



BASS METALS LTD

ABN 31 109 933 995

25 January 2006

The Manager Companies
Company Announcements
Australian Stock Exchange
20 Bridge St
Sydney NSW 2000

Dear Sir

COPPER INTERSECTION OUTSIDE OF RESOURCE ENVELOPE AT QUE RIVER

Bass Metals Ltd (ASX:BSM) is pleased to provide the results from the first of its drillholes testing for potential extensions to the **S-Lens** Mineral Resource at the Company's 100%-owned Que River project in Tasmania.

HIGHLIGHTS

- **QRD1226 intersected 5.6 metres grading 1.1% copper and 16 g/t silver from 113.2 metres down hole.**
- **The intercept is approximately 75 metres south of Bass Metals' other recent hits in QRD1224 (4.7 metres down hole at 1.7% copper, 3.6% zinc, 33 g/t (1.0 oz./t) silver plus an additional 4.4 metres down hole at 12.5% zinc, 3.3% lead and 57 g/t silver) and in QRD1225 (6.5 metres down hole at 3.4% copper, 67 g/t (2.0 oz./t) silver).**
- **Drilling of QRD1227 is planned to resume on Monday 30 January after the Christmas break. It is also testing for down plunge extensions to the S-Lens Mineral Resource 50 metres vertically below QRD1226 and approximately 70 metres below and south of the high grade copper-silver mineralisation intersected in QR004 comprising 8.9 metres down hole at 3.2% copper and 27 g/t silver.**
- **The Company has been successful in generating strong drill results from both of its advanced projects, Que River and the Mt Charter Gold-Silver Project, since listing in late October and is well poised to meet its objectives of delineating a mining inventory at Que River for early production and establishing its first mineral resource estimate at Mt Charter.**

QUE RIVER, S-LENS Cu-Ag-Zn MINERAL RESOURCE

The S-lens massive sulphide lens, part of Bass Metals Que River project, is located 3km south of the Hellyer treatment plant and approximately 4km north of the Company's advanced Mt Charter gold-silver Project.

The results of the first drill hole completed outside of the current S-Lens Mineral Resource are summarised in Table 1 below. Diamond drill hole QRD1226 intersected **5.5 metres at 1.1% copper and 16 g/t silver** from 113.2 metres downhole defined at a 0.5% copper cut-off.

**Table 1 - Summary of Assay Results – Diamond Drillhole QRD1226**

From (m)	To (m)	Downhole Interval (m)	Horizontal Width (m)	Cu (%)	Zn (%)	Ag (g/t)	Au (g/t)	Pb (%)
QRD1226								
113.20	118.75	5.55	2.70	1.1	0.1	16	0.3	0.1

Interval selection was broadly based on lower assay cuts of 0.5% for Cu and 1.0% for Zn and Pb and is designed to provide a guide to the width and tenor of the mineralised system. The Company has a QA/QC procedure for all assaying runs that is consistent with standard industry practice and will be reported with a full summary of drill results on completion of each programme. All sample preparation and analyses were carried out on half core samples by Ammtech Laboratories at its Burnie Research laboratory. Gold and silver were analysed by fire assay using a 50g charge with base metals assayed using a triple acid digest and AAS finish.

A deflection at the hole collar caused the hole to intersect the S-Lens target zone approximately 15 metres vertically higher than planned, placing the intersection on the margin of the high grade copper zone interpreted to plunge southwards as shown in Figure 1. It was pleasing to encounter an unexpectedly thick (12.6 metres downhole) zone of S-Lens massive sulphide with a broad copper mineralised interval.

The distinct copper-silver mineralisation is consistent with the high grade intercept in historic drill hole QR004 (8.9 metres down hole at 3.2% copper and 27 g/t silver) located approximately 45 metres north of QRD1226. The lower copper grade in QRD1226 may indicate a more marginal position to a potentially wider southerly plunging copper-silver rich zone.

Drill hole QRD1227 is also designed to test for southerly extensions outside of the current S-Lens Mineral Resource and is currently at a depth of 158 metres approximately 15 metres from the interpreted target position. Drilling of this hole is planned to resume on the 30th January.

The current drilling status is summarised in Table 2 below. The first 3 Bass Metals' drill holes (QRD1223-1225) yielded positive drill results within the S-Lens Mineral Resource envelope and QRD1226 and the remaining 4 drill holes of this programme test for potential resource extensions.

Table 2: S-Lens First Pass Diamond Drilling Programme

Hole	Number	Grid Nth	Grid East	Hole Dip	Target Depth	Planned hole depth	Progress/results
1	QRD 1223	7350	5260	-45	40	80	Complete/received
2	QRD 1224	7325	5240	-60	115	143.5	Complete/received
3	QRD1225	7325	5240	-43	75	98	Complete/received
4	QRD1226	7250	5225	-61	140	173.3	Complete/received
5	QRD1227	7250	5221	-71	175	250	In Progress-158m
6	P6	7300	5220	-66	170	200	
7	P7	7525	5278	-68	70	90	
8	P8	7525	5278	-55	130	160	

COMMENTARY

This is a positive result for the first drill hole testing the potential to increase the S-Lens Mineral Resource to the south. The fact that the hole still hit a zone of copper mineralisation, despite the initial deflection indicates that the copper-silver target zone may be wider than originally interpreted. The extensions of the central portion of the higher grade copper –silver zone will be tested by hole QRD1227 currently in progress.

The Company regards the Que River S-Lens as a potential early cash flow opportunity based on a shallow, easily accessible Cu-Zn-Ag resource on a granted mining lease in close proximity to transport and processing infrastructure. Bass Metals has an agreement for access to the Hellyer concentrator facility that lies just 3 km from Que River.



The Company has also commenced examination of other mineralised zones in close proximity to the historic Que River mining infrastructure, such as the unmined zinc rich *Nico* Lens. The Directors consider that the opportunity to add to the current resource through extensional drilling around the other more substantial massive sulphide lenses at Que River is very real. Bass Metals aims to commence a scoping study to examine mining and treatment options for Que river resources at the earliest practical opportunity this year.

The initial round of results for the first four drill holes at Que River S-lens and the first three holes at Mt Charter appear to confirm the mineralisation models being targeted, namely;

- Mt Charter – substantial, shallow, low to moderate grade gold-silver mineralisation with the potential for a >1.0 million ounce gold deposit. Recent drill results (MCD022) highlighted the potential zinc credit also.
- S-Lens – part of a broader Que River evaluation looking at shallow, high grade mineralisation amenable to straightforward mining and processing techniques to provide the Company early cash flow.

In summary the Directors are very pleased to be able to continue reporting positive drill results and look forward to providing further updates through the year.

Yours sincerely

Mike Rosenstreich
Managing Director

The information within this report that relates to exploration results is based on information compiled by Mr Mike Rosenstreich who is a full time employee of the Company and Mr Steve Richardson who provides geological services to the Company on a 50% basis. Both are Members of The Australasian Institute of Mining and Metallurgy and have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as Competent Persons as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and both consent to the inclusion of this information in the form and context in which it appears in this report.



Figure 1: Que River, S-Lens Long Section showing recent drill results and current Bass Metals drill programme.

Note mineralised intercepts have been converted into horizontal widths.

