

12 February 2008

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

Dear Sir

### **FURTHER HIGH GRADE BASE METAL INTERSECTIONS AT FOSSEY ZONE**

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

#### **Highlights**

- ◆ Diamond drill hole **HLD959 intersected 27 metres of strong base metal sulphide mineralisation from 233.0 metres** down-hole based on visual estimates
- ◆ **Drilling 50 metres to the north of HLD959 has also intersected two zones of high grade base mineralisation; 8.9 metres intercept from 229.05 metres and 21.35 metres from 251.65 metres** downhole in HLD960, also based on visual estimates.
- ◆ These drill intercepts **confirm the down-dip and along strike potential for a wide zone of high grade mineralisation extending from the original “discovery” intercept of 57.5 metres downhole at 9.2% zinc, 4.7% lead, 94 g/t silver and 2.89 g/t gold in HLD957.**
- ◆ Assays for the mineralised zones in HLD959 and HLD960 are pending but visual geological estimates have to date proved reliable for identifying high and moderate grade base metal mineralisation.

#### ***Introduction***

The Fossey Zone (*refer Note below for derivation of the name*) is a large, un-mined, barite-rich alteration 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, HLD958, drilled in the opposite direction confirmed a thick vertical lens position with a main zone intercept of 19.0 metres downhole grading 8.4% zinc, 3.5% lead, 82 g/t silver and 3.3 g/t gold.

#### ***Current Results***

##### ***HLD959 (10,150mN drill section)***

Diamond drill hole HLD959 was drilled to intersect the same mineralised position approximately 30 metres down dip of the HLD958 intercept (refer Figure 2). The Company is very pleased to report that 2 distinct mineralised intervals were intersected:

Upper Zone: This is an un-expected interval of 14.1 metres comprising weak to high grade base metal sulphide mineralisation dominated by barite rich alteration zones.

Main Zone: The main mineralised massive sulphide-barite alteration zone was intersected at 233 metres downhole and has been correlated with the intercept in HLD958. It consists of high to moderate grade mainly massive base metal sulphide mineralisation associated with barite alteration.

*HLD960 (10,200mN drill section)*

This drill hole was collared 50 metres to the north of the drill section on which HLD957, HLD958 and HLD959 were drilled from to test the along strike continuity of the high grade mineralisation. Figure 3 clearly demonstrates how Bass Metals' revised geological model has "opened up" the potential to the north and south "between" the historic drill holes. The historic "HL series" drill holes were designed to test a flat lying mineralised target along the basal contact of the Hellyer Basalt and hence the fan-like drill pattern. HLD960 intersected two zones of visually high to moderate grade massive base metal sulphide rock in the interpreted target location – which is also in a clear gap in the historic drilling. Two main zones of high grade mineralisation are evident:

Upper Zone: This occurs from 229.05 to 237.95 metres down-hole with bands of high grade banded base metal sulphides alternating at all scales with low grade massive barite.

Main Zone: Comprises a 21.35 metre intercept from 251.65 metres and contains some spectacular high grade, often partially re-crystallised mineralisation (refer figure 4).

These two zones are separated by low grade massive barite with minor disseminated base metal mineralisation.

All grade estimates above (*i.e. high, moderate and low*) relate to visual estimates of the abundance of lead (galena) and zinc (sphalerite) sulphide minerals by an experienced geologist. Assay results will be reported as soon as practical.

### **Conclusion**

Bass Metals has continued to confirm the presence of a wide discrete high-grade zone of base metal sulphide mineralisation both down dip on section 10,050mN and north along strike on section 10,200mN. The success of HLD960 on drill section 10,200mN is an excellent example of how the revised geological model has opened up the potential of virtually the entire extent of the Fossey Zone to host significant, steeply dipping zones of massive base metal mineralisation.

Assay results are pending, but the Company's geologists, based on the HLD957 and HLD958 estimates, have a sound track record for accurate visual estimates. The drill programme at the Fossey Zone is ongoing with HLD961 drilling to test beneath the intercept in HLD960.

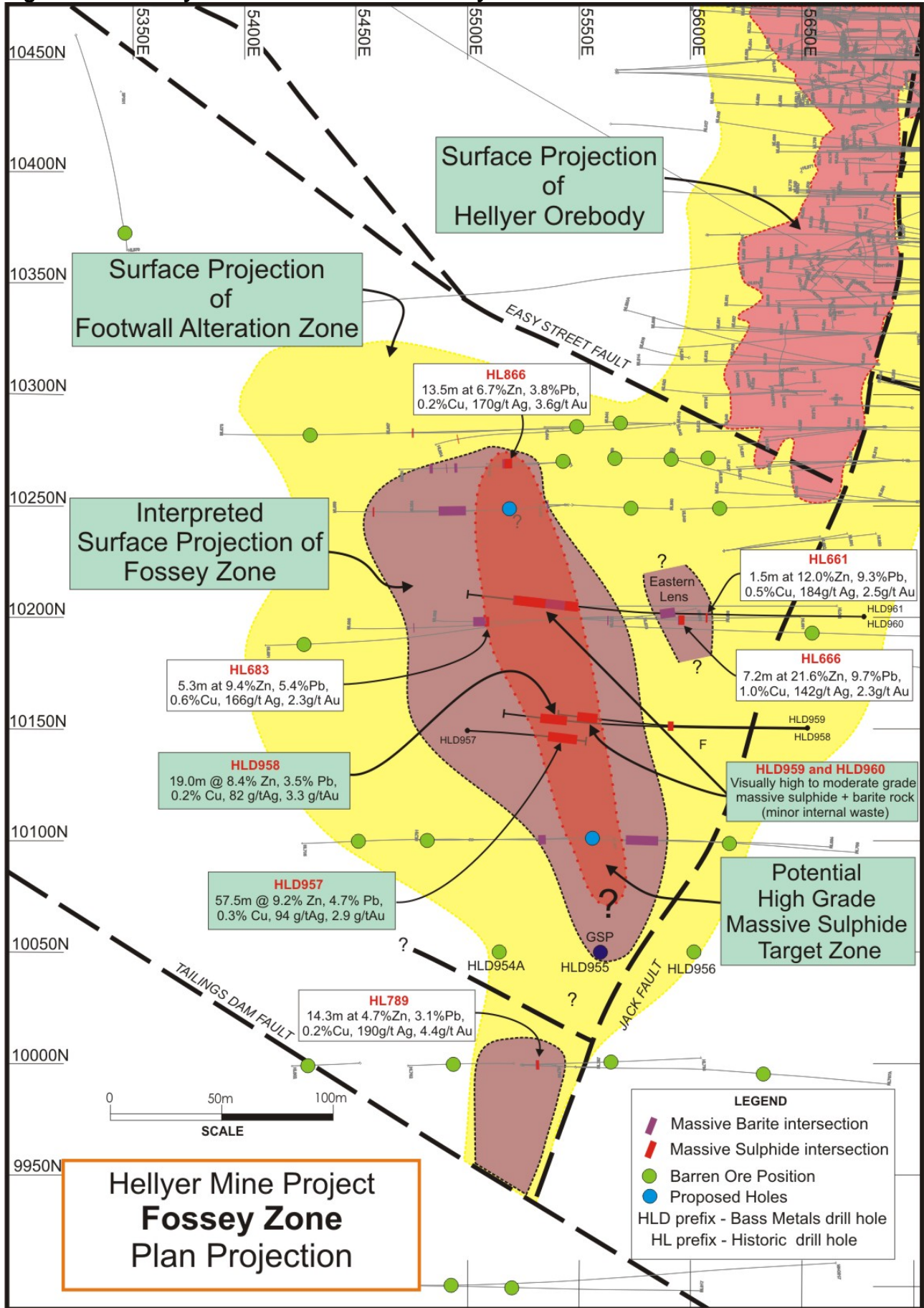
I look forward to providing further updates on the Hellyer Mine Project as results come to hand.

Yours Sincerely

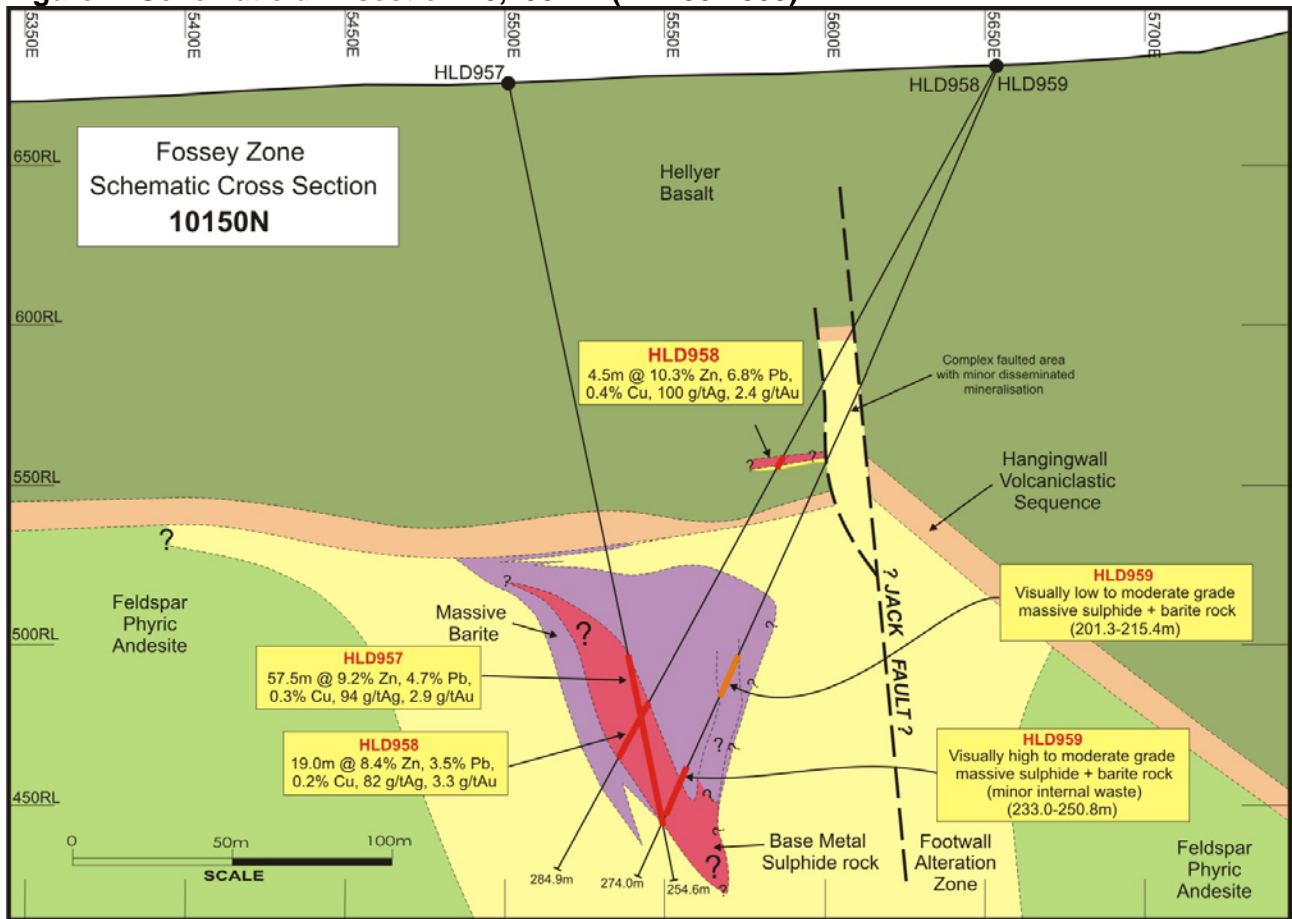


Mike Rosenstreich  
*Managing Director*

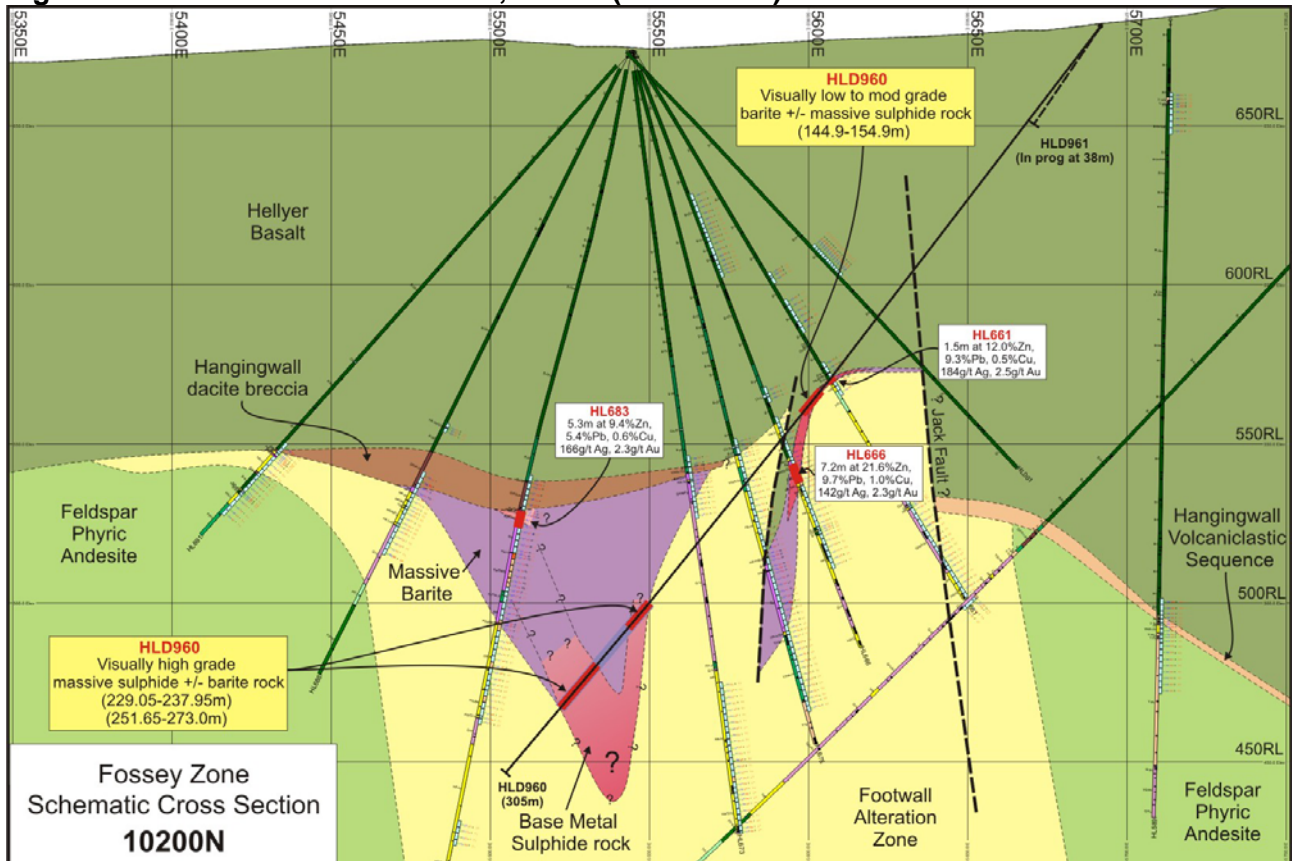
**Figure 1: Summary Location Plan for the Fossey Zone.**



**Figure 2: Schematic drill section 10,150mN (HLD957-959)**



**Figure 3: Schematic drill section 10,200mN (HLD960-61)**



**Figure 4: High grade banded base metal sulphides from the lower high-grade intercept in HLD960.**



*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.*

### **Origin of the Fossey Zone Name**

The Hellyer deposit is named after Henry Hellyer who was the Chief Surveyor for the Van Diemens Land Company. In November 1828, on one of the earliest exploration expeditions of the rugged Tasmanian west coast, Hellyer crossed the Southwell River and walked almost over the top of the Hellyer ore body on his way south to near Mt Farrell, where he turned east and headed for Cradle Mountain.

The Assistant Surveyor for the Van Diemens Land Company, and Hellyer's offsideer on this expedition was Joseph Fossey. Fossey was also an important explorer in his own right and was the person who named Cradle Mountain.

Given the close relationship of these imminent Tasmanian explorers, Fossey and Hellyer analogous to the close association between the Southern Barite Lens (SBL) and the Hellyer deposit, the Company's geologists have decided to rename the SBL the Fossey Zone, hopefully to become the Fossey ore body.