

# **BASS PLAYS IT STRAIGHT**

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IF ONE was asked to come up with an oxymoron in the resources sector, Bass Metals Ltd would be a fair effort. Commercially focused and exploring for world class deposits. But with geologist and ex-Rothschild banker Mike Rosenstreich at the helm, the mix, if not the adjective, is valid.

Rosenstreich is hopeful of finalising an offtake agreement in the next few weeks that could reap Bass a possible \$A8-12 million over the next 18 months from mining high-grade base metal resource opportunities it has identified near the old Hellyer zinc mine and plant in north-west Tasmania. The Hellyer processing plant is being operated by major Bass shareholder Intec, which is already re-treating tailings from the Hellyer operation (formerly mined by Aberfoyle/Western Metals) in joint venture with private company Polymetals.

The cash will help bankroll Bass' already ambitious exploration efforts in a heavily mineralised region that has been oft-overlooked despite hosting bonafide, world-class deposits such as Hellyer, Mt Lyell, Renison and Rosebery.

Everything about Bass emphasises the importance of, and focus on, shareholder value. The content of the recent March quarter for example was a refreshing counter to much of usual statutory reporting seen in the sector. Unlike the many resource juniors that proudly highlight how many thousands of metres they have drilled, Bass directly addressed issues that it believed had been affecting its share price over the course of the quarter. (And it is not as though that price is languishing, having doubled since listing 18 months ago).

More tangible elements of the commercial focus include issuing options to all employees and a profit alliance with "entrepreneurial" specialist mining contractor Mancala, while candid comments from Rosenstreich such as "we're not a lifestyle company", and "small-scale mines can suck the cash and have to be closely monitored" further emphasise the overall sentiment.

Rosenstreich said his six years at Rothschild taught him a great deal, especially working on the cases of failed companies such as Consolidated Gold.

After leaving Rothschild in 2002 Rosenstreich subsequently linked up with Don Boyer, who had spotted ground for sale around Hellyer including the Que River mining lease. Bass was floated in August 2005, with additional ground having been picked up from Guido Staltari's Saracen Minerals after that company's focus turned to the Leonora region of Western Australia.

The planned mining at Que River will initially exploit 124,000 tonnes grading 8% zinc, 4% lead, 0.6% copper, 96gpt silver and 2gpt gold, with the ore trucked 4km to the Hellyer plant. Rosenstreich said his banking experience meant he recognised conservative assumptions when he saw them. "We're very confident there is significant upside," he said. Similarly, he said the small resource inventory being initially targeted did not reflect the total resource potential already identified at Que River. "We're just biting off a little chunk first &hellip; to show we can do it."

Remnant resources identified at Que River by Bass total around 550,000t at various grades, including significant higher grade copper that could be recovered with optimisations at the Hellyer plant.

Rosenstreich indicated Bass' opportunity at Que River was a function of the junior being the first explorer to re-visit the ground after mining ceased in 1991, with the lack of attention in the intervening years attributed to the focus on the major Hellyer deposit and a significantly lower metal price environment. As is commonly stated, VHMS deposits such as Que River and Hellyer are said to occur in clusters.

On this score, Rosenstreich contrasted the lack of exploration interest in the region with other intensely explored VHMS situations elsewhere in Australia - Jabiru Metals' emerging Jaguar project/Teutonic Bore was cited as one such example - plus significant advances over the years in geological data and exploration techniques.

Bass has structured its exploration and mining activities into "distinct business units", namely base metals, gold and nickel-PGM, with four experienced geologists spearheading the exploration.

The gold unit includes the 380,000oz-gold-equivalent Mt Charter asset, while the emerging Avebury project illustrates the nickel potential of the district, according to Bass. Further validation of the nickel potential can be seen in the recent arrival on the scene of successful nickel explorer and miner Mincor Resources.

Bass will have four diamond rigs targeting its ground in the next few weeks, and aims to have 1-2 rigs engaged on an ongoing basis.

The basis for the "elephant" hunt is the world-class deposits found in the region over the years, including Hellyer, Rosebery, Renison and Mt Lyell, while smaller "tigers" or "rhinos" are exemplified by the million-ounce Henty gold deposit being mined by Barrick Gold (and near Bass' apparently promising Selina prospect).

The Hellyer exploration joint venture with Zinifex has started drilling a 1200m-deep target at the High Point prospect, with Bass retaining a 30% free-carried interest up to a decision to mine.

Aside from the mainstay Que River and Hellyer targets, key exploration prospects to be drilled include Magnet and Farrell (both base metal prospects), while current regional projects comprise Bonds Range, Heazlewood, Selina and North Rosebery.

Bass currently has about \$A5 million cash, and is capitalised at around \$A35 million. As Rosenstreich might say, "let the safari begin".