing greisen and quartz tourmaline-cassiterite veins located near the Bluff River workings. Wolfram and Bismuth have also been found in quartz veins on the granite margins. Bluff River was dominantly worked for alluvial tin.

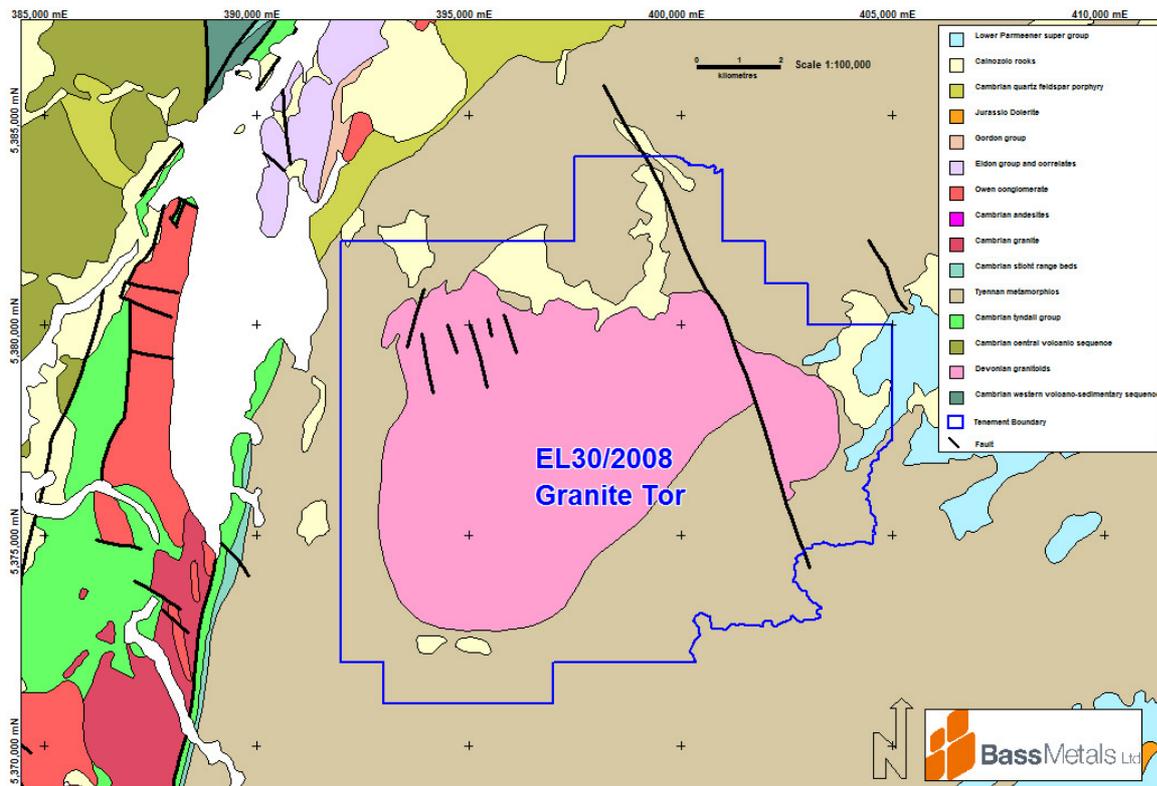


Figure 2. Regional geology showing licence area boundary

Figure 3. MRT 250k scale geology with stream sediment samples (panned con) coloured for Tin. Target areas defined by dashed boxes.

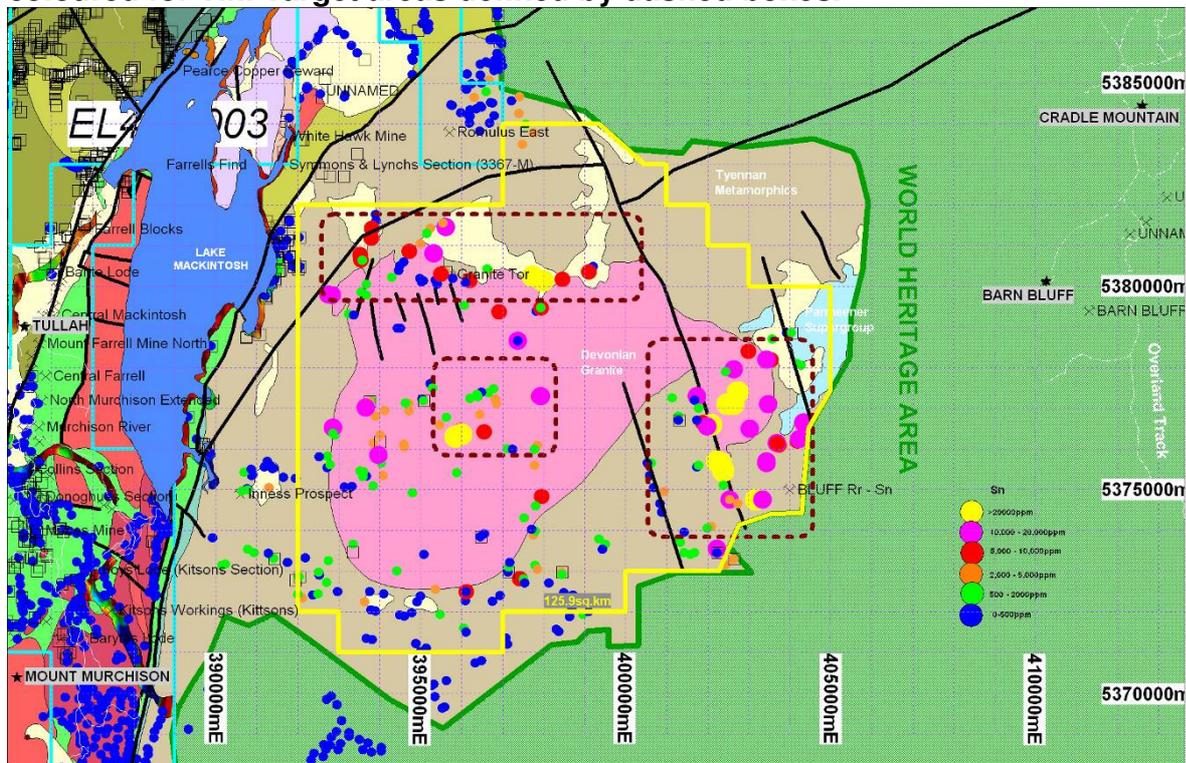
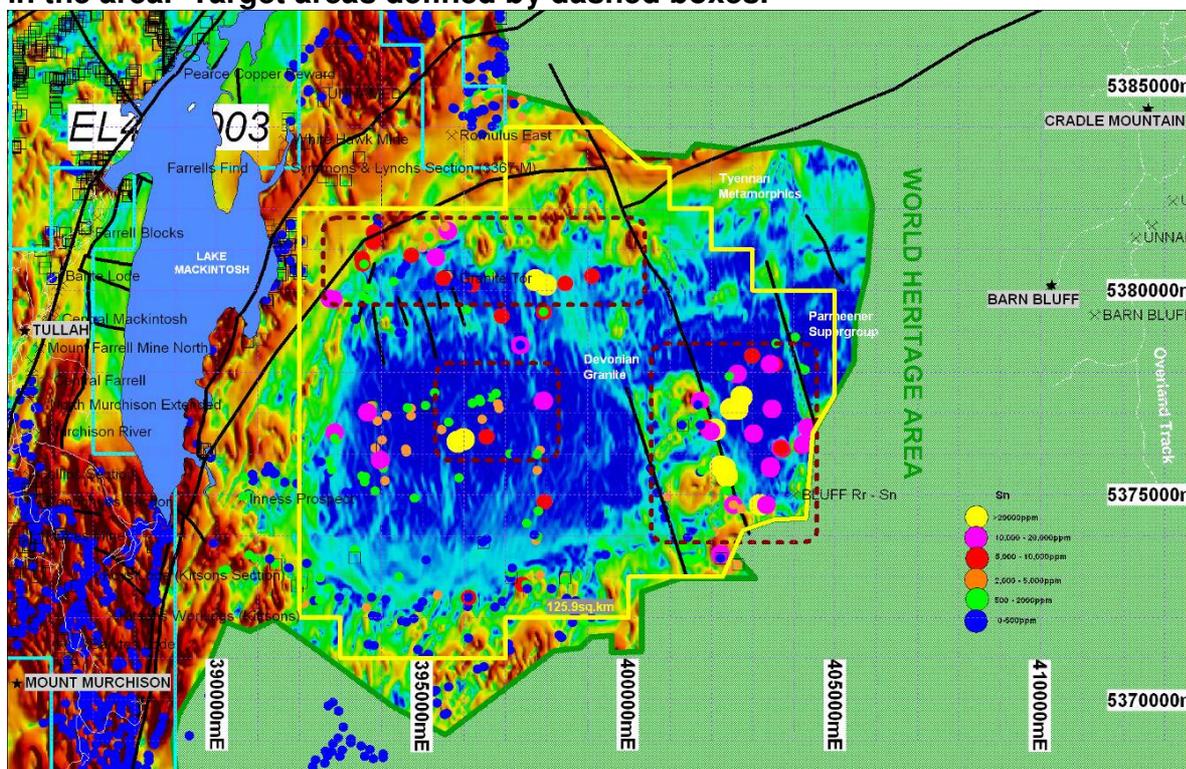


Figure 4. Magnetics image clearly mapping the granite as well as major structures in the area. Target areas defined by dashed boxes.



2. WORK COMPLETED

2.1 Historical Mining

No evidence of mining has been found published in the publicly listed documents on the area.

2.2 Exploration prior to current licence area

The tenement has been explored in the period 1978-1984 but no exploratory work has been conducted since. The area was studied as part of the Tasmanian Geological Survey "Ground Truthing of Western Tasmanian Regional Mineral Program geophysical data in the Granite Tor area" (M.P. McClenaghan, Record 2003/10). This work concluded that the Granite Tor batholith comprises a strongly fractionated S-type granite with high potential for hosting tin and tungsten mineralisation. See below table for detailed exploration.

Table 1. Historic Exploration

Company	Year	Exploration Undertaken
A Government Geologist	1908	Provided the following description of the White Hawk Mine & Vicinity - "The Rock consist of a series of sediments, that is sandstone, limestone and pebbly grit, which have interbedded with them a broad microgranite dyke. This dyke contains porphyritic crystals of quartz, feldspar and biotite. Although there is considerable alteration to chlorite the rocks are noticeable free from signs of mechanical deformation. The deposits occur as small lodes of galena and blende (sphalerite) following joint planes in the limestone".
A J Noldart & D J Jennings	1966	Provided the following description "Cassiterite occurs sporadically in a series of small quartz tourmaline veins and narrow greisen veins which strike northerly. They are contained within a weathered medium-grained muscovite granite which outcrops as a probable cupola-type body intrusive into Pre-Cambrian quartzites.
Alcoa	1978	Gleaning of public geological maps and literature
Alcoa	1978 - 1979	Colour aerial photography, Rock chip sampling with subsequent geochemical analysis and petrological examination, stream sediment sampling followed by heavy mineral separation, stream water sampling followed by chemical analysis, cursory examination of some aeromagnetic anomalies, prospecting and collecting of geological data and location of old workings and re-clearing old access tracks.
Alcoa	1979	Separation of heavy minerals from stream sediment samples, semi-quantitative mineralogical examination of heavy mineral fractions by microscope, chemical analysis of the heavy mineral fractions by XRF and AAS techniques, preliminary interpretations of this data and photogeological interpretation of the licence area.
Alcoa	1980	Interpretation of airborne geophysics, completion of photo geological interpretation, continuation of stream sediment sampling program with attendant mineralogical and analytical work, gridding of two target areas followed by soil sampling, ground magnetics and geological mapping along the grid lines, petrographic studies and compilation and drafting of all field data.
Alcoa &The Shell Company of Australia Ltd. JV	1981	Ground follow up of airborne electromagnetic survey (Dighem) - 19 anomalies identified (figure 5)
Alcoa &The Shell Company of Australia Ltd. JV	1981 - 1982	Recover Dighem anomalies on the ground and to determine whether they indicate any potential for base-metal mineralisation.
Alcoa &The Shell Company of Australia Ltd. JV	1983	Reduced the licence area to 73km ² - retaining a portion to the NE of the current EL boundaries of EL30/2008.
Alcoa &The Shell Company of Australia Ltd. JV	1984	Stream sediment surveys

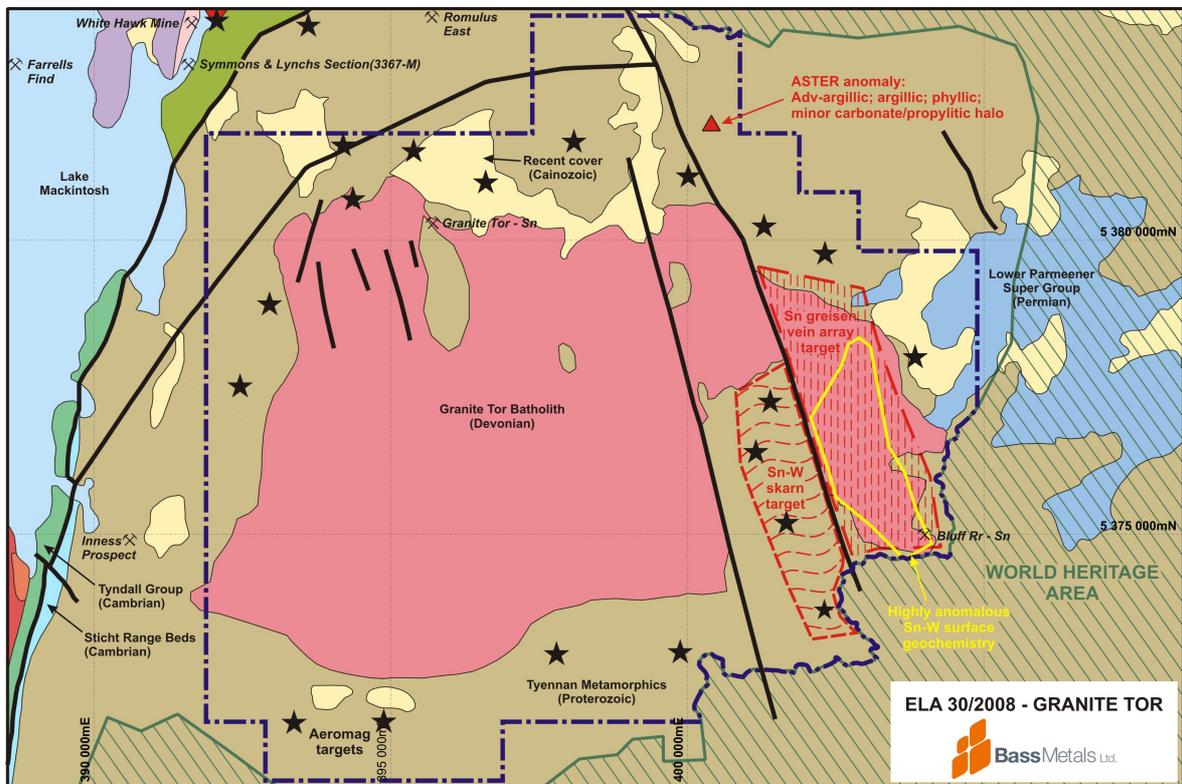


Figure 5. Historic exploration activity showing magnetic and geochemical anomalies (AMG66 zone 55 grid)

2.3 Exploration completed 11th November 2008 to 23rd January 2009 (BSM)

Desktop review of data and access

The responsible geologist for this area had begun an initial desktop study of the area and determination of access issues. The following represents salient points which initially drew attention to the area and indicate that the Granite Tor area still has significant potential.

An area of highly anomalous Sn in soil geochemistry has been delineated extending NNW from the historic Bluff River workings (Figure 5). The anomalism comprises a 3km x 0.75km zone defined by >100ppm Sn (>50ppm Sn in soil is considered prospective : Blevin, 1998) within which >300ppm Sn assays are common. Localised peaks in the order of >800ppm occur where greisen veins are mapped. Note that the dimensions of this anomalism is consistent with other known tin greisens systems such as:

- Erzgebirge: parallel greisen bands in joints. Joint sets up to 4.5km long (Rojik, 2005)
- Khartoum Tin project – Nth Qld (Auzex). Tin anomalous zone 2.5km long
- Elsmore tin project – nthn NSW (Malachite Resources). Veining over 3km.

A graben structure is inferred from both structural mapping/interpretation and recognition of the extents of the Granite Tor batholith under cover using magnetic imagery. Figure 5 illustrates the interpretation of the granite contact whereas Figure 2 displays the open-file 1:250k geology polygons. Note that the graben, comprising Tyennan Metamorphics fault-bounded east and west within the granite footprint, and having an apparent intrusive contact at its northern boundary; can be clearly seen in the magnetic image in Figure 4.

The NNW trending Devonian structures forming the graben are laterally extensive (can be traced for >15km in satellite imagery) and are interpreted to pre-date intrusion of the Granite Tor Batholith. This is consistent with the accepted interpretation that Devonian granites on the west coast of Tasmania intrude late/post-Devonian deformation. This pair of structures is significant in that a tectonically disrupted roof to the granite intrusion creates paths of permeability for escape of volatile-laden fluids and vapour as a result of overpressuring of late stages of the granitic melt (Rojik, 2005; Plimer, 1987; Groves and McCarthy, 1978).

No field visits have been made to observe field relationships of the NNW trending structures but it could also be possible that the graben represents a collapse feature in the roof of the batholith and there has been asymmetrical release of fluid to the eastern margin as represented by the geochemical anomaly (Figure 5).

Several magnetic anomalies have been identified through the work by Alcoa and of particular interest are those occurring within the graben feature. Calc-silicate rocks have been mapped by previous workers and there is a possibility of skarn-related mineralisation yielding these magnetic responses, however, skarn mineralisation is not normally recognised in these rocks and this would therefore set a precedent.

The eastern part of the Granite Tor batholiths is still considered highly-prospective for greisen vein-array tin mineralisation and the whole of the batholith's roof still remaining under cover represents unknown tin-skarn potential. There is also potential for significant greisen development beneath the Tyennan Metamorphics in the graben feature (Figure 5).

Review for full relinquishment

Relinquishment of this tenement prior to undertaking any on-the-ground work represents a change in company focus due to global economic turmoil and this tenement, despite tin-prospectivity, no longer fits with the modified exploration profile of the company moving forward.

3. 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 Topographical Map (Figure 5) 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 Granite Tor Exploration Licence comprises:

- Conservation Area
- HEC Land
- High Quality Wilderness
- National Estate
- National Park
- World Heritage Area

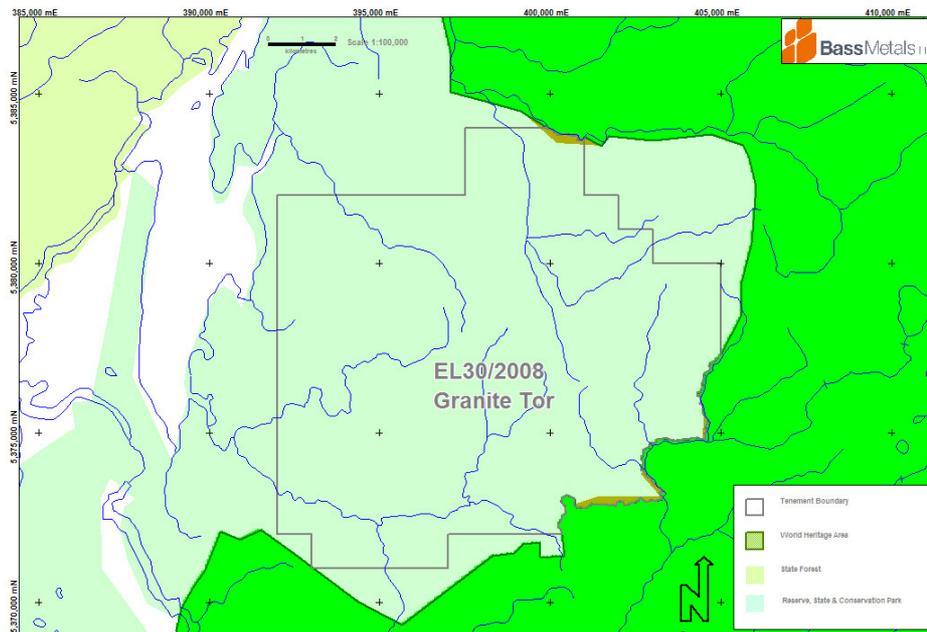


Figure 5. Environmental Activity Map

4. EXPENDITURE

November 2008 - January 2009		
Geoscientific Costs	Geology	9268.53
	Geochemistry	
	Geophysics	
	Remote Sensing	
Drilling & Gridding Costs	Gridding	
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	
	Admin Costs	3131.83
	Total - eligible	\$12,400.36

Table 1. Expenditure 11th November 2008 to 23rd January 2009
**Expenditure reported is up to and including 31st December 2008*

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