Bass Metals Ltd.

ABN 31 109 933 995

12 December 2007

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

Dear Sir

DRILL CONFIRMATION OF HIGH GRADE BASE METAL INTERSECTION AT SOUTHERN BARITE ZONE.

Bass Metals Ltd (ASX:BSM) is pleased to provide the following update on its recent drilling at the Southern Barite Lens, part of the Hellyer Mine Project.

Highlights

- Diamond drill hole HLD958 intersected the Southern Barite lens **between 177.4 and 256.4m down-hole, within which an 18.9 metre zone of strong base metal mineralisation is observed.**..
- HLD958 was drilled "across" the recently reported intersection of **57.5 metres downhole at 9.2% zinc, 4.7% lead, 94 g/t silver and 2.89 g/t gold in HLD957.**
- A potential new lens position was also intersected with a width of 4.4 metres downhole comprising a flat lying zone of high grade base metal sulphide mineralisation.
- Assays for the above mineralised zones in HLD958 are pending but visual geological estimates are supported by hand-held XRF Analyzer results.

Introduction

The Southern Barite Lens is a large, un-mined, barite-rich zone developed at the Hellyer Ore Position to the south of the Hellyer ore body (*refer Figure 1*). The zone has previously been interpreted as flat lying extending at least 300 metres north-south, up to 150 metres east-west and up to 30 metres thick, and has been affected by subsequent folding and faulting. The top of the zone lies about 150 metres below the surface.

In September 2007, Bass Metals intersected 57 metres downhole grading 9.2% zinc, 4.7% lead, 94 g/t silver and 2.89 g/t gold in HLD957 within a broader altered and mineralised envelope. Whilst the drill hole had obviously drilled down a mineralised structure, the greater than expected vertical extent of the high grade mineralisation highlighted the potential for several thick vertical lens positions. This increases the tonnage potential from that originally anticipated by Bass Metals based on several historic intercepts thought to represent a single flat lying lens.

Diamond drill hole HLD958 was drilled back toward HLD957 to "scissor" or cross the original intercept to get an intersection representing the true width of the mineralisation (refer Figure 2). The Company is very pleased to report that 2 distinct mineralised intervals were intersected:

Upper Lens: This is a new lens position comprising 4.4 metres downhole of mainly high grade massive base metal sulphide rock based on visual estimates. This Lens appears to be flat lying and the true thickness (vertically) is likely to be around 4.0 metres.

Main Zone: The main mineralised massive sulphide-barite alteration zone intersected is an interval of 79.0 metres of mainly massive barite, massive base metal sulphide and disseminated base metal mineralisation including a zone of 18.9 metres of high-moderate grade mainly massive sulphide mineralisation. The true thickness of the distinct high-grade zone is estimated to be approximately 13 metres.

Footwall Stringer Zone: Underlying the Southern Barite Lens is a 6.9 metre interval with high grade stringer veins, which constitutes a zone of low to moderate grade mineralisation.

All grade estimates relate to visual estimates of the abundance of lead (galena) and zinc (sphalerite) sulphide minerals by an experienced geologist. Whilst these are indicative estimates they are supported qualitatively by selected assay readings using a hand held XRF Analyser. Assay results will be reported as soon as practical. Further details on the geological logging are presented in Table 1, below.

Conclusion

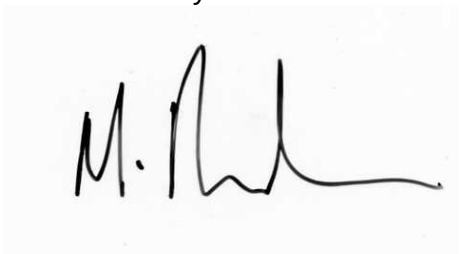
Bass Metals has successfully followed up on the previous drill intercept at Southern Barite Lens with a drillhole that appears to confirm high to moderate grade base metal mineralisation over significant horizontal widths – at this stage estimated to be approximately 13 metres for the main massive style high grade zone, but within a wider moderate to low grade mineralised envelope.

Assay results are pending, but the Company's geologists, based on the HLD957 estimates, have a sound track record for accurate visual estimates which in this case are supported by selected Zn, Pb, Ag and Cu assay readings from a hand held XRF analyser - which is essentially a portable version of the technology utilised by most assay laboratories.

The drill programme at Southern Barite Lens is ongoing with a drill rig continuing to drill there and further drill holes planned to test the mineralisation down-dip and along strike. The mineralisation is open vertically and to the north and south of HLD957 and HLD958 for at least 75 metres.

I look forward to providing further updates on the Hellyer Mine Project as results come to hand.

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.

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Figure 1: Summary Location Plan for Southern Barite Zone.

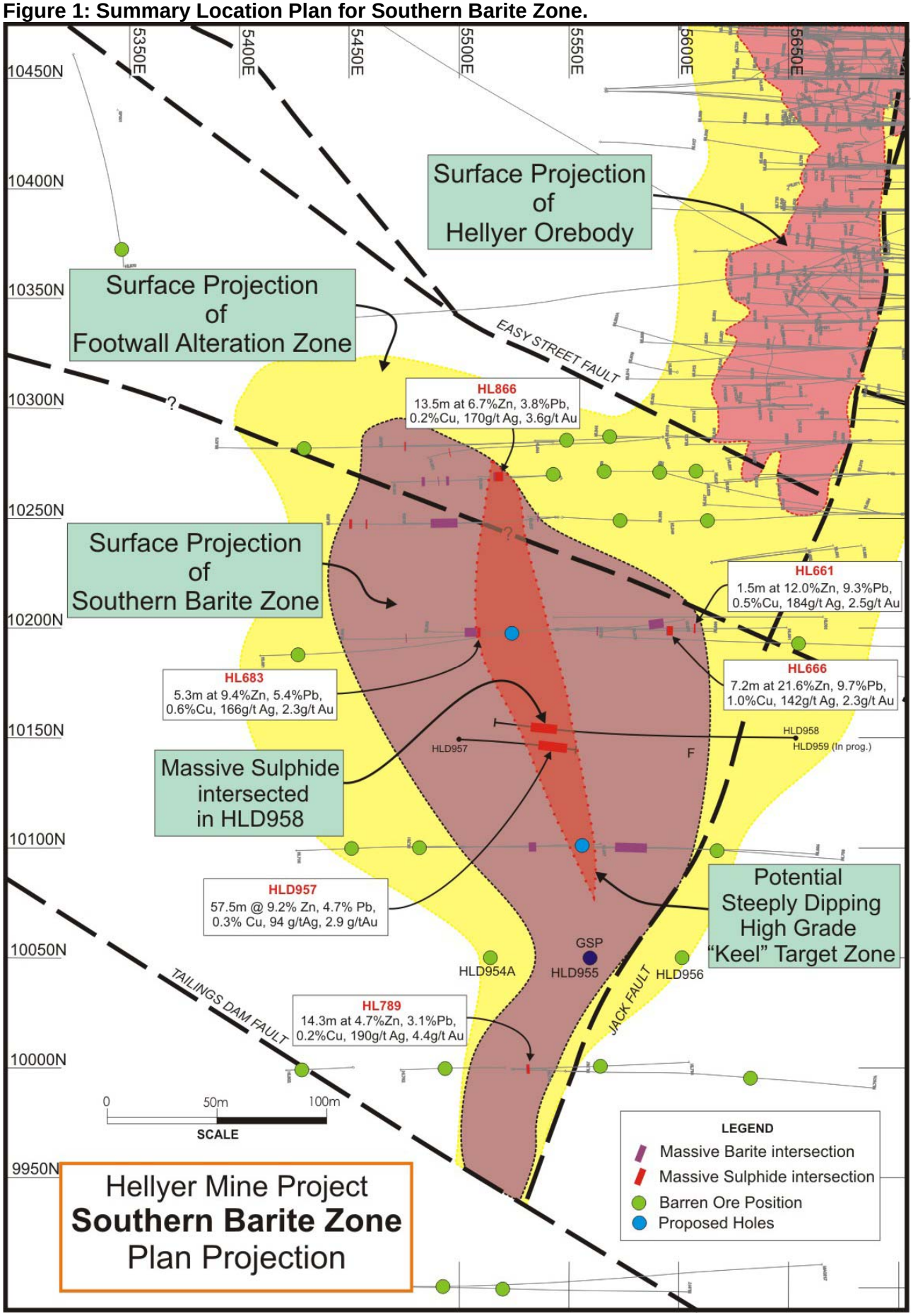

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Figure 2: Schematic drill section for HLD957

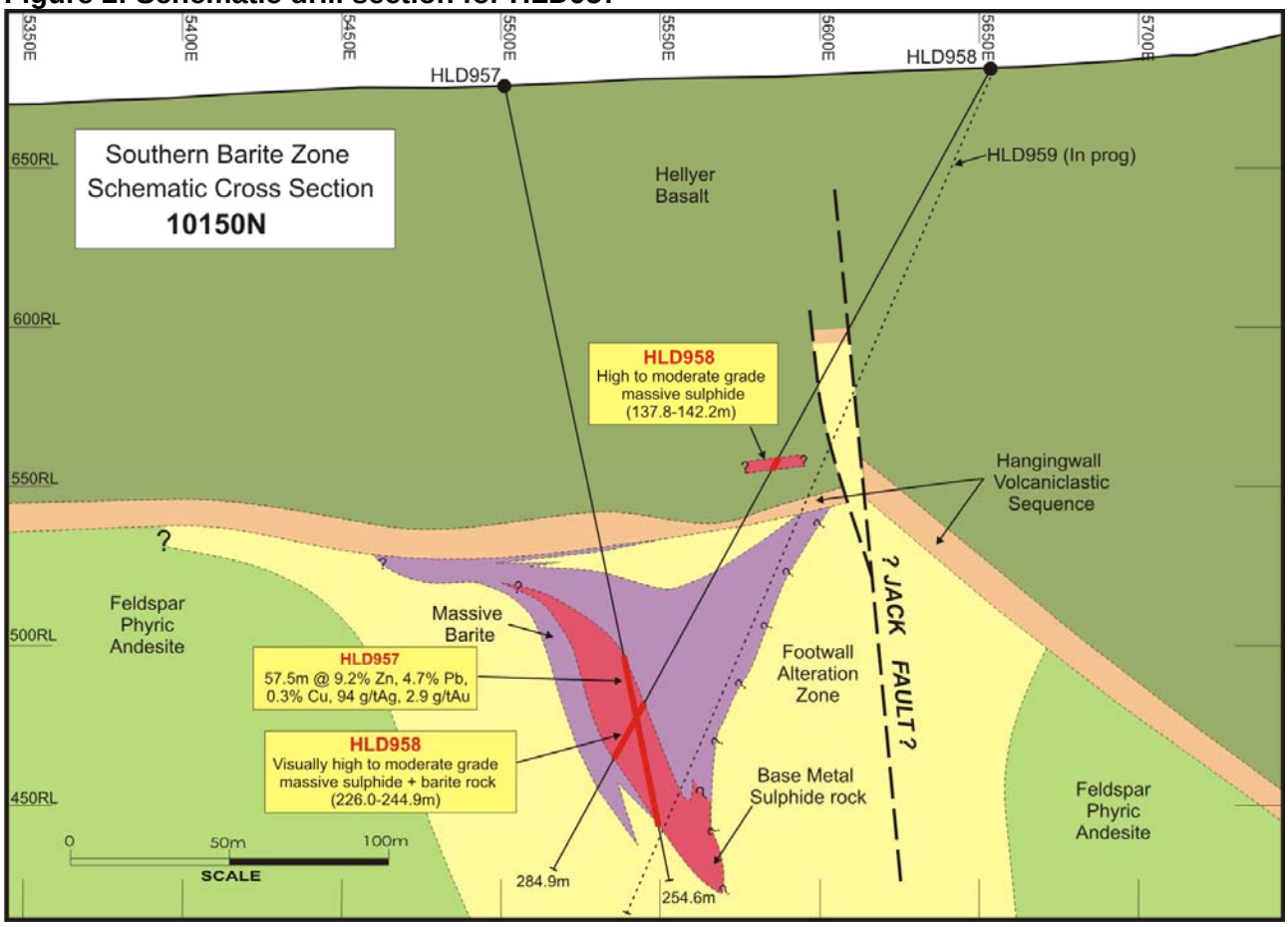

Table 1: Summary Geological Log of HLD958

From (m)	To (m)	Interval (m)	Comments
0	137.8	137.8	Mainly hanging wall basalt sequence with possible fault block of footwall alteration sequence at 98 metres depth.
137.8	**142.2**	**4.4**	**Base metal sulphide rock – massive & disrupted - potentially high grade mineralisation.**
142.2	161.0	18.8	Hanging wall basalt and volcaniclastics sequence.
161.0	177.4	16.4	Strongly altered (silica-sericite-pyrite) volcaniclastics.
177.4	226.0	48.6	Massive barite with minor galena (Pb-Sulphide) and sphalerite (Zn-sulphide) – potentially low grade mineralisation (plus gold?).
226.0	**244.9**	**18.9**	**Massive base metal sulphides with interbedded barite and pyrite zones – potentially high to moderate grade mineralisation.**
244.9	256.4	11.5	Massive barite – potentially low grade mineralisation (plus gold?).
256.4	263.3	6.9	Strongly altered footwall sequence with base metal veins – potentially low grade.
263.3	284.9	21.6	Strongly altered footwall sequence –no base metal mineralisation. *End of drill hole*

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