



Elephant hunt

WELL done to Bass Metals. It has managed to make money from zinc when nearly all else is struggling.

Thanks to the special grade at its Que River base metals mine in north-west Tasmania, Bass has posted a \$1.78 million maiden profit for the June year.

It is not the biggest result around, but it does not have to be when your market capitalisation is all of \$13 million (12.5¢ a share on Friday). At the end of the financial year, Bass had a working capital position of \$7.3 million, including cash and cash equivalents of \$4.4 million. Net assets totalled \$22.3 million, or 21.5¢ a share.

More to the point is that the Que River operation is very much a "starter" project for Bass in the area. The main show is the nearby Hellyer pro-

ject, which, like Que River, was originally mined by Aberfoyle.

Bass has long had the plan for Que River/Hellyer to make it a self-funded explorer, one that would search for the "elephant" sized ore bodies that Bass boss Mike Rosenstreich and plenty of others suspect remain in Tassie's north-west.

Success at Que River — even at depressed zinc prices — means that stage one of the plan is well in hand. The development of Hellyer will really crank things up, given it is likely to be at least twice the size in terms of annual tonnage.

Bass has previously announced a resource at Hellyer of 750,000 tonnes grading 7% zinc, 4.1% lead, 0.3% copper, 87 grams of silver a tonne and 1.3 g/tonne gold.

A resource update that incorporates the nearby Fossey Zone is due about now.

If the overall resource comes in twice the size and at a slightly better grade, no one

will be surprised.

Bass is also going to be worth watching on the corporate front. While Bass has got the Que River/Hellyer deposits and surrounding exploration ground, Aberfoyle's old treatment plant is owned by Bass' 23% shareholder, Intec.

Intec is a metals processing technology group and is trading at all of 2.5¢ a share after stopping its Hellyer tailings retreatment project because of low zinc prices.

That means that Intec's Hellyer treatment plant is idle.

Ore from Que River goes to Oz Minerals' Rosebery treatment plant and Oz is a joint-venture partner of Bass in the hunt for Rosenstreich's elephants.

Bass has Hellyer marked as a 150,000-250,000 tonnes-a-year project, but is 12-18 months away from a decision to mine.

This means a decision on where it gets treated is some way off.