

29 May 2006

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

Dear Sir

Re: QUE RIVER DRILLING UPDATE – NEW SHALLOW RESOURCE TARGET IDENTIFIED

Bass Metals Ltd is pleased to provide the following update on exploration activities at its 100%-owned Que River base metals project in western Tasmania.

Highlights

- **Diamond drill hole QRD1234 intersected 3.2 metres downhole grading 3.2% copper and 103 g/t silver in a shallow position outside the current S-lens Mineral Resource envelope.**
- **New target identified – QR32 Lens extends from near surface to approximately 150 metres vertically and is supported by downhole intercepts such as 15 metres at 5.5% zinc, 3.5% lead and 85 g/t silver and 5.4 metres at 6.7% zinc, 4.6% lead and 142 g/t silver.**

Que River Drilling Results

Assay results have been received for the remaining 3 diamond drill holes completed at S-Lens in April. The drill holes were designed to test the southern portion of S-lens above 50 metres vertical depth. All of the holes were mineralised and the highlight was QRD1234 which intersected 3.2 metres grading 3.2% copper, 103 g/t silver and 0.5 g/t gold from 32.5 metres downhole. A summary of assay results is presented in Table 1 below and a long section projection is illustrated in Figure 1.

Table 1: Summary of Que River Diamond Drilling Results (0.5% Cu cut-off).

From (m)	To (m)	Downhole Interval (m)	Horizontal Width (m)	Cu (%)	Zn (%)	Ag (g/t)	Au (g/t)	Pb (%)
QRD1232								
30.35	31.20	0.85	0.5	2.3	0.1	121	0.3	0.2
38.65	39.70	1.05	0.6	2.5	0.1	32	0.3	-
229.5	232.7	3.3	1.0	2.4	-	16	-	-
QRD1233								
18.50	18.90	0.4	0.35	2.4	-	83	1.5	0.2
QRD1234								
32.50	35.70	3.2	2.1	3.2	0.7	103	0.5	0.3

The results are significant because they highlight the extension of the copper rich zones up to relatively shallow depths and in the case of QRD1244 and 1233, south outside of the current Mineral Resource envelope.



QR32 Lens - A new target

Bass Metals has identified new resource potential at the QR32 Lens at Que River. Whilst the Que River mining study is focussed on evaluating the feasibility of shallow open pit mining of the S-Lens and Nico Lens, work recently commenced to systematically review the entire 900 metre strike extent of the Que River mineralised system looking for remnant ore positions and new drilling targets. An early target generated is the QR32 Lens. This zone was partially mined from underground in the late 1980's but, as figure 2 highlights, significant resource potential remains.

The target geometry defined by sparse historic diamond drilling comprises a 150 metres vertical extent from surface, approximately 75 to 100 metres along strike with varying width ranging from 14 metres true width to less than 1 metre on the margins.

Significant true width intersections in the QR32 resource target include:

- 14 metres at 5.5% Zn, 3.5% Pb, 85 g/t Ag, 1.0 g/t Au ~120 m. below surface (QR1000);
- 8.8 metres at 3.8% Zn, 2.5% Pb, 69 g/t Ag, 0.9 g/t Au ~100 m. below surface (QR1096);
- 4.8 metres at 6.7% Zn, 4.6% Pb, 142 g/t Ag ~25 m. below surface (QR1084);
- 1.7 metres at 4.4% Zn, 3.3% Pb, 85 g/t Ag ~35 m. below surface (QR1084);
- 0.9 metres at 5.1% Zn, 2.2% Pb, 70 g/t Ag, 1.1 Au ~70 m below surface (QR1084);

The location of QR32 with respect to S-Lens, Nico lens and the remaining Que River lens system is shown in figure 3.

Commentary

Bass Metals has generated further positive drill results in terms of defining shallow, potentially minable mineralisation at S-lens. A new target zone, QR32 has been identified in the early stages of a review remodelling the entire Que River mineralised system. The Company considers that as the review progresses over the next 2 to 3 months further targets for resource estimation and/or drilling will arise to support and sustain the Company's mining plans for the project.

The Que River mining study is progressing well with preliminary open pit optimisation work underway by Snowden Mining Industry Consultants, which the Company hopes to report in the coming weeks.

The Company's "long-term" drill rig is currently at Mt Charter approximately half way through an 11 hole diamond drilling programme. Those results will be reported when available. In the interim a second drill rig is being sought to resume drilling at Nico, S-Lens and QR32.

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 a member of The Australasian Institute of Mining and Metallurgy. Mr Rosenstreich has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion of this information in the form and context in which it appears in this report.

QA-QC STATEMENT: Mr Mike Rosenstreich is responsible for the verification and quality assurance of the Company's exploration data and analytical results from the Que River project. Surface diamond drill hole collar surveys used differential GPS and downhole surveys used a camera instrument. There is high assay confidence with systematic QA/QC procedures.

Samples of half core from the drill holes described in this release were prepared and analysed by Ammtec laboratory in Burnie (Tasmania) for copper, lead and zinc by triple acid digest followed by atomic absorption analysis, with concentrations reported as a percent. Gold and silver concentrations are determined by fire assay using a 50g charge with an AAS finish. The Company's QA-QC program includes the insertion of commercial standards, blanks and duplicates with each sample batch. Density measurements by conventional water immersion techniques were conducted on each sample submitted for assay.

FORWARD LOOKING STATEMENT: This release contains certain forward-looking statements. These forward-looking statements are subject to a variety of risks and uncertainties beyond the Company's ability to control or predict which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

Figure 1: Long Section Projection of S-lens with recent drill intersections plotted.

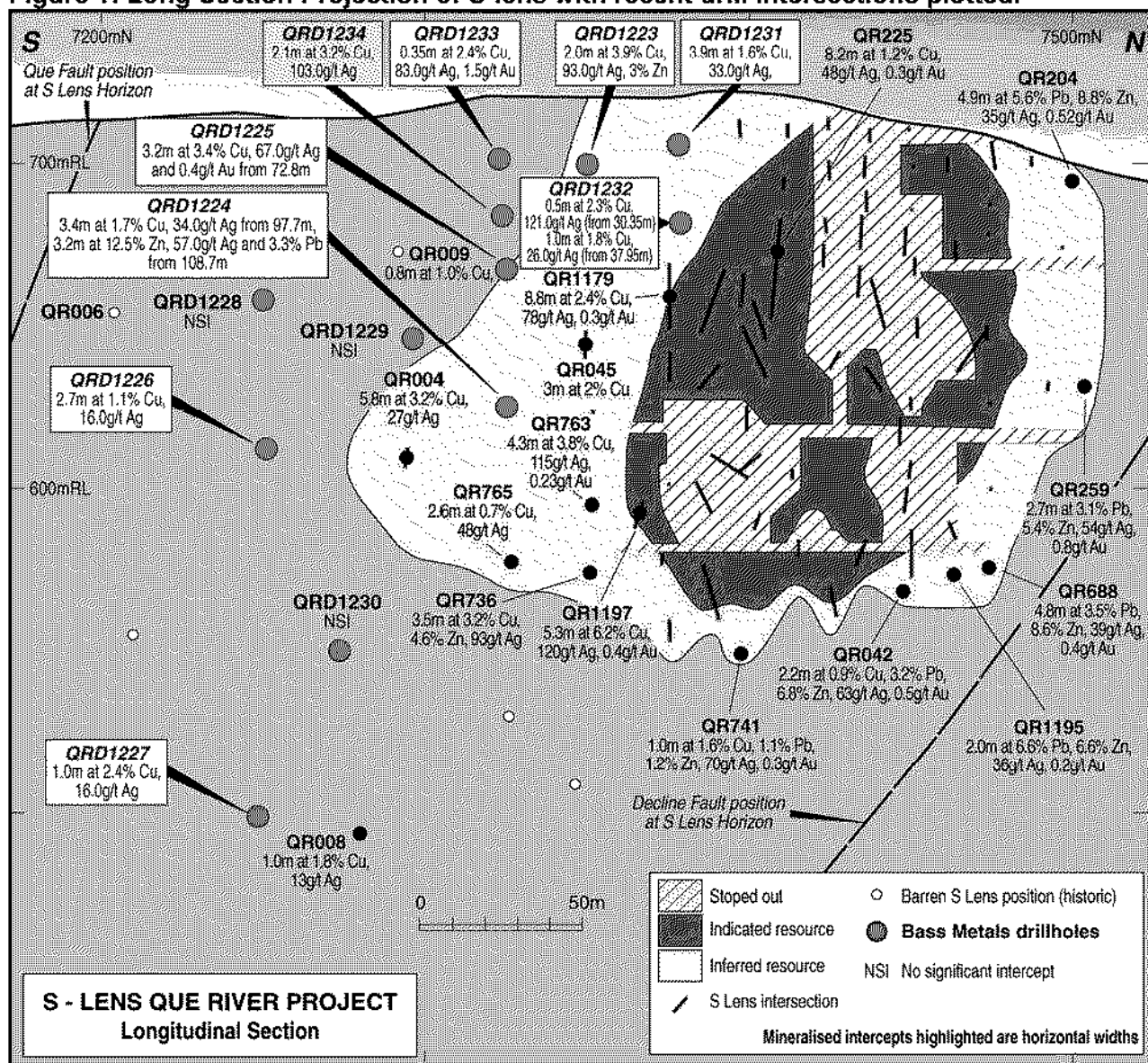




Figure 2: Long Section Projection of QR32 highlighting drillholes defining the target potential.

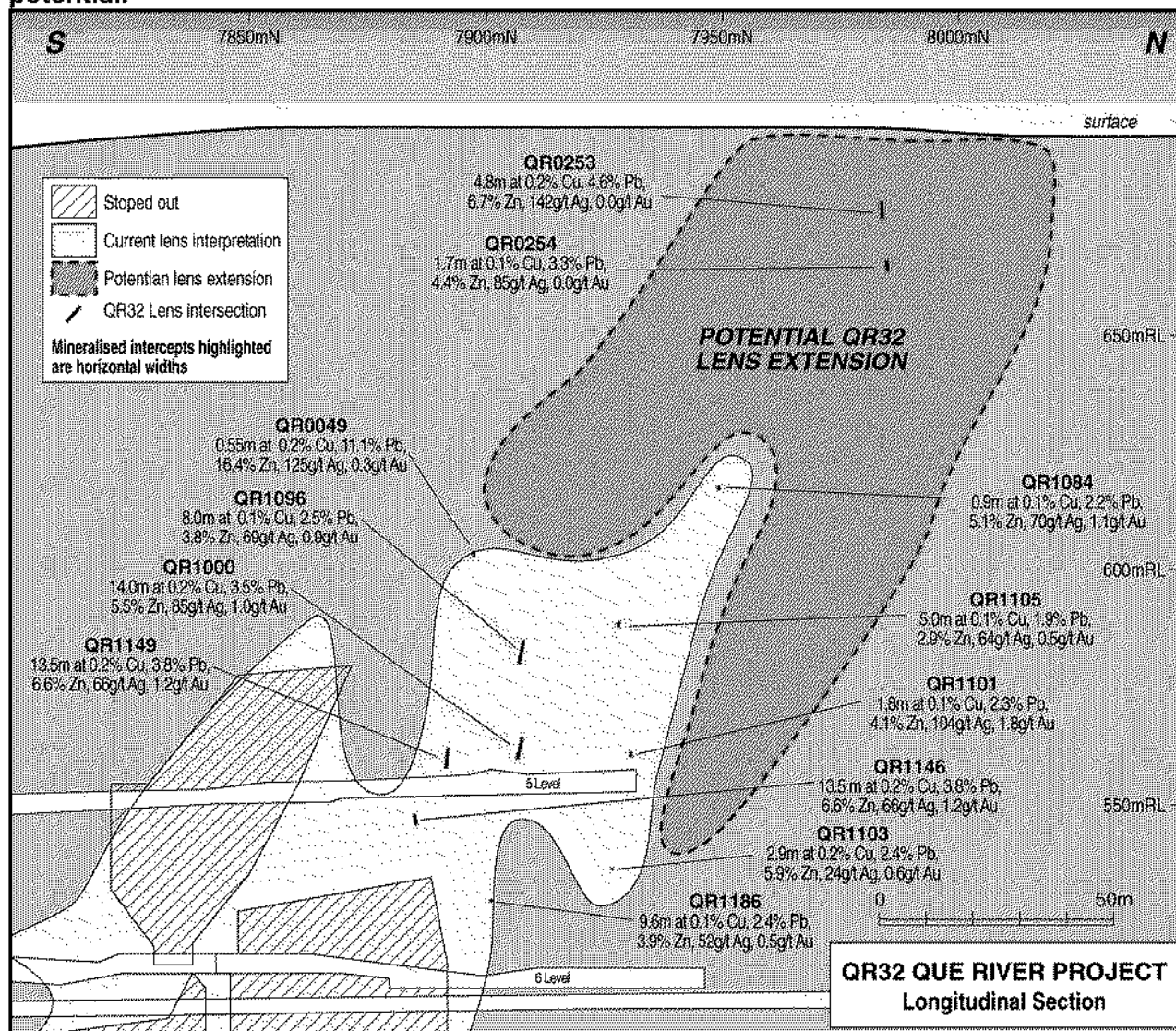




Figure 3: Summary Location Plan of Que River Project.

