



7 March 2007

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

Dear Sir

## **BONDS RANGE EL DRILLING UPDATE**

**Bass Metals Ltd is pleased to advise that the first diamond drill hole testing a lead-zinc soil anomaly at the Iris River Prospect on the Bonds Range Exploration Licence intersected shallow base metal sulphide mineralisation over a 4.3 metre downhole interval, possibly representing a new Pb-Zn-Ag-Cu discovery. All assays are pending.**

BRD001 is the first drill hole in the area designed to follow-up on a coincident geochemical and geophysical anomaly over geology considered favourable for intrusive related lead-zinc-copper-silver mineralisation.

The drill hole targets the outcropping margin of a quartz-feldspar porphyry intrusive in association with a major Pb-Zn soil anomaly which, at a 500 ppm Pb contour, extends for approximately 750 metres by 450 metres. This anomaly contains several higher grade, north-east trending zones contoured at 1,000ppm Pb which are the target of this drilling campaign. Details of the soil geochemical trends and drill hole positions are presented in Figure 1.

The first drill hole intersected several shallow zones of strong alteration and Pb, Zn and Cu sulphide veining as presented in Figures 2 to 4, in particular:

<u>From (m)</u>	<u>To (m)</u>	<u>Drilled Interval (m)</u>	<u>Comments</u>
34.85	35.55	0.70	Strong chlorite altered quartz-feldspar porphyry with minor fracturing & veins. Veins 1 to 10mm wide with quartz, galena* and pyrite.
87.30	91.60	4.30	Strongly chlorite-altered quartz-feldspar porphyry with significant stockwork galena-sphalerite-chalcocopyrite veining. Pyrite occurs as disseminated selvages and minor veins. Visual estimate 5-10% galena, 2% sphalerite, 2% pyrite and 1% chalcocopyrite over the zone. Individual veins are ~90% sulphide.


*\*Galena, sphalerite and chalcocopyrite are sulphide minerals containing Pb, Zn and Cu respectively.*

The stockwork mineralisation intersected explains the strong lead and zinc anomalism in the soil samples (+1000ppm Pb and +250ppm Zn). Whilst assay results are pending, the Directors consider that this intercept represents a very encouraging first test of a grass-roots base metals target. Subject to further drilling, it may emerge as a significant zone of lead-zinc-silver-copper mineralisation. Bass Metals is the first company to drill in the area of the Iris River Prospect.

The Bonds Range Exploration Licence is held in joint venture with Adamus Resources Limited (BSM 60% and Adamus 40%). The Iris River Prospect is located approximately 15km north east of the Company's Hellyer Project area and 100km south by sealed road from Burnie in Northwest Tasmania. There is reasonable four-wheel drive access on a 2km track running north from the sealed Cradle Mountain Link road.

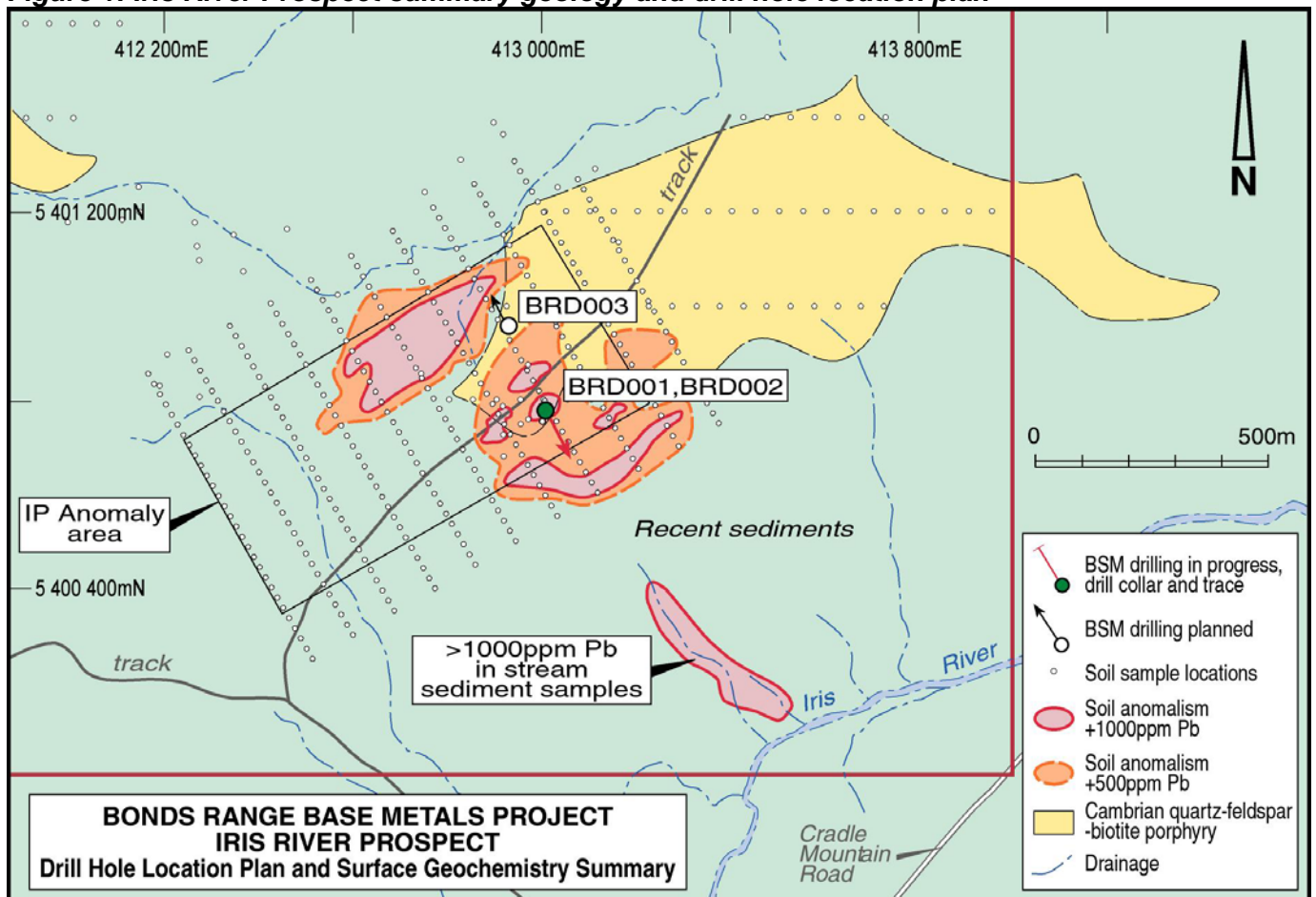
This is an exciting outcome for the first drill hole testing a new target. On receipt of this news – potentially representing a new discovery, the two drill hole programme was immediately extended to three holes. BRD002 is in progress. I look forward to providing further updates as information becomes available.

Yours Sincerely



Mike Rosenstreich  
Managing Director

**Figure 1: Iris River Prospect summary geology and drill hole location plan**



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.

Figure 2: Photograph of drill core from mineralised stock work zone – wider veins highlighted.



Figure 3: Photograph of drill core highlighting example of vein mineralogy



Cp – chalcopyrite, Gn – galena, Sp – sphalerite and Py - pyrite