



8 May 2007

The Manager Companies
Company Announcements
Australian Stock Exchange
20 Bridge St
Sydney NSW 2000

Dear Sir

RE: ZINIFEX SELECTS TARGET & STARTS DRILLING JOINT VENTURE AREA**Highlights**

- ***Zinifex nominates High Point Prospect as the first joint venture area under the Hellyer Alliance.***
- ***Drilling has started to test High Point target.***
- ***3 drill rigs active on Bass Metals' tenements testing new targets***
- ***4th rig planned to start in 3 weeks to test for new mineralised lens at Que River.***

Bass Metals Ltd is pleased to advise ASX that Zinifex Limited has nominated the High Point prospect area as the first Special Project Joint Venture area (SPJV) to be selected in accordance with the terms and conditions of the Hellyer Exploration Alliance (HEA) agreement. Under this agreement Zinifex will sole fund each SPJV, with Bass Metals retaining a 30% free-carried interest to a decision to mine stage.

Zinifex has mobilised a drill rig to the High Point prospect and commenced drilling to test a new target area the HEA considers is prospective for Hellyer style high-grade polymetallic (Cu-Pb-Zn-Ag-Au).

The High Point prospect is an attractive but deep target area identified in the 1980's beneath extensive Hellyer hanging wall style fuchsite-carbonate alteration, which outcrops in the vicinity of the highest point on the Murchison Highway, (hence *High Point* Prospect) as presented in Figure 1.

The target is within the same geological unit which hosts the Que River and Hellyer ore bodies (referred to as the *Mixed Sequence*) and occurs at a depth of approximately 1000m (refer Figure 2). Almost all the early drill holes in the area failed to reach the Mixed Sequence due largely to a tenement boundary which formerly transected the area and caused a poor, fragmented understanding at that time of the local geology. Several of the historic drill holes did intersect anomalous intervals such as 1.7 metres at 1.25% Zn and several 5 to 10 metre intervals grading 0.2 to 0.3% Zn providing encouragement of this prospect to host economic mineralisation.

The Directors welcome Zinifex initiating this SPJV and moving so swiftly to test this target with drilling. It is worth noting that Bass Metals currently has 3 diamond core drill rigs testing for new deposits:

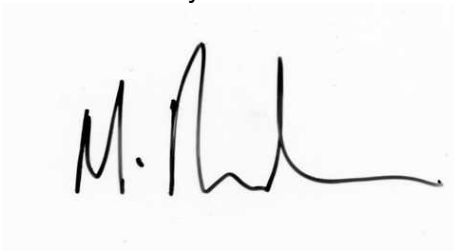
- Drill rig 1 – to the east of Hellyer drilling the Southwell Valley target;
- Drill rig 2 – at the Dora Prospect on the Selina Licence approximately 9km SE of Barrick's plus 1Moz Henty Gold mine; and
- Drill rig 3 – at High Point testing for Hellyer style targets under the SPJV.

A fourth rig is scheduled to commence drilling at the Que River site in 2 to 3 weeks to test for a new mineralised massive sulphide lens interpreted from geophysical data to occur beneath the S-Lens.

The Company has many prospective targets to test and with 4 rigs soon active on its tenements is hopeful of making a discovery break-through. It is a credit to the dedication of the team on site that as well as managing this major exploration initiative Bass Metals is also very close to commencing production at its Que River project; subject to finalising the trial ore processing results and an Ore Sales contract.

On behalf of the staff and Directors I look forward to providing further updates on the Company's many and varied activities.

Yours sincerely



Mike Rosenstreich
Managing Director

Figure 1: Hellyer Area - simplified geology & target map showing location of the High Point prospect.

