

BASS METALS FURTHER ENHANCES MT CHARTER POTENTIAL WITH LATEST DRILLING RETURNING ELEVATED ZINC GRADES ALONGSIDE GOLD-SILVER

SUMMARY: Tasmanian-focused explorer Bass Metals Ltd has reported elevated zinc and lead grades within another broad intersection of gold-silver mineralisation received from the maiden drilling program at its Mt Charter Gold Project in the State's north-west. Drilling intersected 15.4m at 2.1g/t gold, 38g/t silver, 4.8% zinc and 1.9% lead and 8.0 metres at 2.1 g/t gold, 27g/t silver, 2.1% zinc and 1.0% lead within an overall 50-metre intersection. Bass Metals believes the elevated zinc grades represent an exciting new development, significantly enhancing the potential value of the mineralisation – particularly given its access agreement for the nearby Hellyer treatment facility, which would offer flexible options to realise value from both precious and base metal credits.

Newly-renamed gold and base metals explorer Bass Metals Ltd (ASX: **BSM**) (previously Resource Finance & Investments Ltd) has added a further dimension to its rapidly emerging Mt Charter Gold Project in north-west Tasmania after today reporting significant zinc grades within a further **50-metre wide, near-surface** gold-silver intersection from the third hole of its maiden drilling program.

The Tasmanian-focused minerals group said today (Thursday) that diamond drill hole MCD022 intersected two zones of near-surface gold-silver-zinc mineralisation, namely **15.4 metres** grading **2.1g/t gold, 38g/t silver** (>1oz/tonne), **4.8% zinc** and **1.9% lead** (or **10.4g/t gold equivalent** based on current gold and silver prices) and **8.0 metres** grading **2.1 g/t gold, 27 g/t silver, 2.9% zinc** and **1.0% lead** (**7.2g/t gold equivalent**). The strong intersections were returned within a broader zone of **49.4 metres** at **1.4g/t gold, 22g/t silver, 2.6% zinc** and **1.0% lead** from 49.2 metres downhole (defined at a 0.5 g/t gold cut-off).

Managing Director Mike Rosenstreich said the widths and grade of the gold and silver mineralisation were consistent with the results reported in the first two drill holes at Mt Charter late last year, with the additional occurrence of potentially economic concentrations of zinc representing an exciting new development.

The holes reported last year, located on a drill line 100 metres to the south of the new hole, intersected 80m grading 1.6g/t gold and 61g/t silver (including higher grade zones of 12.9m grading 2.7g/t gold and 96g/t silver and 6 metres grading 2.7g/t gold and 37g/t silver) and 52.5m grading 2.0g/t gold and 39g/t silver including a high-grade zone of 3m grading 5.3 g/t gold and 200g/t silver.

“The discovery of economic grades of zinc and lead mineralisation adds an important new dimension to the gold-silver mineralisation already identified, particularly in light of Mt Charter’s proximity to the 1.5mtpa Hellyer flotation concentrator, for which we have an access agreement in place and a first right of purchase with Intec, the plant owner,” he added. “At current gold and silver prices, the silver and zinc endowment makes a very important contribution to the potential value of the mineralisation, resulting in indicative gold equivalent grades of up to 10g/t.

“We believe that this initial drilling program has clearly confirmed the potential at Mt Charter to delineate a substantial, shallow gold-silver resource – possibly with significant base metal credits,” he added. “The project’s proximity to potentially suitable processing infrastructure at Hellyer could potentially enable value to be derived from both the precious and base metal credits, subject to a feasibility study and optimisation of the proposed treatment flowsheet.”

Mr Rosenstreich said drilling would recommence shortly at the Company’s other flagship project, the nearby Que River base metals project, where it is drilling extensions of the existing resource with a view to advancing the project to a development status as rapidly as possible by leveraging off the extensive existing infrastructure of the Que River mine. Drilling is planned to resume at Mt Charter in February.

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

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

BACKGROUND INFORMATION

Bass Metals Ltd (ASX: BSM) (previously Resource Finance & Investments Ltd) listed on the ASX in October 2005 underpinned by alliances with major zinc producer Zinifex Limited, TSX-V listed Geoinformatics Exploration Inc and Intec Ltd, owner of the Hellyer treatment facility.

The Perth-based Company is focused on the exploration, evaluation and rapid development of its two most advanced projects, the Mt Charter Gold Project and the Que River base metals project.

Both Mt Charter, which has the potential for a large-scale, moderate grade gold deposit in the +1Moz range, and Que River, where RFI has delineated an initial resource at the S-Lens, are located within close proximity of the Hellyer treatment facility, road and rail access and the extensive underground mining infrastructure at Que River.

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