

BASS METALS INTERSECTS BASE METAL MINERALISATION AT POTENTIAL NEW DISCOVERY

- **Base metal sulphide mineralisation intersected at new Bonds Range target, 15km north east of acclaimed Hellyer base metals deposit.**
- **Drill program extended ahead of first assay results.**
- **Major copper-zinc exploration program continuing at Hellyer.**
- **Ongoing trial mining at Que River.**

Gold and base metals company Bass Metals Ltd (ASX: **BSM**) has extended a diamond drill program at its **Bonds Range Project**, located in north west Tasmania, after intersecting base metal mineralisation in the first hole drilled to test a target considered prospective for high-grade lead-zinc-silver-copper mineralisation. Visual estimates of the drill core are indicating a possible new discovery.

Bass Metals and 40% Joint Venture partner Adamus Resources intersected several shallow zones of strong alteration and lead, zinc and copper veining in the first hole of a planned two-hole program at the new Iris River Prospect, but will now drill three holes to test the new target.

The intercept comprises a stockwork of base metal sulphide mineralisation containing lead, zinc and copper sulphide minerals over a **4.3m interval** to a depth of 91.6m. Assays are pending for the first hole and drilling of the second hole is underway.

The Bonds Range drill program follows recent soil sampling by Bass Metals and the compilation of data from historic soil sampling, each of which indicated an anomaly with potential for lead-zinc-copper-silver mineralisation. Sample analysis revealed lead concentrations greater than 1,000ppm and up to 10,000ppm lead, and zinc mineralisation greater than 250ppm.

“This is an exciting outcome for the first drill hole testing the new target and a great way to kick off our 2007 regional exploration initiative,” Bass Metals’ Managing Director, Mr Mike Rosenstreich, said.

“The Iris River prospect at Bonds Range has potential to become a new discovery and could, in time, boost our base metals inventory. It’s very early in the investigative process, but this result is very encouraging and a credit to our exploration team. We are looking forward to releasing first assay results as soon as they become available.”

The ongoing Iris River drill program is being conducted simultaneously with trial mining at Bass Metals’ 100%-owned Que River Project and a major new exploration program targeting high-grade copper and zinc targets at the Hellyer Mine Project, 15km south west of Bonds Range.

The Hellyer Mine Project targets are all within, or close to, the former Hellyer Mine deposit, a world-class scale deposit with a published pre-mining Mineral Resource of 16.9 million tonnes grading 13.8% zinc, 7.2% lead, 0.4% copper, 167g/t silver and 2.5g/t gold. It was mined between 1986 and 2000 as a major underground mine.

Que River, where Bass Metals is conducting trial mining with Mancala Mining Pty Ltd, is another former high-grade base metals operation in the same region. The Bass Metals-Mancala mining alliance is excavating, crushing and hauling a bulk sample of approximately 2,000 tonnes grading 16.5% zinc, 7% lead and 2oz/tonne of silver 4km to the Hellyer Mill for test processing.

Bass Metals has signed an Ore Sales Letter of Intent with the joint venture operating the Hellyer Mill; Intec Ltd (the Company’s major shareholder) and Polymetals Group. Full-scale open pit mining at Que River is

scheduled to commence as soon as possible, subject to successful completion of the trial mining program and receipt of Tasmanian Government approvals.

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Profile – Bass Metals Ltd

Bass Metals Ltd (ASX: BSM) is a diversified Australian base metals and gold company focused on the world-class Mount Read Volcanic (MRV) mineral belt of Tasmania, and backed by alliances with zinc producer Zinifex Limited and TSX-V listed Geoinformatics Exploration Ltd. Bass Metals' business model is premised on the development of a 'pipeline' of production, near-production and exploration assets in this prolific mineral belt, with strong leverage to a substantial new discovery through its regional exploration alliance with Zinifex.

The Company's immediate focus is the commencement of production during the first half of 2007 from the 100%-owned Que River base metals project in north-west Tasmania. Bass Metals has already commenced a trial mining program at this project with mining alliance partner Mancala Pty Ltd. Ongoing drilling at this comparatively small but very high-grade project has indicated substantial potential to define further high-grade reserves, from the current resource which comprises over 500,000 tonnes with grades of up to 25% zinc, 10% lead, 13oz/t silver and 11g/t gold.

The project is underpinned by an off-take agreement with the Intec Ltd - Polymetals JV, which is operating the Hellyer Zinc Concentrate Project located 4km north of Que River. Preliminary financial modelling indicates production from the current Que River resource will return a cash surplus of between approximately 12 to \$17 million subject to zinc price.

The niche Que River development will underpin Bass Metals' imminent transition to producer status and provide the financial capability to accelerate exploration and development activities elsewhere within its high-quality portfolio.

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