TULLAH PROJECT
(LAKE MACKINTOSH GROUP)
TASMANIA
EL47/2003

ANNUAL PROGRESS REPORT
11th June 2007 TO 10th June 2008

Tenement Holder/Manager
Bass Metals Ltd.
Suite 5, 2 Richardson St
West Perth, WA, 6005

Prepared By:
Sally Bates, B.App.Sc (Geol)
Hellyer Exploration Base, TAS

Distribution:
Bass Metals Ltd
Mineral Resources Tasmania

Disclaimer
The conclusions and recommendations expressed in this report / table represent the opinions of the Authors based upon the data available and provided to them. The opinions and recommendations provided from this information are in response to a request from the client and no liability is accepted for commercial decisions or actions resulting from them.

Note: All figures and grids are according to the AGD66 datum and AMG66 grid system.
TULLAH PROJECT  
(LAKE MACKINTOSH GROUP)  
TASMANIA  
EL47/2003

ANNUAL PROGRESS REPORT  
11th JUNE 2007 TO 10th JUNE 2008

ABSTRACT

The following is an Annual Report on exploration activities at Exploration Licence EL47/2003, Tullah, for the period 11th June 2007 to 10th June 2008.

Activities during the reporting period include:

- The planning and submittal for approval of an extensive drilling program
- Data capture, compilation and digital modelling for the historic Farrell line of Pb-Ag (Zn) workings
- Monthly water sampling regime at up to 6 locations.
- Ground positioning of proposed first pass drill program
- Data manipulation for 3D modelling
- Orientation traverse, and sampling of Murchison and South Farrell waste dumps (11 samples)

Expenditure – Reporting period $64,528.56

Total to date $1,140,102.79
CONTENTS

1. Introduction 4
   1.1 Location and Access 4
   1.2 Geology Overview 5
      1.2.1 Farrell Slates 5
      1.2.2 Tyndall Group 5
      1.2.3 Owen Conglomerate 5
      1.2.3 Central & Western Volcanic Sequence 5

2. WORK COMPLETED 6
   2.1 Historic Mining 6
   2.2 Exploration prior to current licence area 7
   2.3 Exploration completed 11th June 2004 – 10th June 2006 (BSM) 13

3. EXPLORATION COMPLETED – CURRENT REPORTING PERIOD 13
   11th June 2007 to 10th June 2008

4. ENVIRONMENT 17

5. EXPENDITURE 18

6. REFERENCES 19

APPENDIX 1 – Water Sampling Assay Results

APPENDIX 2 – Grab Sample Assay Results

List of Figures:
1. Tenement Location Map 4
2. Geological Map including tenement boundary 6
3. Historic Mines and prospects 7
4. Farrell Longitudinal Section 12
5. Drill hole map 15
6. Environmental activity Map 17

List of Tables:
1. Proposed Collar Locations 12
2. Expenditure Table 15
1. **Introduction**
This report is a summary of the exploration activities conducted on the Tullah exploration licence, EL47/2003 (Figure 1), for the period 11th June 2007 to 10th June 2008. The licence covers a total area of 71km². Bass Metals Ltd (BSM) commenced management of the Tullah exploration licence (EL47/2003) on 18 June 2004.

1.1 **Location and Access**
Located in north-western Tasmania on the flanks of Mount Farrell at Tullah, access to The Farrell field is via the Murchison Highway, approximately 25 minutes trucking distance from Hellyer, and 15 minutes from Rosebery. Exploration access for drilling requires care, as potential sites, particularly for drilling mid to deep workings level, are likely to be located in and around the town of Tullah on private land titles. Access for geochemistry and geophysics to the east of Tullah township is dominantly Crown Land, on moderate to steep terrain of the Flanks of Mount Farrell. To the West of Tullah Access is truncated by Lake Rosebery.

![Figure 1. Tenement location map](image-url)
1.2 Geology Overview

The Farrell field is located in a package of black shales, volcaniclastics and minor lavas known as the Farrell slates, in a structurally bounded corridor known as the Henty Fault zone. Pb-Zn-Ag mineralization in the Farrell slates near Tullah is hosted in NE to NW trending, steeply west dipping shear zones, forming southward plunging ore shoots of variable thickness along strike.

An analysis of the geological framework of the Tullah area is provided by Mcneill and Corbett, 1989, who describe sequences broadly associated with the Farrell Lodes.

A major geological feature of the area is the Henty Fault Zone, a north easterly trending fault bounded belt containing the Farrell slates and associated deposits. The main structure attributed as the Henty fault is the western structure of the Henty Fault Zone. The movement history on the Henty Fault is complex, with oblique to dip-slip reverse motion observed by McNeill and Corbett, and a five phase history reported by Berry, including two early reverse movement stages followed by sinistral wrenching, wrench faulting and normal faulting, in Mcneill and Corbett, 1989.

1.2.1 Farrell Slates

A sequence of shale, greywacke, tuff and minor lava that reaches a thickness of about 850m near Tullah thinning to the North and South. (McNeill & Corbett, 1989)

1.2.2 Tyndall Group

The Tyndall Group is a unit of quartz-bearing volcaniclastic sandstone and conglomerate. Though also contains minor volcanic, intrusive and ignimbritic rocks of mixed felsic and andesitic provenance (Seymour et.al., 2006).

1.2.3 Owen Conglomerates

The Owen Group is Cambrian to Ordovician in age and sits unconformably on the MRV. The unit typically includes large volumes of coarse siliclastic conglomerate composed dominantly of metaquartzite clasts derived from the Tyennan Metamorphics. It also includes turbidite and shallow marine sandstone units (Seymour et.al., 2006). It is not likely to host any exhalative styles of mineralisation such as Taylor and Mathison (1990) report for the younger Gordon Group. However, it could potentially host mineralisation associated with intrusion of Late Devonian–Early Carboniferous granitoids.

1.2.4 Central and Western Volcanic Sequence

The CVC is dominated by proximal volcanic rocks (rhyolite and dacite flows, domes and cryptodomes and massive pumice breccias) and andesite and rare basalt (lavas, hyaloclastites and intrusive rocks) deposited in a marine environment (Seymour et al., 2006).

The Footwall Pyroclastics

The Footwall Pyroclastics consist of a uniform sequence of feldspar porphyritic, vitric-crystal lapilli tuffs which lie below the ore horizon at both the Rosebery and Hercules deposits (Smith & Huston, 1992).

The Host Rocks

The Host Rocks unit at Rosebery and Hercules consists predominantly of sericitic siltstone with minor crystal tuffs, bedded carbonates and up to 30m of pyritic black shale. The Host Rocks and black shale represent a period of quiet sedimentation (Smith & Huston, 1992).
**The Hangingwall Epiclastics**
This unit disconformably overlies base metal mineralisation and the black shale of the host rocks unit. It contains some inclusions of black shale.

**The Mt Black Volcanics (lava-rich sequence)**
The overlying Mt Black Volcanics predominantly consist of massive lavas of dacitic to andesitic composition with volcaniclastic units throughout.

---

**Figure 2. Geological Map including tenement boundary**

**2. WORK COMPLETED**

**2.1 Historic Mining:**
Notable historic mines of interest in the Farrell Field are the North Farrell Mine and the New North Farrell Mine. (Figures 3 & 4). The North Farrell Mine operated successfully from 1899 to 1932, producing 432,000T at 11.4% Pb, 2% Zn, 370g/T Ag (Lorregan, A, in McGunningle, 1996). During the 1930’s depression, new mineralization was
found nearby to the north at surface, and the North Farrell mine was abandoned and allowed to flood. The New North Mount Farrell Mine operated successfully until 1973, when poor metals prices forced the closure of the mine. The ore systems in both mines were indicating continuation at depth, and Zn mineralization was deliberately avoided as Zn was penalised at the smelters, due to causing Pb suppression, (Jeckell Smythe pers. comm.) and had no market. Mineralization potential along strike from, between and beneath the known workings is incomplete, or untested. Other Mineral occurrences in the area include the Lorregan’s luck As-Au resource, and the Lakeside Gold deposit. Further prospective areas occur to the south in the Sterling Valley.

Lorregan, 1996, quotes a measured resource of 71,000t at the New North Mt Farrell Mine, at 12.3% Pb, 4.8% Zn, 0.24%Cu and 378 g/t Ag, based on a 1985 EZ report. Based on results from the shallow drilling program of her report, Lorregan indicates a further potential shallow resource (not a resource estimate), of 100,000T at 6.3% Pb, 1.6% Zn, and 201 g/t Ag.

Figure 3. Historic mines and prospects

2.2 Exploration prior to current licence area;
During the 1950’s although poorly documented exploration was dominated by geophysics, including IP, ground magnetic and fixed loop EM.

**Date:** 1973 - 74  
**Company:** Asarco (Aust) Pty Ltd  
**Exploration Philosophy:** Not noted  
**Work Completed:** Stream sediment survey  
**Results and Conclusions:** Identified Sn and base metal anomalies

**Date:** 1973 - 78  
**Company:** Asarco-Cominco JV  
**Exploration Philosophy:** Not noted  
**Work Completed:** Bedrock auger sampling, mag, EM, IP & 3 diamond drill holes  
**Results and Conclusions:** Not noted

**Date:** 1979 - 80  
**Company:** EZ  
**Exploration Philosophy:** Not noted  
**Work Completed:** Murchison River area – ground Mag, IP and drilling  
**Results and Conclusions:** Not noted

**Date:** 1980 - 81  
**Company:** EZ  
**Exploration Philosophy:** Test coincident ground mag and IP anomalies, minor sulphides & Sn  
**Work Completed:** Stream sediment survey, soil sampling, grid mapping, ground magnetics, drilling  
**Results and Conclusions:** Not noted

**Date:** 1982  
**Company:** EZ  
**Exploration Philosophy:** Not noted  
**Work Completed:** Soil geochem survey over Mt Black Volcanics, close to Henty Fault.  
**Results and Conclusions:** Anomalous Sn resulted in costeaning and rock chip sampling with resultant high Au, however mineralisation style (vein) unattractive and work discontinued. One DDH drilled under costean in 1985 (low resistivity zone) – minor sulphides intersected.

**Date:** 1983 - 84  
**Company:** EZ  
**Exploration Philosophy:** Gold study  
**Work Completed:** Data review, costean sample analysis, DIGHEM survey, gridding, ground mag, mapping, rock chip geochem, EM  
**Results and Conclusions:** High As intersections resulted in shift away from Sn to As. Informal ore reserve calculation – 4 sulphide lenses within 4 holes est. 480,000t @ 5% As (“Arsenic Resource”) with mineralisation open to north, south and at depth. Core analysed for Au using aqua regia/AAS – Au masked by presence of sulphides.

**Date:** 1984 - 85  
**Company:** EZ  
**Exploration Philosophy:** Re-assay for Au
Work Completed: Using fire assay analysis 12 samples returned >1g/t Au. Fire assay analysis consistently gave a higher assay that the previously employed aqua regia/AAS method.

Results and Conclusions: A cold content for the Arsenic Resource area was calculated using the As ore reserve intersections, resulting in an est. Ore content of 460,000 @ 5.02% As, 0.83g/t Au.

Date: 1985 - 86  
Company: EZ  
Exploration Philosophy: Additional drilling to test geophysical targets.  
Work Completed: Henty Fault Zone and interpreted cross structures

Date: 1986 - 87  
Company: EZ  
Exploration Philosophy: Target model, Henty Fault Zone  
Work Completed: Core sampling, UTEM, compilation of Farrell Mines Data. Metallurgical testing of As zones, re-assay of core (fire assay), rock chip analysis

Results and Conclusions: Not noted

Date: 1987 - 88  
Company: EZ  
Exploration Philosophy: Not noted  
Work Completed: Drilling, down-hole IP & resistivity (Lakeside), BCL survey, drill core re-assays, gravity, EM, ground mag (Duttons), mapping, rock chip sampling, drill core re-assay (Farrell-Mackintosh), drill core re-assay, IP rock chip and BCL sampling (Murchison Mine)

Results and Conclusions: Not noted

Date: 1988 - 89  
Company: EZ  
Exploration Philosophy: Resource indication  
Work Completed: UTEM, down hole EM, resource est (Lakeside), ground mag & EM (Tullah Flats), gridding, mapping, soil sampling, ground mag, IP & EM (Murchison Mine)

Results and Conclusions: Indicated resources for Lakeside.

Date: 1990 - 93  
Company: Pasminco  
Exploration Philosophy: Not noted  
Work Completed: Aeromag & radiometric helicopter-borne surveys, gravity survey, evaluation of Murchison Mine and DDH (MM1a), reclogging of 12 underground drillholes from old Farrell Mines, geology mapping and rock chip sampling (Sterling Valley, Murchison Gorge, Farrell Range, Henty Fault), EM survey, down hole EM.

Results and Conclusions: Not noted

Date: 1993 - 94  
Company: Pasmico  
Exploration Philosophy: Review of mineral potential of tenement area.  
Work Completed: DDH & DHEM (Mackintosh Dam & Tullah Flat), MALM & IP (Mackintosh Dam), interpretation of 1991 – 93 gravity and aeromag surveys, mapping and rock sampling (Mackintosh Dam & South Stitt), re-surveying of old drillhole collars and completion of drillhole survey database for all surface exploration holes, computerisation of full geochem records for approx. Half of surface exploration holes.

Results and Conclusions: Not noted
Date: 1994 - 95
Company: Pasminco
Exploration Philosophy: Review of mineral potential of tenement area
Work Completed: 4 DDH, DHEM, reclogging & sampling of old core (1400m), mapping of alteration zone along Farrell Slates/Murchison Volcanic contact (rock sampling and structural/aeromag interp), ground mag, mapping and rock sampling over mag anomaly (Sterling Valley Volcanics), initial evaluation of Farrell Mines, geological mapping across Sterling Valley, including reclogging of old core.
Results and Conclusions: Not noted

Date: 1995 - 96
Company: Pasminco
Exploration Philosophy: Not noted
Work Completed: 12 DDH, rock chip sampling (Murchison Gorge Alteration Zone), geological mapping and rock chip sampling (Sterling Valley), geophysics review (Lakeside), review of previous exploration (Lakeside & Lorrigans Luck)
Results and Conclusions: Not noted

Date: 1996 - 97
Company: Pasminco
Exploration Philosophy: Exploration for Au mineralisation associated with Henty Fault Zone
Work Completed: Review of prior exploration in Sterling Valley area, study of pargenesis of mineralisation at Lorrigan’s Luck Prospect (previously Arsenic Prospect), Lakeside & Sterling Valley soil orientation surveys, mapping and rock chip sampling (Sterling Valley area), review of existing geophysical data across Tullah licence area. Review of past exploration in South Stitt area and prospecting review using Pasminco GIS system of past exploration data, drilling of 7 RC holes (567.5m) and 3 DDH (204m) which intersected significant but low grade gold mineralisation in the Lakeside Prospect.
Results and Conclusions: Recommendation for drilling IP target (nth of Lakeside).

Date: 1997 - 98
Company: Pasminco
Exploration Philosophy: Not noted
Work Completed: Review and re-interp of existing IP data, gridding, geological mapping, soil and rock chip sampling and IP surveys
Results and Conclusions: Not noted

Date: 1998 - 99
Company: Pasminco
Exploration Philosophy: Not noted
Work Completed: Partial leach soil sampling, diamond drilling (236m), and geological mapping within the Bruce Creek Prospect area, geological mapping and airborne geochemistry over the East Stitt grid. Compilation of historic geological and drill hole data over the entire tenement area.
Results and Conclusions: Not noted

Date: 1999 – 2000
Company: Pasminco
Exploration Philosophy: Focus was principally o the Farrell, Murchson and Tullah Bluff prospect areas
Work Completed: Partial leach soil sampling (2288 samples), rock chip sampling and soil geochemistry, Geological mapping over the Tullah grid, diamond drilling (2 holes TBD1 & TBD2 – 518.7m), and DHEM of TBD2 at the Tullah Bluffs Prospect.

Results and Conclusions: Initial inspection of the data suggested cultural contamination in the vicinity of the mine workings. Elimination of samples in close vicinity to the road defined 6 anomalous areas.

Date: 2005 - 2006
Company: Saracen
Exploration Philosophy: Aimed at intercepting previously defined ore blocks in the New North Farrell Mine.
Work Completed: 8 diamond drill holes
Results and Conclusions: Program was hampered by hole deviations, survey problems, and difficulty in interpreting positions in relation to old mine workings. Several holes were proposed but not drilled, or with targets missed.
Figure 4. Farrell Longitudinal Section
2.3 Exploration completed 11th June 2004 – 10th June 2006 (BSM)
This included a comprehensive desktop study of historic exploration in the area, and many site visits to
the research areas.

2.4 Exploration completed 11th June 2006 – 10th June 2007 (BSM)
Preliminary drilling program proposed (refer to prior annual report for details)

3. EXPLORATION COMPLETED – CURRENT REPORTING PERIOD
11th June 2007 – 10th June 2008 (BSM)

3.1 Data Capture
• Saracen’s drill hole database was imported into datamine and a digital terrain model was created to
form the basis of 3D modelling work.
• Data from a Pasminco exploration MMI soil survey covering Farrell and Sterling Valley was put into a
database.
• Aerial photography was sourced for mapping and interpretation work.
• Workings of the South Farrell mine were located, where first hand information indicates that a
previous drilling program was poorly executed and ‘ground away’ significant ore intersections.

3.2 Site visits
• The Murchison River mine open pit was located showing a remnant skin of sphalerite-chalcopyrite
rich ore on the North Eastern pit wall, relating to the orebody that was stoped in underground
workings.
• The upper adit into Duttons Workings was located at 385399mE, 5377753mN, striking 20 degrees.
  An adit suspected to be the upper adit of the South Farrell workings was located 385464mE,
  5377998 striking 56 degrees.
• A reconnaissance visit was made to the North Mt Farrell open cut which located important
mineralised outcrop of the Farrell Slates in the ‘lode’ position of the Farrell Line.
• Sites were selected for a base-line water sampling program from Duttons Workings to North Mt
Farrell. (see appendix 1)
• An orientation traverse was made from Duttons workings to the Nth Mt Farrell, and Murchison Mine
area. Results received from a suite of grab samples from spoil piles across the Farrell field indicate
the high graced Pb-Zn-Ag nature of the Farrell ores. Best results are from ore samples from New
North Mt Farrell and mullock samples from the North Mackintosh Mine, reporting 19%Pb, 3%Zn, and
14%Pb, 26%Zn respectively. (see appendix 2)

3.3 Drilling Proposal
A first pass drilling program (Figure 5) is awaiting finalisation of approval from the MRT. 4180 drilling
meters is proposed targeting shallow extensions of historic exploration work, depth extensions of the
main New North Mount Farrell and North Mount Farrell Mines, and shallow depth extensions of Mount
Farrell, South Farrell and Dutton’s Workings. This program is currently with Mineral Resources Tasmania
awaiting approval. Table 1 below displays drill-hole collar locations in AGD66.
Table 1. Proposed Collar Locations

<table>
<thead>
<tr>
<th>ID</th>
<th>AMGE</th>
<th>AMGN</th>
<th>Dip</th>
<th>AZ</th>
<th>MAG</th>
<th>Plan Depth</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Farrell Line Drill-hole Targeting</td>
</tr>
<tr>
<td>1A</td>
<td>386040</td>
<td>5379748</td>
<td>-45</td>
<td>84</td>
<td>50</td>
<td>50</td>
<td>Target northern extension of Pasminco drilling</td>
</tr>
<tr>
<td>1B</td>
<td>386051</td>
<td>5379797</td>
<td>-45</td>
<td>84</td>
<td>60</td>
<td>60</td>
<td>Target northern extension of Pasminco drilling</td>
</tr>
<tr>
<td>2A</td>
<td>385911</td>
<td>5379023</td>
<td>-50</td>
<td>84</td>
<td>60</td>
<td>60</td>
<td>Infill drilling close to NMF workings</td>
</tr>
<tr>
<td>2A’</td>
<td>385875</td>
<td>5379022</td>
<td>-60</td>
<td>84</td>
<td>60</td>
<td>60</td>
<td>Infill drilling close to NMF workings</td>
</tr>
<tr>
<td>2B</td>
<td>385891</td>
<td>5379121</td>
<td>-60</td>
<td>84</td>
<td>110</td>
<td>110</td>
<td>South Macintosh area infill</td>
</tr>
<tr>
<td>2C</td>
<td>385920</td>
<td>5379310</td>
<td>-50</td>
<td>84</td>
<td>110</td>
<td>110</td>
<td>Beneath TF11</td>
</tr>
<tr>
<td>2D</td>
<td>385933</td>
<td>5379380</td>
<td>-50</td>
<td>84</td>
<td>60</td>
<td>60</td>
<td>Located on track target beneath TF8</td>
</tr>
<tr>
<td>2E</td>
<td>386020</td>
<td>5379500</td>
<td>-45</td>
<td>84</td>
<td>80</td>
<td>80</td>
<td>Lode extension south of TF3</td>
</tr>
<tr>
<td>4A</td>
<td>385620</td>
<td>5379090</td>
<td>-66</td>
<td>58</td>
<td>430</td>
<td>430</td>
<td>Check planning between NNMF, NMF</td>
</tr>
<tr>
<td>5A</td>
<td>385424</td>
<td>5378830</td>
<td>-55</td>
<td>95</td>
<td>500</td>
<td>500</td>
<td>Orebody below 10 level winze</td>
</tr>
<tr>
<td>7A</td>
<td>385695</td>
<td>5378747</td>
<td>-52</td>
<td>84</td>
<td>145</td>
<td>145</td>
<td>Beneath TF10</td>
</tr>
<tr>
<td>7B</td>
<td>385680</td>
<td>5378668</td>
<td>-52</td>
<td>84</td>
<td>145</td>
<td>145</td>
<td>Targeted south of TF10 to avoid workings</td>
</tr>
<tr>
<td>7C</td>
<td>385624</td>
<td>5378679</td>
<td>-48</td>
<td>84</td>
<td>190</td>
<td>190</td>
<td>Targeted south of TF10 to avoid workings</td>
</tr>
<tr>
<td>6A</td>
<td>385545</td>
<td>5378085</td>
<td>-60</td>
<td>84</td>
<td>101.3158</td>
<td>101.3158</td>
<td>Site 7S 308’</td>
</tr>
<tr>
<td>6B</td>
<td>385550</td>
<td>5378100</td>
<td>-65</td>
<td>84</td>
<td>111.1842</td>
<td>111.1842</td>
<td>Site 8S 338’</td>
</tr>
<tr>
<td>6C</td>
<td>385555</td>
<td>5378120</td>
<td>-65</td>
<td>84</td>
<td>102.9605</td>
<td>102.9605</td>
<td>Site 9S 313’</td>
</tr>
<tr>
<td>6D</td>
<td>385605</td>
<td>5378280</td>
<td>-69</td>
<td>84</td>
<td>103.6184</td>
<td>103.6184</td>
<td>Site 11S 315’</td>
</tr>
<tr>
<td>6E</td>
<td>385640</td>
<td>5378350</td>
<td>-65</td>
<td>84</td>
<td>93.75</td>
<td>93.75</td>
<td>Site 12S 285’</td>
</tr>
<tr>
<td>6F</td>
<td>385675</td>
<td>5378440</td>
<td>-67</td>
<td>84</td>
<td>109.8684</td>
<td>109.8684</td>
<td>Site 13S 334’</td>
</tr>
<tr>
<td>6G</td>
<td>385700</td>
<td>5378540</td>
<td>84</td>
<td>100</td>
<td></td>
<td></td>
<td>Between NMF and Finnies(MF)</td>
</tr>
<tr>
<td>6H</td>
<td>385375</td>
<td>5377800</td>
<td>-41</td>
<td>84</td>
<td>101.3158</td>
<td>101.3158</td>
<td>Duttons Workings Site 2S 308’</td>
</tr>
</tbody>
</table>
Figure 5. Drill hole map
Proposed drill-holes are indicated in figure 6, with new drill-holes shown in yellow and previous drilling shown in red.
3.4 Water sampling

A monthly water sampling regime has been designed to cover a number of BSM’s exploration areas taking into consideration the environmental factors whilst drilling in remote areas.

A total of 6 areas are sampled around the Farrell exploration licence (access permitting). Majority of the sites are located on the old tram way which is today mainly used as a horse tourist track.

Sample localities –

**MTF1**  North Mt Farrell Adit located at the head frame of North Farrell Mine. Water flows from the mine into a manmade trench which follows the Farrell tramway, and then diverts into free flowing creek situated 100m along. Growth of native species is present and strong. GPS Co-ordinate 5378898mN, 385638E

**MTF2**  Rake track drainage, this water sampling station is located 100m along the tramway track from MTF1 and flows to the West. Sample spot is amongst man ferns on the top aside of the tramway. The old tramway bridge is still visible at this location, this creek flows strongly in most months but has proven to dry up in hot spells. If this happens it would be necessary to walk up the creek until an appropriate location to sample is found. The water has found an underground tunnel to flow into and passes underneath the tramway track and flows back to surface 10m down past the old bridge. GPS Co-ordinate 5397057mN, 385748mE

**MTF3**  South Macintosh drainage, this location is where the horses (that pulled the carts from the mine to the mill) used to grab a drink of refreshing water. This small “spring” type flow seems constant even when others are slowing. Location is 60m from MTF2 and is located on the top side of the track. GPS Co-ordinate 5379215mN, 385808mE

**MTF4**  New North Mt Farrell Adit. Water flows in an easterly direction to the Mackintosh water supply. Man made culvert directs all flow. Good native species growing all around sample location. GPS Co-ordinate 5379529mN, 385929mE

**MTF5**  Man made culverts collect’s two seepage point runoffs. The 1st seepage point is flowing directly West which in turn picks up seepage point number 2 which is flowing in a Southerly direction. Located to the south of the Tullah football ground both seepages have a minimal flow rating. GPS co-ordinate 5277723mN, 388301mE

**MTF6**  Lake Rosebery. Water from Lake Plimsoll and Murchison Dam enter into Lake Rosebery before passing. Also collects vast runoff water system from around the Tullah Township. GPS Co-ordinate 5379247mN, 385131mE

Refer to appendix 1 for results to date.
4. 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.

The attached Environmental Activity Map in Figure 6 shows the location of the licence relative to conservation areas.

Land Tenure
The Tullah Exploration Licence comprises:

- MDC Informal Reserves
- State/Multiple Use Forest
- Private Property
- Crown Land
- HEC Land
- Part of Macintosh Forest Reserve
- Part of Murchison Regional Reserve
- Part of Farrell Regional Reserve

![Figure 6. Environmental Activity Map](image-url)
## 5. EXPENDITURE

<table>
<thead>
<tr>
<th>June 2007 - June 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Geoscientific Costs</strong></td>
</tr>
<tr>
<td>Geology</td>
</tr>
<tr>
<td>Geochemistry</td>
</tr>
<tr>
<td>Geophysics</td>
</tr>
<tr>
<td>Remote Sensing</td>
</tr>
<tr>
<td><strong>Drilling &amp; Gridding Costs</strong></td>
</tr>
<tr>
<td>Gridding</td>
</tr>
<tr>
<td>Drilling</td>
</tr>
<tr>
<td><strong>Land Access Costs</strong></td>
</tr>
<tr>
<td><strong>Rehabilitation Costs</strong></td>
</tr>
<tr>
<td><strong>Feasibility Study Costs</strong></td>
</tr>
<tr>
<td><strong>Other Costs</strong></td>
</tr>
<tr>
<td>Admin Costs</td>
</tr>
<tr>
<td><strong>Total - eligible</strong></td>
</tr>
</tbody>
</table>

### Table 3. Expenditure 11 June 2007 to 10 June 2008

Expenditure for the twelve months between 11 June 2007 and 10 June 2008, has primarily been taken up with orientation sampling, ground positioning, and the proposal of a first pass drilling program.

Total expenditure for the period was $64,528.56
6. REFERENCES


Jenson, H.E., Examination of Farrell Mining Company’s properties at Tullah, Tasmania, Rio Tinto Exploration PTY LTD, MRT report 59_0299, 1959


McNeill, A. W., and Corbett, K.D, Geology of the Tullah-Mt Block area, Mt Read Volcanics Project geological report 2, Tasmania Department of Mines, 1989


APPENDIX 1
WATER SAMPLING ASSAY RESULTS
APPENDIX 2
GRAB SAMPLE ASSAY RESULTS