



**MOXON SADDLE PROJECT  
(LAKE MACKINTOSH GROUP)  
TASMANIA  
EL55/2004**

**ANNUAL PROGRESS REPORT  
28<sup>th</sup> April 2008 – 27<sup>th</sup> April 2009**

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**Distribution:**

Mineral Resources Tasmania  
Bass Metals Ltd  
Pioneer Nickel 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 Moxon Saddle exploration licence (EL55/2004) on 28 April 2005. For the year ended 27<sup>th</sup> April 2009 work conducted has included a review in context of the Sterling Valley and Henty Models -

**Expenditure –** Reporting period \$4,053.29  
Total to date \$10,808.85  
Total for Lake Mackintosh Group to date \$2,720,687.43

Bass Metals entered an agreement with Mineral Resources Tasmania during March 2008 where tenements would be grouped for expenditure purposes only. The Moxon Saddle tenement is included in the Lake Mackintosh Group. The commitment required to date for this licence is \$39,166 giving an amount of \$28,358 underspent independently of the group, but due to this grouping arrangement, the expenditure is well in front.

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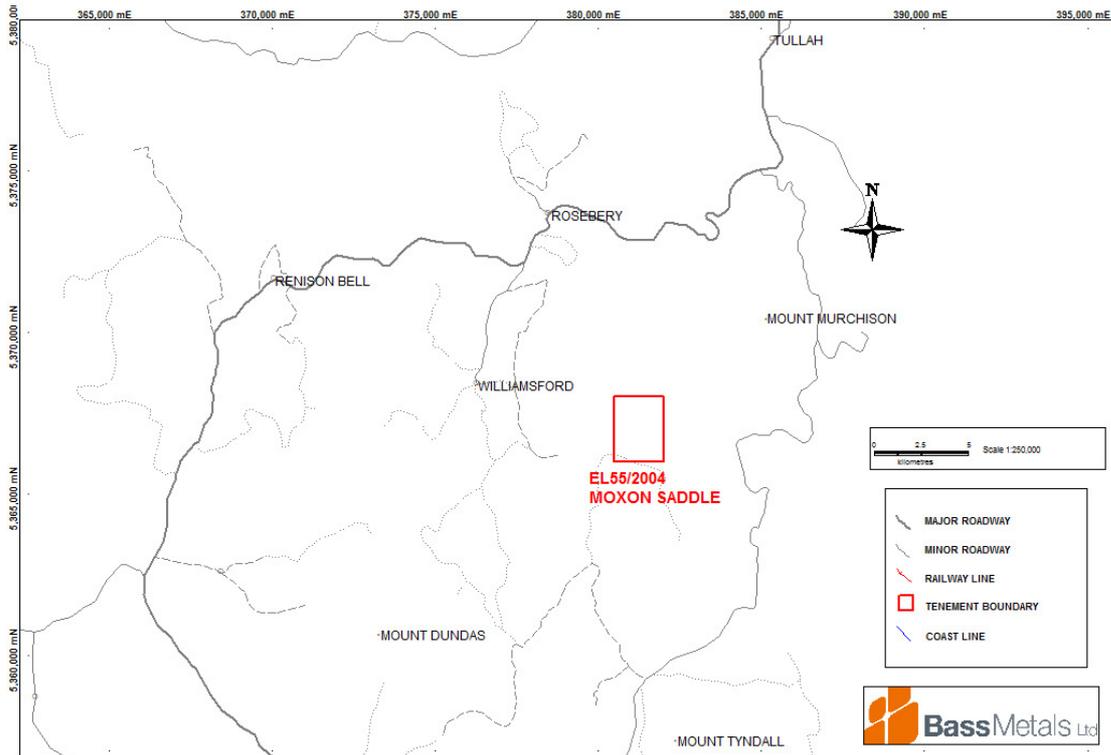
## **1.INTRODUCTION**

This report is a summary of the exploration activities conducted on the Moxon Saddle licence EL55/2004, for the period of 28th April 2008 to 27th April 2009. The licence covers a total area of 2 km<sup>2</sup>.

### **1.1 Location and Access**

The tenement is located 2km north-east of the Henty Mine and 6km west of Rosebery, in Western Tasmania. (See Figure 1) It covers units of the Cambrian Mt Read Volcanics (MRV). Centered on a 2km long section of the Henty Fault, the ground is well mineralized with sub-economic deposits of base and precious metals. Access is via the 4WD Red Hills track and additional access can be gained by gridlines cut in 2001-02. Vegetation in the area contains wet sclerophyll, rainforest and alpine communities.

The licence area can be found on the Sophia 1:100,000 scale LTIS map sheets.



**Figure 1. Moxon Saddle exploration licence (EL55/2004) location map**

## 1.2 Geology Overview

The Moxon Saddle EL covers a 2km section of a 30km north-south trending exposure of Cambrian Mount Read Volcanics (MRV) from Lake Margaret to Slate Spur.

### 1.2.1 Mt 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).

The Moxon Saddle licence extends 1km either side of the Henty fault and is mapped as having rock types including, lavas, intrusive, volcanoclastics, minor pyroclastics and epiclastic sediments. The Henty fault zone is defined by the display of poorly outcropping chloritic schist. The immediate footwall contains massive quartz-porphyritic rhyolite lava. Minor alteration, with pervasive silica, hematite, pyrite cubes and quartz-bornite-hematite veins are present.

#### *Western Volcano-Sedimentary Sequence*

The South-west portion of the licence 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 Tyndall Group. It is described as including beds of lithicwacke turbidite, mudstone (commonly rich in shards), siltstone and shale. It also contains subordinate intrusive and volcanic rocks, which are commonly andesitic (Seymour *et.al.*, 2006).

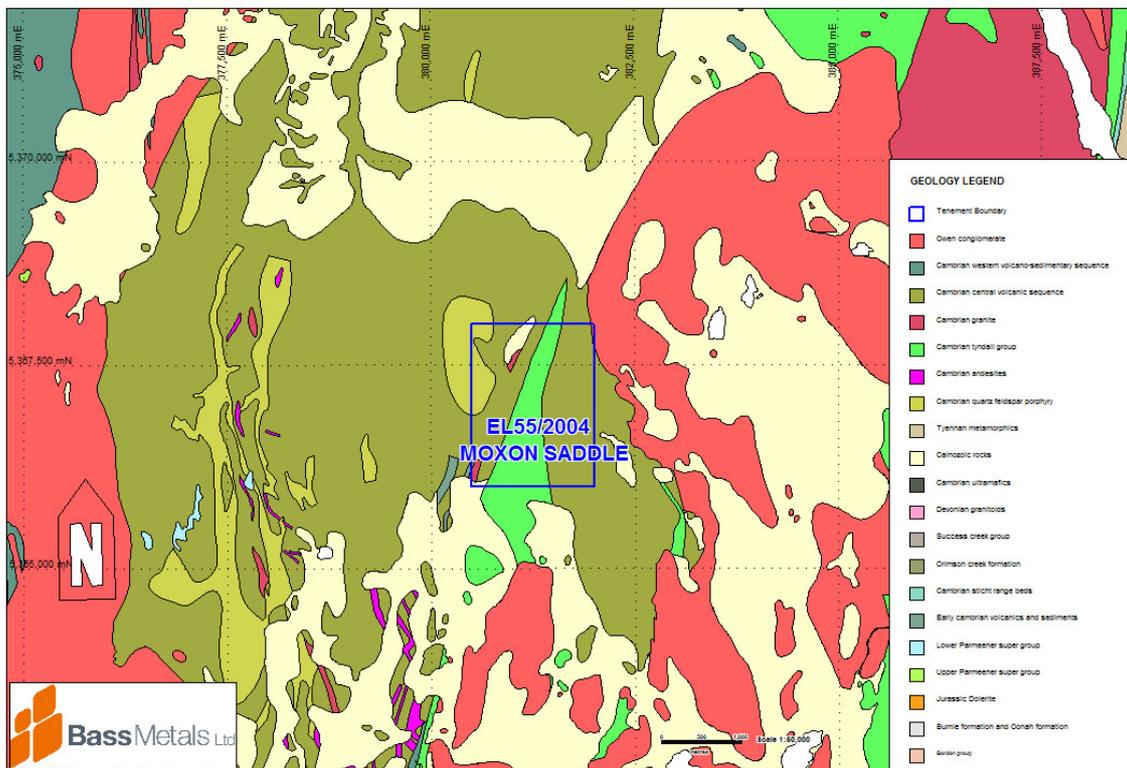
### *Cambrian Quartz Feldspar Biotite Porphyry*

The Cambrian Quartz-Feldspar-Biotite (+/-Hornblende) Porphyry crops out at the North-western section of this tenement. It is recorded as being complex, showing variations in colour, grain size, degree of alteration and deformation, and phenocryst assemblage. At Ten Mile Creek it hosts a quartz-hematite stockwork (containing gold mineralisation).

### *Tyndall Group*

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

To the west of the Henty Fault are the Mt Black Volcanics, these are a sequence of dacitic to andesitic volcanics, mainly consisting of lavas and intercalated reworked volcanoclastics.



**Figure 2. Regional geology map**

### **1.3 Exploration Rationale:**

The MRV are well known for hosting world-class Cambrian VHMS deposits such as Rosebery (32.7Mt @14.5%Zn, 4.4% Pb, 0.58% Cu, 145g/t Ag, 2.2g/t Au), Hellyer (16.5Mt @13.9% Zn, 7.2% Pb, 0.38% Cu, 169g/t Ag, 2.55g/t Au) and Mt Lyell (311Mt @ 097% Cu, 0.31g/t Au). South-west of the licence is located the Henty Gold mine (2.83Mt @12.5g/t Au). Hosted in MRV, the Henty mineralisation is considered to represent a hybrid deposit related to Cambrian VHMS mineralisation and possible Cambrian granite-related mineralisation.

Acquisition of the Moxon Saddle licence was motivated primarily by the presence of Mount Read Volcanic stratigraphy and the Henty Fault. The tenement is prospective for Henty style gold mineralisation.

## 2. REVIEW OF PREVIOUS WORK – Prior to current tenement

### 2.1 Historical Mining:

Within the Moxon Saddle EL there are 2 abandoned mines and 4 prospect locations; limited historic exploration over these areas has been sited.

### 2.2 Exploration Prior to Current Licence:

**Date:** 1988 - 1991

**Company:** BHP Minerals Ltd.

**Exploration Philosophy:** EL102/87 initially covered 95sq kms in three separate parts. Part (i) Queenstown of 74sq kms, part (ii) Garfield of 19sq kms, and part (iii) Moxon Saddle of 2 sq kms. To search for conductive VHMS deposits up to 200-300m below surface.

**Work Completed:** Blanket TEM Surveys

**Results and Conclusions:** Very few significant bedrock conductors were located; only 2 were drilled and both were found to be due to carbonaceous zones in Ordovician limestone.

**Date:** 1991

**Company:** Held by BHP Minerals Ltd, JV - Explored by RGC Exploration Ltd.

**Exploration Philosophy:** Aimed at identifying hydrothermal alteration zones and favorable horizons and drilling conceptual geological targets.

**Work Completed:** Detailed geological mapping.

**Results and Conclusions:** Not noted

**Date:** 1994

**Company:** Held by BHP Minerals Ltd, JV - Explored by RGC Exploration Ltd.

**Exploration Philosophy:** Partial relinquishment; the total area covered by the three E.L.'s was reduced to 130sq kms. Part (i) Queenstown of 56sq kms, part (ii) Garfield of 18sq kms, and part (iii) Moxon Saddle of 2sq kms.

**Work Completed:**

**Results and Conclusions:** Due to the environmental sensitiveness of the area.

**Date:** 1994 - 1995

**Company:** Held by BHP Minerals Ltd, JV - Explored by RGC Exploration Ltd.

**Exploration Philosophy:** Aimed at identifying hydrothermal alteration zones and favorable horizons and drilling conceptual geological targets.

**Work Completed:** Review of previous exploration; 1:2500 mapping; limited soil sampling over IP anomaly; HFZ1 re-assayed for Au.

**Results and Conclusions:** Led to the discovery of the Garfield Prospect.

**Date:** 1996 – 1997

**Company:** Held by BHP Minerals Ltd, JV - Explored by RGC Exploration Ltd.

**Exploration Philosophy:** To test IP anomaly.

**Work Completed:** Diamond drilling, hole numbers MX001 & MX002. BHP IP survey re-processed.

**Results and Conclusions:** The source of the IP anomaly was confirmed by the intersection of a thin unit of black siltstone and volcanoclastic sediment with visible galena and sphalerite microveins in MX001. It assayed 14.1 meters at .26%Pb (Halley et al, 1995 and Vicary et al, 1997). Exploration potential was regarded as low and the tenements were recommended for relinquishment.

**Date:** 1998 - 2002

**Company:** Pasminco Exploration

**Exploration Philosophy:** Prospectivity of Henty style Au and Mt Lyell Cu – Au mineralization and Rosebery style Au rich base metal deposit.

**Work Completed:** Work was centered on the Beatrice area with no exploration completed at Moxon Saddle.

**Results and Conclusions:** Not noted.

**Date:** 2002

**Company:** Goldfields Exploration (now Barrick Gold)

**Exploration Philosophy:** Now EL6/1998 (Beatrice/Moxon); comprised of 2 blocks, 31sq kms in the Beatrice/West Sedgwick area, and 2sq km at Moxon Saddle.

Goldfields aim was to target Henty style gold mineralization and polymetallic gold rich base metals mineral deposit.

**Work Completed:** (EL6/98)

- 1:5000 Geological Mapping
- C horizon soil sampling (Au, Cu, Pb, Zn, Ag & As).

**Results and Conclusions:** No results are recorded. Relinquished in late 2002.

**Date:** 2002 – 2004

**Company:** No reporting found for this period

**Exploration Philosophy:**

**Work Completed:**

**Results and Conclusions:**

**Date:** 2004

**Company:** Saracen Metals Pty Ltd.

**Exploration Philosophy:**

**Work Completed:** Main exploration focus was EL48/2003 (Mt Block)

**Results and Conclusions:**

### 3. CURRENT WORK

#### 3.1 Bass Metals Ltd – 2005 to 2006

- Historic data review

#### 3.2 Bass Metals Ltd – 2006 to 2007

- Planning of a proposed field checking program; following the review of historic data.

#### 3.3 Bass Metals Ltd – 2007 to 2008

- Review in context of Sterling Valley and Henty Models

#### 3.4 Henty Gold Ltd – 2007 to 2008

- Pole-dipole frequency domain IP Survey;

Due to begin during early April 2008, this survey is centered on a Quartz-Sericite-Pyrite alteration zone and is associated with a large scale shear. Totaling 12 line km the survey extends approximately 500m on to the Moxon Saddle exploration licence encompassing both western and central portions of the tenement. (See figure 3)

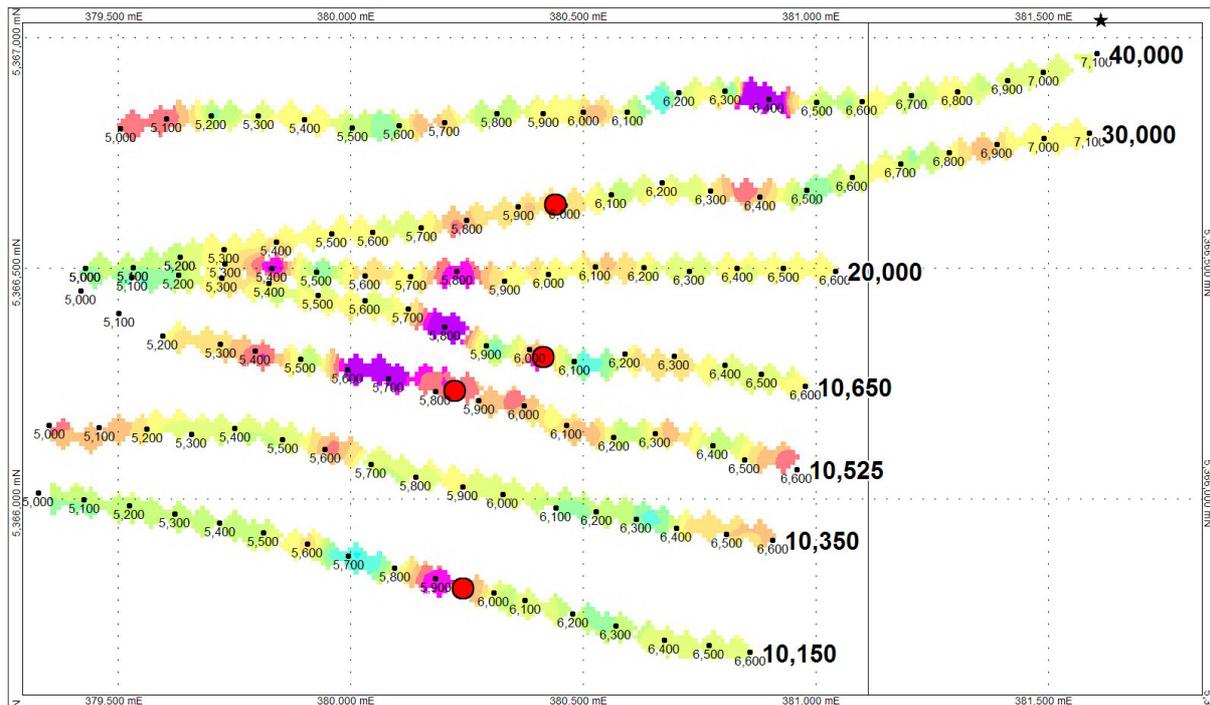
The survey will be conducted along pre-existing gridlines re-cut during the mid 1980's. Barrick Henty is prepared to share the data set with Bass Metals once complete.

### 3.5 Bass Metals Ltd – 2008 to 2009

- Work conducted has included an ongoing comprehensive desktop study of the licence area and review in context of the Sterling Valley and Henty Models.

### 3.6 Henty Gold Ltd – 2008 – 2009

- Henty provided Bass Metals with the raw data from their IP survey that was conducted during the 2007 – 2008 reporting period (Refer to appendix 1). Figure 3 below indicates the IP responses and proposed drilling targets. The 2 extended lines are the responses that encroach onto the Moxon Saddle licence are displayed as non-conductive data.



**Figure 3. Location of Henty's proposed drill targets (red circles) on 75m IP depth slice**

## 4. PROPOSED EXPLORATION

- Geological modeling
- Mapping and review
- Rock chip sampling
- Traverses with Niton XRF

## 5. ENVIRONMENT

The company has environmental policies in place that minimize 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 4 shows the location of the licence relative to conservation areas. BSM is aware that the Moxon Saddle EL contains environmentally sensitive areas and all guidelines are adhered to in relation to those detailed below.

## Land Tenure

The Moxon Saddle Exploration Licence comprises:

- Crown Land
- HEC Land
- Mount Murchison Regional Reserve

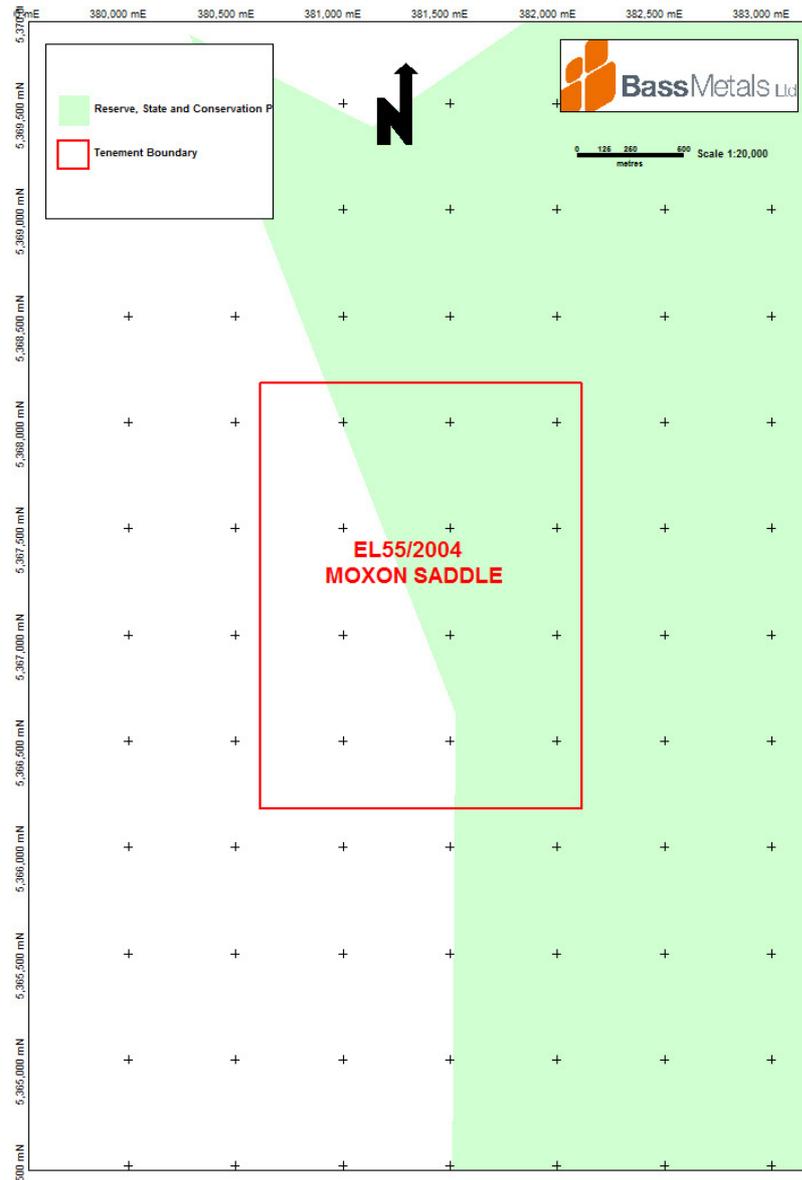


Figure 4. Environmental Activity Map

## 6. EXPENDITURE

April 2008 - February 2009		
<b>Geoscientific Costs</b>	<b>Geology</b>	4,053.29
	<b>Geochemistry</b>	
	<b>Geophysics</b>	
	<b>Remote Sensing</b>	
<b>Drilling &amp; Gridding Costs</b>	<b>Gridding</b>	
	<b>Drilling</b>	
	<b>Land Access Costs</b>	
	<b>Rehabilitation Costs</b>	
	<b>Feasibility Study Costs</b>	
	<b>Other Costs</b>	
	<b>Admin Costs</b>	
	<b>Total - eligible</b>	<b>\$4,053.29</b>

**Table 1. Expenditure 28 April 2008 to 28 February 2009**

The Moxon Saddle tenement is part of the Lake Mackintosh Group; the total expenditure up to the 28<sup>th</sup> February 2009 for this group is \$2,720,687.43.

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