

**SOCK CREEK PROJECT
TASMANIA
EL20/2010**

**ANNUAL PROGRESS REPORT
17th December 2012 – 16th December 2013**

Tenement Holder/Manager

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Joint Venture Partner

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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) commenced management of the Sock Creek exploration licence (EL20/2010) on 16th December 2010. This tenement is a joint venture with Geoinformatics Exploration Australia where Bass Metals is the Holder / Manager.

For this third year of tenure, ended 16th December 2013, exploration stalled due to Bass Metals adverse financial circumstances, which began in January 2012. As a result of this situation EL 20/2010 was exempted from expenditure commitment from February 1st 2012 to January 31st 2013.

Following an asset sale in February 2013, Bass recommenced exploration on tenements adjacent to EL20/2010. Ongoing exploration activity was stalled on EL20/2010 pending the outcome of an external geological consultant's review, immediately followed in October by a spill of Bass' Board of Directors. A new board is now directing the company and they are committed to rebuilding the financial strength of Bass, which will in-turn renew exploration activities on Bass' Tasmanian tenements. The current board has set aside funds to carry out exploration activities in the short term. These available funds are at an appropriate level for the company's current financial position and are projected to increase as the Board rebuilds the financial strength of the company.

The minimum program planned for 2014 at Sock Creek is to complete the alteration and host rock study that was commenced in 2011. This methodology has been successfully employed by Bass on the adjacent Que-Hellyer Volcanic tenements, where the known deposits were "fingerprinted" by multi-element geochemistry and Short Wave Infrared spectral analysis. The proposed program at Sock Creek aims to detect these patterns, or vectors, which can then be followed-up with drill testing.

Expenditure –	Reporting period	\$240
	Total to date	\$23,292

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1.0 INTRODUCTION

This report is a summary of the exploration activities conducted on the Sock Creek Exploration Licence EL20/2010, for the period 17th December 2012 to 16th December 2013.

1.1 Tenure

EL 20/2010 was granted for five years to Bass Metals Ltd (BSM) on 16th December 2010.

1.2 Location and Access

The tenement arose from the relinquishment of EL33/2006 by MMG and is located 8km south-west of the Hellyer Mine and 3km east of the Murchison Highway. Access into the area is via Forestry tracks beginning on the High Point of the Murchison Highway.

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

EL 20/2010 covers three main stratigraphic associations. Basal sediments of the Black Harry Beds and Animal Creek Greywacke, are overlain by the Sock Creek Volcanics (SCV). The SCV are correlated with the Que Hellyer volcanics and are predominantly a felsic intrusive quartz-feldspar porphyry sequence with more distal volcanoclastics, shales and dacitic to basaltic lavas. Overlying the SCV is a complex of shales, intrusive quartz-feldspar porphyries and dacitic to basaltic lavas with minor volcanoclastics, correlated with the Southwell SubGroup.

The sequence is interpreted as west facing with shallow to moderate dips to the NW.

The Palaeozoic rocks are unconformably overlain by Tertiary basalt, in the north of the tenement, and / or Quaternary glacials, to the west and south. Major structures on the EL include the N-S trending Mt Charter Fault, in the northeast corner of the tenement. The regional magnetic and gravity data highlight the presence of several major, apparently deep-seated, unmapped or poorly mapped structures trending broadly E-W.

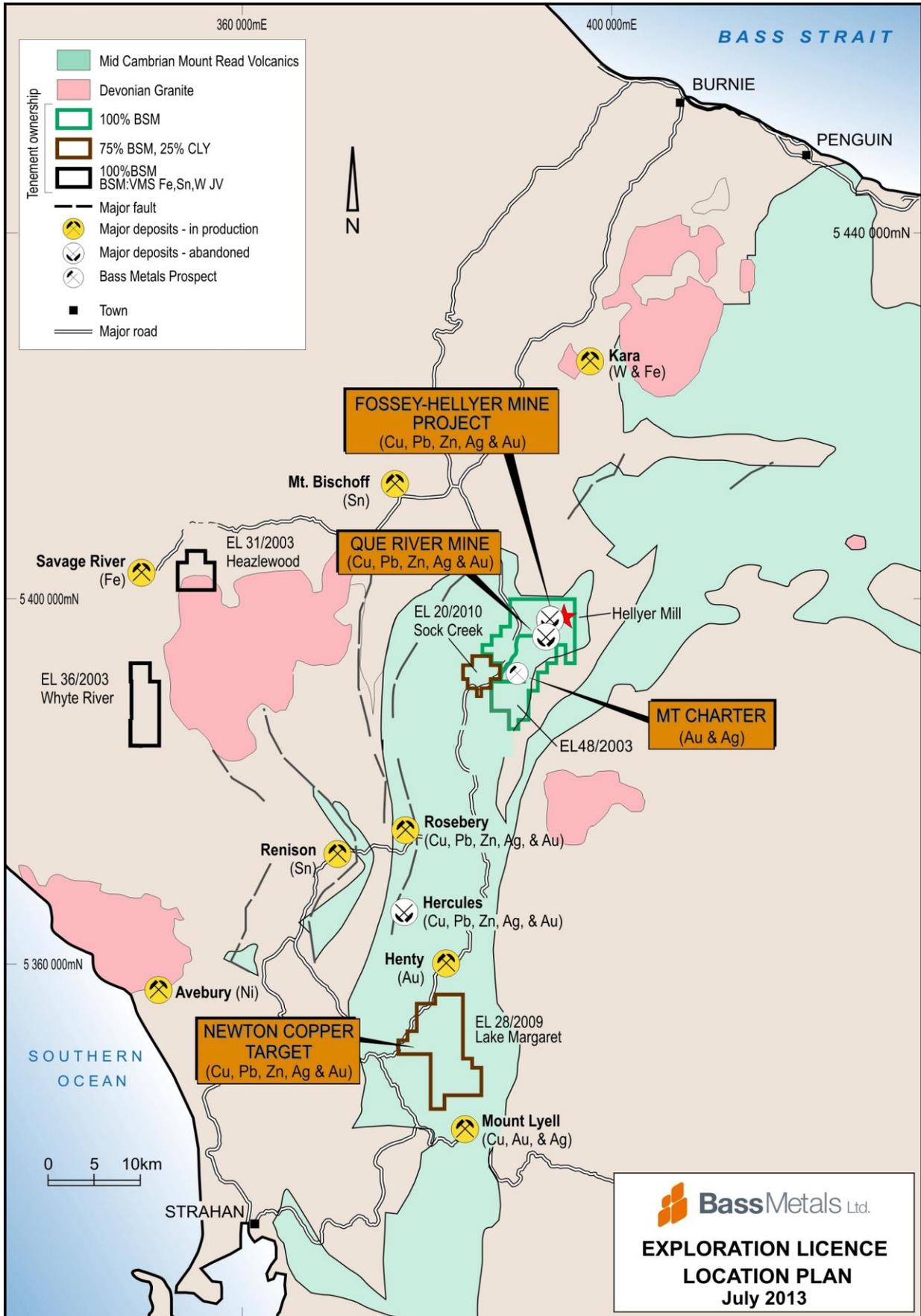


Figure 1. EL 20/2010 Location Map

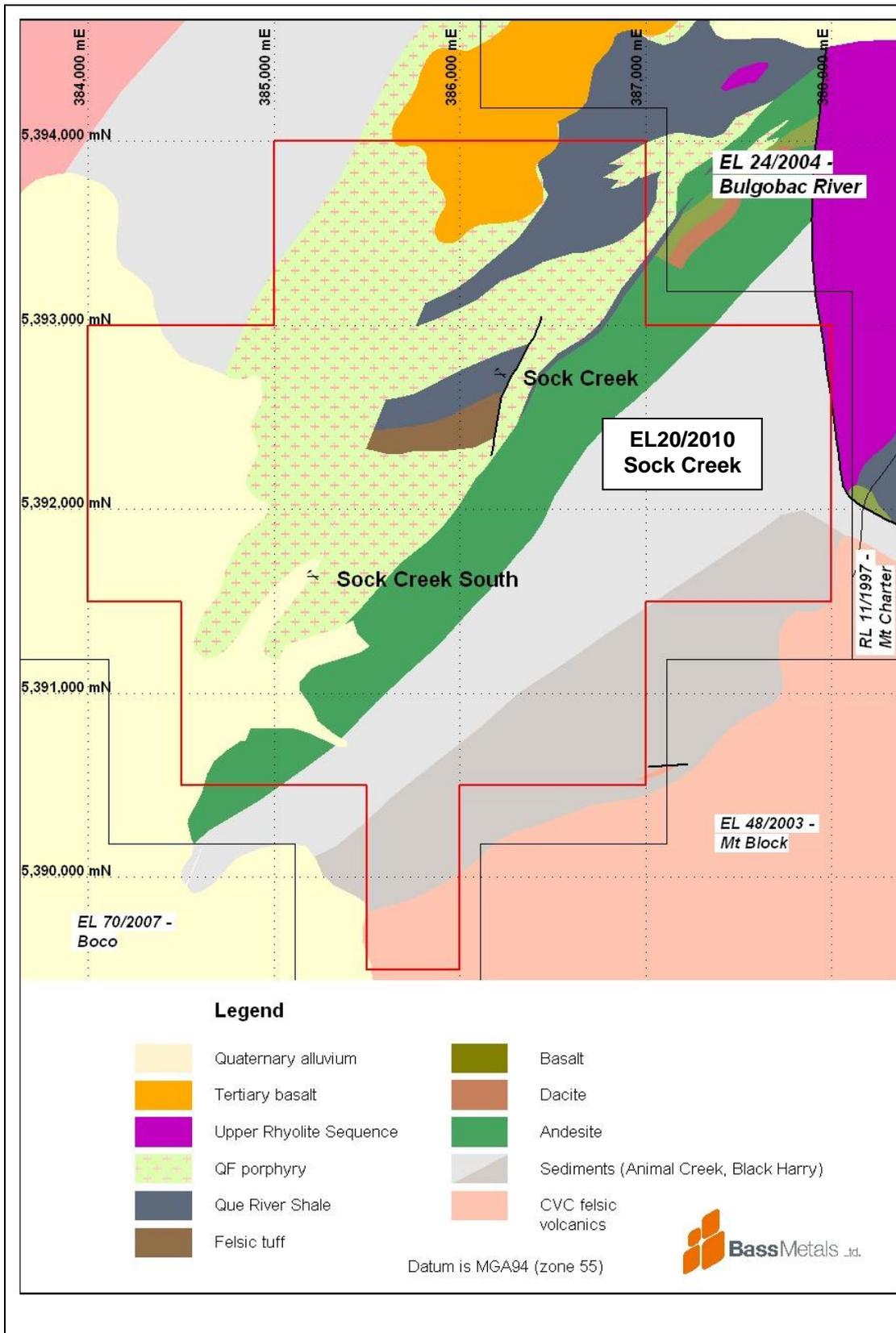


Figure 2. Regional Geology Map (AGD94, Zone 55)

2.0 EXPLORATION HISTORY

Exploration history and work completed in the first year of tenure was described in the 2011 Annual Report (Denwer, 2011).

3.0 WORK COMPLETED

A Short Wave Infrared (SWIR) and trace element lithogeochemical study of historic drill holes commenced in 2011. It was planned to complete this survey during the current year. However, Bass Metals continued adverse financial situation (which has existed since January 2012) has prevented this. EL 20/2010 was exempt from expenditure commitment from Feb. 1st 2012 until Jan. 31st 2013.

4.0 PROPOSED EXPLORATION FOR 2014

Following an asset sale in February 2013, Bass recommenced exploration on tenements adjacent to EL20/2010. Ongoing exploration activity was stalled on EL20/2010 pending the outcome of an external geological consultant's review, immediately followed in October by a spill of Bass' Board of Directors. Bass Metals now has a new board of directors, who are committed to continue exploration in Tasmania. At the time of writing funds remain available while new sources of finance are investigated, which would enable the company to resume full exploration activity later in 2014. Until then, it is proposed to complete the alteration and host rock study that was commenced in 2011.

This will involve collecting multi-element ICP-MS/OES litho-geochemical samples from 24 historic drill holes, mostly located at the MRT Mornington Core Store. This is estimated to require around 200 samples. Selected holes would be re-logged at the time of sampling.

In conjunction with the geochemical sampling it is proposed to also collect Short Wave Infrared (SWIR) data from the historic drill holes. To date a total of 320 spectra from five holes have been collected (Denwer, 2011). A further 2200 spectra are proposed for collection from the remaining nineteen holes.

The proposed budget for this work is \$30,000 (Table 1).

Table 1: Proposed EL 20/2010 minimum expenditure for 2014

December 2013 - December 2014		
Geoscientific Costs	Geology	\$10,000
	Geochemistry	\$7,000
	Geophysics	
	SWIR	\$13,000
Drilling & Gridding Costs	Gridding	
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	
	Admin Costs	
	Total - eligible	\$30,000

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 17th December 2012 to 16th December 2013

December 2012 - December 2013		
Geoscientific Costs	Geology	
	Geochemistry	
	Geophysics	
	Remote Sensing	
Drilling & Gridding Costs	Gridding	
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	\$240
	Admin Costs	
	Total - eligible	\$240

Total expenditure up to the 16th December 2013 for the Sock Creek EL 20/2010 is \$23,292

7.0 REFERENCES

Denwer K., 2011. Sock Creek Project, Tasmania, EL20/2010. Annual Progress Report, 17th December 2010 to 16th December 2011. Unpublished report to Mineral Resources Tasmania.