

**MT BLOCK PROJECT  
(LAKE MACKINTOSH GROUP)  
TASMANIA  
EL48/2003**

**ANNUAL PROGRESS REPORT  
11<sup>th</sup> June 2012 – 10<sup>th</sup> June 2013**

**Tenement Holder/Manager**  
Bass Metals Ltd.  
Suite 7 / 186 Hay Street  
Subiaco, W.A. 6008.

**Geologist:**

Steven Richardson  
Senior Exploration Geologist  
Hellyer Exploration Base, TAS

**Distribution:**

Mineral Resources Tasmania  
Bass Metals Ltd

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

## **EXECUTIVE SUMMARY**

Bass Metals Ltd (BSM) commenced management of the Mt Block exploration licence (EL48/2003) on 11 June 2006. For the 9<sup>th</sup> year of tenure ended 10/06/2013 little work was completed on the tenements as Bass, due to financial difficulties, had a moratorium on exploration expenditure until 31<sup>st</sup> January 2013.

At the end of the current reporting period Bass has relinquished the southern part of EL48/2003, reducing the licence from 50sq km to 27sq km.

<b>Expenditure –</b>	Reporting period \$0
	Total to date \$1,023,573

## TABLE OF CONTENTS

	<b>Page</b>
<b>1.0 Introduction</b>	4
<b>1.1 Tenure</b>	4
<b>1.2 Location and Access</b>	4
<b>1.3 Geological Overview</b>	4
<b>2.0 Exploration History</b>	8
<b>3.0 Work during the reporting period (11<sup>th</sup> June 2012 – 10<sup>th</sup> June 2013)</b>	8
<b>4.0 Proposed Exploration</b>	9
<b>5.0 Environment</b>	10
<b>6.0 Expenditure</b>	10
<b>7.0 References</b>	10

## TABLES

<b>1</b>	Proposed Expenditure to June 2014	9
<b>2</b>	Expenditure 11 <sup>th</sup> June 2012 to 10 <sup>th</sup> June 2013	10

## LIST OF FIGURES

<b>1.</b>	Location Map	5
<b>2.</b>	Regional Geology Map (legend is in figure 3 on following page)	6
<b>3.</b>	Geological legend	7

## **1 INTRODUCTION**

This report is a summary of the exploration activities conducted on the Mt Block licence EL48/2003, for the period of 11th June 2012 to 10th June 2013.

### **1.1 Tenure**

EL 48/2003 was granted for five years to Saracen Metals Pty Ltd (Saracen) on 11<sup>th</sup> June 2004 and transferred to Bass Metals Limited (Bass) on 19<sup>th</sup> October 2006. On 13<sup>th</sup> March 2009 the licence area was reduced from 65 to 50 square kilometres. At the end of the current reporting period the licence has been reduced further to 27sq km.

The licence area excludes two mining leases held by Bass Metals Ltd, CML 103M/1987 Hellyer and ML 68M Que River.

The Mt Block exploration Licence comprises:

- MDC Informal Reserves
- State/Multiple Use Forest
- HEC Land
- Part of Reynolds Falls Nature Recreation Area
- Part of Mackintosh Forest Reserve

### **1.2 Location and Access**

The tenement is located 3 to 18 km's north-northeast of the township of Tullah, on the west coast of Tasmania (Figure 1). Access to the area is via the Murchison Highway which skirts the licences western boundary and tracks which access via the 220kv transmission lines which traverse the area. Access within the tenement is via a limited number of 4WD tracks and ATV-only tracks.

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

### **1.3 Geology Overview**

The rocks which outcrop over the area of EL 48/2003 "Mt Block" are almost all the Middle Cambrian Mt Read Volcanics, a belt of calc-alkaline volcanics which extend from Elliott Bay on Tasmania's west coast around to Deloraine in the central north (see Figure 1). The only exceptions to this are some areas with Quaternary alluvial or glacial sediment cover.

The Mt Read Volcanics host a number of volcanic hosted massive sulphides and precious metal deposits including the world class Rosebery, Mt Lyell and Hellyer deposits (figure 1). The Mt Block area is prospective for similar deposits and it is this style of mineralisation which has been the target for exploration within the area.

The base and precious metal deposits of the Hellyer-Mt Charter area are hosted by the Que-Hellyer Volcanics (QHV), a package of dominantly mafic to intermediate volcanics, near the top of the Middle Cambrian Mt Read Volcanics (see Figures 2, and 3).

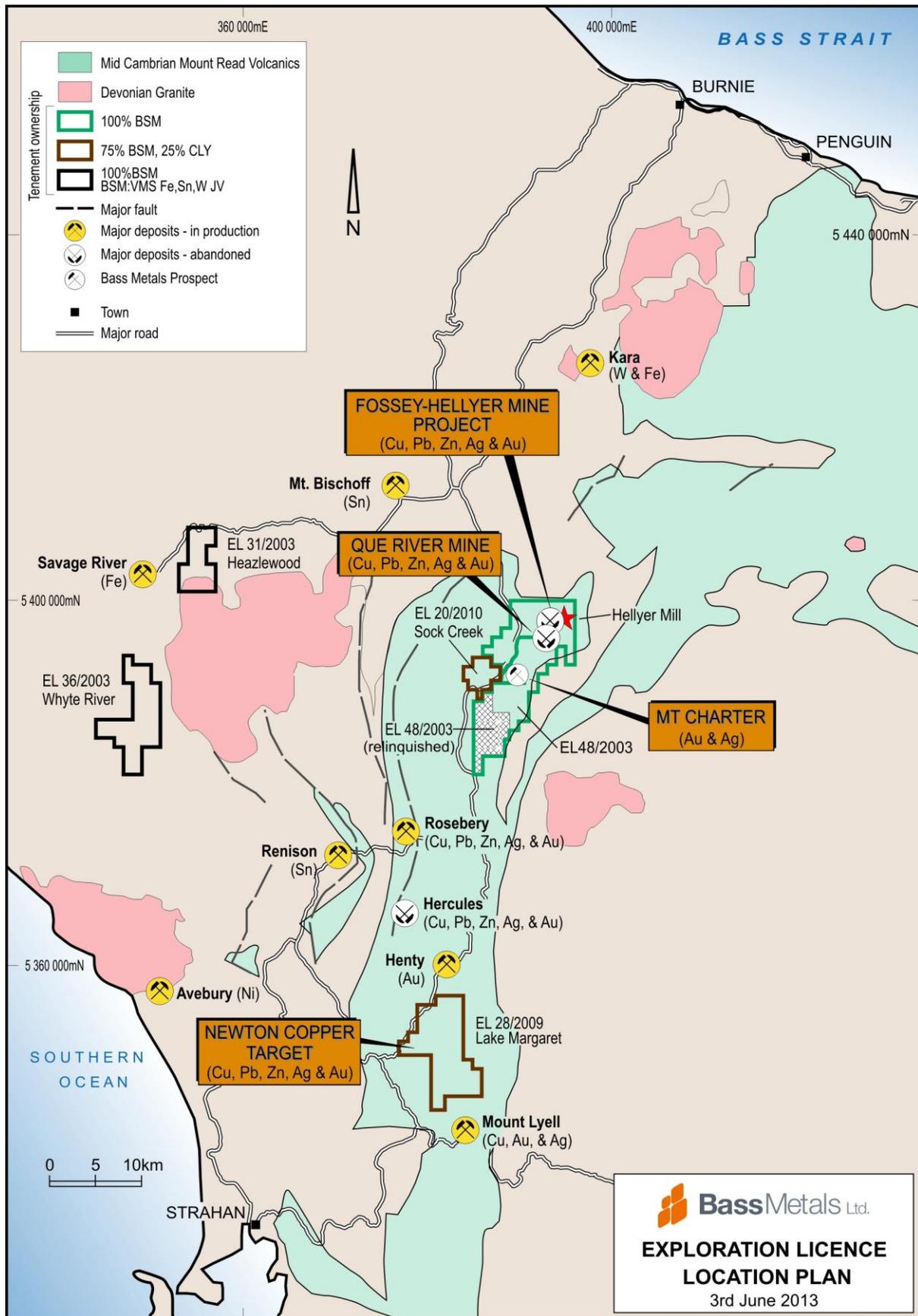
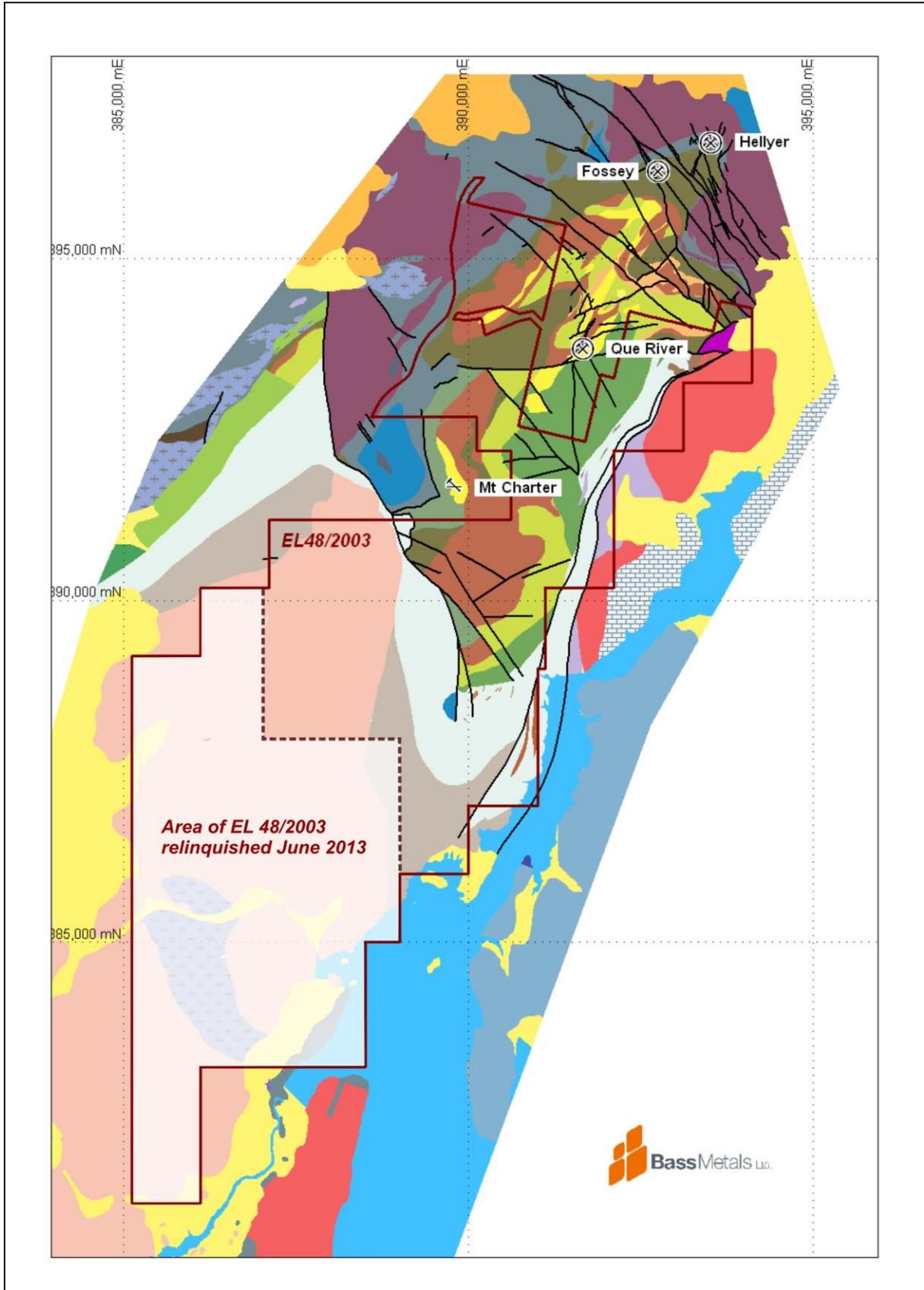
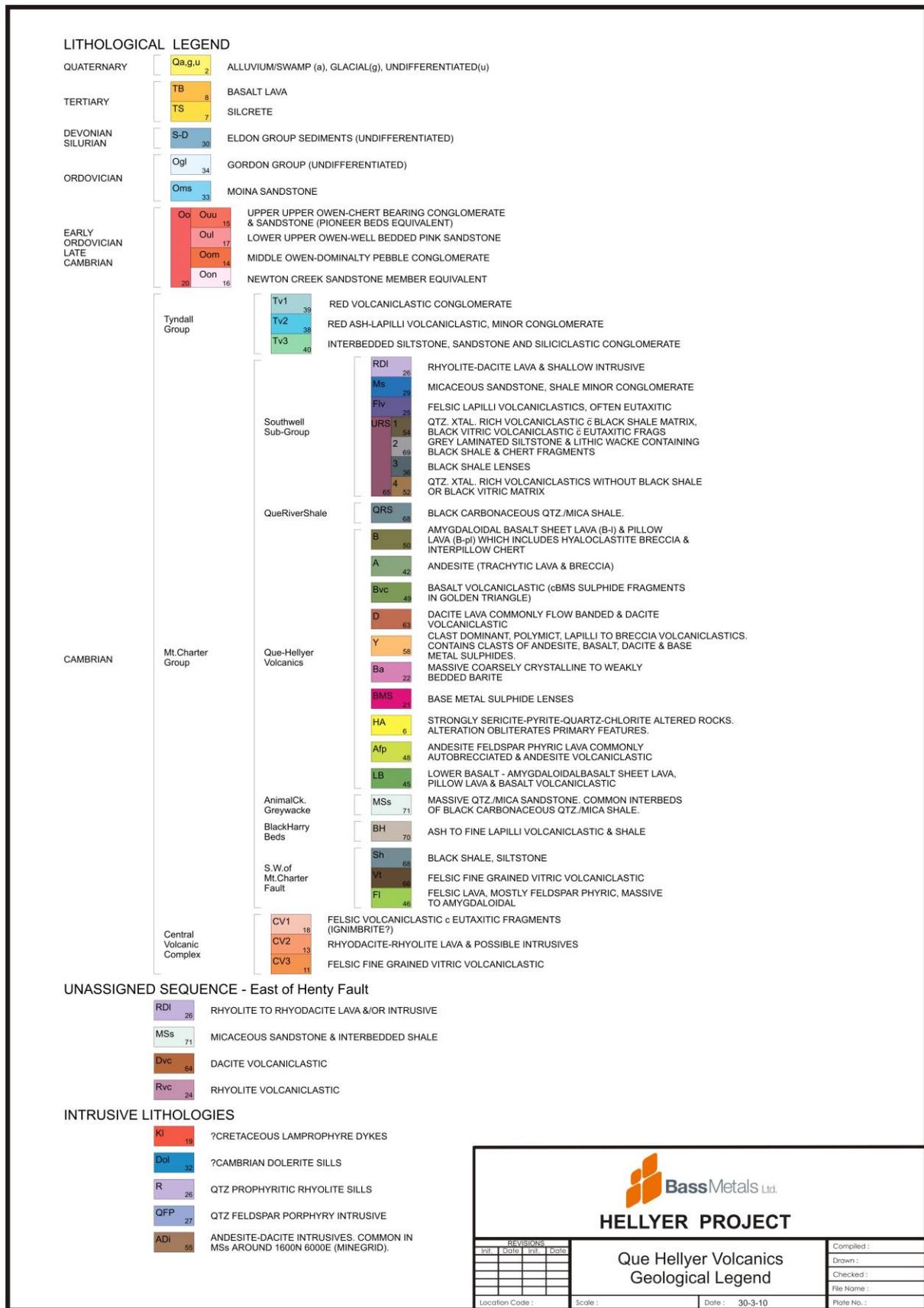


Figure 1. Location Map



**Figure 2. Regional Geology Map (legend is in Figure 3 on following page)**



**Figure 3. Geological legend for Figure 2**

**2.0 EXPLORATION HISTORY** – for a summary see the 2011 annual report.

**3.0 WORK COMPLETED DURING THE REPORTING PERIOD - (11<sup>th</sup> June 2012 – 10<sup>th</sup> June 2013)**

No major work was completed during the reporting period.

From January 2012, as a result of adverse circumstances at its' Fossey Mine operation, expenditure by Bass on exploration was curtailed to help preserve cash flow. EL48/2003 was exempt from exploration expenditure commitment for twelve months up to 31<sup>st</sup> January 2013. In February 2013, Bass Metals sold its' wholly owned subsidiary Hellyer Mill Operations Pty Ltd to Ivy Resources Ltd.

In March 2013 exploration of the Hellyer - Que River - Mt Charter area resumed. The EL48/2003 area is part of a review, presently underway, of the current geological model and exploration strategy for the QHV. This review is being done by Bass Metals in conjunction with geological consultants Jigsaw Geoscience and Orefind of Perth, in Western Australia. The process has commenced, with an initial review of the existing datasets and 3-D models, to assess the robustness of the current geological model and to identify alteration signatures that may be indicative of undiscovered VHMS and / or hybrid magmatic related mineralisation. The methodology that has been applied by Bass Metals to explore the southern QHV area in the past will also be reviewed with the aim to identify potentially new exploration techniques which may improve the likelihood of discovery. The existing 3D geological model will be updated, and integrated with alteration modelling from the multispectral and lithogeochemical datasets that have been collected by Bass Metals to date. The objective is to identify potential "near miss" alteration and / or favourable geological architecture for significant mineralisation.

#### 4.0 PROPOSED EXPLORATION

Bass Metals proposed exploration over the next year will involve completion of the review of the southern QHV as part of the entire QHV package. New targets generated by the review will be followed-up and existing ones such as the Amoeba Zone prospect, will be proposed for drill testing.

**Table 1 Proposed Expenditure to June 2014**

Proposed budget for next tenement year		
Geoscientific Costs	Geology	40,000
	Geochemistry	2,500
	Geophysics	-
	Remote Sensing	-
Drilling & Gridding Costs	Gridding	-
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	2,500
	Admin Costs	
	<b>Total - estimate</b>	<b>\$50,000</b>

## 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 2 Expenditure 11<sup>th</sup> June 2012 to 10<sup>th</sup> June 2013**

June 2011- March 2012		
Geoscientific Costs	Geology	
	Geochemistry	
	Geophysics	
	Remote Sensing	
Drilling & Gridding Costs	Gridding	
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	
	Admin Costs	
	<b>Total - eligible</b>	<b>\$0</b>

## 7.0 REFERENCES

**Denwer, K., 2011**, Mount Block Project, Tasmania, EL 48/2003, Annual Progress Report, 11<sup>th</sup> June 2010 To 10<sup>th</sup> June 2011. Unpublished Report to Mineral Resources Tasmania.