Bright Phase Pty Ltd

EL15/2011

Betts Ck (8kms S of Luina)

Annual Report for the period 13 September 2011 to 13 September 2012.

By: Bright Phase Pty Ltd

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Attachments: Nil

1.0 Introduction

This report details all development work undertaken on Exploration License 15/2011, "Betts Ck (8kms S of Luina)" during the Annual Period 13th September 2011 to 13th September 2012.

Exploration License 15/2011, "Betts Ck (8kms S of Luina)" covering an area of 34km2 lies in Western Tasmania and is situated to the west of Waratah and to the south of Luina. The license area is currently inaccessible, but all future access will be via the sealed Waratah-Savage River road and then through license EL7-2005 (Cleveland Mine) and then via a series of old sealed and unsealed mine access and forestry roads/tracks and then through roads that will need to be cut.

The terrain is dominated by steep shrub and tree covered slopes

There has been minimal work on the tenement during the last 12 months. The only expenditure that occurred was the hiring of a helicopter to view from the air the extent of the lease and to understand environmental impacts on the lease due to the Whyte River tailings leach upstream, and also to understand the accessibility on the "plateau" in the centre of the lease for potential drilling.

2.0 Tenure

Exploration license 15/2011 (Betts Ck (8kms S of Luina) covering an area of 18km2 was granted to Bright Phase Pty Ltd on 13th September 2011 for a period of 12 months. The lease will continue to be granted on a rolling 12 month basis.

Bright Phase was awarded the tenement principally because it is developing EL7-2005 with Lynch Mining Pty Ltd, and EL 15/2011 is directly to the south of EL7-2005 and offers new mineral opportunities that will potentially be adjacent the mine, minerals processing and infrastructure that is planned to be developed over the next few years at EL7-2005.

3.0 Previous Exploration

To Bright Phase's knowledge there has been no previous exploration on this tenement. There were operating mines on EL9-2006 (Washington Hay and Godkins) but there is not believed to be any historical operations on EL15-2011.

4.0 Regional and Local Geology

This tenement is directly to the south of the historic Cleveland mine. The Cleveland ore bodies occur in a steeply dipping northeast trending succession of arenaceous, argillaceous, and chemical sediments and mafic volcanic rocks and ultramafic/mafic complexes. The sequence is unfossiliferous but has been correlated by rock type with the Cambrian Crimson Creek Formation of the Zeehan-Rosebery area. The Meredith Granite, a high level, late tectonic Late Devonian to Early Carboniferous granitic pluton believed to be genetically associated with the mineralisation, intrudes the sequence east and south of the mine. The Cleveland ore bodies are located in a dominantly fine grained sedimentary sequence that is thought to lie in an embayment on the margin of a basaltic eruptive centre.

The tin-copper ore bodies occur as a series of sub parallel, near vertical sulphide lenses within the Halls Formation. The mineralisation is composed largely of fine to medium grained quartz, tourmaline, fluorite, chlorite, and pyrrhotite plus chalcopyrite, cassiterite and stannites.

The area surrounding the Cleveland Mine site is known to host other occurrences of Sn, and base metal mineralisation related to Devonian-aged granite intrusive activity within surrounding host rocks. Identification of repetitions of this style of mineralization will be the primary focus of the proposed exploration program.

5.0 Developmental Activities

Developmental activities during the period have been limited to a helicopter flight to observe the extent of the lease and accessibility.

The reason for the reduced activities has been access to capital in order to proceed the programme as committed in September 2011.

Bright Phase Resources (parent company of Bright Phase P/L) is currently preparing for an ASX listing in December where significant capital will be raised and the development programme will be restarted in earnest.

6.0 Expenditure

Expenditure over the license area totalled $3,300 during the reporting period to 13th September 2012, and is broken down by expense in the table below:

Helicopter flight to assess extent of tenement	3,300
Total	3,300

7.0 Conclusions and Recommendations

EL 15/2011 is a new tenement that has been identified to contain potential mineralisation similar to that existing at the Cleveland Mine. There has been no previous exploration or development of this tenement, and Bright Phase considers the tenement very important with respect to developing mineral resources for mining and processing in the medium to long term.

Recommendations and plans for future activities:

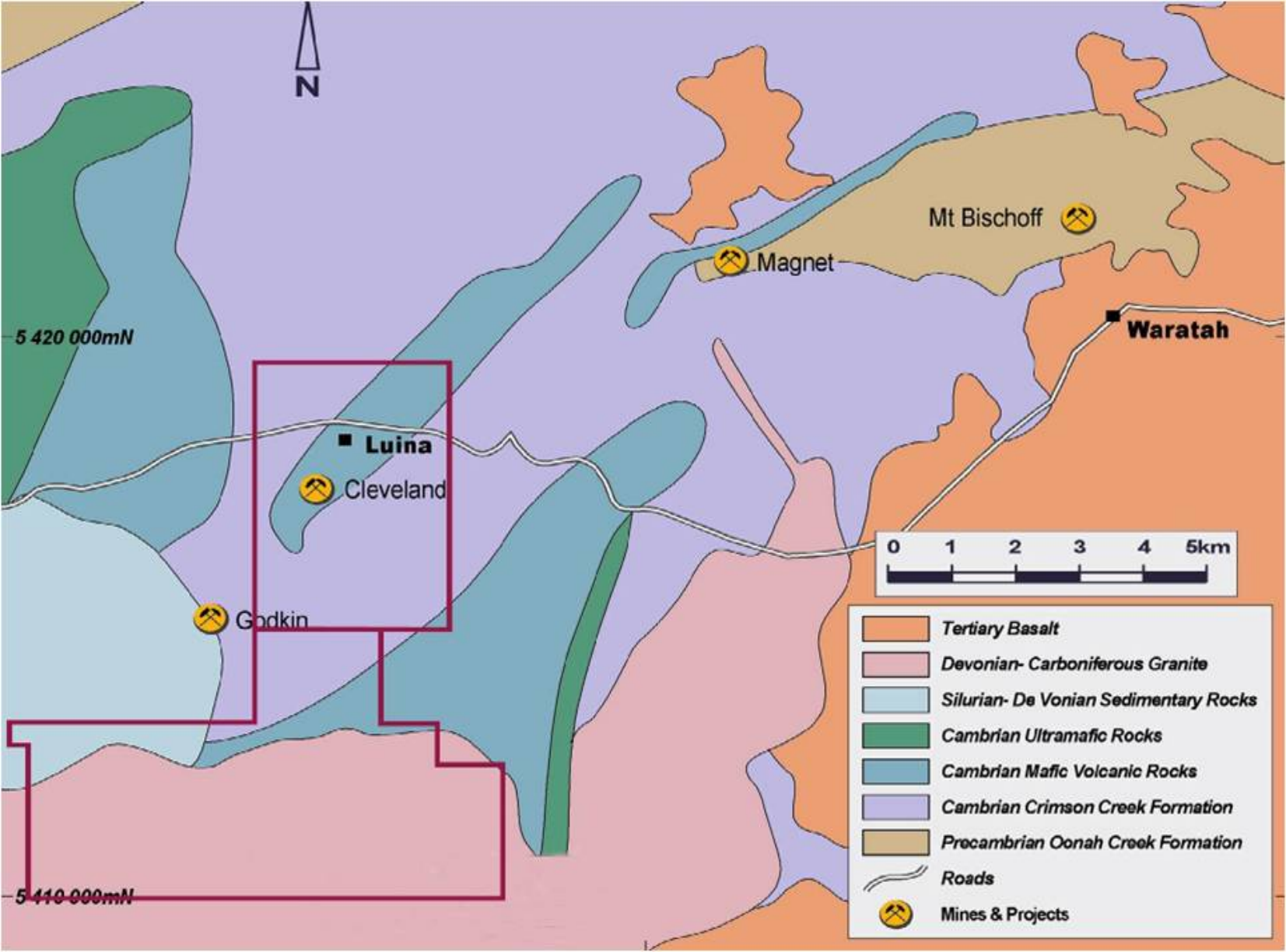
- Review of historic reports:
  All previous open file exploration activity over the application area will be reviewed in conjunction with data held by Lynch Mining (current holders of EL 7//2005) pertaining to exploration activities in the Cleveland/Luina area to identify any potential tin exploration targets.

- Review of publicly available information on geophysical, aeromagnetic and gravity data:
  All available geophysical information, in particular aeromagnetic and gravity data, will be

reviewed in an attempt to identify potential buried granite bodies which may localise Sn mineralisation of the Cleveland or related styles. These features will provide a focus for follow-up exploration activities.

- Ground survey of targets defined from geochemical and geophysical review:
  Any .geophysical and/or geochemical anomalies that arise from the above reviews will be followed up by appropriate ground geophysical (gravity or magnetic) and geochemical surveys to define drill targets.

- Drilling of identified targets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Cleveland
Godkin
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Tertiary Basalt
Devonian- Carboniferous Granite
Silurian- De Vonian Sedimentary Rocks
Cambrian Ultramafic Rocks
Cambrian Mafic Volcanic Rocks
Cambrian Crimson Creek Formation
Precambrian Oonah Creek Formation
Roads
Mines & Projects