



**EL36/2003 - WHYTE RIVER
TASMANIA**

**FINAL REPORT
31st July 2014 – 28th February 2015**

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Distribution:

Mineral Resources Tasmania
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All figures and grids MGA Zone 55 GDA94.

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1. Summary

Venture Minerals reduced its exploration budget in 2013-2014 and chose to withdraw from the joint venture with Bass Metals on EL36/2003, in March 2014. Responsibility for EL36/2003 then reverted to 100% Bass Metals. Bass has held discussions with another potential joint venture partner but has been unable to secure a new agreement. Since 2012 Bass has had limited funds available for exploration and has now decided to concentrate on Volcanic Hosted mineralisation in its' Mt Read Volcanic tenements.

Consequently it has been decided to relinquish EL36 / 2003.

2. Tenure

The original Whyte River licence covered an area of 44 sq. km but has now been reduced to 23 sq km (Figure 1). It was acquired by Bass Metals Ltd in 2005 through a joint venture agreement with Pioneer Nickel Ltd. In 2008 Bass and Pioneer entered into a commodity based Joint Venture Agreement with Venture Minerals Ltd for Fe, Sn & W only. In late 2010, a commodity based agreement was also entered into with Stellar Resources, on the same terms as the agreement with Venture Minerals, excluding Fe, Sn and W. Stellar completed very little work and withdrew from this JV in March 2013.

Venture Minerals reduced its exploration budget in 2013-2014, choosing to focus only on targets within a few kilometres of and/or with clear logistical synergies with its Mt Lindsay Sn-W-magnetite resources. This combined with a lack of defined high quality targets on EL36/2003 led Venture Minerals to withdraw from the JV with Bass in March 2014.

In the final year of the tenement Bass has sought to enter into a joint venture agreement with new partners but this has proved unsuccessful.

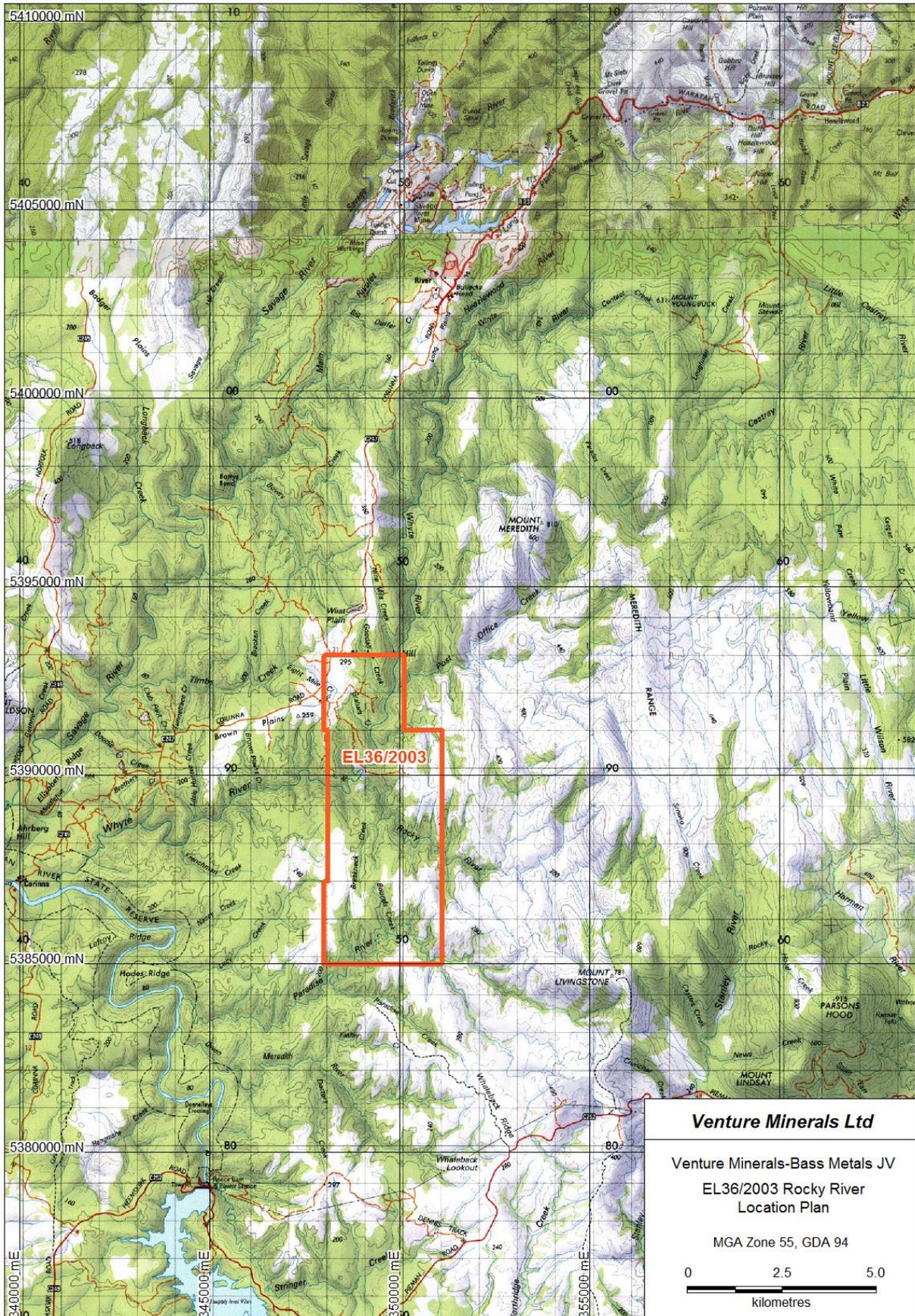


Figure 1: Location Plan.

3. Location and Access

Exploration Licence 36/2003 currently covers 23 km² and is situated 9 km east of Corinna and 10 km southwest of the Savage River Township in western Tasmania (Figure 1). Topography is deeply incised by the Rocky, Whyte and Paradise Rivers and their tributaries. Elevation within the licence ranges from 30 m above sea level in the Whyte River gorge to 280 m in the north western part of the licence along the Brown Plains. Average annual rainfall is 1900 mm and vegetation is dominated by temperate rainforest and button grass plains with dense tea tree scrub after areas affected by forest fires. The Meredith (3439) and Livingstone (3438) 1:25,000 topographic map sheets cover the Whyte River exploration Licence.

The Bounds Creek area was initially accessed by helicopter; in 2009 a helipad was created on the central ridge close to historic mine workings and the Lucy Spur water race. Reasonable drier weather access is also possible on quad bikes and foot via an old 4WD track starting from the Pieman Rd around 355610mE 5381030mN (MGA Zone55 GDA94) traveling along a ridge to the east of Whaleback Ridge, across the Paradise River and then along another ridge around to Bounds Creek (total 11.5 km). The Bounds Creek area is deeply incised and vegetation is dominated by thick tea tree scrub, travel on foot is very slow.

Access to the Rocky River Fe Prospect in the northern part of EL36/2003 is via a well-maintained 4WD drive track, using quad bikes from the Brown Plains gravel pit, crossing the Whyte River, which is possible only following a period of dry weather. The terrain in this area is also generally steep and causes access difficulties in places. Waterfalls and large cliffs are common, often causing significant delays in accessing outcrops. Some waterfalls and cliffs proved impassable to field crews.

4. Regional Geology

EL36/2003 is located in an area generally referred to as the Corinna Goldfields, an area of historically significant alluvial gold production in north-western Tasmania. Quartz-rich Tertiary gravels are widespread as remnant deposits on ridge tops throughout the tenement, and immediately underlain by a sequence of north striking, strongly deformed Neoproterozoic meta-sedimentary and meta-igneous rocks of the Arthur Metamorphic Complex, Keith Schist and Oonah Formation. The western part of the licence is underlain by chloritic schists with lesser amphibolite, and minor phyllite, dolomite, magnesite, and ultramafic schists (Arthur Metamorphic Complex), and the eastern part by quartz-mica schist, quartzite, phyllite and rare dolomite (Keith Schist and Oonah Formation). A distinctive belt of strongly deformed serpentinite, amphibolite, albitic schist (albitite), magnesite, talc schist, magnetite-chlorite schist, and massive magnetite rock loosely referred to the Bowry Formation runs approximately north-south through the centre of the licence. The very distinctive magnetic ridge associated with this unit no doubt reflects the presence of magnetite-rich schists and massive magnetite bodies. A mixture of quartz-rich sedimentary and mafic igneous protoliths has been widely recognised with the Bowry Formation, and recent work by Bottrill & Taheri (2007) suggests the unit also includes dismembered and highly metamorphosed iron skarns.

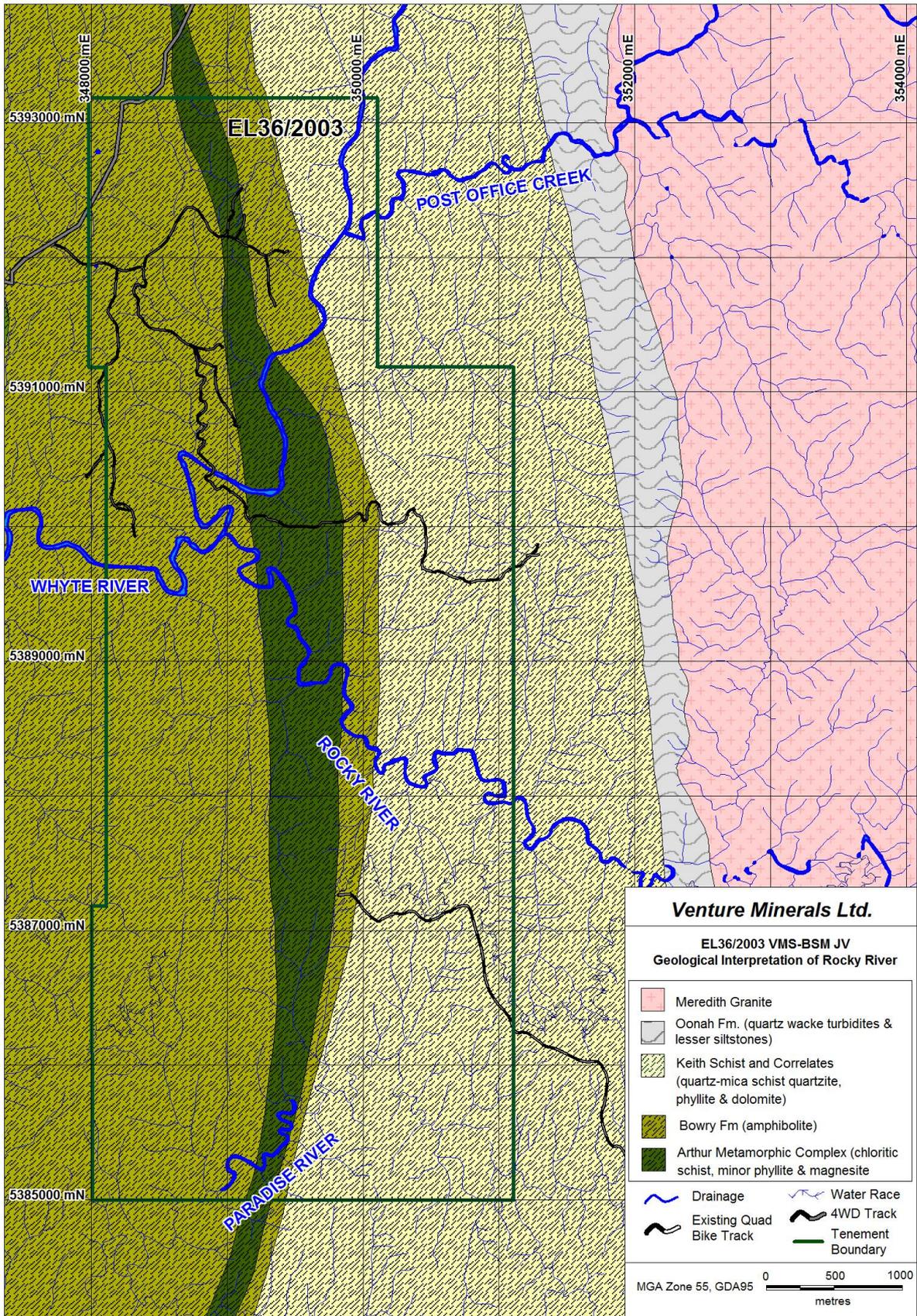


Figure 2: Geological interpretation of the Whyte and Rocky River area

5. Exploration and Mining History

There are no accurate historical records for the Corinna Goldfield as it is thought that most of the gold found was taken directly to Victoria. The first known gold discovery from the area was in 1879 with alluvial gold found at Middleton's Creek to the west of the current Whyte River tenement. By 1881 workings at Nancy Creek, Lucy Creek and Paradise River were all reporting the discovery of coarse gold. In 1882 a 7.5kg gold nugget was recovered from 5-6 feet of gravel from Rocky River. This area produced further finds of coarse gold until 1900 with notable nuggets of 130 and 39 ounces being unearthed. After the turn of the century (1900) small scale alluvial mining has been on-going in the area until the present day. Historic hard-rock mining has been small scale with the largest mine being the Rocky River Mine which operated between 1895 and 1900.

The iron ore bodies in the Whyte River area have long been recognised, and government geologist Reid (1924) identified and describes many of the massive magnetite-hematite bodies in the Whyte River area, including "a body of iron ore 300 feet in width... exposed to a depth of 100 feet" in the Doctors Creek - Duffer Creek area. The most significant identified prospect is the Rocky River magnetite deposit, tested with surface sampling (gossanous material), an adit, several trenches and test pits, and 2 drill holes. Most of the old workings at Rocky River are associated with a thin (approx. 4 m wide) high grade Savage River-type talcose magnetite rock flanked by a broad (estimated 60 m) low grade banded magnetite-pyrite-quartz-chlorite schist which locally has some potentially medium grade magnetite lenses. Historic channel sampling returned up to 6 m at 65.6% Fe, grab samples 63.0% Fe, 66.3% Fe, 69.6% Fe.

The most notable exploration activity in the Whyte River area covered by EL36/2003 has been:

Rio Tinto Exploration – Pre 1961

Conducted regional airborne magnetic surveys. Examined regional airborne magnetic anomalies identified as massive magnetite-pyrite mineralisation within the Bowry Member. Drilling of these targets resulted in the conclusion that the targets were of no further interest.

Savage Resources – 1961 to 1988 (formerly Industrial and Mining Investigation)

Continued to examine the magnetic anomalies identified by Rio Tinto. Following the discovery of the Savage River magnetite mine exploration focused on similar deposits which resulted in the generation of some possible Fe resources (non-JORC compliant) in the area. The first being 30 Mt grading 28% Fe at Long Plains South and the other being the Rocky River Deposit of 4 Mt at 10-15% Fe. Only the Rocky River prospect is located on the Whyte River tenement. The two diamond drill holes, RR1 and RR2, were drilled in 1966 to test a banded chlorite-quartz-magnetite-pyrite schist and chlorite schist approximately 400m east of the main magnetite bodies subject to most of the old workings. Small bands up to 80% magnetite are evident at the surface and returned up to 4.6m at 32.8% Fe & 1.2m at 52% Fe. Similar bands of massive magnetite and extensive disseminated magnetite were encountered in the drill holes. A 100 m interval from 50 m down hole in RR1 returned approx. 15% HCl soluble Fe, and RR2 c. 80m from approx. 25 m down hole c. 11% HCl soluble Fe. As Savage Resources the company continued to explore the area for a wide range of commodities including gold, diamonds and base metals.

Outokumpu Exploration – 1991

Conducted exploration over the southern half of the current Whyte River tenement. Work carried out included geological mapping, soil and rock chip sampling and limited amounts of stream sediment sampling. Minor anomalous gold and copper results were identified on the eastern boundary of the Bowry formation; whilst on the western boundary of the same formation magnetite-pyrite lenses return low values for gold and copper but up to 70% Fe.

Fodina – 1993

Conducted eight profile traverses detailing geology between Rocky River and the Owen Meredith River. Information collected during these traverses included mapping geology, sampling rock chips and the B/C soil horizon and recording ground magnetic of gold through the surveyed area. The grain morphology studies indicated a proximal source for the alluvial gold. Some coarser gold grains were used in polished section studies to investigate inclusions in the grains. The inclusion and fineness studies both confirm the morphology studies results for a localized source for the alluvial gold. Helimag surveys at 50m line intervals were conducted, however the results of these surveys have only had minor initial processing. Later close-spaced (50m spacing) stream sediment sampling was conducted to determine prospect boundaries. Reconnaissance diamond drilling, C horizon soil sampling and rock chip sampling from the southern adits and hydraulic workings from Lucy Spur were also completed by Goldstream/Titan. From stream sediment sampling south of the Owen Meredith River it was determined that this area of the Bowry Formation is not prospective for gold.

Goldstream - Titan JV– 1995-2000

Search primarily for gold mineralisation within the Neoproterozoic basement. Conducted aeromagnetic surveying, several campaigns of stream sediment sampling, rock chip sampling and geological mapping, and drilled 8 diamond core holes including 3 into the magnetite-rich Bowry Fm rocks near the confluence of Rocky River and Whyte River. The gold results were disappointing and the tenure was ultimately relinquished. None of the drill holes were assayed for Fe, but are all held at the MRT core library in Mornington and have been partly resampled by both Bass Metals and Venture Minerals.

6. Previous Exploration within EL36/2003

Bass Metals Ltd

Early work on EL36/2003 by Bass was focussed on gold exploration at Lucy Spur and Rocky River. A review of historic drilling, geochemical sampling and geophysical data was conducted. Modern sampling conducted by the Goldstream - Titan JV showed the gold mineralisation at the Rocky River and Lucy Spur Mines to be low grade. The Lucy Spur area has since been relinquished.

Bass Metals exploration activities within the current area of EL36/2003 consisted of logistical assessment, geological mapping and rock chip sampling focusing on iron replacement at the Rocky River target. Exposure was found to be poor and chip sampling identified float with up to 37.8% Fe. When historic reports of the diamond drilling at Rocky River completed by Goldstream were reviewed and it was recognised that Goldstream had only assayed drill core samples for Au, Ag, As, Cu, Zn and Pb, but not for Fe. Intervals from 68.45m to 81m (12.51 m) and 247.65m to 254m (6.35 m) of drill hole RRDDH3 (stored in the MRT core library,

Hobart) were selected for Fe assay. An average value of 44.1% of Fe for 5.6 meters (75.4m – 81m) with a max Fe value of 54.3% was observed in the massive magnetite body. A low average value of 17.8% of Fe (with the maximum Fe value of 32% was returned from the same core in the hematite schist interval between 251.2m – 254m (2.8m).

Venture Minerals

Venture Minerals effectively took-over exploration on EL36/2003 in 2008 and activities during the 2008-2011 period, were focused on the Direct Shipping Ore (DSO) and magnetite potential.

EL36/2003 covers an approximately 8 km long magnetic high within the Bowry Formation about 15 kilometres south of the Savage River magnetite deposit. Historic exploration work including reconnaissance drilling indicates the presence of Savage River type magnetite mineralisation within EL36/2003. Venture Minerals undertook mapping and sampling of the entire magnetic ridge within EL36/2003 to further assess the economic potential for magnetite and more specifically supergene or residual hematite mineralisation of DSO grade. On the basis of this work Venture drill tested the Doctors Creek iron prospect but the thickness and continuity of the mineralization was poor and fresh sulphides were encountered very close (<<40m) to surface rendering the target unsuitable for DSO. The Doctors Creek area was relinquished from EL36/2003 in June 2013.

The iron occurrences between Doctors Creek and Rocky River were thought to be even less significant at surface and no further iron prospecting work was recommended, although the Paradise Creek copper occurrences were potentially considered worthy of further attention.

Davis Tube Recovery (DTR) analyses using historic Goldstream drill core suggested the grade and thickness of the magnetite mineralisation at the Rocky River Prospect is too poor to allow economic exploitation.

EL36/2003 is situated about one kilometre from the western margin of the Meredith Granite, which is part of a suite of Devonian granites that are very important to tin-tungsten mineralization in western Tasmania. After a review of historic stream sediment sampling identified samples up to 2.4% Sn in tributaries draining the ridges between the Rocky and Paradise Rivers Venture switched focus in 2011 from the magnetite potential of the Whyte River EL and began investigating the southeastern part of the tenement for skarn, or carbonate replacement, Sn and/or W mineralization.

Stream sediment sampling, by Venture and previous explorers, shows Sn (cassiterite) anomalism in the “Bounds Creek” area, which became Venture’s focus during 2012-2013, Joughin (2014). Venture considered either primary mineralisation or reworked alluvial terraces were a plausible source for the Sn anomaly. Prospecting of the area in 2013 failed to define a primary source for the tin but tended to support the latter, reworked alluvial source.

No further work was carried out on the licence and Venture Minerals withdrew from the Joint Venture with Bass Metals in March 2014.

7. Expenditure

Table 1. Expenditure for the Current Reporting Period

**Includes expenditure figures up to 31st December 2014*

July 2014 - February 2015		
Geoscientific Costs	Geology	\$3,273
	Geochemistry	
	Geophysics	
	Remote Sensing	
Drilling & Gridding Costs	Gridding	
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	\$2,133
	Admin Costs	
	Total - eligible	\$5,406

8. Conclusion

Venture reduced its exploration budget in 2013-2014 and chose to withdraw from the joint venture with Bass Metals on EL36/2003. Bass have held discussions with another potential joint venture partner but were unable to secure an agreement. Bass has been in financial difficulties since 2012 and has now decided to concentrate on Volcanic Hosted mineralisation in its' Mt Read Volcanic tenements.

Consequently Bass Metals has decided to relinquish EL36 / 2003.

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