

## BASS METALS COMMENCES MT CHARTER RESOURCE ESTIMATION AS QUE RIVER MINING PLANS ADVANCE

- Further encouraging drilling results from Mt Charter, returning broad zones of gold-silver mineralisation and significant zinc credits.
- \$3.2M capital raising finalised, to underpin aggressive exploration & development program – with two drill rigs currently active on Bass Metals' projects.
- Further significant enhancements to Que River scoping study expected, with mining scheduled to commence before Christmas 2006.
- Encouraging results from initial phase of drilling under Hellyer Exploration Alliance with Zinifex.

Gold and base metal company Bass Metals Ltd (**ASX: BSM**) is set to commence resource estimation at its 100%-owned **Mt Charter Gold Project** in western Tasmania after announcing further excellent drilling results from the project and wrapping up a \$3.2 million capital raising to underpin its aggressive exploration and development strategy in the State's mineral-rich Mount Read Volcanics (MRV) belt where it has a dominant ground position.

The new Mt Charter results follow a series of recent positive milestones for Bass Metals as part of its multi-pronged development strategy, which also includes plans to commence mining at its Que River base metals project before Christmas this year.

The latest diamond drilling at Mt Charter, where Bass Metals has defined an extensive zone of shallow gold-silver mineralisation with significant zinc credits, has further demonstrated the continuity of mineralisation, returning best results including **72m at 3.2g/t gold equivalent** from 17m, **16m at 2.0g/t gold equivalent** from 1.0m and **8m at 1.8g/t gold equivalent** from 41m.

Bass Metals' Managing Director, Mr Mike Rosenstreich, said the new drilling demonstrated the high degree of vertical and lateral continuity of the mineralised system, as well as indicating a potential new zone of higher grade mineralisation on the western margin of the defined zone, with overall grades consistent with previous results.

"The aim of this drilling was to scope out the resource potential of the Mt Charter system, with a view to generating sufficient data to underpin a JORC compliant resource estimation," he said. "Because of the favourable location of Mt Charter with respect to transport, power and processing infrastructure, we believe this project will develop as an important asset for the Company in the medium term."

He said the Company's short-term priority remained the **Que River Project**, where it is making excellent progress with a mining plan under its recently established alliance with specialist mining group, Mancala Pty Ltd, with a view to commencing mining by the end of 2006.

"The Mancala people have mined 4 other deposits on the west coast of Tasmania and were also involved in mining at Que River," Mr Rosenstreich commented. "Their involvement facilitates us going into production early, while maintaining our focus on exploration."

"With Mancala we are working to finalise our mining and environmental management plan and we anticipate some significant enhancements to the base case scoping study announced earlier this year, which indicated a possible positive cash flow of up to \$9.0 million from an initial open pit mining phase," he added.

Bass Metals has recently identified very high-grade, potentially open pitable mineralisation at the PQ South Prospect, including remnant ore positions from the original mining at Que River in the early 1980s and featuring zinc grades of around 15% Zn with high silver and gold values also. At these grade ranges, the value of this material on an in-situ basis is greater than \$1,000/tonne at current metal prices which would underpin a high margin mining operation.

....

Mr Rosenstreich said the PQ South zone represented an important potential addition to the existing identified resources for the S-Lens and Nico Lens at Que River, currently totalling approximately 500,000 tonnes, which underpinned the scoping study. Drilling and trenching is continuing at Que River to assist with resource estimations and other inputs for the Que River mining study.

On other fronts, Bass Metals has received encouraging initial results from the recently commenced 7,000m drilling program being conducted under its Hellyer Exploration Alliance with Zinifex, which will see continuous drilling over the next 9 months to test 13 target areas prospective for Hellyer-style, high-grade base metal mineralisation.

- ENDS -

**Released by:**  
**Nicholas Read / Kate Bell**  
**Jan Hope & Partners**  
**Telephone: (08) 9388-1474**

**On behalf of:**  
**Mr Mike Rosenstreich**  
**Managing Director**  
**Bass Metals Ltd**  
**Telephone: (+61-8) 9322 8044**  
**Mobile: (0410) 576 062**  
**Website: www.bassmetals.com**

### **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.

The Company is also actively exploring its Hellyer Tenements and vast regional ground position which is considered highly prospective for large scale high grade gold, base metals and tin deposits, such as already occur in the region.

- ENDS -