

Record ore sales for Bass

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DESPITE an increase in operating costs, Bass Metals has reported better than expected mining grades and tonnages for the June quarter from the Que River mine in Tasmania.

Ore mined for the June quarter was 17,071 tonnes, a 103% increase on the predicted figure of 8429t.

After accounting for moisture loss, Bass sold a total of 16,483 dry metric tonnes of ore to OZ Minerals' Rosebery operations during the quarter, achieving gross revenue of \$A212 per dry metric tonne sold.



Estimated value of ore sold in the quarter is \$4.1 million or \$248/dmt including an estimated \$600,000 in hedging gains.

Operating costs for the quarter were \$238/dmt ore sold and \$229 per wet metric tonne of ore mined.

The figure is higher than the operating costs of \$132/dmt ore sold and \$108/wmt ore mined for the March quarter, mainly due to an increase in mining fleet in the June quarter to facilitate waste mining, as well as increased fuel and explosive costs.

For the financial year, the value of the ore mined was \$243/wmt, while the total cost of the ore mined was \$217/wmt, representing an operating margin of \$27/wmt or 12%, not including an estimated \$36/t for hedging settlements in the June quarter.

Zinc mined for the quarter averaged a grade of 13.1%, a 22% increase on the predicted grade, lead was at 7.6%, a 41% increase in expected grade, the average silver grade was 237 grams per tonne, an increase of 47%, and gold grades exceeded estimates by 63% to 4.6gpt gold.

The average copper grade was 0.28%, 11% lower than predicted.

Meanwhile, exploration is ongoing at the company's other projects, with the main focus for the June quarter on the Hellyer mine project.

Perth-based Bass is accelerating drilling at the Fossey zone and is on track to have a mineral resource estimate completed in the September quarter.

At June 30, Bass was debt-free and had cash of \$4.43 million, with an overall positive working capital position of \$5.5 million, not including the \$2.7 million positive value in the company's hedge book.

Shares in Bass Metals closed 0.5c up to 16c yesterday and remain unchanged this morning.