

# Ore trial should be rubber-stamp for Bass Metals

**B**ass Metals Ltd has had a hectic time of late as it finalised the off-take agreement for the Que River zinc mine development, in north-west Tasmania; expanded its near mine resources through an aggressive drilling programme, and continued to post regional exploration successes.

Bass Metals announced last month that it would step away from negotiation of a previous off-take agreement, which would have seen it feed ore through the nearby Hellyer mill (**Paydirt**, July 2007) in favour of a deal with major producer Zinifex Ltd.

The company had secured very favourable terms for the sale of its Que River ore to Zinifex, according to managing director Mike Rosenstreich.

He said Zinifex offered the best return for Bass Metals based on payments for all five contained metals – zinc, lead, copper, silver and gold.

The heads of agreement with Zinifex was conditional, with the main aspects being completion of an ore trial and addressing potential community concerns on increased truck movements in the region. The company anticipated being able to meet these conditions in a timely manner.

The ore is not foreign to Zinifex, with previous production of 2.4mt from Que River trucked and processed at Rosebery from 1978-1991. In light of this, Zinifex has agreed

to pre-pay Bass metals \$100,000 as a sign of confidence that the trial will be successful.

Rosenstreich reiterated to the market in July that it was an absolute priority for the company to get Que River into production and then to build up the ore reserve position.

On the exploration front, four drill rigs have been working on Bass Metals' tenements since May and this situation continued last month.

In order to satisfy JV and mines department commitments, this drilling activity focused on testing attractive, but earlier stage targets, and the company recorded notable success at its Iris River prospect and encouraging results from the Hellyer Alliance drilling with Zinifex.

Rosenstreich said the drill focus was being "re-balanced" for the next six months to the twin strategy of progressing advanced projects, while maintaining the search for new large deposits.

To advance the production and resource base – phase one of the twin strategy – Bass Metals has initiated scoping studies on its Hellyer mine project with Coffey Mining Ltd.

The plan is to drill the advanced Magnet and Farrell projects as well as follow-up drilling on the new Iris River discovery. This is in addition to the drilling being done last month to test for a new ore lens beneath Que River.

On the discovery side – phase two of the twin strategy – Bass Metals continues to work

with Zinifex to systematically test, via drilling and geophysics, for new Hellyer/Que River deposits in the Hellyer region.

Work also continued in July on the North Rosebery target, the Heazlewood nickel anomalies and a suite of other earlier stage prospects.

The first mineral resource estimate for the QR32 lens, within the Que River project, was completed last quarter. This additional resource of 188,000t @ 5.5% zinc, 3.3% lead, 79 g/t silver and 1.1 g/t gold represents a 34% increase of the broader Que River resource inventory tonnage as well as a small increase in overall grades.

QR32 is a zone of massive, stringer and disseminated polymetallic sulphides occurring to the north of PQ Lens at Que River.

The lens extends vertically from about 240m beneath surface, where it was partially mined from underground, to near surface.

Drilling by Bass Metals, following up on the potential for open-pit exploitation, has extended the resource to include a zone from about 150m depth to near surface. The total combined mineral resource inventory at Que River now stands at 735,000t @ 5.7% zinc, 2.9% lead, 84 g/t silver and 0.9 g/t gold.

**– Michael Cairnduff**



**Mike Rosenstreich**

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An area of the Que River project, in the foreground, which will form part of the main PQ pit development