



# Rock kicker relishes return to resources

By Mark Fraser

BASS METALS LTD boss Mike Rosenstreich's career took a significant turn in the second half of the 1990s when – after working as a geologist for some 13 years – he decided to try his hand at merchant banking.

UP UNTIL THEN, Austrian-born Rosenstreich, who started his professional life working for Homestake Mining Company after graduating with a geology degree from the University of Otago in New Zealand, had been pretty much hands-on when it came to all rock kicking aspects of mineral developments.

Aside from his seven busy years with Homestake's exploration arm (during which time he met his wife Wendy, who eventually joined him out bush as his field assistant), Rosenstreich was also a key figure in maintaining the life of Dominion Mining Ltd's Labouchere gold mine (180 kilometres north of Meekatharra in Western Australia) during the early 1990s before he and his young family moved on to Kalgoorlie-Boulder to tap into the opportunities being provided by the Goldfields' then booming resources sector. The transition from large mining companies to working for several juniors was driven by a curiosity as to what makes small companies successful and the opportunity to contribute directly to those successes.

When he did finally join WA branch of Rothschild during 1997, however, growth in the minerals industry was coming to something of a grinding halt as the bottom fell out of metal prices and exploration expenditures began to plummet.

Furthermore, once with the bank, Rosenstreich found he had to look at mineral projects in a vastly different way, forcing him to put aside his geological penchant for identifying the upside and dealing, instead, with the grim

realities associated with keeping investments and loans intact.

"Bankers don't really care about the upside – at the end of the day, all they're worried about is making sure they get their money back, so it was my job to make sure the bottom didn't fall out of the projects and companies that we had financed," he recalled.

"It wasn't as though I'd gotten tired with the bush...I always had a desire to understand the entire mining business – technical and commercial – and not just focus in the one area, so I had completed a masters in mineral and energy economics, and with my mix of mining and exploration, it give me that lift in skills to be recruited by Rothschild.

"The culture in banking and investment banking is quite unique, very entrepreneurial and transaction based with that constant underlying allure of the bonuses or profit share.

"My time at Rothschild was similar to my time as chief geologist at Dominion's mine where we ultimately made money mining 2.5 grams per tonne gold ore. You learn a lot of lessons and the grade leaves no room for technical complacency.

"During that period with operating margins being relentlessly eroded as metals prices drifted lower, we also couldn't be complacent in terms of our technical analysis or financing structures.

"Mining finance is risky and I was involved in the 'work-out' of a couple of pre-existing deals which went under. To see how the various

parties, creditors, directors and financiers behaved in these very stressful circumstances, both in a personal and financial sense, was a very sobering experience.

"It was an intellectually stimulating and challenging workplace. Aside from the odd problem loan, I was involved in some very innovative deals in a wide variety of countries and commodities, with a fascinating range of people. That network of contacts and experiences really sharpened me up and provides a magnificent backdrop to what I am doing now."

## New beginnings

After leaving the bank in late 2002, Rosenstreich wanted to combine those technical and corporate skills to build a resources business. This took him to China and he was a founding director of the soon to be listed Redox Diamonds. Rosenstreich commented that "with no technical background in diamonds, and bigger curiosity with metals, I was struggling to see an ongoing role for me at Redox". This saw him open to an approach by industry veteran Don Boyer in late 2004, who asked him if he was interested in heading an exploration outfit with a strong Tasmanian focus.

The company was Resource Finance and Investments Ltd which, shortly after listing on the ASX, became Bass Metals, an outfit that now is about to join the Australian mining ranks with the rebirth of its Que River zinc/lead/



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copper/silver operation in western Tasmania.

Bass Metals obtained the project via tender from Sydney-based technology developers Intec Ltd, which acquired the mining and exploration assets of the now gone Western Metals Ltd after the latter's corporate collapse in 2003.

Aside from becoming a miner, Bass Metals has also embarked on what is perhaps a more ambitious project – looking for new mineralisation around and under the mighty (and now closed) Hellyer polymetallic mine, where the company has identified several high grade and base metal targets in close proximity to the mined out area.

Having cut his geological teeth mainly in WA and north west Queensland, Rosenstreich first became intrigued with the Apple Isle after seeing a three dimensional model of the state put together by Dr Nick Archibald and his team at Geoinformatics Exploration Incorporated for Minerals Resources Tasmania.

"The Tasmanian Government was trying to attract exploration investment, and they timed it all really well because that 3D model came

along just as metal prices started to surge and overall interest in exploration also began," Rosenstreich said.

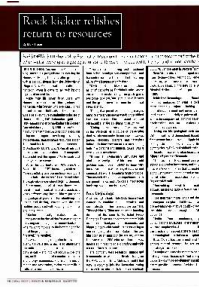
"And holding hands with Geoinformatics, we actually picked up quite a few of our current tenements.

"We took their model and used the same techniques to capture all of the data from all of the previous work that we could – specifically the data collected through the Mt Reid volcanics.

"Aside from conducting ground consolidations and using all of that information, we have employed techniques to see through the forests and the cover, so there is also a bit of a technological leap that we are exploiting."

Bass Metals has the largest land holding among mineral resource houses currently operating in Tasmania.

"A major focus and the reason we have four drill rigs on our leases is to find a large new deposits – our mine developments at this stage are to provide the cash to fuel that discovery process."



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**Targets**

Aside from Que River and Hellyer, the WA outfit also has an exciting array of wholly-owned and joint ventured regional base and precious metals exploration projects, with evaluation work having already started on 65 new target areas identified late last year, including Bonds Range just south east of Hellyer (lead/zinc/copper) and, further south, Mt Selina (lead/zinc/gold).

Bass Metals is also involved in several JVs including a field alliance with Zinifex Ltd that is focusing on new, large scale base metal deposits.

During May, the JV partners announced they had identified the High Point prospect area as the first venture target, with the junior company retaining a 30% free-carried interest to a mining decision.

High Point sits beneath the extensive

Hellyer hanging wall style fuchsite-carbonate alteration, which outcrops in the vicinity of the highest point of the Murchison Highway and is hosted within the same geological unit hosting both the Hellyer and Que River deposits.

Meanwhile, another JV area, Heazlewood, contains several nickel and platinum group exploration prospects within a geological setting that could be similar to Allegiance Mining NL's Avebury underground nickel mine.

In addition, Bass Metals is advancing its wholly-owned Mt Charter gold/silver project, with the company announcing an initial mineral resource estimate of 240,000 ounces

of gold and 6.9 million oz of silver. Preliminary metallurgical testwork has indicated an overall gold recovery of about 95% through flotation and cyanidation of float tails.

While the modest resource house's upside

is obvious, Rosenstreich believes the company has many other attributes that make it an exciting investment opportunity.

"What I'd like to do once Que River kicks in is take the company to that next level in terms of market value: whether that's going to be by making a major discovery or through making some sort of acquisition is still an unknown. At the moment, the board's objective is to consolidate earnings and then rapidly grow the company into a mid-tier minerals business."

