

BASS METALS DELIVERS INITIAL MT CHARTER RESOURCE OF 240,000oz GOLD, 6.9Moz SILVER

- **First step in establishing significant gold inventory in north-west Tasmania.**
- **Contained metal based on a combined estimated Mineral Resource of 6.1 Mt grading 1.2g/t gold and 36 g/t silver, above a cut-off of 0.7 g/t Au.**
- **Gold recovery of approximately 95% indicated by initial metallurgical testwork, with ongoing evaluation of processing options.**
- **Potential to recover a saleable barite product and zinc.**

Gold and base metals company Bass Metals Ltd (ASX: **BSM**) has announced an initial resource of **378,000 ounces (gold equivalent)** for its 100%-owned Mt Charter Gold Project in north-west Tasmania, representing the first step in establishing a gold inventory in the region as it moves closer to development and first production from its nearby **Que River base metal project**.

Bass Metals said today (**Monday**) the total resource estimated for the Mt Charter deposit is **6.1 million tonnes grading 1.22g/t gold, 35.5g/t silver, 9.7% barite and 0.5% zinc**, for **240,000 ounces of contained gold** and **6.9 million ounces of silver**. The JORC compliant resource estimate is based on a geological model jointly developed by Bass Metals and Snowden Mining Industry Consultants Pty Ltd.

Managing Director, Mike Rosenstreich, said the initial resource estimate had achieved the Company's initial target of delineating a resource of 250,000 ounces for Mt Charter as the basis for developing a significant gold inventory within its project portfolio in north-west Tasmania.

"We are pleased with the result, which has established an initial resource of sufficient critical mass to warrant further work to build our gold inventory, both at Mt Charter but also regionally," he said. "This represents an important first step for us, and will underpin what we see as a significant medium-term development opportunity for the Company, without compromising our immediate focus at Que River."

Bass Metals has completed preliminary metallurgical test work on ore from Mt Charter to understand the metallurgical characteristics of the mineralisation and its response to possible processing routes.

Overall recoveries from this test work were good, indicating that an overall gold recovery of approximately 95% can be achieved through flotation and cyanidation of float tails, with work ongoing to evaluate processing options for the gold-bearing concentrates. The Company is also assessing the potential to recover a saleable barite product, as well as zinc.

"The testwork has confirmed previous cyanidation results, highlighting the challenging metallurgy generally presented by polymetallic deposits," Mr Rosenstreich commented. "However, it has also underlined the other key attribute of polymetallic deposits, which is their potential to generate revenue streams from a range of commodities. At Mt Charter, we believe there is potential value in gold, silver and barite and possible certain higher grade zones of zinc mineralization."

"We now have a preliminary understanding of the metallurgical characteristics of the deposit and its response to possible processing routes, and we will be pursuing these and other opportunities to extract value from this deposit, and others in the district," he added.

The Company's activities at Mt Charter are proceeding in parallel with multi-pronged exploration and development programs across its portfolio, including plans to bring the Que River Project into production later this year, and ongoing exploration drilling as part of the Company's strategic alliance with Zinifex. The Company also appears highly active on its regional exploration portfolio generating new targets at Bonds Range, as highlighted in a recent report to ASX.

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Profile – Bass Metals Ltd

Bass Metals Ltd (ASX: BSM) is an Australian resources company focused on the exploration, evaluation and rapid development of a quality portfolio of mineral assets in north-west Tasmania, including gold-silver and base metal projects with near-term production potential.

Underpinned by alliances with zinc producer Zinifex Limited, TSX-V listed Geoinformatics Exploration Inc and Intec Ltd, owner of the Hellyer treatment facility in Tasmania, Bass Metals has intensive work programs underway on its two most advanced projects, the Mt Charter Gold Project and Que River base metals project.

At Mt Charter, Bass Metals' maiden drilling program in late 2005 returned broad intersections including 80m @ 1.6g/t gold and 61g/t silver and 52.5m @ 2.0g/t gold and 39g/t silver. Intensive follow-up drilling is underway during 2006, with the Company targeting the potential for a large-scale, moderate grade gold deposit .

At Que River, where Bass Metals has delineated a shallow resources at the S-Lens and Nico Lens, in addition to historic high-grade zinc-lead-silver-gold resources previously mined by Aberfoyle in the 1980s, evaluation of mining and treatment options is underway with a view to commencing production as rapidly as possible. The key advantages of this project are its close proximity to processing facilities, road and rail access and extensive underground mining infrastructure.

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