

8 September 2008

The Manager Companies
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Hellyer & Que River Mine Update

Bass Metals Ltd (ASX:BSM) is pleased to provide the following operational update.

Hellyer Mine Project

The Hellyer Mine Project (100% BSM) is an advanced, high grade polymetallic (Cu-Pb-Zn-Ag-Au) project located within 1 km of the Hellyer processing plant owned by Intec Ltd. A mining study is currently in progress which includes evaluation of utilising the Hellyer Plant on a possible toll treatment arrangement or selling ore to Oz Minerals Ltd's Rosebery plant. The recent announcement by Intec (8 September 2008) that it is suspending production from its tailings re-treatment project at the Hellyer Plant has no negative impact on BSM's current or planned activities.

The Company is on track to report an initial resource estimate for the Fossey Zone late in September.

Que River

Positive above budget start to the new financial year (July & August 2008):

Mine production – 12,833 tonnes grading 19.2% zinc, 10.7% lead, 0.5% copper, 255g/t silver and 5.7 g/t gold.

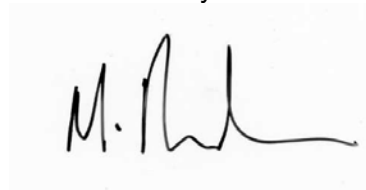
Ore Sales – 12,248 tonnes

Closing stocks (August) – 6,478 tonnes grading 21.9% zinc, 11.7% lead, 0.6 % copper, 284 g/t silver and 4.9 g/t gold.

Que River ore is sold to Oz Minerals' Rosebery operations. The project is performing above budget predictions both technically and financially. The Que River mine is cash flow positive, profitable at current metal prices and exchange rates and is also well underpinned with lead, zinc and currency hedging.

The Company looks forward to providing further operational and development updates in the near future.

Yours Sincerely



Mike Rosenstreich
Managing Director