

BASS METALS' HELLYER EXPLORATION PROGRAMME YIELDS PROSPECTIVE NEW VHMS TARGET

- Ongoing Hellyer exploration programme yields strongest result to-date for the potential delineation of a major new base metals orebody.
- Hellyer exploration programme progressing in parallel to Bass Metals' move into production at Que River.

Gold and base metals company Bass Metals Ltd (ASX: **BSM**) has received the most encouraging results to date from the ongoing exploration programme surrounding the world-class Hellyer Mine in north-west Tasmania, today announcing that drilling has identified a promising new volcanic hosted massive sulphide (VHMS) target, upgrading the potential for a significant new discovery in the area.

The drilling programme is being conducted as part of the Hellyer Exploration Alliance (HEA) activities being jointly funded by Bass Metals and Zinifex Australia Limited, which is designed to rapidly build Bass Metals' resource inventory as the Company prepares to commence mining at its 100%-owned Que River Project.

Bass Metals announced today (**Thursday**), that geological logging of drill-hole HED12, which targeted an area with no previous drilling, has confirmed all the indicative geological elements for ore formation, including the presence of base metal mineralisation in the feeder zone alteration.

HED12 was drilled to test a target located within the ore host horizon referred to as the Mixed Sequence approximately 2km southeast of the Hellyer ore system and 2km northeast of the Que River system. The target position is at the intersection of an interpreted feeder fault structure with the Mixed Sequence horizon, analogous to the Hellyer ore position.

Mineralisation in the footwall alteration intersected in HED12 has been roughly estimated at 1 to 2% zinc, 1% lead and 0.25 to 0.5% copper. While these are not economic grades, the occurrence of base metal sulphides highlights the presence of metal rich fluids in the area, which could indicate the presence of an undiscovered orebody nearby.

Encouragingly, the drill core displayed intense footwall and hanging wall alteration which is consistent with that observed in close proximity to the nearby Hellyer and Que River deposits. The now mined-out Hellyer Mine was a world-class scale deposit, with 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. It was mined between 1986 and 2000 as a major underground mine.

Managing Director of Bass Metals, Mr Mike Rosenstreich, said HED12 has returned the most significant results so far from the Company's Hellyer exploration programme, which to date has seen the completion of 11 diamond drill holes comprising 4,926 metres.

"We have two drill rigs currently testing HEA, Hellyer style targets, and while we've intersected the ore horizon in a number of places with lots of alteration, this is the first time we've found associated base metals sulphides – so our geologists are pretty excited," he said.

"Exploring for a new deposit in the Mount Read Volcanics Belt – which already hosts a number of world class mines including Hellyer and Rosebery – I like to say we're hunting elephants in elephant territory. We haven't yet found our elephant, but this drill result suggests we might now be looking at an elephant's tail," Mr Rosenstreich continued. "We now need to keep working to determine if that's the case."

A follow-up drill hole is now underway to test the interpreted target positions of the ore body and a down-hole geophysical survey is planned for late August.

Bass Metals' exploration programme at Hellyer is being conducted in parallel to intensive activities at the Company's Que River base metals project which is about to move into production.

"Production at Que River is set to commence as soon as the ore offtake agreement with Zinifex's Rosebery operations is finalised," Mr Rosenstreich said. "All preparations at Que River are on track – preliminary site works have commenced and all the necessary conditions to commence mining have now been met, including the successful resolution of potential community concerns over the trucking of ore from Que River to Rosebery, the final Zinifex condition."

"With production from Que River on track, and our Hellyer Exploration Alliance yielding exciting new targets, we are looking forward to a very active period of development," Mr Rosenstreich continued.

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Profile – Bass Metals Ltd

Bass Metals Ltd (ASX: BSM) is a "Discovery" company focused on the exploration and rapid development of a quality portfolio of mineral assets in north-west Tasmania. It is supported by key alliances with zinc producer Zinifex Limited and mining group, Mancala.

Bass Metals is set to become a new Australian zinc producer through the imminent commencement of production from the Que River project. Ongoing drilling has indicated substantial potential to define further high-grade reserves, from the current resource of 740,000 tonnes grading 6% Zn, 3% Pb, 1% Cu, 84g/t Ag and 0.9g/t Au. The Company is finalising an ore sales agreement with Zinifex's Rosebery operations prior to commencing mining at the Que River project.

A vigorous exploration programme is being maintained with three drill rigs currently on its tenements to execute its twin strategy of testing advanced base metal and gold targets to increase resources and production, whilst also focused on the discovery of large new deposits such as already characterise the world class mineral terrain in which it operates.

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