



23 January 2007

The Manager Companies
Australian Stock Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir

QUE RIVER TRIAL MINING TO COMMENCE

The Board of Bass Metals Ltd today committed to the commencement of a trial mining programme at Que River. Site works are planned to commence in approximately two weeks and take 4 weeks to complete. Subject to a successful outcome and government approvals the Board hopes that the trial programme will quickly transition into the proposed full scale mine development.

Background

The key condition precedent contained within the Letter of Intent signed with the Intec and Polymetals joint venture covering the proposed Ore Sales Agreement is the requirement for successful trial processing of a 1,000 tonne parcel of Que River ore.

The test trial programme involves excavation of 18,500bcm of material to expose 3,000t of ore grading 7% lead, 16.6% zinc, 54 g/t silver and 2.2 g/t gold of which Bass Metals has approval to excavate 1,000 tonnes. Crushing will be undertaken by a contractor at Que River to minus 10mm with the crushed product hauled to Hellyer for trial processing on a blended basis with Hellyer tailings.

Discussion

This is an important step to facilitating full scale Que River mine production. The completion of the trial mining and processing is a positive risk management strategy whereby Bass Metals:

- verifies that the Que River ore can be processed profitably utilising the current Hellyer mill configuration; and,
- has an opportunity to expose the ore body and test the grade distribution and mining characteristics, prior to committing to larger capital outlays.

All approvals are in place for the trial mining programme to commence. Final approval for the full scale mine development is now expected in late February 2007 as the anticipated January meeting of the Dept. of Tourism, the Arts & Environment did not take place.

Technical and financial details for the proposed Que River mine development were reported to ASX through November and December 2006 and a further summary will be included in the Company's December Quarterly Activities Report to be released shortly.

Yours Sincerely

Mike Rosenstreich
Managing Director