

**OONAH PROJECT
PIEMAN RIVER GROUP
TASMANIA
EL63/2004**

**FINAL REPORT
8TH AUGUST 2009 TO 10TH MARCH 2010**

Tenement Manager/Holder 75%
Bass Metals Ltd.
16Thelma Street
West Perth, WA, 6005

Tenement Holder 25%
Clancy Exploration Ltd.
57 Havelock Street
West Perth, WA, 6005

Geologist:
Kim Denwer
Exploration Manager
Hellyer Exploration Base, TAS

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

Distribution:
Mineral Resources Tasmania
Clancy Exploration Ltd.
Bass Metals Ltd

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

Disclaimer

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.

**OONAH PROJECT
PIEMAN RIVER GROUP
TASMANIA
EL63/2004**

**FINAL REPORT
8TH AUGUST 2009 TO 10TH MARCH 2010**

ABSTRACT

Bass Metals Ltd commenced management of the Oonah exploration licence (EL63/2004) on 8 August 2005. Work conducted on the licence for this final reporting period has included:

- A review by Walter Herrmann with the aim of generating exploration targets.
- Rehabilitation was completed at the 10 Montana Mine drill sites.
- Recommended for relinquishment.
- Transfer of ownership to Clancy Exploration

Expenditure – Reporting period \$18,892

Total to date \$336,267

CONTENTS	Page	
1. INTRODUCTION		1
1.1 Location & Access		1
1.2 Geology Overview		2
1.2.1 Burnie and Oonah Formation		3
1.2.2 Owen Group		3
1.2.3 Gordon Group		3
1.2.4 Eldon Group		4
1.2.5 Parmeener Supergroup		4
1.2.6 Tertiary Basalts		4
1.3 Exploration Rationale		6
2. DURING CURRENT TENEMENT		
2.1 Historical Mining		6
2.2 Exploration prior to current licence area		6
3. DURING CURRENT TENEMENT		9
3.1 2006 – 2007 (BSM)		9
3.2 2007 – 2008 (BSM)		10
3.3 2008 – 2008 (BSM)		12
4. CURRENT WORK – Final Reporting Period (8th August 2009 – 10th March 2010)		21
5. ENVIRONMENT		23
6. EXPENDITURE		24
7. REFERENCES		25
APPENDIX 1 – REHABILITATION REPORT		
APPENDIX 2 – REVIEW – W. HERRMANN		
APPENDIX 3 – COSTEAN ASSAY RESULTS		
LIST OF FIGURE		
Figure 1. Oonah licence (EL63/2004) location.		2
Figure 2. Regional Geology and licence boundary.		5
Figure 3. Soil program over tin target		10
Figure 4. Location of the adits east of Big Ben workings and soil anomaly map of the area		11
Figure 5. Mapped Costeans		13
Figure 6. Costeans Sampled		14
Figure 7. Long Section displaying intercepted mineralisation & planned drill holes		16
Figure 8. The sections drawn in Mapinfo including Shear Zone, Stope and pierce Points of each RC hole		17
Figure 9. Interpretive plan of geology and drill hole locations		19
Figure 10. Long section displaying trenches & drill hole intersections		20
Figure 11. Environmental Activity Map		23
LIST OF TABLES		
Table 1. Costeans sampled		18
Table 2. Expenditure 8 August 2009 to 31 January 2010		24

1. INTRODUCTION

This final report is a summary of the exploration activities conducted on the Oonah exploration licence, EL63/2004 (Figure 1), for the period 8 August 2009 to 10 March 2010. The licence covers a total area of 24 km². The Oonah licence is subject to an exploration joint venture agreement between Bass Metals Ltd and Clancy Exploration Ltd. Bass has managed the exploration of the licence from a base at the Hellyer Mine site for the past 4 ½ years.

The licence is situated in southwest Tasmania and covers an interpreted portion of the Tenth Legion Fault. The licence was claimed primarily because the Tenth Legion Fault is interpreted to thrust the Burnie & Oonah Formations on top of younger units including the Gordon Limestone which is considered prospective by Bass for carbonate-replacement mineralisation.

1.1 Location & Access

The Oonah licence is located directly adjacent to the town of Zeehan and approximately 30km north of Strahan on the west coast of Tasmania (Figure 1). Zeehan is accessed from the north via the Zeehan Hwy off the Murchison Hwy. Access to the licence from Zeehan township is via the Heemskirk Rd and various unsealed public roads. The 24km² tenement is located on the Heemskirk and Dundas (1:25,000) LTIS map sheets.

Topographically the area is of variable, undulating relief with the majority of the licence area classified as undifferentiated buttongrass moorland. In general, vehicular access is good with various unsealed vehicle 4WD tracks accessing the numerous old workings.

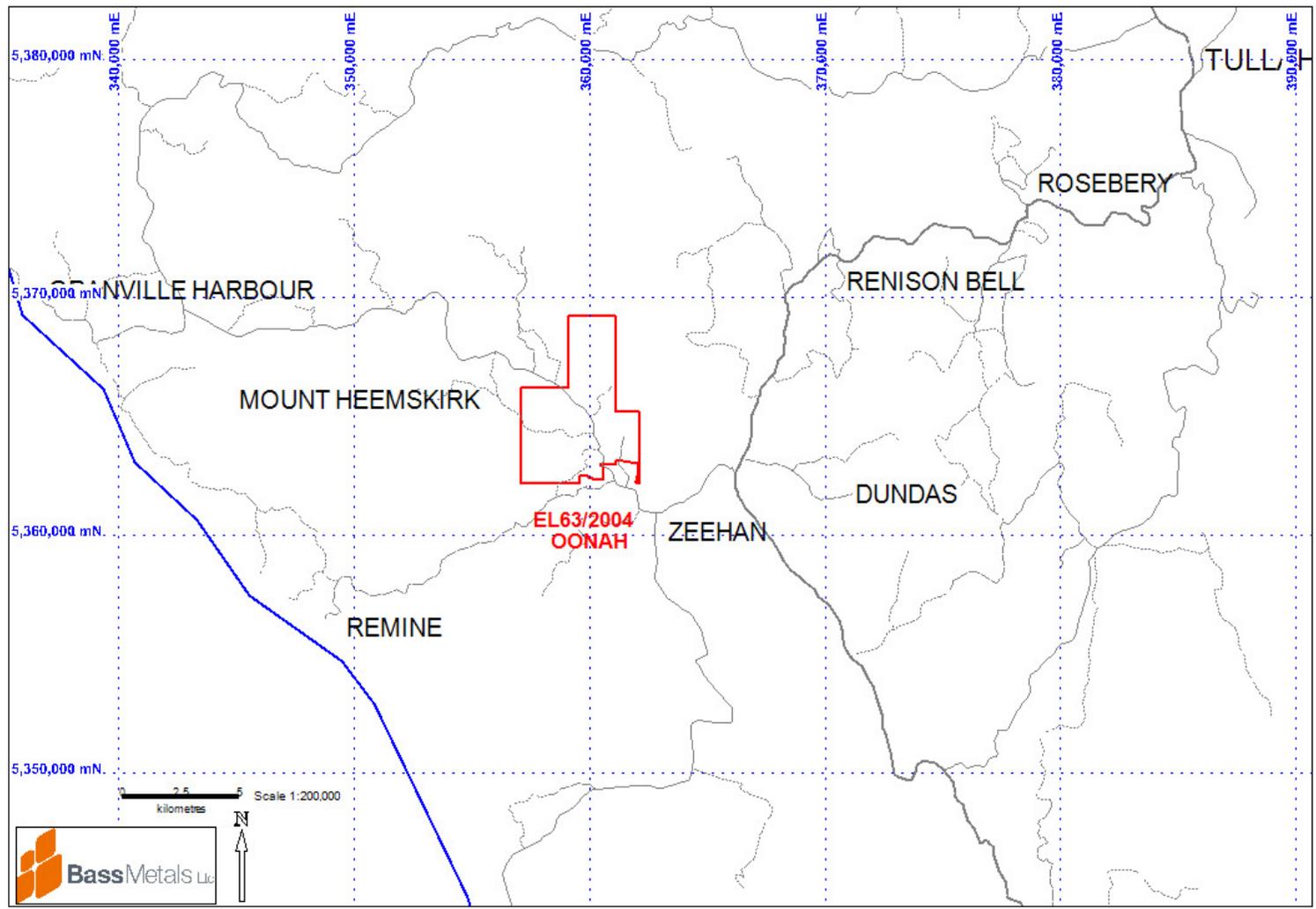


Figure 1. Location of the Oonah Exploration Licence (EL63/2004).

1.2 Geology Overview

A number of geological units occur within the Oonah licence area; however the units of interest in terms of prospectivity for granite-related and carbonate-replacement mineralisation are the Burnie and Oonah Formation and the Gordon limestone/Eldon Group association. Importantly it is the thrust relationship between these lithologies and the interpreted position of the Tenth Legion Fault that provides the focus for mineralising fluids (Figure 2).

There are two major styles of mineralisation on the Zeehan mining field of which the Oonah licence is considered to partially cover.. Classically the tin and Ag-Pb-Zn mineralisation has been attributed to magmatic hydrothermal zoning related to the intrusion of the Heemskirk granite. Both and Williams (1968) showed that the mineral zoning from west to east, is displayed principally in the gangue which changes from pyrite dominate to siderite dominate as the FeS content declines from west to east. The only distortion of this zoning is found at Queen Hill due to abundant tin mineralisation, attributed to a separate granite intrusion underlying the area.

A second mineralisation style considered akin to Irish- style syn-sedimentary lead-zinc mineralisation is reported at Oceana Mine and has been confirmed by Pb-isotope analysis conducted on lead mineralisation from that mine (Sise, 1986).

1.2.1 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).

1.2.2 Owen Group

The Owen Group is Cambrian to Ordovician in age and sits unconformably on the Mt Read Volcanics. The unit typically includes large volumes of coarse siliclastic conglomerate composed dominantly of metaquartzite clasts derived from the Tyennan Metamorphics. It 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 potentially host mineralisation associated with intrusion of Late Devonian–Early Carboniferous granitoids.

1.2.3 Gordon Group

The Ordovician Gordon Group above the Pioneer Sandstone is a shallow-marine to peritidal, platform succession of predominately micritic, dolomitic limestone. The Gordon Group carbonate sequence is an important ore host for skarn mineralisation associated with intrusion of Late Devonian–Early Carboniferous granitoids (Seymour *et. al.*, 2006).

1.2.4 Eldon Group

The Silurian-Devonian Eldon Group sits locally disconformably and erosionally on the Gordon Group. The lower part of the succession is dominated by shallow-marine quartz sandstone (Crotty and Florence Formations); the upper by a thick, shelf-facies shale unit with minor limestone identified locally as the Bell Shale and correlates (Seymour *et. al.*, 2006).

1.2.5 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).

1.2.6 Tertiary Basalts

Radiometric dates from basalts across Tasmania indicate an age range of between 16.4Ma and 64.5Ma.

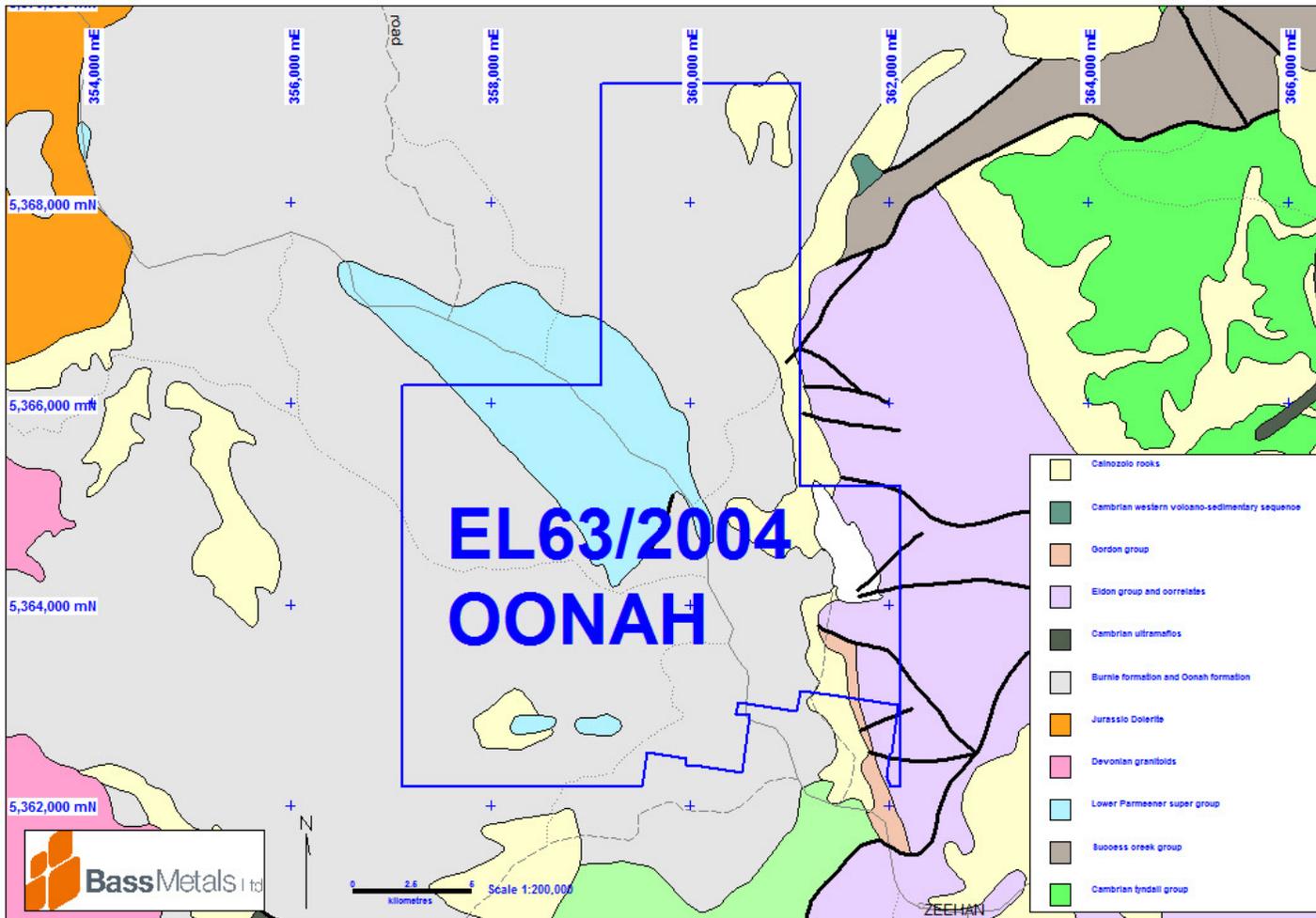


Figure 2. Regional Geology showing Licence Area boundaries and towns

1.3 Exploration Rationale

The Oonah tenement was acquired because it overlays the interpreted Tenth Legion Fault considered to be thrusting the Burnie and Oonah Formations on top of younger units. The larger deposits in the area such as Montana Silver Lead, Oonah and the Stannite Lodes are hosted in the Burnie and Oonah Formations which possibly acted as an aquatard trapping mineralisation below and immediately above the fault.

The Stannite Lode resource was estimated by CRAE in 1982 to contain 1.3Mt @0.57% Sn with minor silver.

2. WORK COMPLETED

2.1 Historical Mining:

The Zeehan Ag-Pb mining field dates back to 1882 and was progressively developed until 1898. A sharp decline in production saw the closure of the smelter during the first decade of the 20th century and for the most part, from 1919 until the 1980s only small-scale operations existed in the upper levels of abandoned mines.

2.2 Exploration Prior to Current Licence Area:

Systematic exploration of the Zeehan mining field commenced during the late 1940s by a joint venture between North Broken Hill and Broken Hill South called Zeehan Explorations. Since that time exploration has generally concentrated on looking for extensions to the existing mines and workings. The area was originally targeted for tin mineralisation, but due to declining tin prices a shift in exploration strategy saw a move to exploration for Pb-Ag-Zn mineralisation.

Date: 1946-1951

Company: Zeehan Explorations

Exploration Philosophy: Exploring for large-scale carbonate-hosted mineralisation

Work Completed: Mostly concentrated their efforts on drilling carbonate-hosted mineralisation in the Gordon limestone. At their instigation, the BMR conducted gravity and electrical surveys in 1947/48 and 1954.

Results and Conclusions: Discouragingly, gravity anomalies were found to represent large accumulations of siderite and known mineralisation at Oceana Mine failed to give a significant electrical response.

No data available regarding results of drilling.

Date: 1970-1973

Company: Cominco Exploration Pty Ltd EL47/71(Tenneco Australia Inc)

Exploration Philosophy: Carbonate-hosted base metal mineralisation

Work Completed: Several geophysical surveys including SP, EM, IP, Turair and gravity were conducted over the majority of the limestone sequence. Geological surface mapping, adit mapping, bedrock/rock chip sampling and ground truthing of Turair geophysical anomalies.

Results and Conclusions: Best grab sample from Bradshaw 1.4%Sn. Numerous Turair anomalies identified but details of follow-up work and results not found (73_0956).

Date: 1971-1986

Company: Aberfoyle Resources Ltd EL47/71 (Formerly Cominco and Tenneco)

Exploration Philosophy: To assess regional tin potential to augment future mining operation based on Aberfoyle's Zeehan tin resource. However depressed tin price shifted focus of exploration to lead-zinc-silver mineralisation associated with the Gordon Limestone.

Particularly interested in potential for syn-sedimentary (Irish-style) base metal mineralisation in Gordon Limestone similar to Oceana Mine south of Zeehan township. Despatch and Tasmanian Crown both Ag-Pb mines in Gordon Limestone only 5km along strike from Oceana.

Work Completed: Geochemical bedrock sampling, lead isotope analysis and geophysics(?).

Results and Conclusions: Geochemical sampling results suggested that geochemical anomalies represent narrow, discontinuous Devonian vein-style mineralisation and do not warrant further exploration.

Pb-isotope analysis on galena samples collected from both the Despatch and Tasmania Crown mines revealed Devonian vein-style signatures rather than Oceana syn-sedimentary ratios. No further work recommended (86_2606).

Date: late 1970's-1996

Company: CRA Exploration Pty Ltd (ML35M/72 and EL11/93)

Exploration Philosophy: Delineate resource below and along strike of the Sn-Cu-Ag Stannite Lode portion of the Oonah Mine.

Work Completed: Diamond drilling, mapping, soil geochemistry and rehabilitation

Results and Conclusions: (82_1699 and 96_3947)

- Stannite Lode 150m strike, 10m width and 300m depth representing resource of 1.3Mt @ 0.57% Sn with minor Ag present. Later revised to resource of 0.2Mt @ 0.4% Cu, 5.3% Pb, 284g/t Ag and 0.5% Sn.
- Best result in DD80OC4 5.9m @ 1.75% Sn, 200g/t Ag and 2.4% Cu from 91.5m.
- Pyritic black shales between Stannite Lode and Bradshaw's open cut essentially unmineralised.
- Mineralisation at Junction workings restricted to narrow quartz-siderite veins.
- SP and EM anomalies from 1964-65 BMR survey generally coincident with black shale outcrops.
- Black shales produced no soil anomalism.

Date: 1987-1994

Company: RGC Exploration (EL42/87)

Exploration Philosophy: Delineate areas for potential Queen Hill/Renison style tin mineralisation. Declining tin prices after 1991 shifted focus to Pb-Zn-Ag (Sn) on the Sylvester (outside current EL) and Parting Lake areas

Work Completed: Gravity and one diamond drill hole at Parting Lake grid. Work at Sylvester provided a resource estimate of 6Mt @ 3.3%Pb, 5.5%Zn and 40g/tAg based on 13 diamond drill holes.

Results and Conclusions: PL001 drilled to test for base metal and/or stanniferous replacement mineralisation above a gravity interpreted granitic cupola thought to be

associated with Zeehan Western and Zeehan Montana Ag-Pb-Zn mines. PL001 drilled to 673m EOH and only intercepted mineralisation from 42.6 to 50.7m where Gordon limestone sits adjacent to a fault. The limestone was replaced by siderite with disseminated base metals. Best assay result was 2m @ 0.76%Pb, 0.17%Zn and 17ppmAg (93_3505).

Date: 2002-2003

Company: Mount Conqueror Minerals NL & Central West Gold NL (EL7/2002)

Exploration Philosophy: Revise Stannite Lode resource (feasibility)

Work Completed: Data review and field visit.

Results and Conclusions: Inferred resource of 440,000t @ 1.25%Sn, 1.48%Cu and 136g/tAg at 0.5%Sn cut-off grade. Resource not sufficient as stand-alone mining operation. Recommend surrender of licence (03_4935)

Date: 2005-2006

Company: Mount Conqueror Minerals NL & Central West Gold NL (EL7/2002)

Exploration Philosophy: Revise Stannite Lode resource (feasibility)

Work Completed: Data review and field visit.

Results and Conclusions: Inferred resource of 440,000t @ 1.25%Sn, 1.48%Cu and 136g/tAg at 0.5%Sn cut-off grade. Resource not sufficient as stand-alone mining operation. Recommend surrender of licence (03_4935)

3. DURING CURRENT TENEMENT

3.1 2006 – 2007 (BSM)

During this reporting period the majority of work involved the capture of various datasets into FracSIS and MapInfo format by Geoinformatics. This data was then modelled to allow 3-dimensional analysis and target generation.

Following the work produced by Geoinformatics, a review of open file soil geochemistry and airborne magnetic data outside of the Oonah-Montana-Great Western group of historic mine working has identified an area of broadly coincident soil anomalism within the RGC Exploration Parting Lake soil grid adjacent to several airborne magnetic features. Specifically the tin anomalism was brought to the attention of Bass Metals by Geoinformatics as an 'area of interest' and is in close proximity to the interpreted position of the Tenth Legion Fault.

The coincident soil anomalism is considered to represent hydrothermal fluids related to a proximal granite source (Heemskirk Granite). The magnetic features of interest include;

1. A NW striking magnetic low (~5km strike length) mapped along strike of the Montana – Great Western trend
2. A donut-shaped magnetic high adjacent to the interpreted position of the Tenth Legion Fault
3. Two sub-parallel, linear magnetic high features just outside of the licence which coincide with two sub-parallel faults striking NE off the Tenth Legion Fault

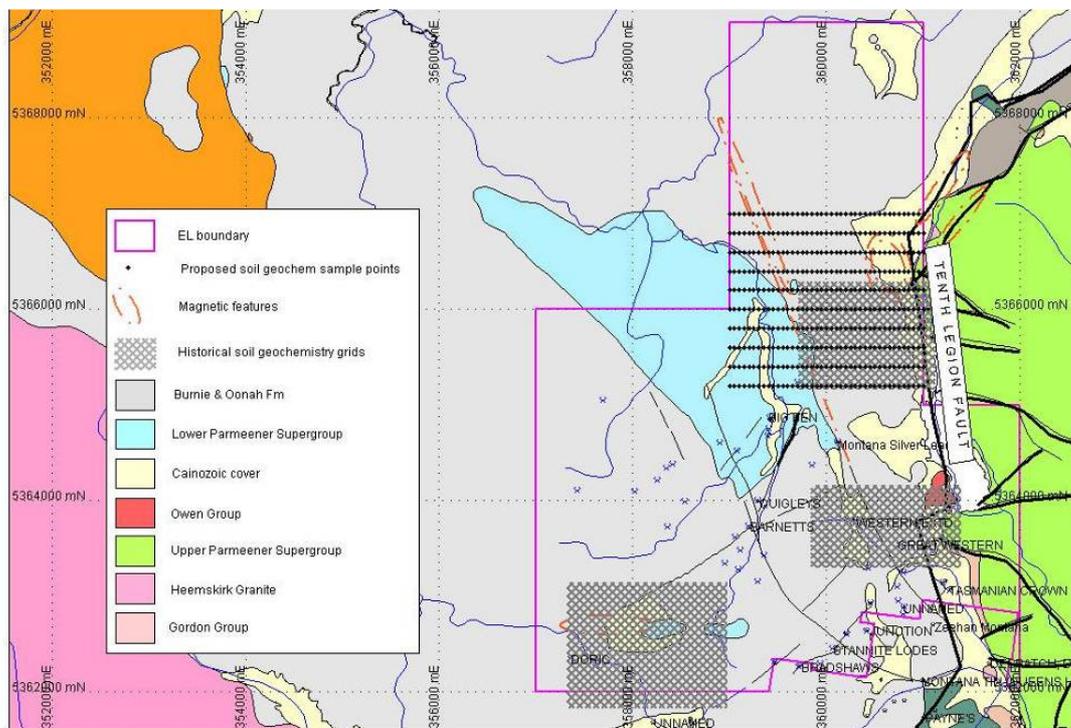
No known mineral occurrences appear to occur in this part of the Oonah licence and hence the bulk of previous exploration activity concentrated to the south in the vicinity of the known mines. For this reason the area was considered under-explored.

3.2 2007 – 2008 (BSM)

Soil geochemistry program –

A proposal for a soil geochemistry program was approved and undertaken. This program was designed to test the Geoinformatics 'area of interest' containing a historic tin in soil anomaly (Figure 3). A review of previous exploration data revealed coincident Sn, W, Mo, Ba, Br, Cr, Fe and Cu anomalism adjacent to the Tenth Legion Fault position. Also of interest were several magnetic features in the vicinity of the soil anomalism. This program was completed with a total of 365 samples collected and 10km of gridding (Sample numbers 134261 – 134625 reported in the previous year's progress report).

Figure 3. Soil programme over Tin target (AGD 66)

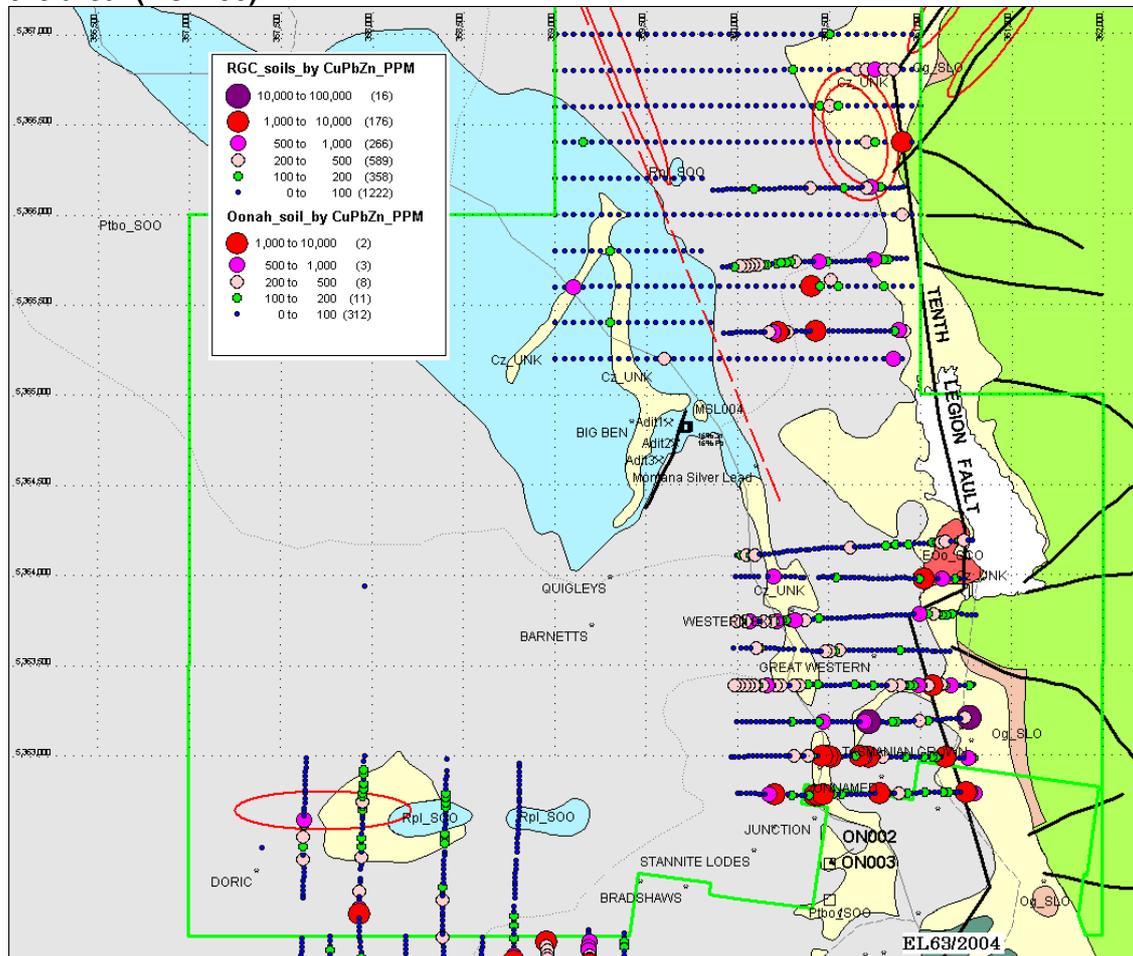


Mapping, grab sampling & orientation/access field trips –

A site mapping and orientation trip was conducted over two days at the Oonah Mine and Stannite Lode. This was undertaken to better understand the surface orientation of the numerous mine workings in order to aid drill planning. A total of 26 rock chip and bulk samples were collected from adit openings, mullock pile and outcrop. The bulk mullock samples collected were found to illustrate the different ore types which include Galena, Stannite, Cassiterite, Carbonate and Bradshaw's (Pyrite) Lodes. These results will aid in identifying the provenance of individual mullock heaps and orientation of mining infrastructure at surface.

A field reconnaissance trip to the Montana Silver Lead Mine identified the location of the historic box-cut pit and partially infilled inclined shaft accessed via the pit. The ore horizon was observed to contain stockwork and breccias-fill quartz-carbonate veins with associated galena and sphalerite mineralisation in Proterozoic sediments of the Burnie & Oonah Formation. Bulk and rock chip samples from the pit floor and pit walls have returned encouraging results with the best result from sample MSL014 containing 15.3%Pb, 15.4%Zn, 0.4%Cu and 846ppmAg. Another field trip was carried out specifically to determine the access track and locate the adits along the NS fault near Big Ben (Figure 4) area where MSL014 was taken. Three adits running EW across the fault at Montana Siver Lead workings (East of Big Ben workings) were located and float/rock chip samples were collected from the mullocks and from the adit and were assayed by the Niton.

Figure 4. Location of the adits East of Big Ben workings and soil anomaly map of the area. (AGD 66)



Further detailed field work was carried out to determine the accessibility and vegetation cover of the area around Big Ben workings. The main shaft and one adit of the Big Ben workings were located. Field data on lithological units and shear/fault zone from Montana Silver Lead mine are were collected. Sample no. MSL014 was found to be of vein-type Pb+Zn mineralisation confined to this shear zone with the special disposition of

this shear zone being one of the guiding factors for the planning of the proposed RC drill holes.

Literature review –

A new team member was assigned to this area and undertook a literature review of open file data for Montana Silver Lead, Oonah and Stannite Lodes historical workings and familiarisation of the geological setting.

RC drill program preparation –

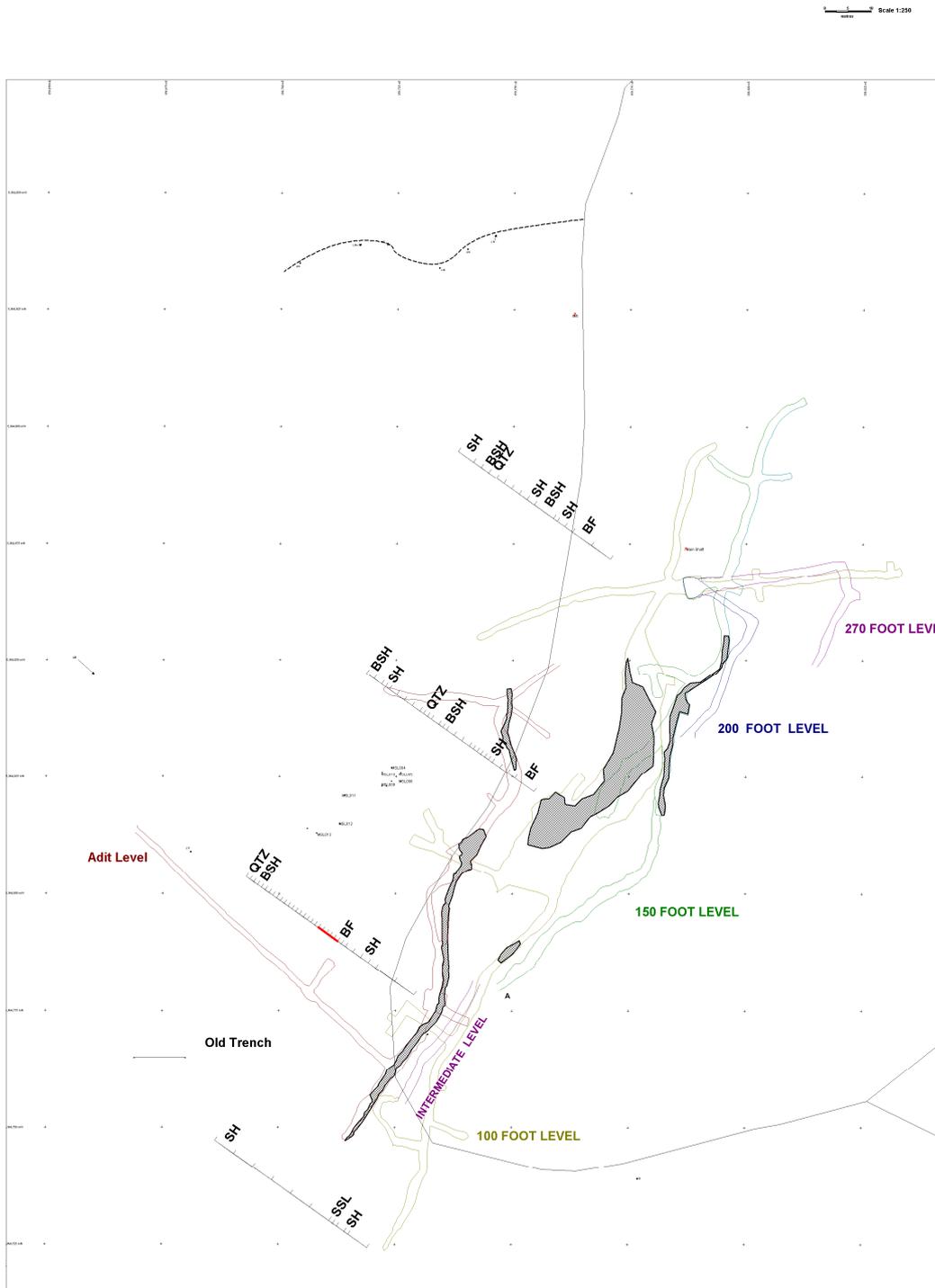
Ten RC drill holes were in the planning stage to target the down dip and along the strike extensions of the mineralisation

3.3 8TH Aug 2008 – 7th Aug 2009 (BSM)

Costeaning

Four costeans targetted outcropping mineralisation as well as testing for the five parallel lodes reported in historical documents around the historic Montana Silver Lead mine. Each costean was 1m wide and 1.5m deep. Two of the costeans are 40 m in length and the remaining two are 50 m in length. These costeans were mapped in detail. See map below.

Figure 5. Mapped Costeans (AGD 66)



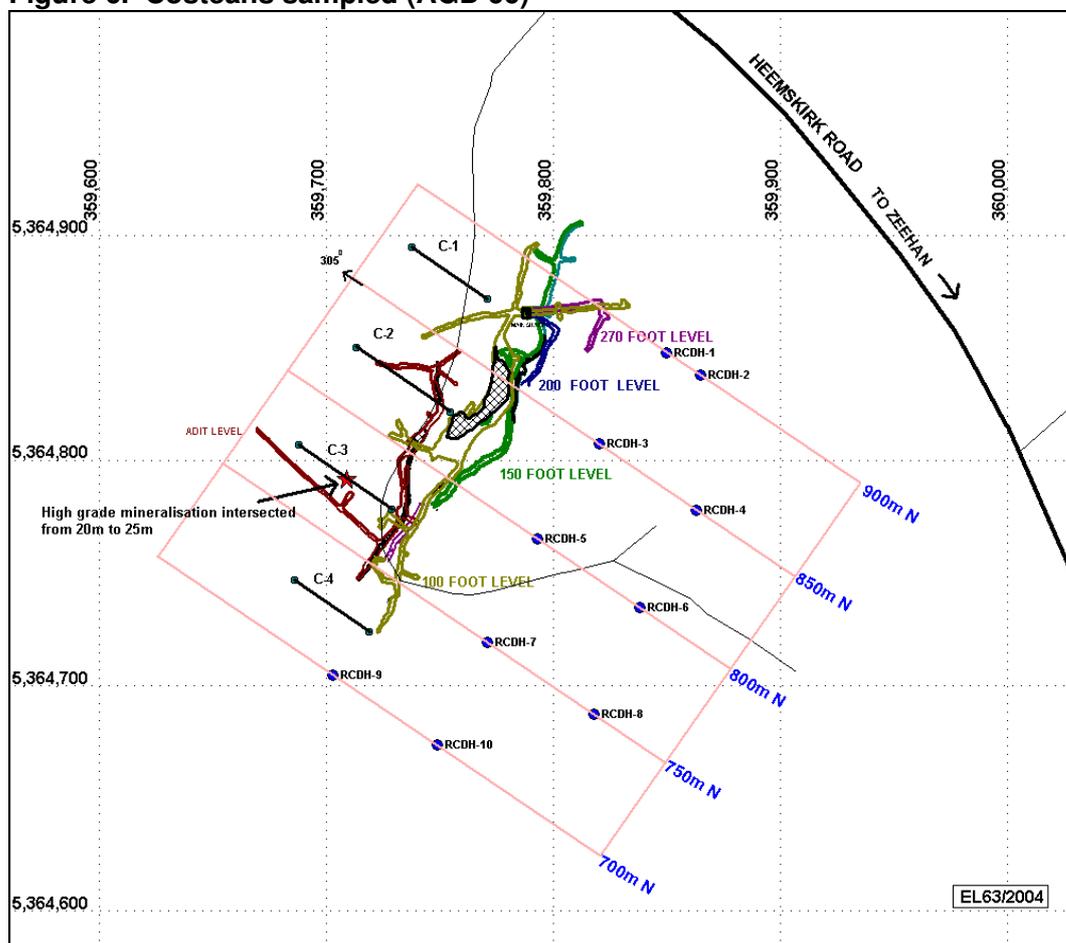
Costean number 3 (Figure 6) intersected approximately 4.5 m of high grade sulphide mineralisation (galena and sphalerite) in the highly sheared black shale. Another approximately 1m wide zone of mineralisation was observed on the northern tip of the same costean in white quartzite within the shear zone.

Channel sampling was carried out on 5m interval where the visible mineralisation was intersected and where alteration zone was observed. Refer to appendix 3.

Costeans 1 and 2 intersected infill material of the old Montana Silver Lead workings.

The topsoil/vegetation was stockpiled separately from the rock for ease of backfilling the costeans.

Figure 6. Costeans sampled (AGD 66)



Results were received for the costean sampling with the best intercepts being 7m at 4.7% Pb, 2.8% Zn and 650 g/t Ag. The only other significant intersection was 3m at 1.9% Pb 3.8% Zn and 35 g/t Ag. Refer to previous years progress report for all results.

Planning and execution of an RC drilling program

The mineralisation at Montana occurs within a dilational jog within a reverse fault system. The jog has dimensions of 100m (along strike) x 10m wide x 70m down dip. 10 RC holes totaling 531m was drilled. The RC drilling was an effective method of drilling shallow holes relatively cheaply. The first hole MO5, had difficulty drilling through the stope. It was decided to end this hole early due to significant risk of the rods getting bogged. Sample return was good, however on most of the holes once a stope was intersected water became a problem and the resulting meters were wet. All but two of the holes intersected a stope or drive. Generally the stope was 5-10m from the predicted point of intersection resulting in most holes being relatively short. MO3 and MO1 intersected the most significant intersections. A Niton XRF analysis was done on these intersections with MO3 having 5 meters at 4.3% Pb and 0.9% Zn, MO1 6m at 1.6% Pb and 0.44% Zn. In both holes the mineralisation was in close proximity to the hanging wall of the stope. The method of using the XRF on RC samples was to scan through the polyweave bag so there may be minor errors in these results.

These 10 holes demonstrated that close to the surface (0 – 70m) very little mineralisation remains within the Montana workings. What was noticed was that the majority of the mining was contained around a highly siliceous zone of both shale / quartzite. Several meters of sericitic (black) / siliceous alteration surrounds this main siliceous zone. The structure controlling this alteration and subsequent mineralisation was a moderately dipping shear zone that can be mapped at surface. After several holes were drilled it was clear that the majority of the base metal mineralisation had been removed during historic mining. Focus was then shifted to targeting the high grade intersection encountered in trench 3 and the intersections in holes MO3 and MO1. It was hoped that 30,000 tonnes of ore would remain however a further hole along strike from MO1 indicated that the mineralisation pinches out; making it very unlikely that such a deposit exists. Refer to table 1 for the better results.

Refer to the last reporting period for a full drill hole summary report including assay results.

Archival information on the Montana mine suggests that there were several parallel lodes and only one of these was mined. The RC drilling found no evidence of these additional lodes which suggests that they are either at depth or located in a more regional sense.

Figure 7. Long section displaying intercepted mineralisation and planned drillholes (AGD 66)

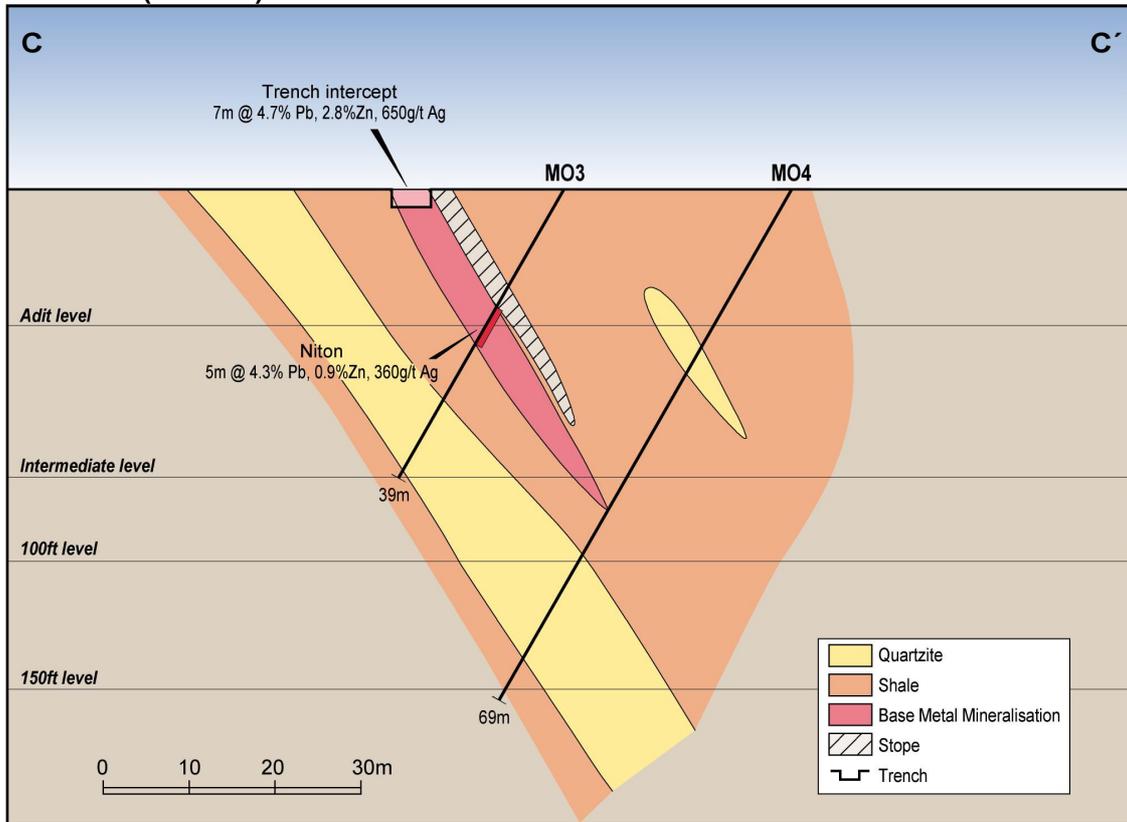
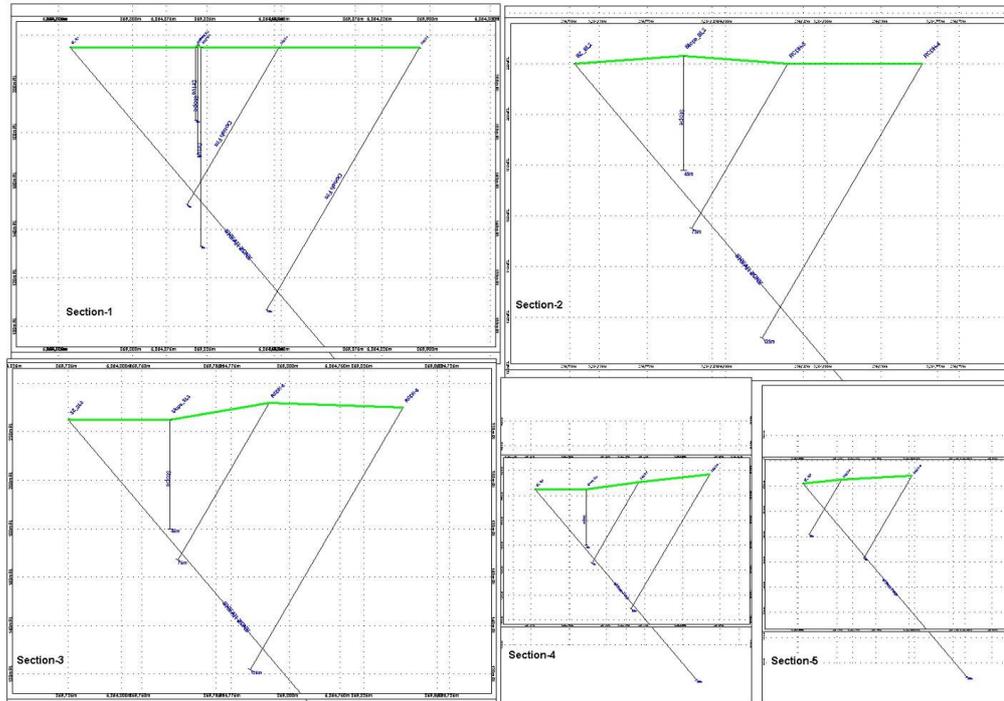


Figure 8. The Sections drawn in MapInfo including Shear Zone, Stope and pierce points of each RC drill hole. (AGD 66)



Geochemical results were as expected (table 1) with a best result of 3.0m @ 2.1 %Zn, 9.0 % Pb and 252 ppm Ag. No further work is planned here except for rehabilitation of the RC drilling pads.

Table 1. Oonah – Montana Silver Lead – RC drilling results:

From (m)	To (m)	Drilled Interval (m)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)
MO3 (at a 1% (Pb+Zn) cutoff)							
15.0	34.0	19.0	0.5	1.8	0.0	41.7	0.0
MO7 (at a 1% (Pb+Zn) cutoff)							
33.0	38.0	5.0	0.2	2.0	0.0	57.0	0.0
56.0	64.0	8.0	0.3	1.6	0.0	38.8	0.0
MO1 (at a 1% (Pb+Zn) cutoff)							
21.0	31.0	10.0	0.8	3.7	0.0	98.1	0.0
<i>Incl. (at a 5% (Pb+Zn) cutoff)</i>							
21	24	3.0	2.1	9.3	0.0	252.3	0.0
MO5 (at a 1% (Pb+Zn) cutoff)							
34.0	42.0	8.0	1.7	1.3	0.0	38.0	0.0

Mapping

Extra mapping of the Montana workings was carried out to get a better understanding of the orientation of the mineralised jog. This included mapping all outcrop, current trenching and pre-existing trenches. An interpretive plan and five NW – SE cross-sections were drawn at 1:500 scale. Incorporated into these interpretations were the adits, drives and stopes from historic workings.

An updated interpretive map of the workings was compiled. (Figure 9) It indicated a lens of low to medium grade Pb, Zn, and Ag. This lens outcrops or is at subsurface and has a 60m in strike length, is 4m wide and 40m deep.

During the period some research was done on the Oonah stannite- chalcopyrite-cassiterite lodes.

Figure 9. Interpretive plan of geology and drill hole locations (AGD 66)

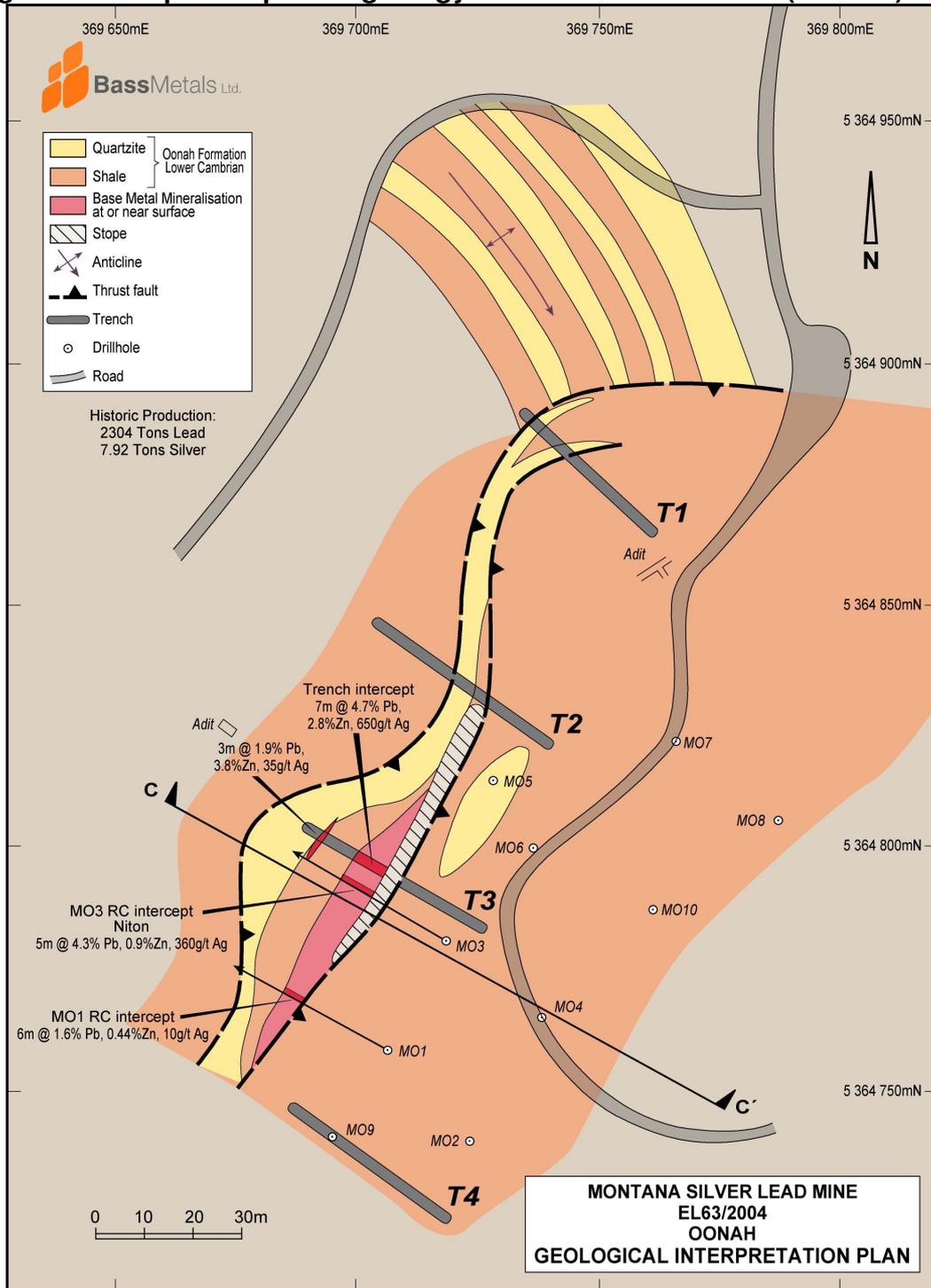
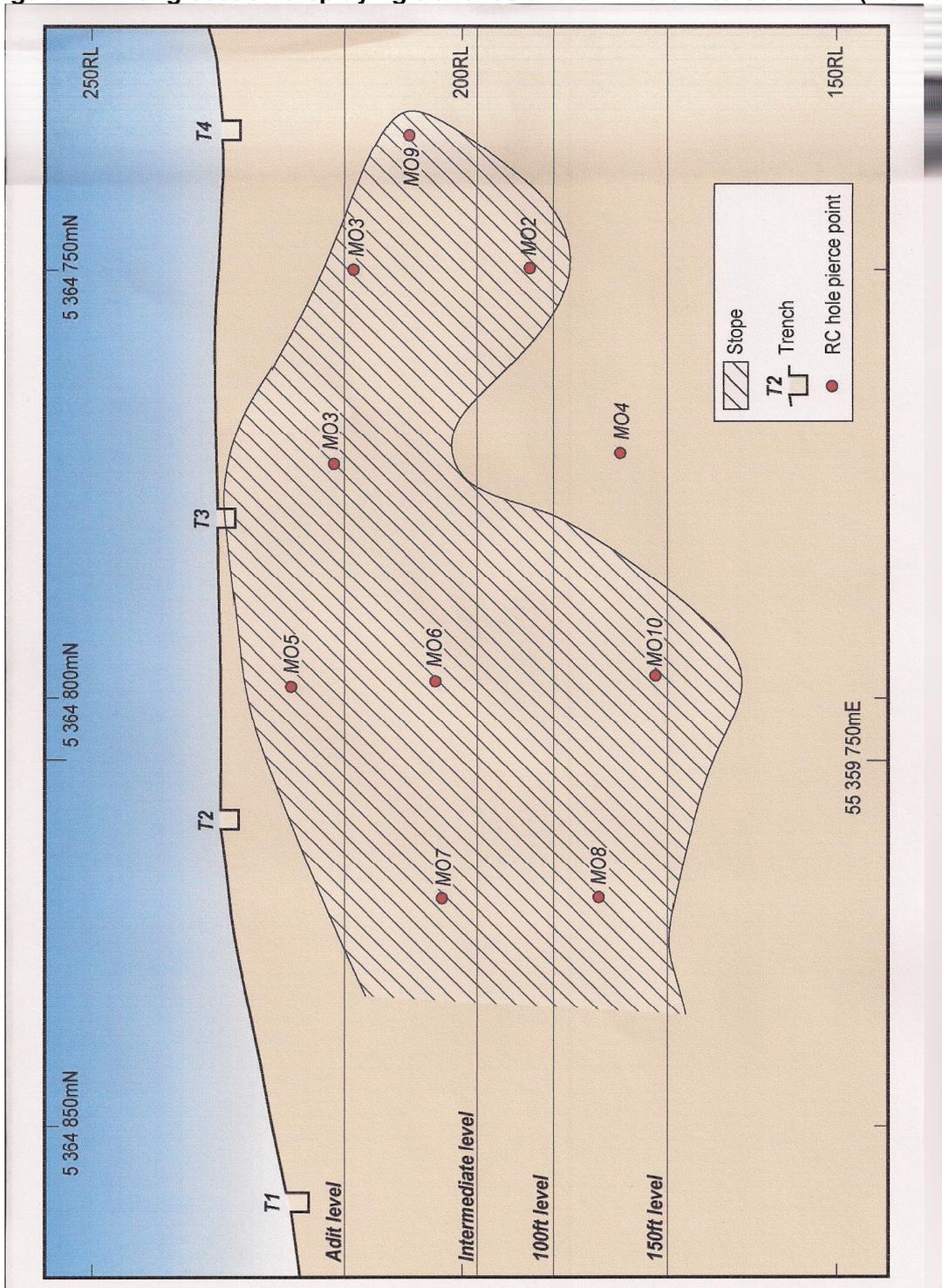


Figure 10. Long section displaying trenches and drill hole intersections. (AGD 66)



4. CURRENT WORK

Final Reporting Period – 8th August 2009 to 10th March 2010

Review

This tenement was reviewed by Walter Herrmann with the aim of generating exploration targets.

3 areas of exploration potential are discussed in Wally's Report: -

1. *Carbonate-replacement tin potential:*

Magnetic Anomaly 370 is mentioned here; exploration recommendations include:

- A geological reconnaissance and ground magnetometer survey of anomaly 370.
- If the geologic setting and magnetic data modelling are favourable for a carbonate-replacement cassiterite-sulfide deposit, then test the target with an oriented-core diamond drill hole.

2. *Lead-silver lode potential:*

- Concluded that this deposit with an in ground value of about \$150 million is unlikely to support a stand-alone mining operation.

3. *Oonah Stannite Lode potential:*

- Obtain expert process metallurgical opinions on the recoverability of stannites from a mixed sulphide assemblage, and saleability of concentrates.
- Undertake a 'back of an envelope' analysis of the economic feasibility of underground mining of a narrow fissure-lode deposit of less than 200,000 tonnes and \$100 million metal value.
- If those both produce positive outcomes, then design and carry out a drilling program to properly define the Stannite Lode resource. That program should preferably be diamond core drilling, in oriented HQ3 (triple tube) to obtain maximum geologic and structural data and maximize the core recovery through the probably brecciated mineralised zones.

In conclusion Wally determined that there are a number of old prospects based on minor argentiferous galena lodes in the southern half of the EL, particularly around the Oonah Mine that are considered to have low exploration potential and warrant no further exploration.

JV farm-out

A decision was made to seek a joint venture partner for farm-out rights over this tenement. Both Stellar Resources and Metals X were approached and both declined the offer.

As Bass Metals had decided to fully relinquish this tenement, Clancy Exploration had the option under the joint venture agreement to have the 75% tenement ownership that Bass currently hold transferred to them. On Clancy's acceptance of this transfer the necessary documents have been forwarded to them for completion. Once completed and approved by the minister Clancy will be obliged to meet the annual rental along with transfer costs, stamp duty and mandatory reporting requirements.

Rehabilitation

During this reporting period rehabilitation was undertaken on the Oonah diamond drilling program that was carried out late last year. A total of 10 diamond holes totaling 531m was drilled with unsuccessful results. Refer to Appendix 1 for the full rehabilitation report along with photographs.

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.

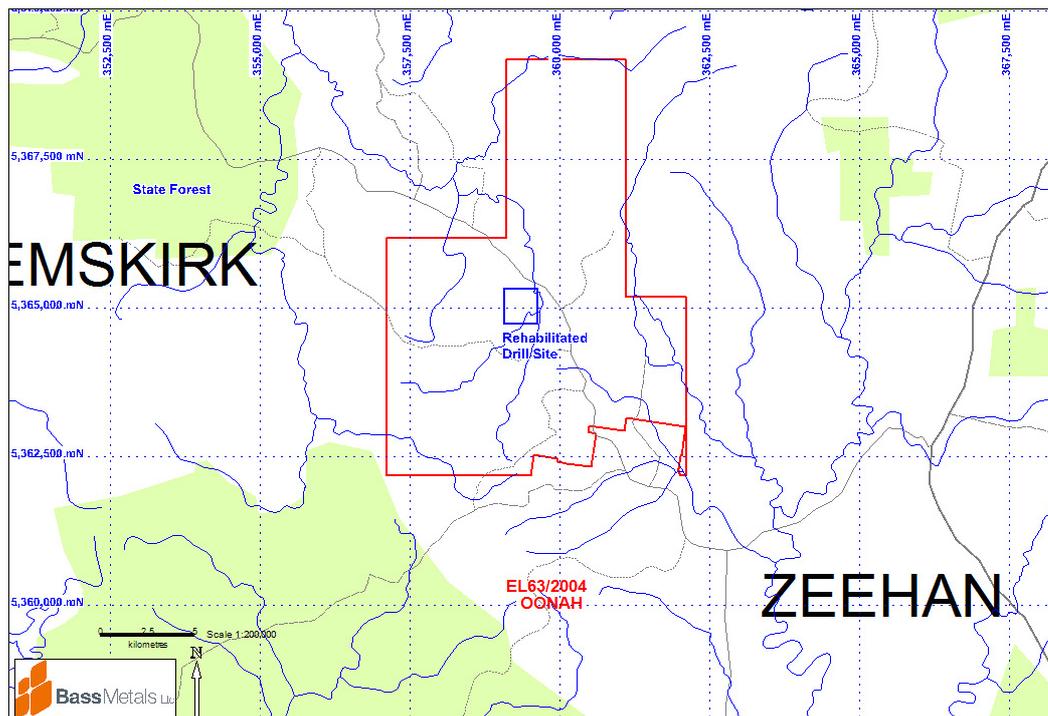
The attached Environmental Activity Map in Figure 11 shows the location of the licence relative to conservation areas and the recent drill site rehabilitation area. The majority of the tenement is covered in undifferentiated buttongrass moorland, but in the north, a significant portion of the tenement encroaches on the Parting Creek Regional Reserve.

Land Tenure

The Oonah Exploration Licence comprises:

- Crown Land
- Private Parcel
- Regional Reserve

Figure 11. Environmental Activity Map



6. EXPENDITURE

August 2009 - March 2010		
Geoscientific Costs	Geology	17,782
	Geochemistry	
	Geophysics	
	Remote Sensing	
Drilling & Gridding Costs	Gridding	
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	1,110
	Admin Costs	
	Total - eligible	\$18,892

Table 1. Expenditure 8 August 2009 to 31 January 2010
** Includes expenditure up to & including 31st January 2010*

Expenditure – Reporting period \$18,892

Total to date \$336,267

The Oonah tenement is part of the Pieman River Group; the total expenditure up to the 31st January 2010 for this group is \$359,684 against a required group expenditure of \$80,716

7. REFERENCES

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

Sise, J.R., 1986. Exploration Licence 47/71, Queen Hill Tasmania, Final Report including report on exploration for period January 1985 to November 1986. Aberfoyle Resources Ltd. Report to Tasmanian Mines Department **(86_2606)**.

McClatchie, L., 2003. The Stannite Lode, Oonah Mine – Northwestern Tasmania. **(03_4935)**.

Halley, S., 1993. EL42/87 Incorporating ML's 43M/85 & 123M/74 "Zeehan Area" Annual Report for the period October 1992 to September 1993. **(93_3503)**.

Barnes, C.P., 1973. Progress Report & Future work programme EL47/71. **(73_0956)**.

APPENDIX 1
REHABILITATION REPORT

APPENDIX 2
REVIEW – W. HERRMANN

APPENDIX 3
COSTEAN ASSAY RESULTS