

5 October 2010

NEW MINERALISED ZONE DISCOVERED EAST OF FOSSEY MINE.

- **2.5 metres at 0.3 % copper, 3.8 % lead, 6.3 % zinc, 56 g/t silver and 1.8 g/t gold;**
- **within a 25 metre zone of alteration 50 metres east of the Fossey Deposit;**
- **interpreted as the top of a new high-grade massive sulphide lens; and**
- **in close proximity to Fossey Mine infrastructure currently in development.**

Diversified miner, Bass Metals Ltd (ASX:BSM) has intersected with diamond drilling a zone of strong alteration and base metal sulphide mineralisation to the east of the Fossey Deposit. The zone comprises barite rich alteration similar to the Fossey style alteration envelope that surrounds the high-grade Fossey copper-lead-zinc-silver-gold deposit. The new zone contains several narrow discrete intervals of massive base metal sulphide mineralisation, including; **2.5 metres at 0.3 % copper, 3.8 % lead, 6.3 % zinc, 56 g/t silver and 1.8 g/t gold,** within a 25 metre zone of barite dominant alteration grading 0.1 % copper, 0.7 % lead, 1.7 % zinc, 31 g/t silver and 1.0 g/t gold.

The high-grade base and precious metals intercept in HLD1014 is interpreted as the “top” of a new alteration / massive base metal sulphide lens zone, similar to the Fossey Deposit. The mineralised zone occurs 50 metres to the east of the planned Fossey mine development and within 15 metres of the Fossey decline; which is currently under development. This new mineralised zone is open down-dip and to the north and south as shown in an interpreted cross section (in Figure 1) and long-section (Figure 2).

This is a very exciting growth opportunity for the Hellyer Mine Project to extend or increase production of zinc, lead and copper-precious metals concentrates if further drilling confirms the down dip expansion and continuity of the high-grade massive base metal sulphide zone. It is still early stage, but the potential for this new mineralised structure is completely open-ended and given the close proximity to the Fossey decline. Bass is hopeful of achieving some economic benefit from this discovery. A second drill hole is in progress to test the down-dip potential and further results will be reported when assays are available.

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About Bass Metals Ltd (ASX: BSM)

Bass Metals Ltd is a growth focussed and profitable Australian base and precious metal producer with a portfolio of high quality zinc, lead, copper and gold assets in the rich Mount Read Volcanic mineral belt in northwest Tasmania.

Listing in 2005, Bass delivered its maiden profit in 2008 from its profitable base metals production hub at Que River in Tasmania, which has generated \$25 million in cash flow over the last two years.

The Company's larger transformational Hellyer Mine Project is on track to commence production toward the end of 2010. With an initial through-put rate of 400,000 tonnes per annum (tpa), the 1.5 million tpa capacity Hellyer Mill will produce 53,000 tpa of zinc concentrate, 27,000 tpa of lead concentrates and 4,500 tpa of copper—silver-gold concentrates.

The Company also has an active and successful exploration programme and initiatives underway to generate cash by processing remnant ore from the Hellyer mine

Que River ore is currently sold to the nearby Rosebery Plant under an Ore Sales Agreement with the plant's owner/operator, MMG Australia. In January 2010 the Bass signed a committed off-take contract with leading global multi-metals business, Nyrstar, for all zinc and lead concentrates produced from the Fossey mine.

Figure 1: Fossey East schematic cross section

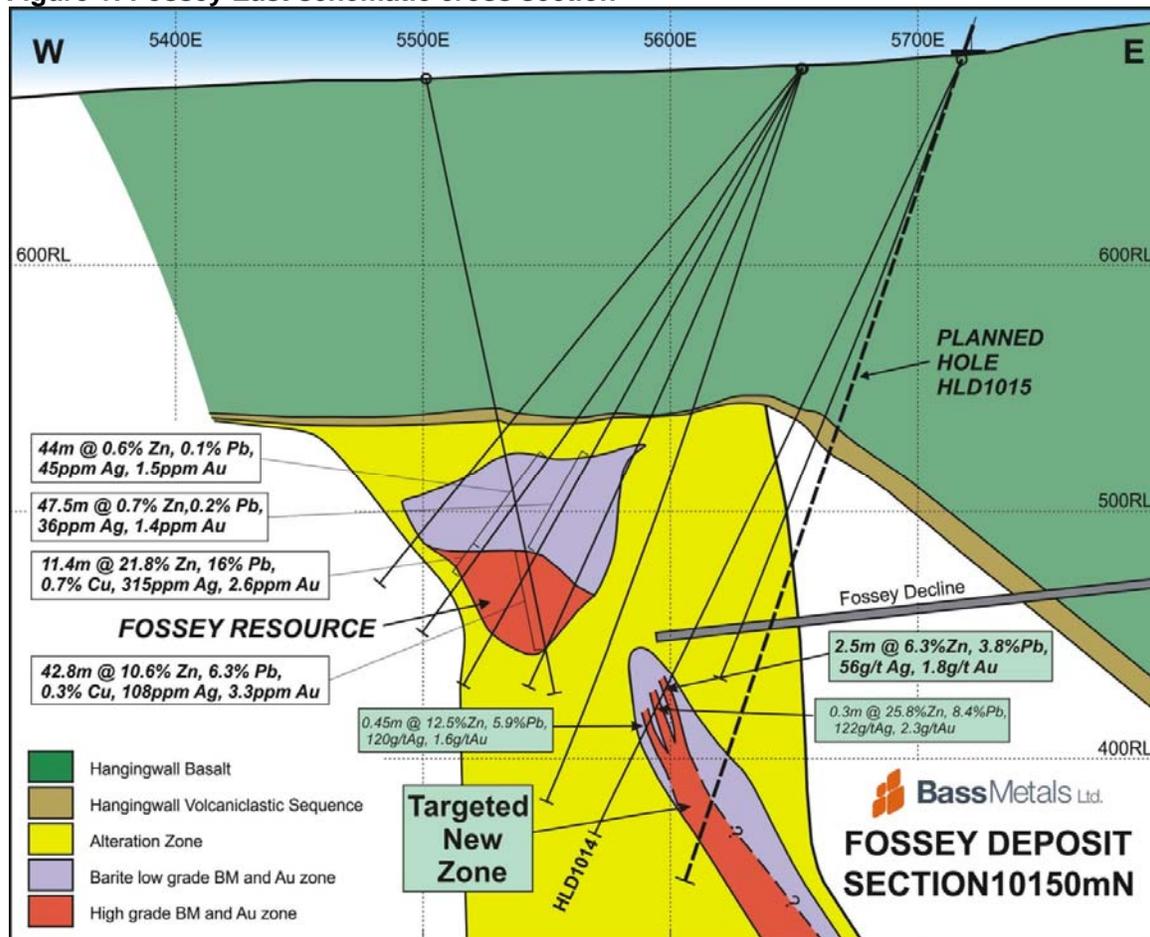
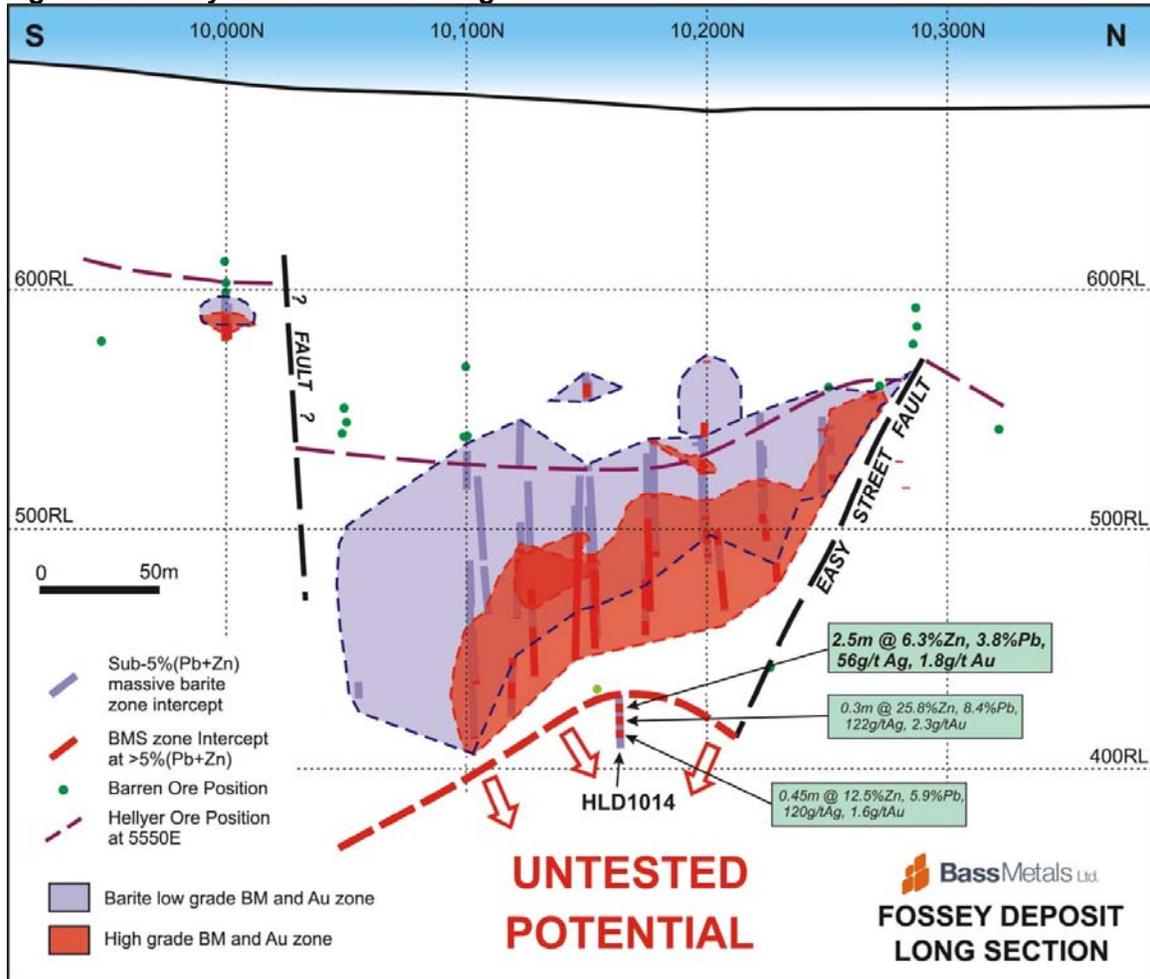


Figure 2: Fossey East schematic long-section



Competent Person

The information within this report that relates to exploration results is based on information compiled by Mr Kim Denwer and Mr Mike Rosenstreich who are both full time employees of the Company. Mr Rosenstreich is a Member of The Australasian Institute of Mining and Metallurgy and Mr Denwer is a Member of the Australian Institute of Geoscientists. They both, individually have 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(s) as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and they consent to the inclusion of this information in the form and context in which it appears in this report.

Technical Detail

This Report aims to provide a high level summary of various technical aspects of the Company's projects. For more details on the underlying technical parameters the reader is referred to the ASX Reports on the Bass Metals' website, www.bassmetals.com.au.

Forward-Looking Statements:

This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Bass Metals Ltd's planned development and exploration programmes and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Bass Metals Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

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