

BASS METALS – FURTHER PROGRESS ON HIGH-GRADE POLYMETALLIC MINERALISATION AT FOSSEY ZONE

- **Diamond drilling at Fossey Zone, part of the Hellyer Mine Project in Tasmania, returns high-grade intersections including:**
 - **9.2m @ 20.8% Zn, 8.8% Pb, 0.9% Cu, 290g/t Ag and 3.01g/t Au**
 - **13.4m @ 4.62g/t Au and 33g/t Ag**
 - **8.15m @ 2.03g/t Au and 36g/t Ag**
- **Fossey Zone Feasibility Study progressing well, with initial Mineral Resource estimate on-track for completion in September and positive early metallurgical results.**
- **Operations at Que River continuing to deliver strong performance.**

Emerging Perth-based base metals company, Bass Metals Ltd (ASX: **BSM**) has further reinforced the prospectivity of the high-grade Fossey Zone, part of the Company's Hellyer Mine Project in north-west Tasmania, today announcing a number of outstanding polymetallic intercepts, including **9.2m @ 20.8% Zn, 8.8% Pb, 0.9% Cu, 290g/t Ag and 3.01g/t Au** from 115.2 metres downhole.

The Company announced today (**Tuesday**) that drilling and assay results received to date from the Fossey Zone have confirmed that high-grade base metal, gold and silver mineralisation extends over a strike length of at least 170 metres.

Better intercepts reported today include 9.2m @ 20.8% Zn, 8.8% Pb, 0.9% Cu, 290g/t Ag and 3.01g/t Au from 115.2m downhole; 13.4m @ 4.62g/t Au and 33g/t Ag from 232.6m; and 8.15m @ 2.03g/t Au and 36g/t Ag from 107.3m.

Managing Director of Bass Metals, Mr Mike Rosenstreich, said drilling results received from the central portion of the Fossey Zone had confirmed the continuity of the mineralisation.

"These drill results have been highly encouraging, with detailed drilling in the central Fossey area confirming the continuity of high-grade polymetallic mineralisation," he said. "Several zones of mineralisation have been confirmed and now require further drilling."

Mr Rosenstreich said the polymetallic nature of the mineralisation at the Fossey Zone was particularly attractive for the Company, with an opportunity to diversify the potential income stream from 5 metals contained in the ore.

"The high grade polymetallic mineralisation at Fossey provides an exciting opportunity for Bass Metals, and we will continue to fast track work on this area," he said. "A maiden resource estimate for this previously unmined zone is on-track for completion in late September, and we are currently undertaking a Feasibility Study in conjunction with Mancala Mining, our mining alliance partner at the Que River mine."

In parallel with ongoing exploration activities at the Hellyer Mine Project, Bass Metals' Que River Mine is also delivering strong results, with over 6,000 tonnes of ore sold in July 2008 grading 12.41% Zn, 7.4% Pb, 0.3% Cu, 198g/t Ag and 5.44g/t Au.

"Despite the recent drop in metals prices – which in Australian dollar terms have still only fallen by around 5% in recent times - Bass Metals' Que River operations are well insulated from volatility due to the consistently high grades achieved from Que River ore," Mr Rosenstreich commented.

“We are also continuing to see positive reconciliation trends at Que River, with factors of 100% for our tonnage estimates and around 40-50% overall for our grade estimates against our original block model calculations,” he continued. “The financial strength of our operation is also underpinned by a strong hedge book which is currently worth roughly \$2.8 million to us.”

The company’s overall strategy is to focus on advanced high grade polymetallic projects, with RC drilling scheduled to commence at the Oonah Prospect in October. However, early stage targets continue to be assessed such as a drill testing of the Heazlewood nickel target which is planned to commence in the Spring.

- ENDS -

Released by:
Nicholas Read / Kate Bell
Read Corporate
Telephone: (08) 9388-1474

On behalf of:
Mr Mike Rosenstreich
Managing Director
Bass Metals Ltd
Telephone: (+61-8) 9322 8044
Website: www.bassmetals.com

Profile – Bass Metals Ltd

Bass Metals Ltd (ASX: BSM) is an Australian base metal production company with a portfolio of high-quality assets in the world-class Mount Read Volcanic mineral belt in northwest Tasmania.

The Company’s growth strategy centres on the development of a ‘pipeline’ of production, near-production and exploration assets in this prolific mineral belt, with strong leverage to a substantial new discovery through a regional exploration alliance with Oz Minerals (formerly Zinifex Limited).

The Company’s production hub is the 100% owned Que River base and precious metals project, mined in alliance with Mancala Pty Ltd with ore sourced from two shallow open pits. Que River ore is processed at the nearby Rosebery Plant under a binding Ore Sales & Purchase Agreement with the plant’s owner/operator, Oz Minerals. Estimated revenue for the June Quarter from the Que River operations was estimated to total \$4.1 million which the supports the Company’s plan for self funding exploration.

In addition to the current resources and reserve base, significant potential also exists to further extend the Que River operation by converting the current Mineral Resource totalling 740,000 tonnes to Ore Reserves and extracting additional high-grade ore within the current pit design, consistent with the current positive reconciliation trends.

In parallel to mining at Que River, Bass Metals is also conducting an aggressive exploration programme aimed at expanding the Company’s resource base to underpin a larger scale mining operation. The strategy is to explore and develop advanced high grade polymetallic prospects.

A key focus for Bass Metals’ has been the high grade polymetallic (zinc-lead-copper-silver-gold) targets surrounding the world class Hellyer Mine in northwest Tasmania, which has a published pre-mining Mineral Resource of 16.9 million tonnes grading 13.8% zinc, 7.2% lead, 0.4% copper, 167g/t silver and 2.5g/t gold.

Bass Metals announced a maiden mineral resource estimate for the Hellyer Mine Project in October of 750,000 tonnes grading 11% lead and zinc, with additional copper, silver and gold credits. Not included in this initial resource estimate is the adjacent Fossey Zone, which has returned spectacular drill intercepts including 57m at 14% combined zinc-lead. Recent drilling programmes have confirmed the Fossey Zone as a major exploration target for Bass Metals, with the Company now evaluating options to fast-track the resource drill out, and mining, environmental and metallurgical studies now underway. An initial resource estimate for the Fossey Zone is targeted for September 2008.

Across the Que River and Hellyer Mine Project areas, Bass Metals now has a combined Mineral Resource inventory of 1.5 million tonnes at a zinc equivalent grade of 15%, providing the Company with outstanding growth potential.

Reflecting the intense and diverse ore deposits occurring in the north west of Tasmania, the Company also has the Mt Charter gold-silver project, which has an initial resource of 380,000 gold equivalent ounces with several other drill indicated gold targets on its large tenement holding.

Bass Metals is also undertaking nickel and Platinum Group Elements (PGM) exploration on its Heazlewood tenement which has small scale historic nickel and PGM workings in the midst of a high tenor nickel in soil anomaly and geophysical anomaly which the Company will test with drilling in the Spring.

- ENDS -