

**MT BLOCK
TASMANIA
EL48/2003**

**PARTIAL RELINQUISHMENT REPORT
10th January 2016**

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Distribution:

Mineral Resources Tasmania
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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 Mt Block exploration licence (EL 48/2003) on 11 June 2006.

At the end of the 9th year of tenure (ended 10/06/2013) Bass relinquished the southern part of EL48/2003, reducing the licence by 23 sq km. On 28th March 2014 approval was granted to consolidate EL 48/2003 with the adjacent EL 24/2004 Bulgobac River, resulting in a merged EL 48/2003 of 58 sq km.

At the end of the 11th year of tenure (ended 10/1/2016) Bass has relinquished further areas of EL48/2003, reducing the licence from 58 sq km to 47 sq km.

This report summarises the work that has occurred on the relinquished area.

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1 INTRODUCTION

This report is a summary of the exploration activities conducted by Bass Metals on the portion of the Mt Block licence EL 48/2003, relinquished in January 2015.

1.1 Tenure

EL 48/2003 was granted for five years to Saracen Metals Pty Ltd on 11th June 2004 and transferred to Bass Metals Limited (Bass) on 19th October 2006. On 13th March 2009 the licence area was reduced from 65 to 50 square kilometres and in June 2013 it was further reduced to 27 sq km.

On 28th March 2014 approval was granted to consolidate EL 48/2003 with the adjacent EL 24/2004 Bulgobac River. The combined EL then had an area of 58 sq km. With the 11 sq km reduction that is the subject of this report, the Mt Block EL will now comprise 47 sq km (Figure 2).

The retained licence area excludes two mining leases, Hellyer CML 103M/1987 held by Ivy Resources Ltd and Que River CML 68M/1984 held by Bass.

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 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 are dominated by 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. 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 (Figure 2).

Figure 1: EL 48/2003 Location Map

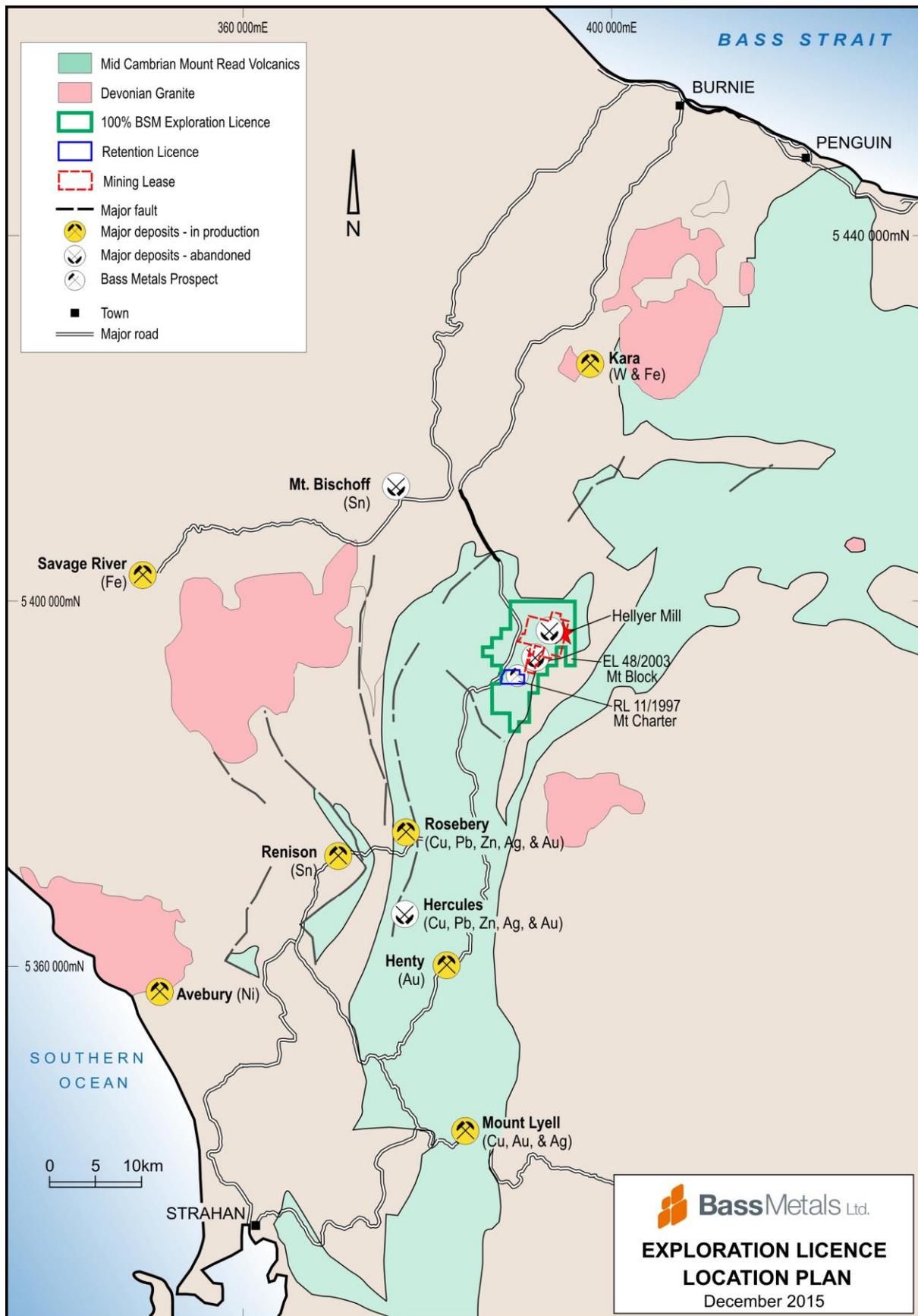


Figure 2: Regional Geology Map, showing the location of the relinquished area (legend is on Figure 3 on following page)

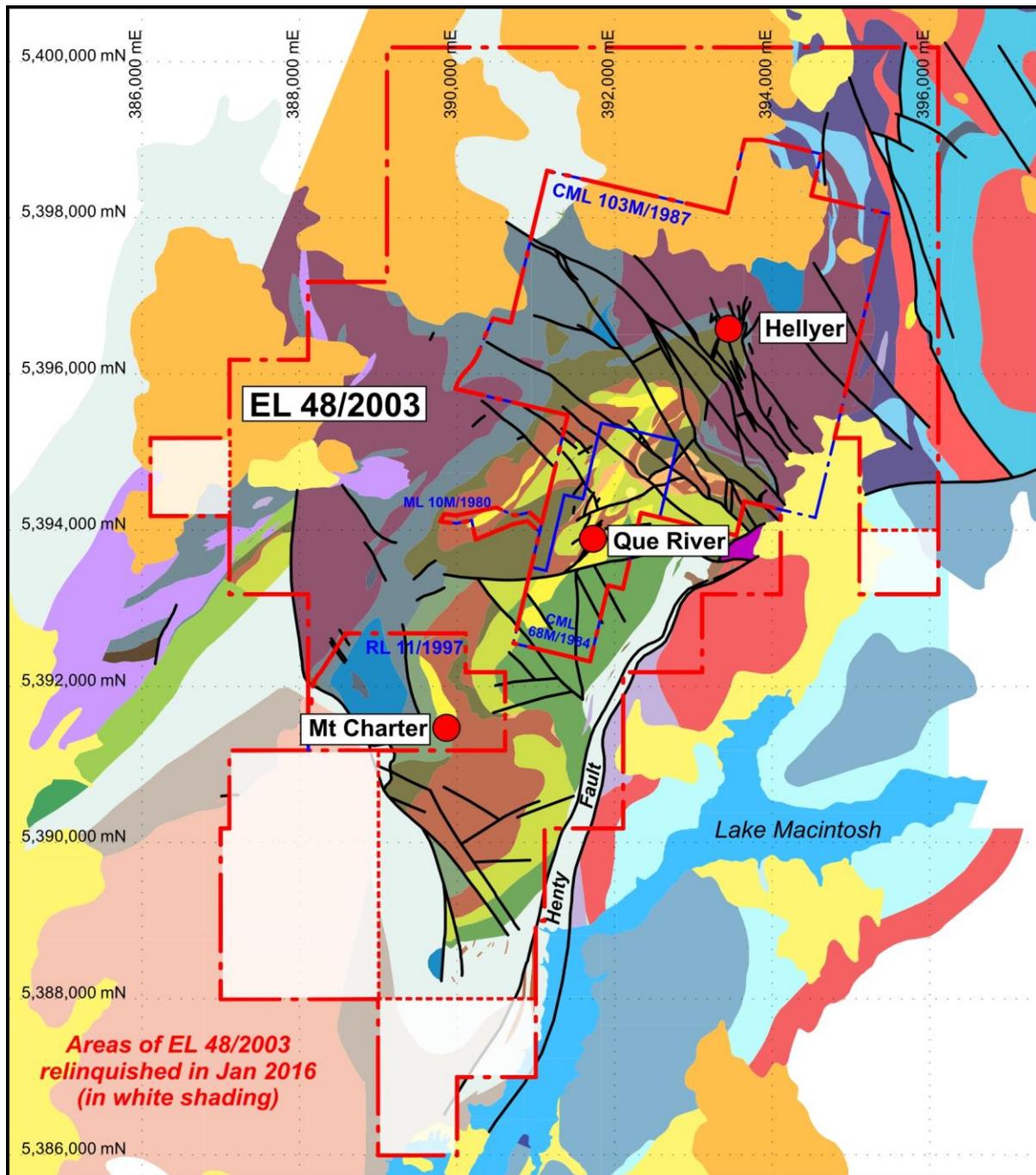
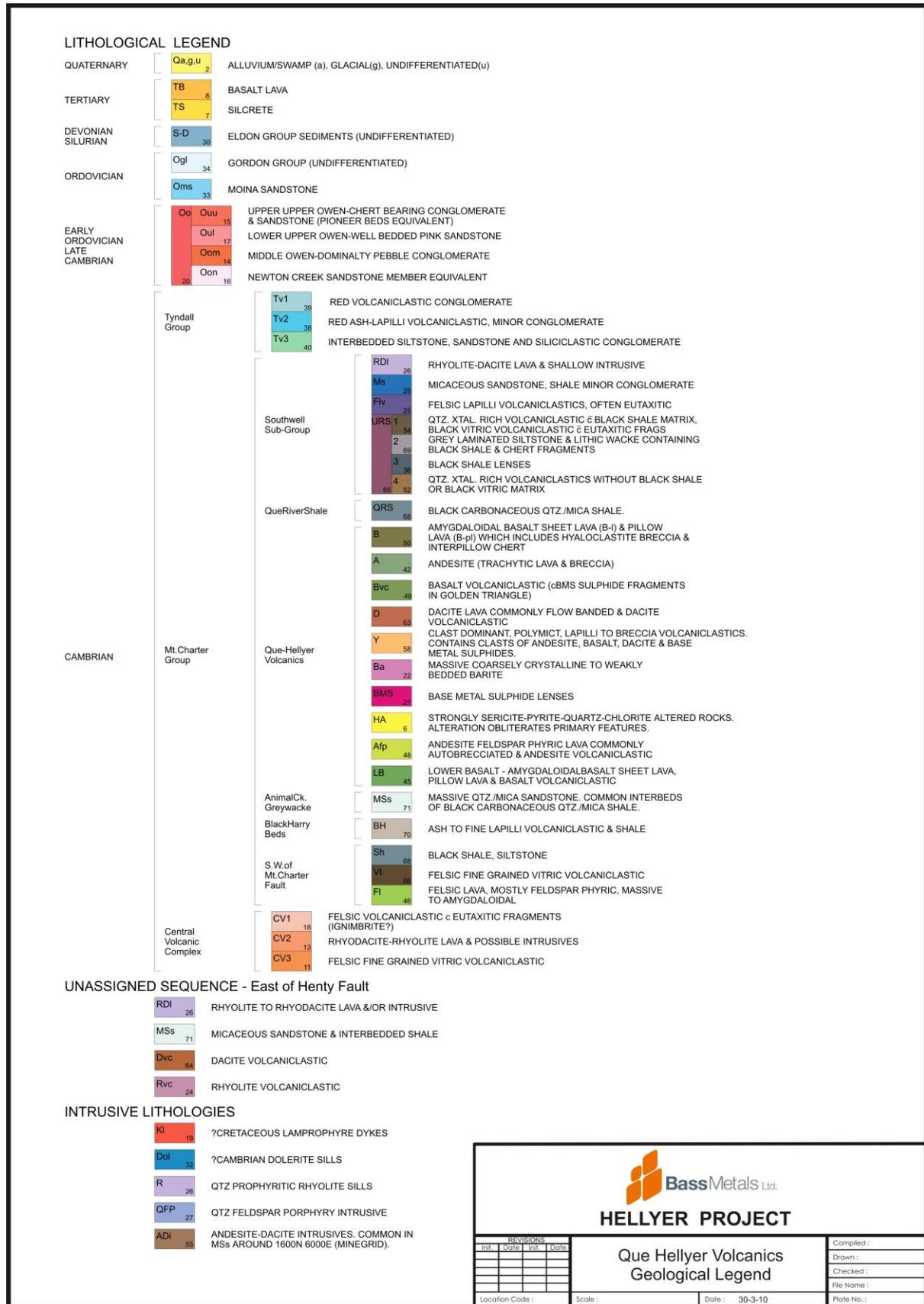


Figure 3: Geological legend for Figure 2



2.0 EXPLORATION HISTORY

Previous work carried out in the Mt Block area is summarised in the 2011 Mt Block EL Annual Report (Denwer, 2011).

3.0 WORK COMPLETED ON THE RELINQUISHED AREA

Over the life of the licence Bass Metals has focused on the Que Hellyer Volcanics in the northern part of EL 48/2003. The only work carried out by Bass on the relinquished area of EL 48/2003, was part of a VTEM survey flown in 2010.

3.1 2010 VTEM Survey

In March - April of 2010 the Que-Hellyer Volcanics in the Hellyer to Mt Charter area were covered with a helicopter borne electromagnetic survey by Geotech Airborne Limited (of St Michael, Barbados). In total approximately 595 line kilometres were flown.

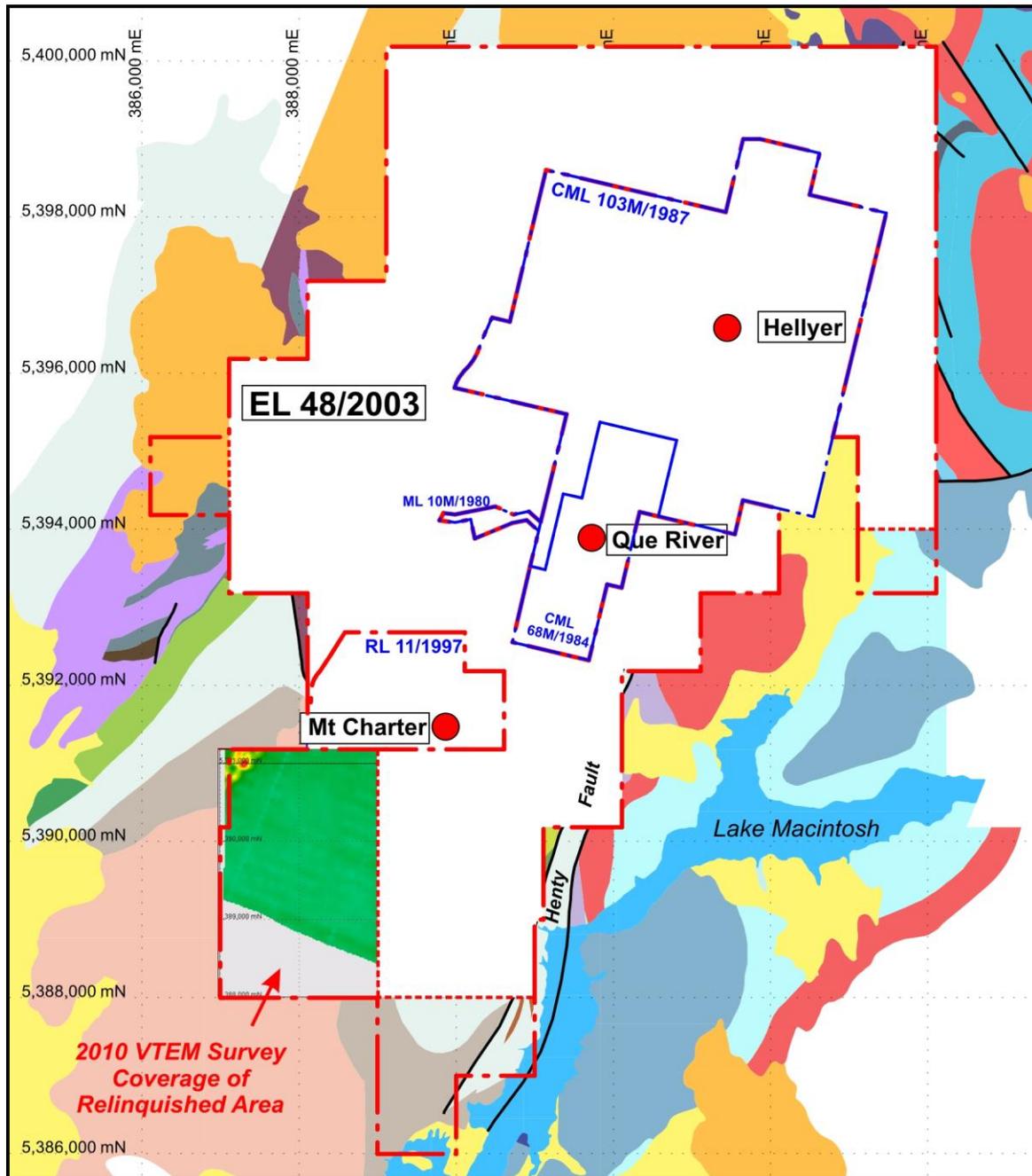
EM data was collected using the VTEM system, with a base operating frequency of 25 Hz. Real time differential GPS was used for navigation and the data was collected at nominal 100 meter line spacing by a 26m diameter loop at a nominal 40m ground clearance.

Only the very southern edge of the surveyed area falls onto the relinquished ground. An image of the response from one channel over the relinquished area is shown on Figure 4.

For the entire survey, thirty nine separate areas were selected to be analyzed in detail. Some of these locations were close to prospective targets, whereas others were related to possible anomalies evident in the images of the data. None are present in the relinquished area.

The VTEM survey did not identify any conductors that could be consistent with a massive sulphide response on the relinquished area. "Anomalous" responses were interpreted as being due to culture and broad conductive variations within shale units.

Figure 4: VTEM Survey in the relinquished area – Z component channel 30 (0.88 milliseconds)



4.0 REFERENCES

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