

**MACKINTOSH CREEK PROJECT
TASMANIA
EL24/2010**

**ANNUAL PROGRESS REPORT
23rd December 2011 – 22nd December 2012**

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

EXECUTIVE SUMMARY

Bass Metals Ltd (BSM) was granted the Mackintosh Creek exploration licence (EL24/2010) on 23 December 2010. The tenement was acquired due to its potential to contain a limestone resource that could be used for further metallurgical processing at the Hellyer mine site. For this second year of tenure, ended 22 December 2012, work conducted on the licence has been at a very low level due to Bass Metals financial difficulties, which began in January 2012 and have continued up to the end of the reporting period.

Expenditure –	Reporting period	\$8,194
	Total to date	\$ 16,164

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1 INTRODUCTION

This report is a summary of the exploration activities conducted on the Mackintosh Creek licence EL24/2010, for the period 23rd December 2011 to 22nd December 2012.

1.1 Tenure

EL 24/2010 was granted for five years to Bass Metals Ltd (BSM) on 23rd December 2010.

1.2 Location and Access

The tenement arises from vacant ground and consists of 2 discrete areas located 5km east and south of the Hellyer. Access into the area is very difficult and limited to forestry tracks south from the Cradle Mountain Link Road or via boat from Lake Mackintosh.

The licence area lies on the Charter (#3839) and Block (#3838) 1:25,000 topographic map, the Burnie (#SK55-3) 1:250,000 and the Sophia (#8014) 1:100,000 sheets.

1.3 Geology Overview

Dominating the Mackintosh Creek tenement are post-Cambrian sediments ranging from quartz-rich sandstones and quartzites of the Siluro-Devonian Eldon group, through dolomitic limestones and calcareous shales of the Gordon Group, to siliceous conglomerates and sandstones of the Denison Group. Minor outcrops of rhyolitic volcanics of the Cambrian Tyndall Group have also been recorded.

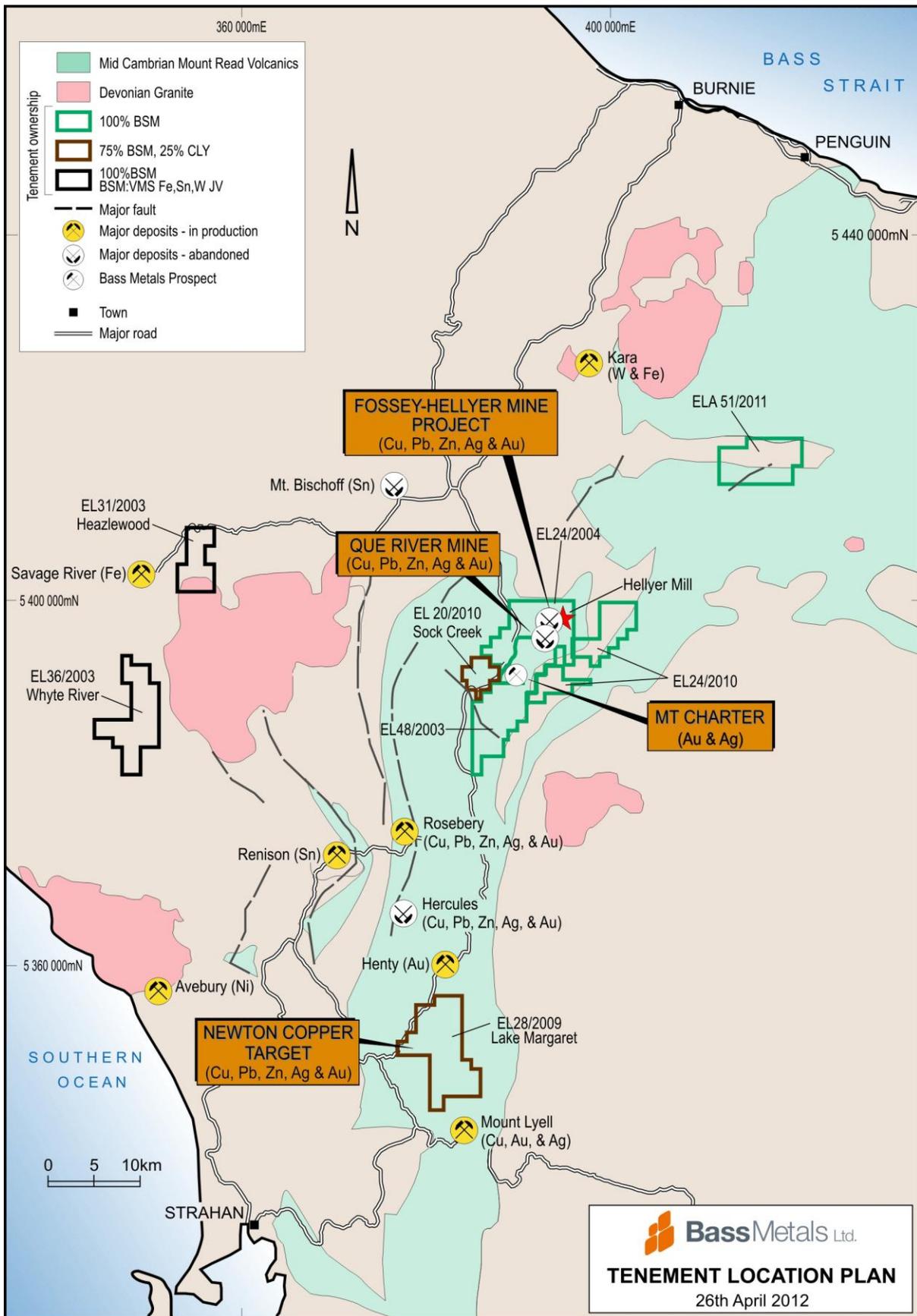


Figure 1. EL 24/2010 Location Map

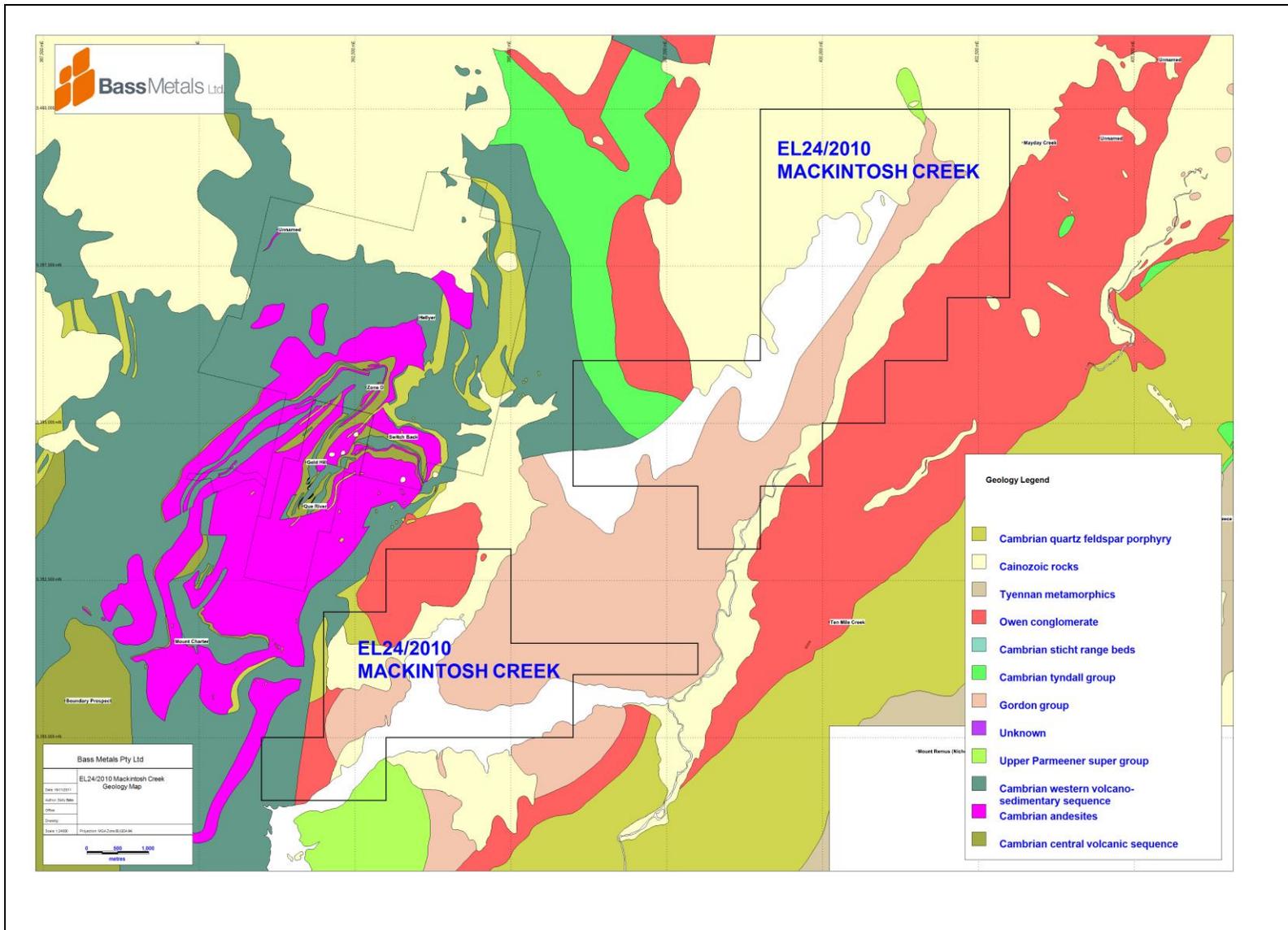


Figure 2. Regional Geology Map (AGD94, Zone 55)

2.0 EXPLORATION HISTORY

Exploration history and work completed in the first year of tenure has been described in the 2011 Annual Report (Bates, 2011).

3.0 WORK COMPLETED

This tenement was acquired due to its potential to contain a limestone source that could be used for further metallurgical processing at the Hellyer mine site. Exploration to date on EL24/2010 Mackintosh Creek has focused on gaining access to specific, previously identified areas (Bates, 2011), to investigate their potential to host open pit resources of the scale required.

Due to the financial difficulties experienced by Bass Metals throughout 2012, only one locality to the south of Mt Cripps, on the southern boundary of the northern part of the EL, was visited. No samples were collected.

4.0 PROPOSED EXPLORATION FOR 2012-13

During 2013 it is proposed to continue to access and sample selected target areas to investigate their potential to host limestone resources.

5.0 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.

6.0 EXPENDITURE

Table 1. Expenditure 23rd December 2011 to 22nd December 2012

December 2010 - December 2011		
Geoscientific Costs	Geology	\$8,194
	Geochemistry	
	Geophysics	
	Remote Sensing	
Drilling & Gridding Costs	Gridding	
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	
	Admin Costs	
	Total - eligible	\$8,194

Total expenditure up to the 22nd December 2012 for the Mackintosh Creek tenement is \$16,164.

7.0 REFERENCES

Bates. S., 2011. Mackintosh Creek Project, Tasmania, EL24/2010. Annual Progress Report, 23rd December 2010 to 22nd December 2011. Unpublished report to Mineral Resources Tasmania.