

21 September 2007

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

Dear Sir

### **STRONG BASE METAL INTERSECTION AT SOUTHERN BARITE ZONE, HELLYER PROJECT**

Bass Metals Ltd (ASX:BSM) is pleased to provide the following update on its Hellyer Mine Project.

#### **Highlights**

- ✓ **A diamond drill hole testing the Southern Barite Zone target within the Hellyer Mine project, along strike from the historic Hellyer Mine, has intersected visible zones of massive lead and zinc mineralisation within a broader zone of strong barite+pyrite+base metal mineralisation.**
- ✓ **Geological core logging has visually identified two zones of almost massive lead and zinc sulphide mineralisation over downhole intercept lengths of 5.8 and 4.5 metres respectively, with an intervening 26 metre interval containing moderate base metal, barite and pyrite mineralisation. These visual estimates of high grade lead-zinc mineralisation need to be confirmed by chemical analysis and assay results are pending.**
- ✓ **The intersections occur within ~175m of surface and are considered to be potentially significant.**

#### **Introduction**

The Southern Barite Zone is a large, un-mined, barite-rich zone developed at the Hellyer Ore Position to the south of the Hellyer ore body – Fig 1. The zone has previously been interpreted to be generally flat lying and covers an area of at least 300m north-south, up to 150m east-west and up to 30m thick, and has been affected by subsequent folding and faulting. The top of the zone lies about 150m below surface.

The zone is known from broad-spaced historic drilling, generally on 100m spaced drill sections. In these holes barite mineralisation is often associated with intervals of high grade base metal sulphide that vary from a few centimetres to several metres in thickness. Historic base metal drill intersections (down-hole widths) from within the Southern Barite Zone include:

- **HL661 – 1.5m at 12.0% Zn, 9.3% Pb, 0.5% Cu, 184g/t Ag and 2.5g/t Au**
- **HL666 – 7.2m at 21.6% Zn, 9.7% Pb, 1.0% Cu, 166g/t Ag and 2.3g/t Au**
- **HL683 – 5.3m at 9.4% Zn, 5.4% Pb, 0.6% Cu, 166g/t Ag and 2.3g/t Au**
- **HL789 – 14.3m at 4.7% Zn, 3.1%Pb, 0.2% Cu, 190g/t Ag and 4.4g/t Au**
- **HL866 – 13.5m at 6.7% Zn, 3.8% Pb, 0.2% Cu, 170g/t Ag and 3.6g/t Au**

These intercepts indicated the potential for the Southern Barite Zone to host moderate sized lenses of high grade base metal mineralisation, forming an attractive drill target. A drilling program commenced in July to infill the existing broad-spaced drilling to determine the continuity of these intersected high grade zones.

### **Current Drill Results**

HLD957 is the fourth hole of the program, which started 100m to the south and it is the first drill hole on section 10150N (as shown in figure 1). The target Hellyer Ore Position was intersected, as expected, at 147.8m but was underlain by a much thicker than expected zone of mineralisation.

Massive barite with low to moderate grade and locally very high grade base metal sulphide mineralisation has been intersected over a drilled width of 79.2m. A summary log of the mineralised interval is as follows:

**Table 1: Summary Geological Log of HLD957 (Refer Figure 2).**

| <b>From (m)</b> | <b>To (m)</b> | <b>Intercept</b> | <b>Comment</b>   |
|-----------------|---------------|------------------|--|
| 0               | 147.8         | 147.8            | Hanging wall sequences.  |
| 147.8           | 149.3         | 1.5              | Massive barite and glassy silica pyrite – potentially low grade base metal mineralisation.                                     |
| 149.3           | 156.4         | 7.1              | Altered volcanoclastics – rare base metal sulphides.   |
| 156.4           | 184.1         | 27.7             | Massive barite and minor glassy silica pyrite – potentially low grade base metal mineralisation.                               |
| <b>184.1</b>    | <b>186.0</b>  | <b>1.9</b>       | <b>Base metal sulphide rock – potentially moderate grade base metal mineralisation.</b>  |
| 186.0           | 192.4         | 6.4              | Interbedded barite and pyrite - potentially low grade base metal mineralisation.   |
| <b>192.4</b>    | <b>198.2</b>  | <b>5.8</b>       | <b>Massive lead and zinc sulphides – potentially high grade mineralisation.</b>  |
| <b>198.2</b>    | <b>224.4</b>  | <b>26.2</b>      | <b>Interbedded barite and zones of massive lead and zinc sulphides – potentially low to moderate grade mineralisation.</b>     |
| <b>224.4</b>    | <b>228.9</b>  | <b>4.5</b>       | <b>Base metal sulphide rock – potentially high grade base metal mineralisation.</b>  |
| <b>228.9</b>    | <b>235.6</b>  | <b>6.7</b>       | <b>Interbedded massive barite and base metal sulphide rock – potentially low to moderate grade base metals mineralisation.</b> |
|                 |               |                  |  |

The surprisingly thick sequence of mineralisation intersected and indications of low angles to the core axis of the mineralisation compositional banding suggest that the previous simple flat lying geological interpretation for this mineralisation needs updating. A more tightly folded lens than expected or complicated mound-like morphology, similar to the Hellyer massive sulphide mound, appears to be indicated by this intersection. With either model, it is currently not possible to estimate the true thickness of this intersection from a single hole and further drilling will be required.

Drilling began on section 10050N, located 100m to the south of HLD957 with three holes. These indicated only pyritic mineralisation at the Hellyer Ore Position (HLD955) and in two cases


(HLD955 and HLD956) the ore position was underlain by strongly barite veined footwall epiclastics which have the potential to host gold mineralisation.

All assay results are awaited and the HLD957 samples are a priority.

### **Conclusion**

The HLD957 result has increased the potential at the Southern Barite Zone and the current broad drill spacing is permissive of a thickened zone of high grade base metal sulphide mineralisation existing between drill sections for at least 75m to both the north and south. Elsewhere on the Hellyer Mine Project the Company with the support of Coffey Mining is estimating the resource potential of the feeder stock work zones and evaluating mining opportunities centred on the decommissioned Hellyer mine. I look forward to providing further updates on the Hellyer Mine Project and the Company's other activities.

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 is a Member of The Australasian Institute of Mining and Metallurgy. He has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activities 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.*

### **Bass Metals Profile**

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, Mankala.

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 has commenced site preparation activities at Que River and is on track for first ore delivery in late September 2007 following the recent signing of an Ore Sales Agreement with Zinifex's Rosebery operations.

A vigorous exploration programme is being maintained with two 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.

**Figure 1: Summary Location Plan for Southern Barite Zone.**

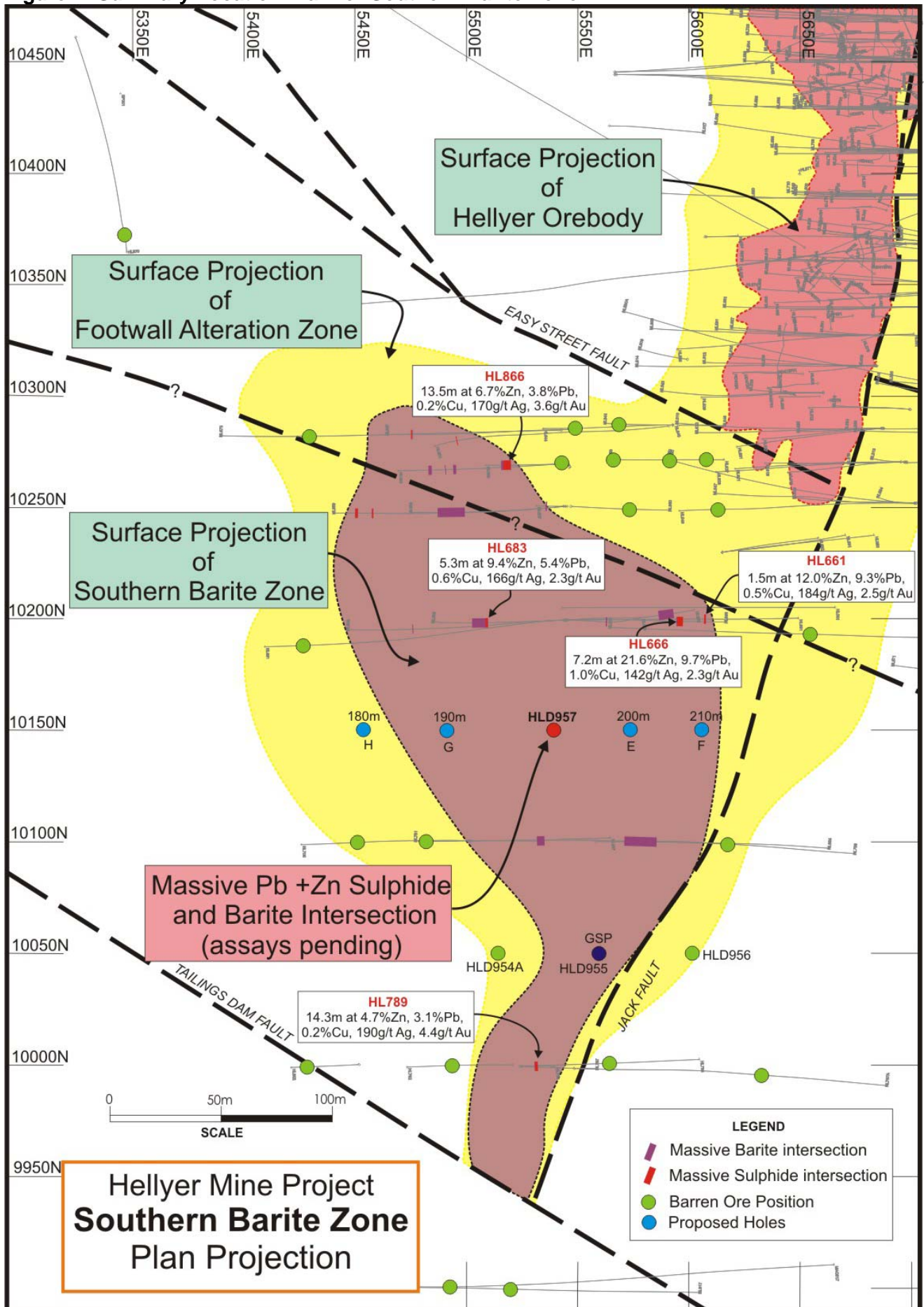


Figure 2: Photos of Core from HLD957.

