

## BASS METALS DOUBLES BASE METAL INVENTORY WITH MAIDEN HELLYER MINE PROJECT RESOURCE

- Initial resource estimate of 748,000t @ 7% Zn, 4% Pb, 0.3% Cu, 87g/t Ag and 1.3g/t Au.
- Doubles global base metal resource inventory to 1.5Mt @ 6.3% Zn, 3.5% Pb, 0.7% Cu, 85g/t Ag and 1.1g/t Au (~15% Zn Eq at current metal prices).
- Further resource growth expected following recent outstanding intercept of 57m @ 13% Pb + Zn.
- Demonstrates capacity to generate further base metal production in addition to recently launched Que River operation.
- \$5.4 million capital raising to bolster working capital, bringing a number of new institutional investors to the share register

Base metals company Bass Metals Ltd (ASX: **BSM**) has taken a further important step towards broadening its range of future production opportunities in North-West Tasmania after today announcing an initial resource estimate for the **Hellyer Mine Project (HMP)**, encompassing mineralisation adjacent to previously mined areas of the Hellyer deposit.

The initial combined resource of **748,000 tonnes at 7% zinc, 4% lead, 0.3% copper, 87g/t silver and 1.3g/t** effectively doubles the Company's base metal resource inventory to **1.5 million tonnes at 6.3% zinc, 3.5% lead, 0.7% copper, 85g/t silver and 1.1g/t gold**. At current metal prices, this is comparable to a **zinc equivalent grade of 15%**.

Bass Metals' Managing Director, Mr Mike Rosenstreich, said the initial HMP resource represented a significant milestone for the Company, complementing the existing 740,000 tonne polymetallic resource at the Que River Project, where Stage 1 mining recently commenced with ore deliveries to Zinifex Ltd's nearby Rosebery operations under a long-term off-take agreement.

"This is a great result which provides a clear indication of our capacity to generate further base metal production in north-west Tasmania in addition to the Que River operation," he said. "This doubles our total inventory of polymetallic mineralisation in the region to over 1.5 million tonnes which, at current metal prices, would have an in-ground value of approximately US\$650 million."

The HMP resource comprises both massive base metal sulphide zones and stringer mineralisation generally occurring in the footwall position to the main mined portion of the Hellyer deposit as well as areas of remnant mineralisation within the Hellyer mine. The Hellyer deposit was mined from underground between 1986 and 2000.

"We have confirmed the potential for this initial resource to grow significantly with recent drilling, including the outstanding intercept of 57 metres at 14% combined lead and zinc which was returned recently from the Southern Barite Lens at the HMP," Mr Rosenstreich added.

The recently commenced Stage 1 mine at Que River comprises two open pits to extract a mining inventory of 115,900 tonnes grading 8.3% zinc, 4.0% lead, 0.7% copper, 105g/t silver and 2.3g/t gold, 77% of which comprises a JORC compliant Ore Reserve and 13% an Inferred Resource. Production rates are expected to average 5-8,000 tonnes of ore per month, which will be hauled 42km to Zinifex's Rosebery processing plant.

Bass Metals is in the process of completing a \$5.4 million share placement to bolster general working capital for the ongoing development at Que River and the Company's highly active exploration programme.

The Company proposes to place 12,753,159 ordinary fully paid shares at an issue price of 42 cents per share to raise \$5,356,326 before costs. Patersons Securities Limited acted as Lead Manager with the objective of attracting new institutional investors, leading to the addition of several new investment funds to Bass Metals' share register.

Mr Rosenstreich said the strong institutional response to the placement was testament to Bass Metals' emergence as a base metal producer with strong growth potential.

"The Board was delighted by the strong response from Australian institutional investors, which reflects the Company's dynamic production and exploration strategy," he said. "I would like to welcome these new shareholders to our share register, and thank all our existing shareholders for their continued support."

Bass Metals' major shareholder, Intec, also continued its long term support of the Company and will participate in the placement, subject to shareholder approval, to maintain its shareholding at 23.49% of issued capital.

- ENDS -

**Released by:**  
**Nicholas Read**  
**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](http://www.bassmetals.com)**

### **Profile – Bass Metals Ltd**

Bass Metals Ltd (ASX: BSM) is a diversified Australian base metals and gold company focused on the exploration, evaluation and rapid development of a quality portfolio of mineral assets in north-west Tasmania.

Bass Metals has recently become Australia's newest zinc producer through the commencement of production from the 100%-owned Que River project in a mining alliance with Mancala Pty Ltd. Ongoing drilling has indicated substantial potential to define further high-grade reserves from the current resource of approximately 740,000 tonnes, with grades of up to 25% zinc, 10% lead, 13oz/t silver and 11g/t gold. A binding Ore Sales & Purchase Agreement has recently been signed with Zinifex Limited, the operator of the nearby Rosebery flotation plant. The rapid start-up of production at Que River will enable Bass Metals to take advantage of current strong metal prices.

In February 2007, Bass Metals launched a major new exploration initiative targeting newly identified high-grade copper and zinc targets surrounding the world-class Hellyer Mine in north-west Tasmania. Hellyer 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. In October, the Company announced a maiden Mineral Resource estimate for the Hellyer Mine Project of 750,000 grading 11% lead and zinc supported by a spectacular drill intercept of 57m at 14% combined lead-zinc at the adjacent Southern Barite Lens resource target. Bass Metals' now has a Mineral Resource inventory of 1.5 million tonnes at a zinc equivalent grade of 15% in the Que/Hellyer area and in close proximity to both the Hellyer and Rosebery processing plants. The Company is on track in its strategy to leverage off existing infrastructure for development of a 'pipeline' of production and near-production opportunities within this prolific mineral belt.

Reflecting the intense and diverse ore deposits occurring in the NW 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. Accentuating that diversity of mineralisation Bass Metals has also recently commenced nickel and PGM exploration on its Heazlewood tenement which has small scale historic nickel and PGM mine workings.

- ENDS -