

**MT BLOCK
TASMANIA
EL48/2003**

**PROGRESS REPORT
11th January 2015 – 10th January 2016**

Tenement Holder/Manager
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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 (EL 48/2003) on 11 June 2006.

No field work was undertaken during the reporting period.

Historic negatives of Aberfoyle petrological samples were scanned in order to preserve them.

During 2016 a geological mapping and rock chip sampling program is planned over the Barite Creek pathfinder soil geochemistry anomaly, adjacent to the Henty Fault. The work will aim to increase confidence in the target, leading to drill testing.

Expenditure –

Reporting period	\$10,332
Total to date (for merged EL48/2003 and EL24/2004)	\$1,997,822

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I	Historic Aberfoyle petrology sample photographs (digital only)
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1.0 INTRODUCTION

This report is a summary of the exploration activities conducted on the Mt Block licence EL 48/2003, for the period of 11th January 2015 to 10th January 2016. The report includes the area of EL 24/2004 Bulgobac River, which has now been consolidated with EL 48/2003

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 27sq 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 square kilometres (Figure 2). At the time of submitting this current progress report an application has been made to relinquish 11 sq km of EL48/2003 (Figure 2), reducing the licence to 47 sq km.

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

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 approximately 15 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 power line which traverses 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

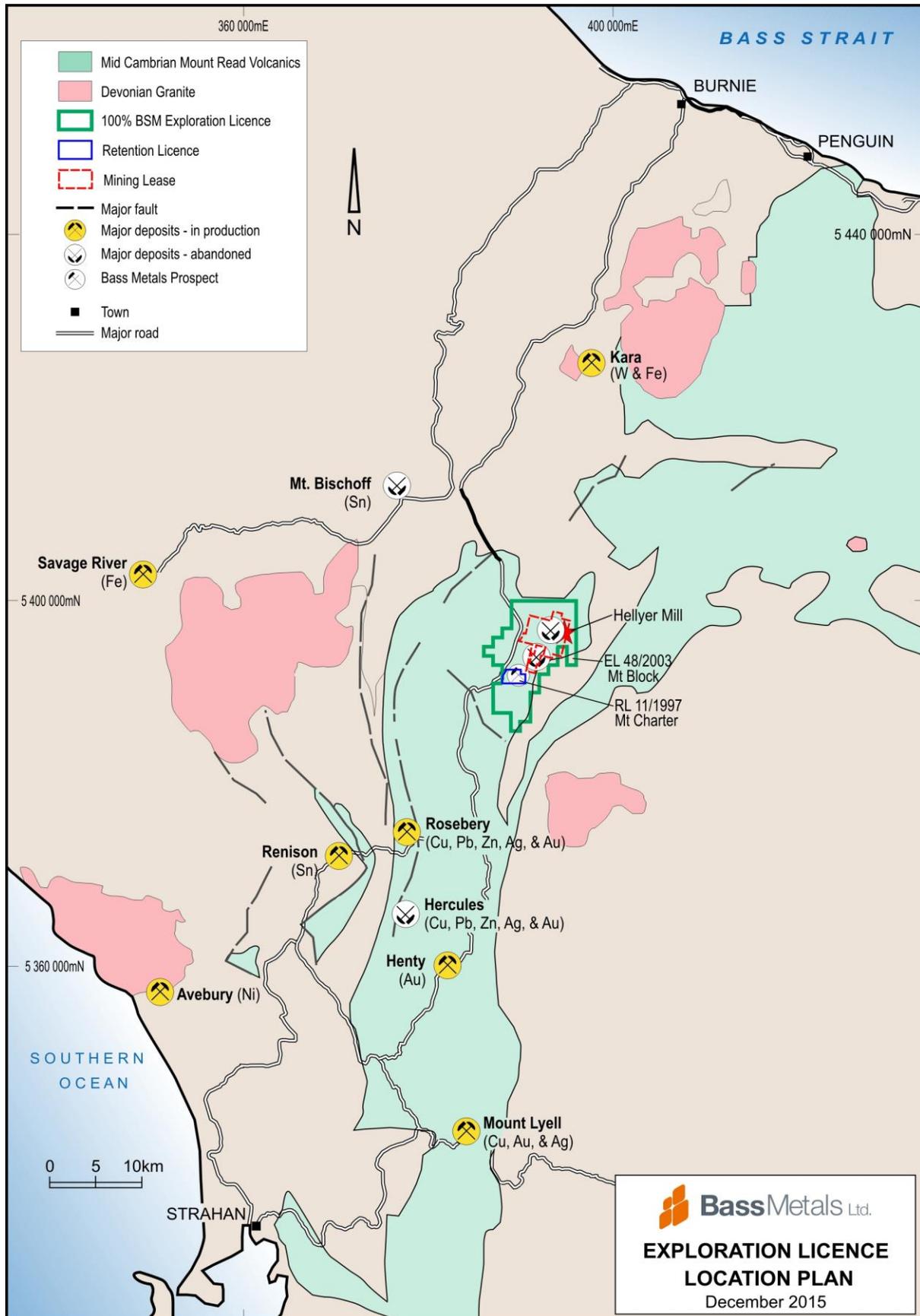


Figure 2: Regional geology map showing the 11 sq km to be relinquished in white. (legend is on Figure 3 on following page).

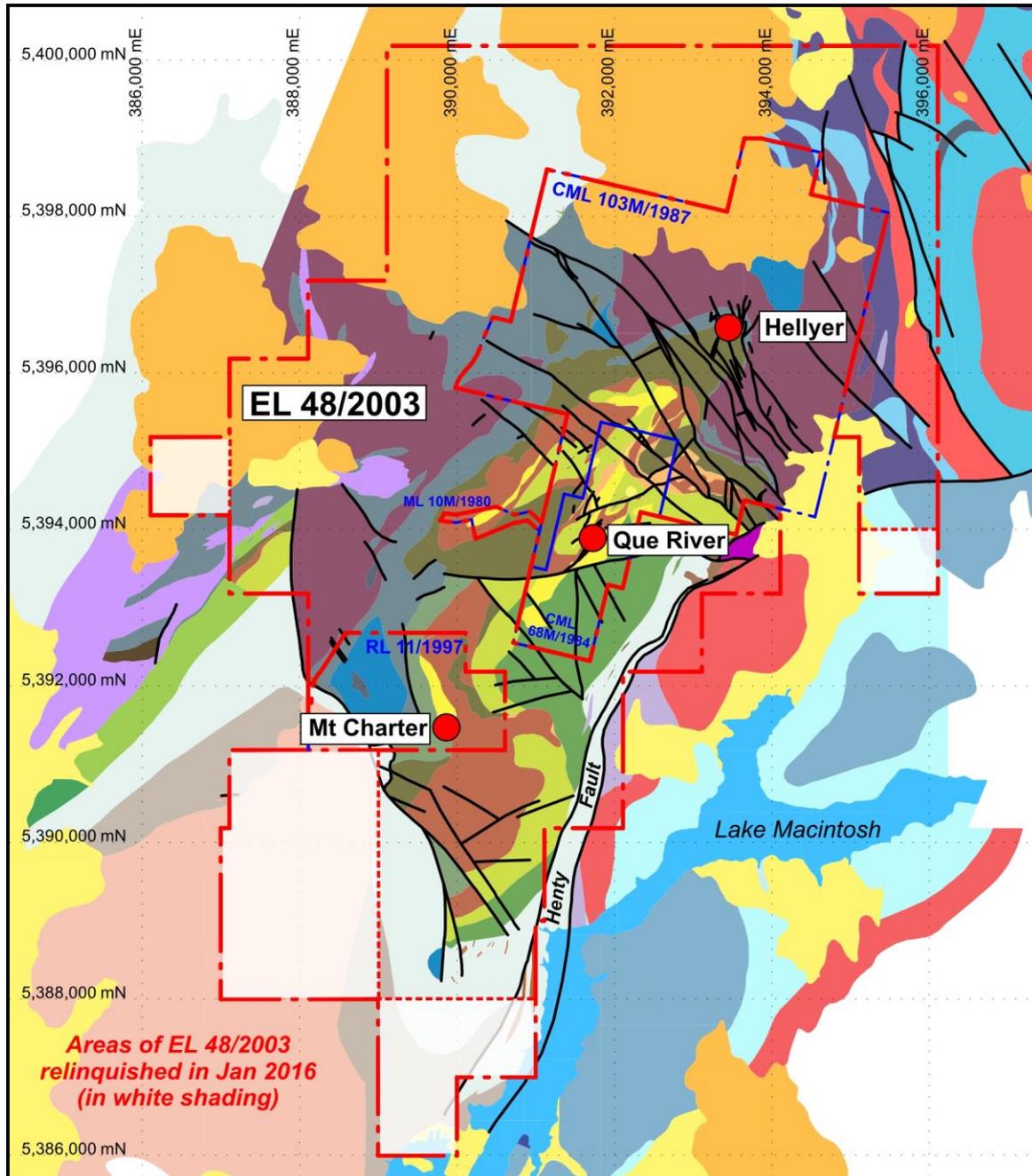
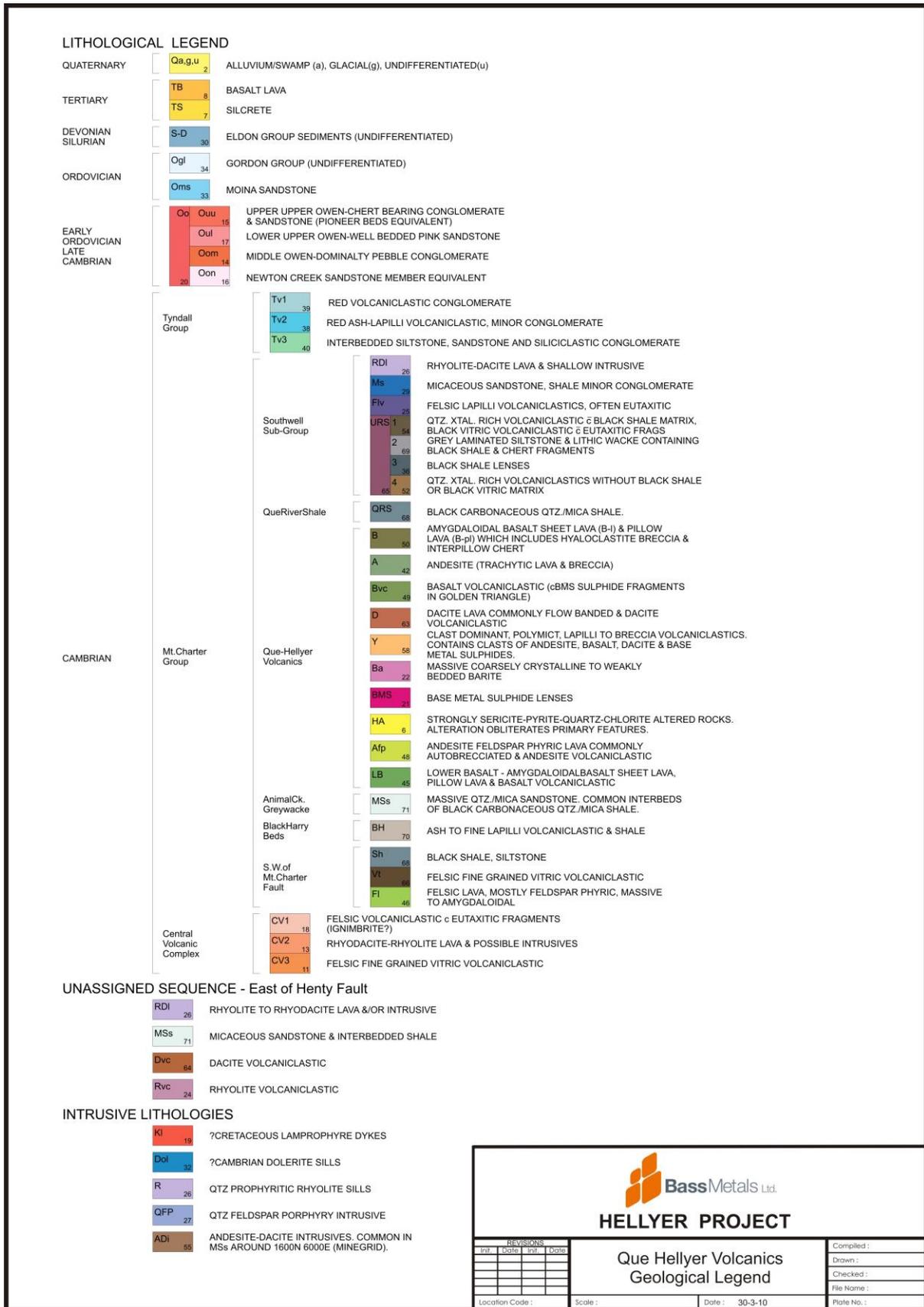


Figure 3: Geological legend for Figure 2



2.0 EXPLORATION HISTORY

Previous work carried out in the Mt Block area is summarised in the 2011 annual report (Denwer, 2011).

3.0 WORK COMPLETED DURING THE CURRENT REPORTING PERIOD

No field work was completed during the reporting period.

3.1 Historic Petrology Photographs

During the reporting period, the original negatives of photographs taken of samples submitted by Aberfoyle Resources for thin section description were located. Petrological descriptions for these samples would have been submitted in the relevant Annual Reports during the 1980's and 1990's.

In order to preserve the photographs and improve the usefulness of the historic petrology, the original negatives were scanned and are presented in Appendix 1 of this report. The relevant petrological descriptions and any available assays are also included.

Only photographs from holes located on EL 48/2003 are included with this report.

4.0 PROPOSED EXPLORATION

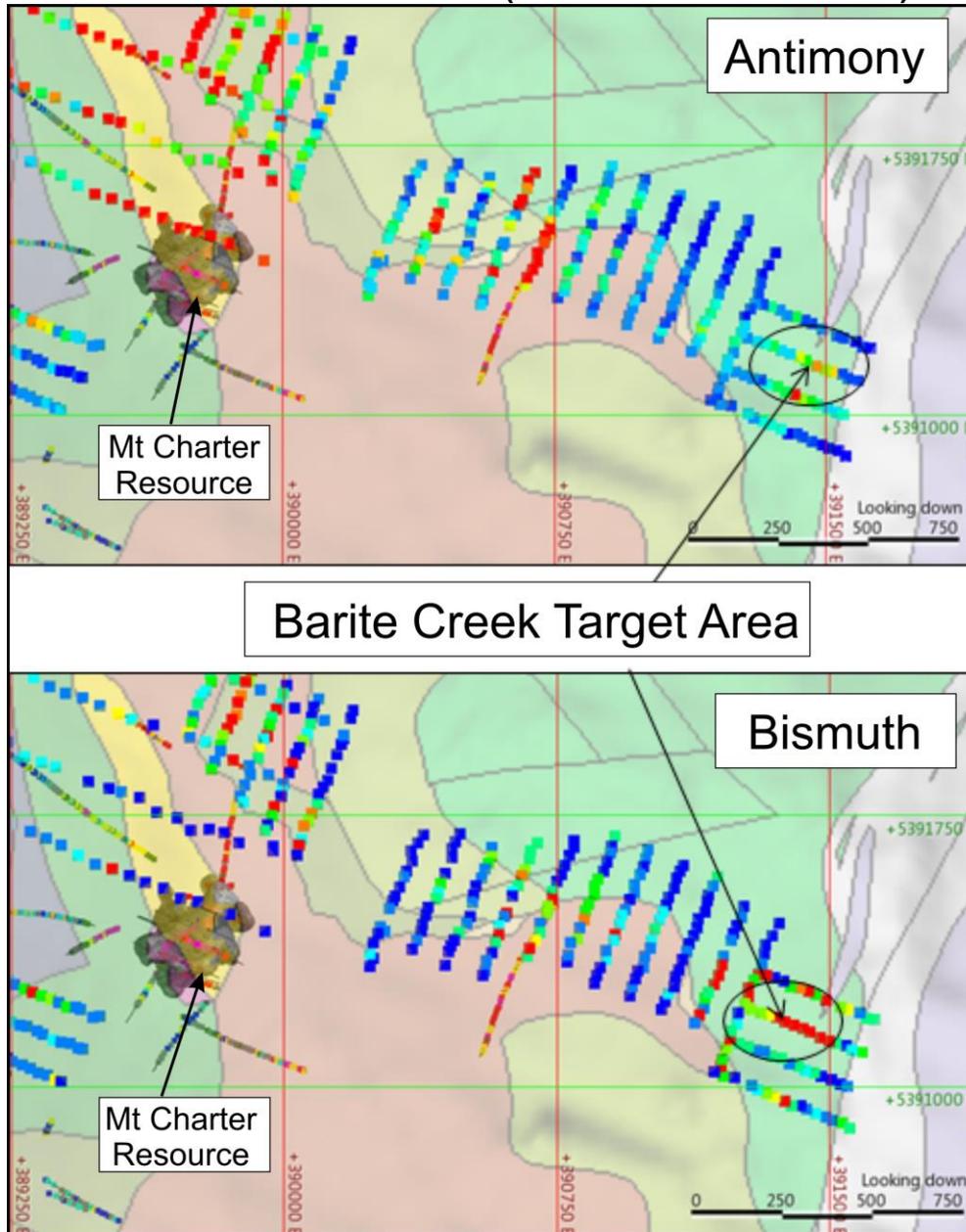
During 2013 the Mt Block exploration licence area was part of an external consultant's review of Bass' model and exploration strategy for the QHV. The scope of the review was to assess the current geological model and identify targets comprising alteration signatures that may be indicative of undiscovered mineralisation. The work was undertaken as a collaboration between Dr Scott Halley (Mineral Mapping Pty Ltd) and Dr Jun Cowan (Orefind) with consultants from JigSaw Geoscience; Dr Brian Krapez and Mr Carl Young, together with Bass' geologists. Results were presented in the 2013 progress report (Richardson, 2013).

One of the target areas identified by Mineral Mapping is located on EL48/2003, near Barite Creek, to the east of Mt Charter and adjacent to the Henty Fault (Figure 4). The area trending east from Mt Charter is moderately anomalous in arsenic, antimony and bismuth in soils all the way to the Henty Fault. This zone broadly corresponds to the Barite Creek Structure identified by Aberfoyle in the 1990's and interpreted as a synvolcanic fault. Only one hole has previously been drilled into this area (MAC 37), with good alteration but lacking significant base metal assays. The new pathfinder geochemistry is highlighting the eastern end of this zone, near the Henty Fault; an area that was not evident in the historic ore-element soil surveys. This target has significant levels of bismuth, indicating that this is a hotter part of the system.

It is planned that during 2016 the Barite Creek pathfinder soil geochemistry anomaly, adjacent to the Henty Fault, will be field checked with geological mapping and rock-chip sampling. The work will aim to increase confidence in order to propose drill testing.

The target is in a very remote area that will require rehabilitation of the existing Barite Creek track to enable access.

Figure 4: Plan of the Barite Creek pathfinder soil anomaly. Large symbols show antimony assays from the soil geochemistry at top; blue<1ppm, red>5ppm; and bismuth assays from soils, lower; blue<0.1ppm, red>1ppm. The small symbols show the alteration index from drillholes. (Note- Grid is AGD66 Zone55)



A budget for the proposed work is shown below in Table 1.

Table 1: Proposed EL 48/2003 expenditure for 2016

January 2016 - January 2017		
Geoscientific Costs	Geology	\$14,000
	Geochemistry	\$3,000
	Geophysics	
	SWIR	
Drilling & Gridding Costs	Gridding	\$8,000
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	\$5,000
	Admin Costs	
	Total - eligible	\$30,000

5.0 ENVIRONMENT

Bass Metals 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.

During 2015 no activities were undertaken which had an environmental impact.

6.0 EXPENDITURE

Table 2 Expenditure 11th January 2015 to 10th January 2016

January 2015 - Dec 2015		
Geoscientific Costs	Geology	\$9,742
	Geochemistry	
	Geophysics	
	Remote Sensing	
Drilling & Gridding Costs	Gridding	
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	\$590
	Admin Costs	
	Total - eligible	\$10,332

7.0 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.

Richardson, S., 2013, Mount Block Project, Tasmania, EL 48/2003, Progress Report, 11th June 2013 To 10th January 2014. Unpublished Report to Mineral Resources Tasmania.