THE PINNACLES PROJECT
TASMANIA
EL16/2006

FINAL REPORT
30th JANUARY 2009 TO 31ST MARCH 2009

Tenement Holder/Manager
Bass Metals Ltd.
Suite 5, 2 Richardson St
West Perth, WA, 6005

Geologist:
Dean Williamson, B. App. Sc, Grad Dip Ed
Exploration Geologist
Hellyer Exploration Base, TAS

Author:
Sally Bates, B.App.Sc (Geol)
Tenement Geologist
Hellyer Exploration Base, TAS

Disclaimer

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

THE PINNACLES PROJECT
TASMANIA
EL16/2006

FINAL REPORT
30TH JANUARY 2009 TO 31ST MARCH 2009

ABSTRACT

Bass Metals Ltd (BSM) commenced management of the Pinnacles exploration licence (EL16/2006) on 30 January 2007. This final report details exploration carried out between the last reporting period (31/1/08 to 30/1/09) through to the date of relinquishment -

- Review for full relinquishment

Expenditure – Reporting period $783.34

Total to date $10,996.33

Hellyer Exploration Base (Hellyer Mine Site), Cradle Mountain Link Rd, HELLYER / WARATAH Area
PO Box 1467, BURNIE TAS 7320
Telephone (03) 6439 1464 & (03) 6439 1420 – Facsimile (03) 6439 1465
www.bassmetals.com.au

CONTENTS

LIST OF FIGURES

LIST OF TABLES

1. Introduction:

This report is a summary of the final exploration activities conducted on the Pinnacles exploration licence, EL16/2006 (Figure 1), for the period of 30th January 2009 to 31 March 2009. The licence covers a total area of 26km^2. The Pinnacles licence is subject to an exploration joint venture agreement between Bass Metals Ltd (BSM) and Clancy Exploration Ltd. BSM is currently managing exploration of the licence from a base at the Hellyer Mine site.

1.1 Location & Access:

The Pinnacles licence is located 15km north of Rosebery, on the west coast of Tasmania (Figure 1). Access is via the gravel 'Boco Road' extending west from the Murchison Highway. Access into the north east portion of the tenement is via a 4WD track known as Sawmill Creek track joining the Boco Road. The terrain in the area is generally rugged and steep with the upper ridges covered in thick horizontal scrub, and the low-lying flat areas covered by bauera, button-grass and other low lying vegetation. The licence area can be found on the Pieman and Sophia 1:100,000 Topographic map sheets.

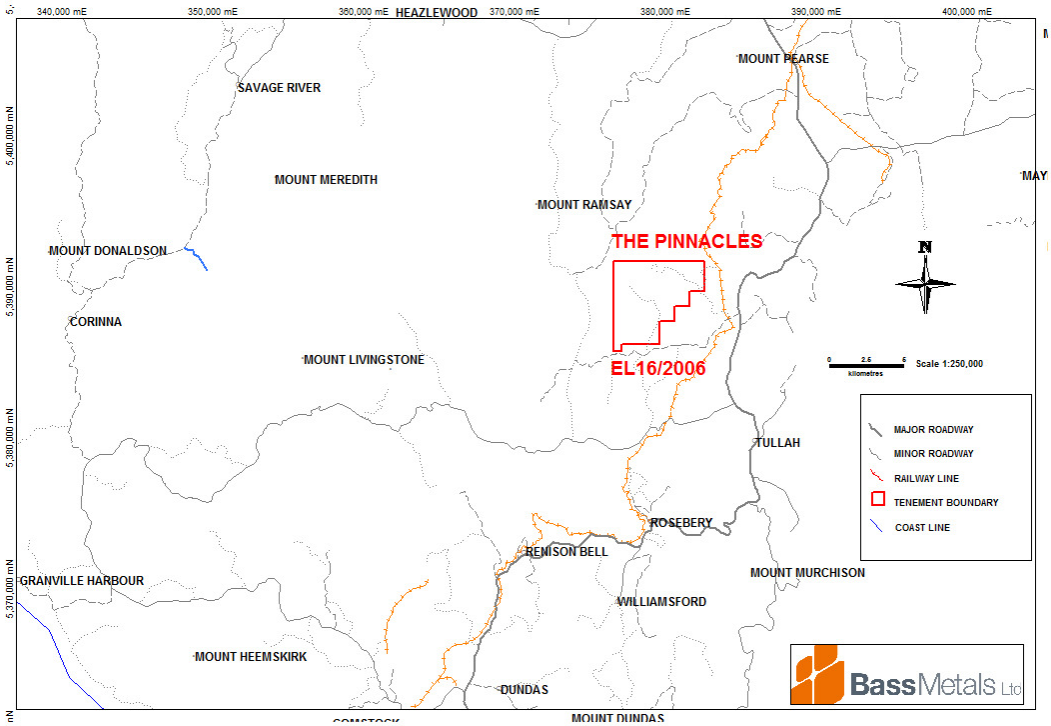

Figure 1. The Pinnacles Exploration Licence (EL16/2006) located in north-western Tasmania.

1.2 Geology Overview:

The Pinnacles exploration licence lies entirely within the Mount Read Volcanics ("MRV"), which trend North-South along the eastern side of the Dundas Trough. The volcanics resemble a tract approximately 20km wide and 200km long forming part of the Tasman Fold Belt of Eastern Australia. (Refer to the Regional Geology Map in Figure 2). Geology of the licence includes the Crimson Creek Formation, the MRV and the mid to late Dundas Group.

1.2.1Crimson Creek Formation

This formation is exposed in the south-west corner and also in the west of the licence. The unit is interpreted to have been deposited in shallow but rapidly subsiding basins it consists of volcaniclastics and basaltic lavas, carbonates, haematite facies turbidites, minor evaporates and chert.

1.2.2 Mount Read Volcanics

The Mt Read Volcanics (MRV) form a belt of volcanic, volcaniclastic and sedimentary rocks of Mid- Cambrian age. The belt hosts a number of Tasmania's world-class polymetallic volcanic-hosted massive sulphide (VHMS) deposits (eg Rosebery, Hellyer, Que River). Within the Pinnacles area the following geological rock units are recognized.

Pinnacles Rhyolite –
Forming a topographic high along the Pinnacles Ridge this unit is the lowest stratigraphic unit exposed on both limbs of the Silver Falls Syncline. Contact with the underlying lithologies are not exposed in the west and are comprised of siltstone, quartzose conglomerate, feldspar-quartz, phyritic-rhyolite lava, lava breccias and quartz-muscovite sandstone.

Southwell Subgroup –
This unit overlies the Pinnacles Ryholite and is comprised of minor felsic volcanic, siltstone, conglomerate and sandstone, it is a sedimentary sequence in excess of 750m, and inhabits the core of the Silver Falls Syncline.

Lynchford Tuff (Tyndall Group) –
Lithologically comprised of pelitic metamorphic, volcaniclastic sandstone, ultramafics and mafic to intermediate clasts. Before deposition of the Tyndall Group a considerable amount of erosion took place, this unit is >50m thick and represents the first of the mafic volcanic detritus and magnetite. Exposure can be seen in the Que River and on the Silver Falls Track. Contacts with the units below and above are not known.

Quartz – Feldspar pyritic lavas/intrusive/clastics
This unit is a distinctive quartz-crystal rich sandstone with rounded quartz crystals <8mm, embayed with inclusions. This forms a horizon between the White Spur Formation and underlying Pinnacles Rhyolite, ranging in thickness from 1m to 100m it is interpreted as a shallow intrusive to extrusive rhyolite.

White Spur Formation –
Lithologically this basal unit is exposed mainly in the Headwaters of the John Lynch Creek and the eastern limb of the Silver Falls Syncline. This sedimentary sequence of

grey-black siltstone with mass debris flows, overlie the Pinnacles Rhyolite and sequentially are overlain with apparent conformity by the Tyndall Group.

Stitt Quartzite –
Lithologically comprised of siltstone and quartzoze-conglomerate-sandstone, quartz and muscovite this unit is exposed only in the western limb of the Silver Falls Syncline. The total thickness is estimated to be in excess of 500m and contacts the underlying Wescott Argillite.

Westcott Argillite / Salisbury Conglomerate –
Occuring in the west-north-west of the licence area on Olympic Road, the lower reaches of Que River and Huskisson Drive these are considered to be the basal units of the Dundas Group. This unit is comprised of brown thickly-bedded greywacke, conglomerate and siltstone, giving a total thickness in excess of 500m. Contacts with the underlying (Precambrian?) slates and quartzite on Huskisson Drive are faulted. This unit is allocated to a stratigraphic position predating the MRV and post dating the Crimson Creek Formation.

1.2.3 Early Cambrian Dundas Group
Possibly post–dating the MRV, an Early Cambrian sequence of dolomitic, quartz muscovite sandstone, and conglomerate lithologies.

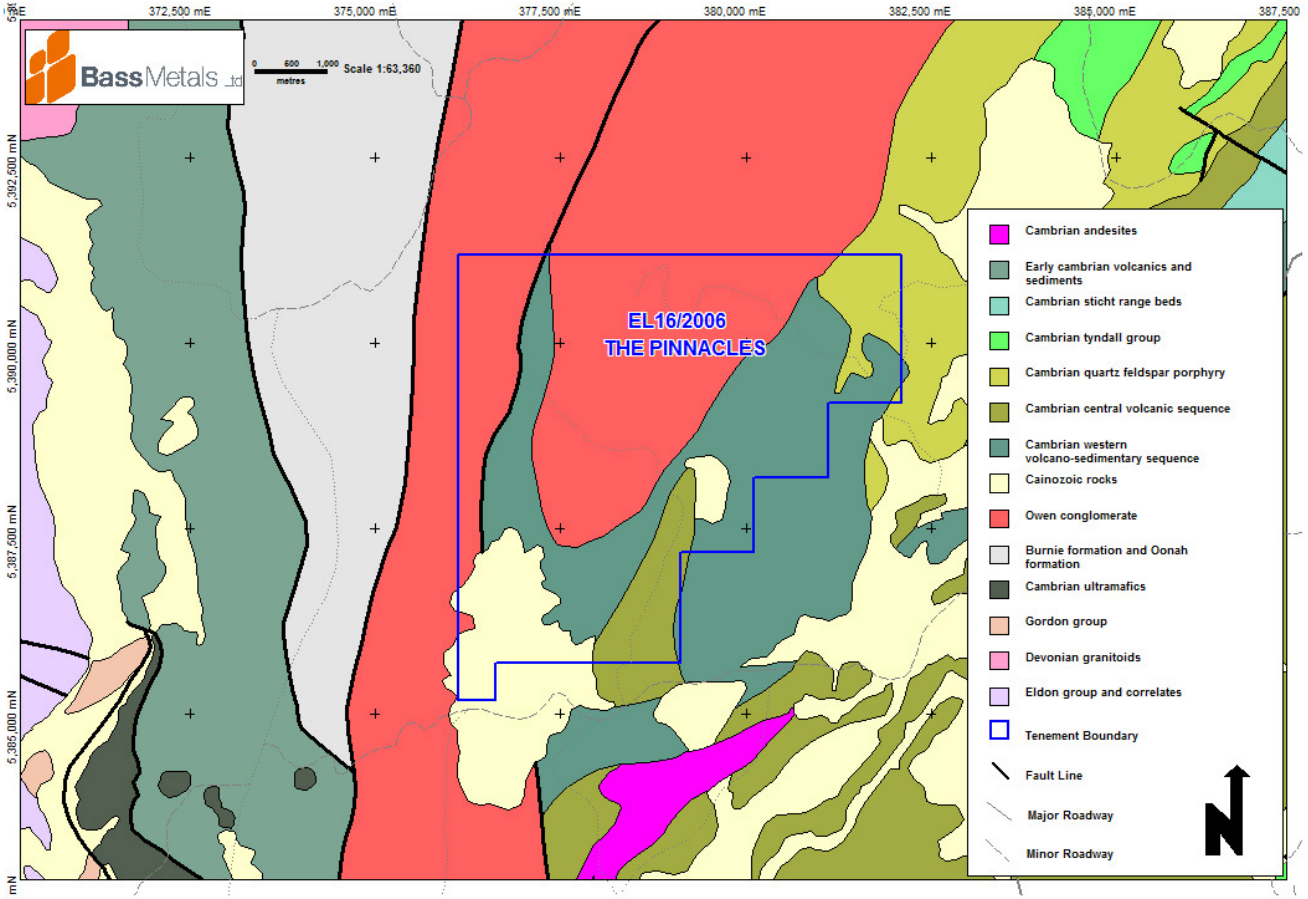

Figure 2. Regional geology showing licence area boundary

1.3 Exploration Rationale:
The Pinnacles tenement contains geology similar to the geological setting of Rosebery and is considered prospective for discovery of Rosebery style VHMS mineralisation.

2. REVIEW OF PREVIOUS WORK - Prior to current tenement

2.1 Historical Mining:
No records exist in the public domain for mining activity within The Pinnacles licence area.

2.2 Exploration Prior to Current Licence Area:
Exploration has been conducted over The Pinnacles tenement since the 1970s when Cominco believed that the regional fault structures ("Owen Rift") passing through the area may have produced positive structural or palaeo-volcanic circumstances for mineralization. Table 1 below details the exploration history from 1976 until 2005.

Table 1. Historic Exploration

Year	Tenement	Holder	Work Completed	Reasoning	Results	Recommendations
1963-1972	EL2/90 Boco	Comstaff	• Stream sediment sampling • 2 IP lines at Boco	Not Noted	Not Noted	Not Noted
1976	EL22/74 Marionoak River – Silver Falls	Cominco	• Stream Sediment Survey, • Geologic reconnaissance	Regional fault structures ("Owen Rift") passing through the area may have produced positive structural or palaeo-volcanic circumstances for mineralization.	Linear zone of lead anomalies, relating to altered acid tuff (host rock).	Expand drainage survey, follow up Lynch Creek and Higgins Creek anomalies.
1979	EL22/74	Aberfoyle Exploration Pty Ltd	• Gridding, • mapping, • Soil geochemistry, and geophysics	Assess the acid volcanic stratigraphy.	No significant targets	Known mineralization appears to be sub-economic, possible extension of the Owen Thrust.
1990-1992	EL2/90 Boco EL8/90 North Pinnacles	Pasminco Exploration	• Aerial Photography, • Database compilation • Aeromagnetic Survey • Gravity Surveys • Mapping • 1 diamond drill hole	Drill hole was designed to intersect rocks of the Dundas group thought to be below approx. 20m of Quaternary glacial till before reaching the Central Volcanic System 'CVS'	Drilling failed to locate alteration, expected before passing into the 'CVS'. No significant mineralisation intersected.	Unfavorable target for Cambrian age mineralisation.
1992-1993	EL2/90 Boco EL8/90 North Pinnacles	Pasminco Exploration	• Gridding • Rock Sampling (74 samples) • 9 thin sections	Thin sections were designed to define the provenance and possible stratigraphic position within the MRV.	No new mineralized zones were located during this period.	• Most prospective horizon is at the base of the White Spur Formation. • Infill gridding over soil anomalies. • Database compilation of lithogeochemical data.
1993-1995	EL2/90 Boco EL8/90 North Pinnacles	Pasminco Exploration	• Gravity data interp. • Development of a sub-surface structural	Exploration for precious metal rich polymetallic massive sulphide deposits.	• No indication of the occurrence of massive sulphide	34km to be relinquished

			model • Pole-dipole induced polarisation and resistivity survey was conducted over the Silver Falls area. • 470 B/C soil samples collected • 1 diamond drill hole (HRD1 – 293m)		mineralisation within a few hundred metres of surface. • Gold assays from the diamond drill hole were below 0.008ppm detection level – no further work considered here.	
1995-1998	EL1/93	Pasminco Exploration	• Prospectivity Review • Review of IP data over Silver Falls • Geochemical data compilation into a GIS program. • Data review	Extensions of regional structures associated with the Mount Read Volcanics "MRV", including the Rosebery Fault, and Henty Fault	• Highlighted the Silver Falls Prospect. • Identification of two low level Zn-dominated stream sediment anomalies.	• No follow up work to be conducted on the low level Zn anomalies as they have little potential. • Follow up on the Silver Falls Prospect.
2001-2002	EL23/2000	Pasminco Exploration	• 1 diamond drill hole (SFD1 – 199.8m) • Historic data compilation	Assessing the potential of the Silver Falls Prospect to host a deep (>150m) Rosebery – Hercules style VHMS deposit.	• No encouraging results	• Re-direct exploration efforts to the less explored areas of the tenement
2003-2004	EL23/2000	Pasminco Exploration	• DHEM survey in DDH HRD1 • 5.6km of gridding • 237 soil samples	Assessing the potential of the area between Silver Falls and Shale Basin prospects to host a deep (>150m) Rosebery – Hercules style VHMS deposit.	• No encouraging results	• Re-direct exploration efforts to the Shale Basin and the North Pinnacles prospects.
2004-2005	EL23/2000	Pasminco Exploration	• Gridding • Soil sampling • Geological Mapping • Review of North Pinnacles Prospect • 138 soil samples • 3.3km of gridding, including surveying	Assessing the potential of the Shale Basin prospect to host a deep (>150m) Rosebery – Hercules style VHMS deposit.	• Style and nature of mineralisation remains unknown, and no new VHMS-related targets can be suggested.	• No obvious target areas remain to be tested.

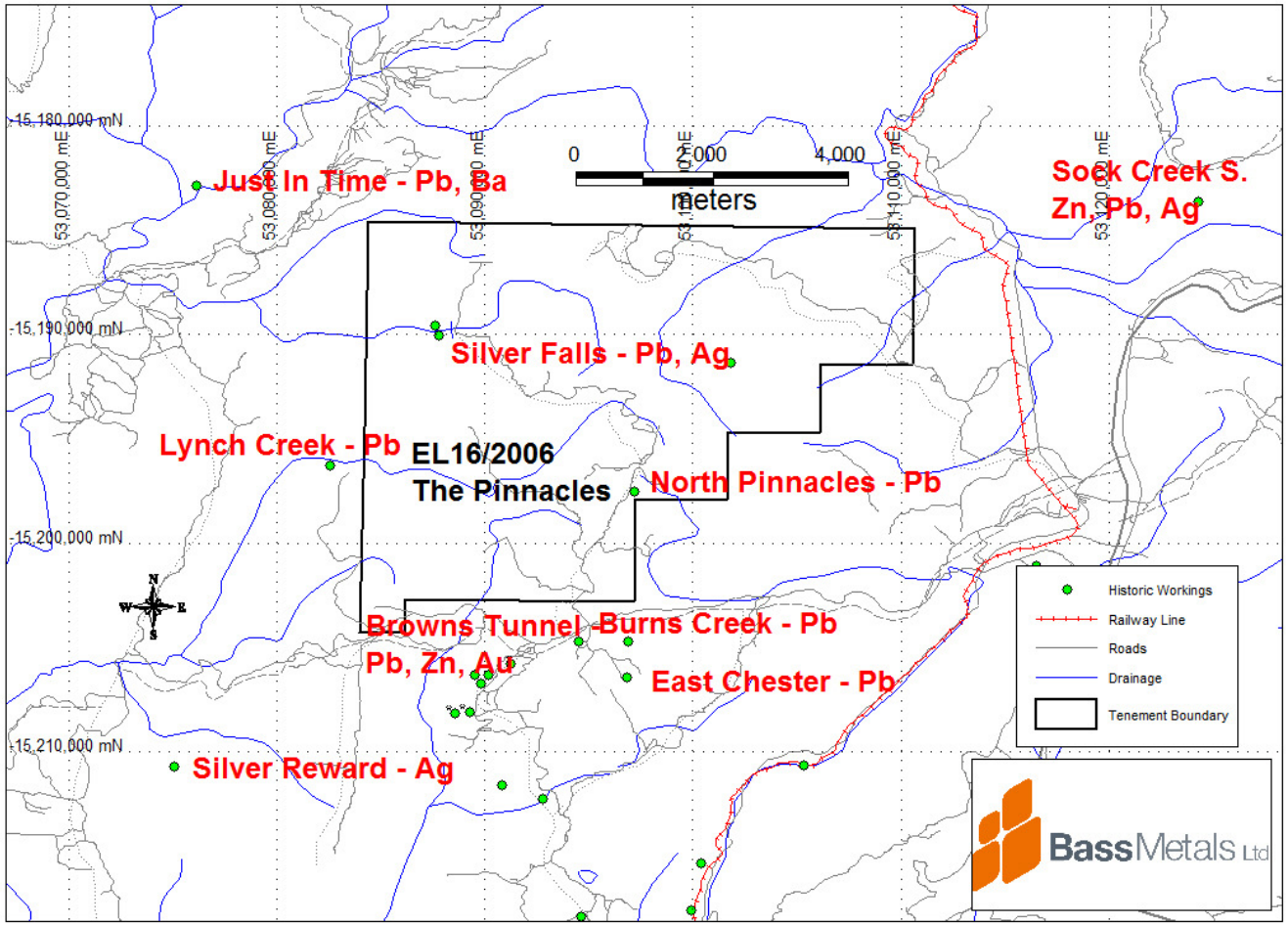

Figure 3. Historical Exploration Activity Map showing old workings and prospects

3. DURING CURRENT TENEMENT

3.1 30th Jan 2007 – 29th Jan 2008

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

- Compilation of historical exploration data and review of reports relevant to the Pinnacles tenement
- The planning of a field check program, visiting the Geoinformatics target and soil geochemistry over the stratigraphy considered prospective for Hellyer-Rosebery style VHMS mineralisation.

Geoinformatics Geological Modelling & Targeting

BSM utilised Joint Venture partners Geoinformatics Exploration Inc to compile a 3-dimensional spatial database (GIS). This process involves the efficient capture of historical data in proprietary Geoinformatics database and software systems (eg IFS & FracSIS). Proprietary software and methods were then used to generate 3-dimensional geological models and targets (Monte Carlo Ranking). Although The Pinnacles licence was not held by BSM during the time of this process, one of the targets (NR_HU_VHMS_ML1) covers a significant portion of this tenement. (Henty position with major structural intersection). (Hellyer-Rosebery position exposed partially). The geology of this area was interpreted by Geoinformatics as Tyndall and Western volcano-sedimentary sequence (WVS) over interpreted extent of porphyry, and it was recommended that IP and geochemistry surveys be undertaken in this area due to the generation of such a large target. (See Figure 4).

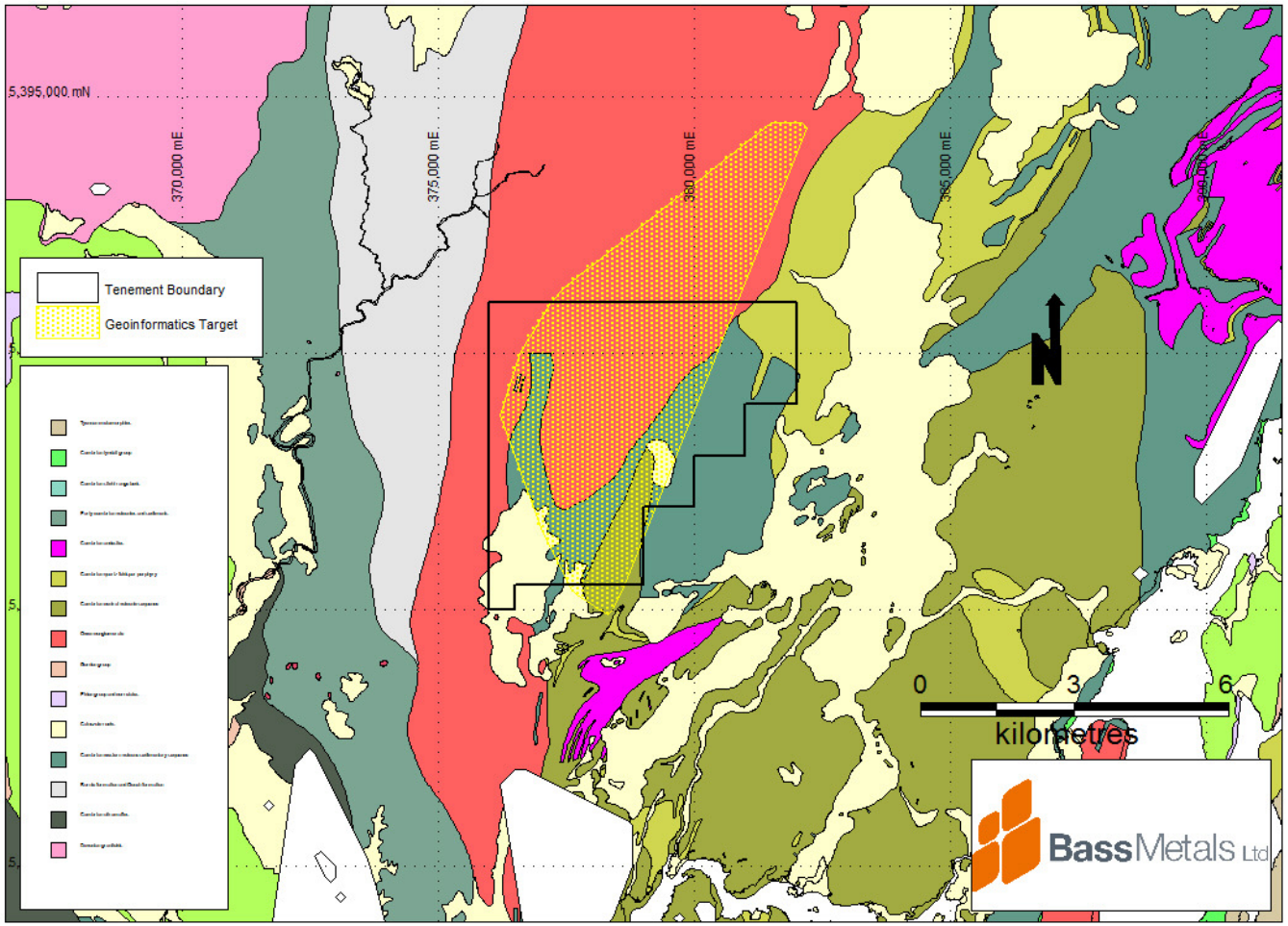

Figure 4. Geoinformatics Target on The Pinnacles Licence

3.2 30th Jan 2008 – 29th Jan 2009

VTEM Proposal -
A proposal was submitted for a Versatile Time Domain Electro Magnetic system survey (VTEM) totaling 400 line km's providing VTEM coverage over the entire Grass Ridge Licence and the northern half of Leven River. It was proposed that HR-VHMS and intrusion related base metal types would be targeted. Due to budget constraints and prioritisation of other work areas this survey was rejected.

Field Traverse & Literature Review –
During this current year of tenure this ground has been managed by 2 geologists consecutively. Unfortunately due to this, restricted field work has been undertaken on the ground and exploration has been limited to 1 field traverse ascertaining the accessibility of the area especially the historic Silver Fall workings, and the review of literature relating to historic exploration in the area. Despite the presence of an old 4 wheel drive track the Silver Fall working could not be reached because of the overgrowth of the vegetation on the older track, and swampy conditions at places on the track.

4. CURRENT WORK

Exploration completed during the final reporting period
30th Jan 2009 – 31st March 2009

A review was undertaken on the prospectivity of this tenement and it was decided that it would be fully relinquished.

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.

Land Tenure
The Pinnacles Exploration Licence comprises:

- State Forest Reserve

The Environmental Activity Map in Figure 5 shows the location of the licence relative to conservation areas.

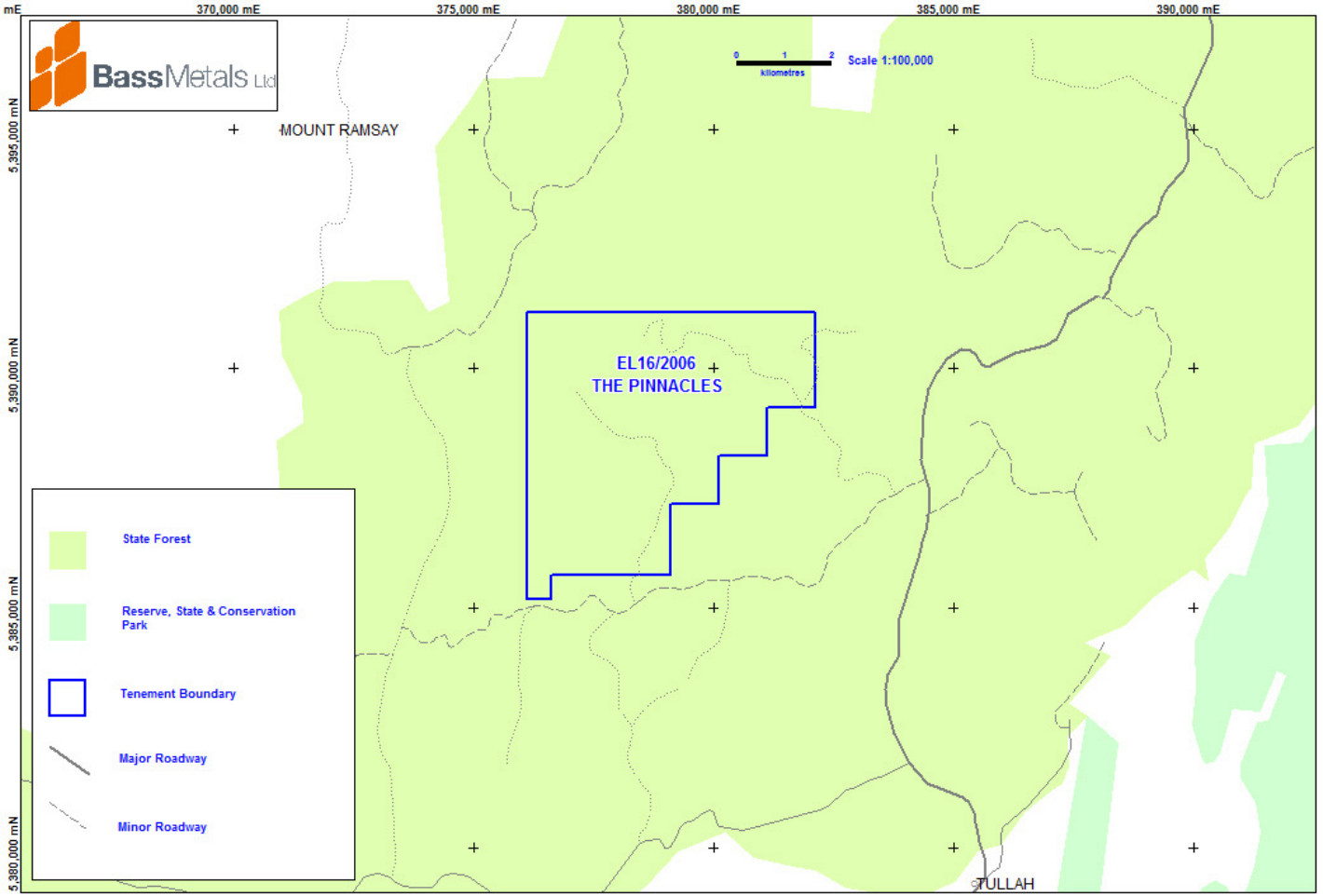

Figure 5. Environmental Activity Map

6. EXPENDITURE

January 2009 - March 2009		
Geoscientific Costs	**Geology**	783.34
	Geochemistry	
	Geophysics	
	Remote Sensing	
Drilling & Gridding Costs	**Gridding**	
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	
	Admin Costs	
	Total - eligible	**$783.34**

Table 2. Expenditure 30 January 2009 to 31 March 2009
***Expenditure reported is up to and including 28th February 2009*

7. REFERENCES

Freytag, I.B., 1976. Cominco Exploration Pty Ltd Exploration Licence 22/74 Marionoak River Area Progress Report on exploration to July 1976.

Aberfoyle Exploration Pty Ltd. 1979. Marionoak River EL 22/74 Tasmania Report for the year ending August 1979.

Turner, N.J., Brown, A.V., McClenaghan, M.P. & Soetrisno, Ir., 1991. Corinna 1:50,000 Series Map Sheet 7914N, Geological Survey of Tasmania.

Kirsner, L.W., 1992. Pasminco Exploration EL 2/90 Boco EL 8/90 Exploration Report for the period 11 October 1990 – 29 February 1992. Volume 1 of 2.

Poltock, R.A., 1993. Pasminco Exploration EL 2/90 Boco EL 8/90 North Pinnacles Exploration Report for the period 29 February 1992 – 6 May 1993.

Saxon, M.S., 1995. Pasminco Exploration Boco EL 2/90 & North Pinnacles EL 8/90 Relinquishment Report April 1990 – April 1995 Volume 1 of 2.

Hollamby, J.A., 1998. Pasminco Exploration Huskisson River EL 1/93 Relinquishment Report.

McNeill, A.W., 2002. Silver Falls (The Pinnacles) EL23/2000 Annual Report for the period ending 8th November 2002.

McNeill, A.W., Poltock, R.A., 2003. Silver Falls (The Pinnacles) EL23/2000 Annual Report for the period ending 8th November 2003.

Skirka, A., McNeill A.W., 2005. Silver Falls (The Pinnacles) Annual and Final Report for the period ending 8th November 2005.

Mineral Resources Tasmania, 2005. Mineral Exploration Opportunities in Tasmania Report.

McNeill, A.W., Skirka, M,. 2005. Silver Falls (The Pinnacles) EL23/2000 Annual Report for the period ending 8th November 2004.

Geoinformatics Exploration Inc. 2006. Mt Read Volcanics Intervention Project Stage 1b – August 2006. A memo prepared for Bass Metals.

Seymour, D.B., Green, G.R., Calver, C.R., 2006. The Geology and Mineral Deposits of Tasmania: a summary. Bulletin 72 Tasmanian Geological Survey, Mineral Resources Tasmania.