

11 October 2010

HIGH GRADE BASE METAL INTERCEPT CONFIRMS FOSSEY EAST DISCOVERY

- 12.1 metres at 0.6 % copper, 4.8 % lead, 9.1 % zinc, 76 g/t silver and 1.9 g/t gold
- within a 30 metre zone of alteration 30 metres down-dip of the Fossey East discovery intercept
- second intercept confirms new high-grade massive sulphide lens
- Fossey East is in close proximity to Fossey Mine infrastructure currently in development
- exciting opportunity for Hellyer mine project to increase or extend production

Bass Metals Ltd (**ASX:BSM**) has confirmed with diamond drilling a new high-grade zone of massive base metal sulphide mineralisation within a zone of strong alteration to the east of the Fossey Deposit. The second drill hole (HLD1015) intersected **12.1 metres at 0.6 % copper, 4.8 % lead, 9.1 % zinc, 76 g/t silver and 1.9 g/t gold**, within a 30 metre zone of barite dominant alteration grading 0.3 % copper, 0.2.3 % lead, 4.7 % zinc, 55 g/t silver and 1.3 g/t gold as summarised in Table 1.

Diamond drill hole HLD1015 was designed to test the down-dip continuity of the 2.5 metre high-grade intercept in HLD1014 reported to ASX 5 October 2010, as illustrated in the schematic cross-section in Figure 1.

Fossey East is a new massive sulphide lens located approximately 50 metres to the east of the planned Fossey mine development, which forms part of the Company's transformational Hellyer Mine Project. The top of the zone occurs 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 Figure 1 and in a schematic long-section (Figure 2).

Bass Metals' Managing Director, Mike Rosenstreich commented "this intercept demonstrates ore grades over mineable widths and confirms the down-dip expansion and continuity of this high-grade discovery at Fossey East. Whilst we have no idea what size this lens is, we do know it is close to the Fossey underground workings and therefore easily accessible for drilling and hopefully for economic mining." The drilling rig has been diverted to undertake a geotechnical drilling programme related to the Fossey mine development and will return to Fossey East exploration drilling in late October 2010. Subject to drill access and budgets, Bass plans to fast track the evaluation of this new discovery for inclusion in its mining and milling schedule.

Contact

Mike Rosenstreich
Managing Director – Bass Metals Ltd
Tel: (+61-8) 6315 1300

Media

David Brook
Professional Public Relations
Mob: (+61) (0) 415 096 804

For personal use only

Table 1: Fossey East Assay Summary

From (m)	To (m)	Drilled Interval (m)	Horizontal Width (m)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)
HLD1015 (at > 5 % (Pb+Zn) cut-off)								
301.95	314.05	12.1	10.0	9.1	4.8	0.6	76	1.9
<i>Also the following interval, < 3 metres</i>								
325.5	327.15	1.65	1.4	5.6	1.7	0.1	113	2.3
Within a zone (defined by barite alteration)								
299.85	329.35	29.5	22.0	4.7	2.3	0.3	55	1.3
HLD1014 (at > 5 % (Pb+Zn) cut-off) reported 5 October 2010								
277.6	280.1	2.5	2.0	6.3	3.8	0.3	56	1.8
Within a zone (defined by barite alteration)								
277.6	303.4	25.8	20	1.7	0.7	0.1	31	1.0
And including								
284.3	284.6	0.3	0.25	25.8	8.4	0.8	122	2.3
291.0	291.45	0.45	0.35	12.5	5.9	0.3	120	1.6

*Significant intervals reflect interval selection criteria where an intercept generally comprises at least:

- For polymetallic mineralisation – minimum of 3 metres downhole at a minimum assay cut-off of 5 % (Pb+Zn);

Table 2: Drill hole details

Hole ID	Grid* North	Grid East	Azimuth	Dip	Depth
HLD1014	10149.3	5717.2	275G	-65	365.8
HLD1015	10149.0	5717.0	265G	-70	358.8

- Hellyer Mine grid is orientated at 22.1 degrees east of AMG

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.

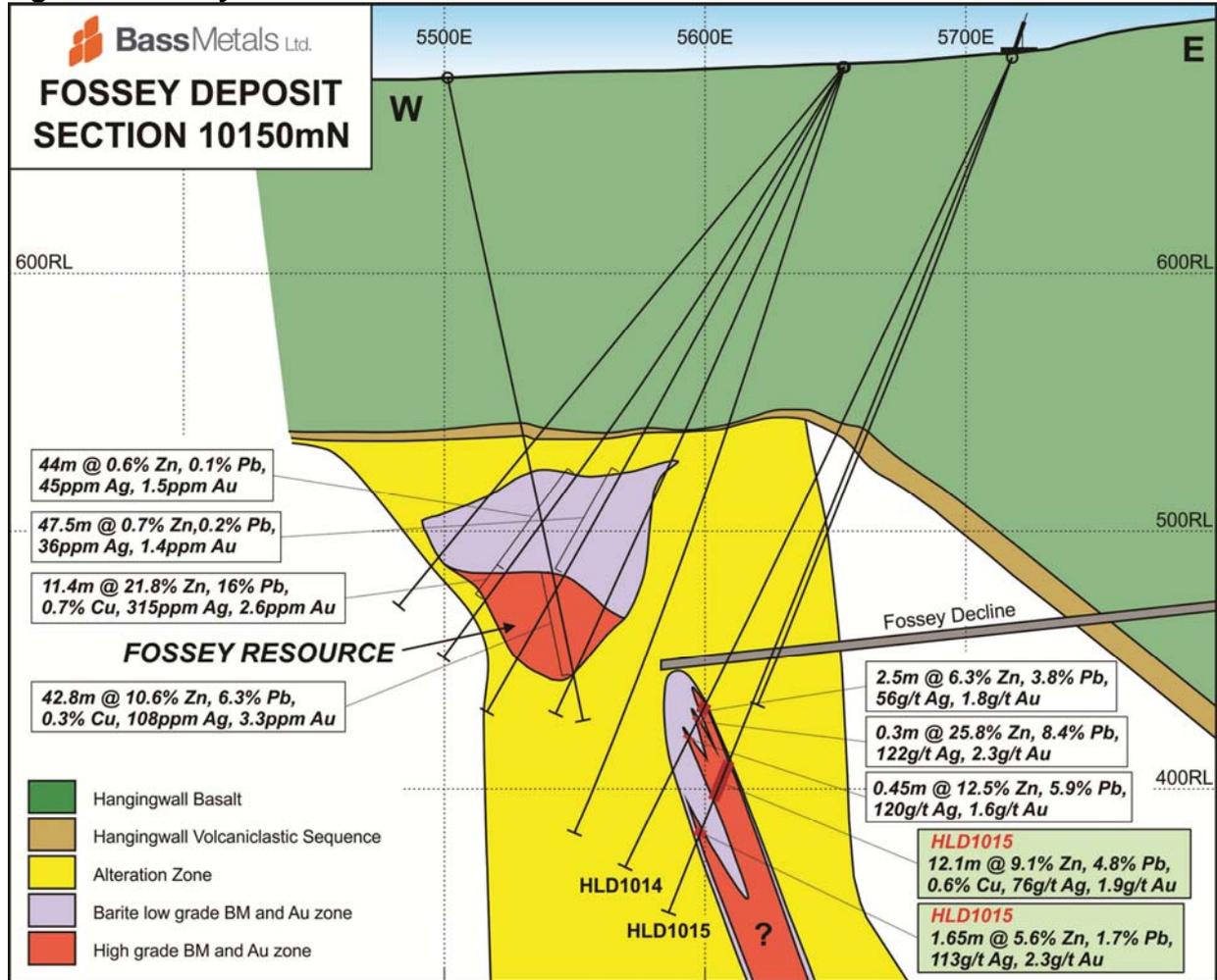
The Company's larger transformational Hellyer Mine Project is on track to commence production toward the end of 2010. With an initial through-put rate of 400,000 tonnes per annum (tpa), the 1.5 million tpa capacity Hellyer Mill will produce 53,000 tpa of zinc concentrate, 27,000 tpa of lead concentrates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

The Company also has an active and successful exploration programme and is currently following up on recent discoveries at Switchback and Fossey East which are high-grade and located in close proximity to existing mine and milling infrastructure.

Bass has an experienced Board and operating team who have a strong track record of delivering profitable production underpinned by exploration success and are highly motivated to improve on that record.

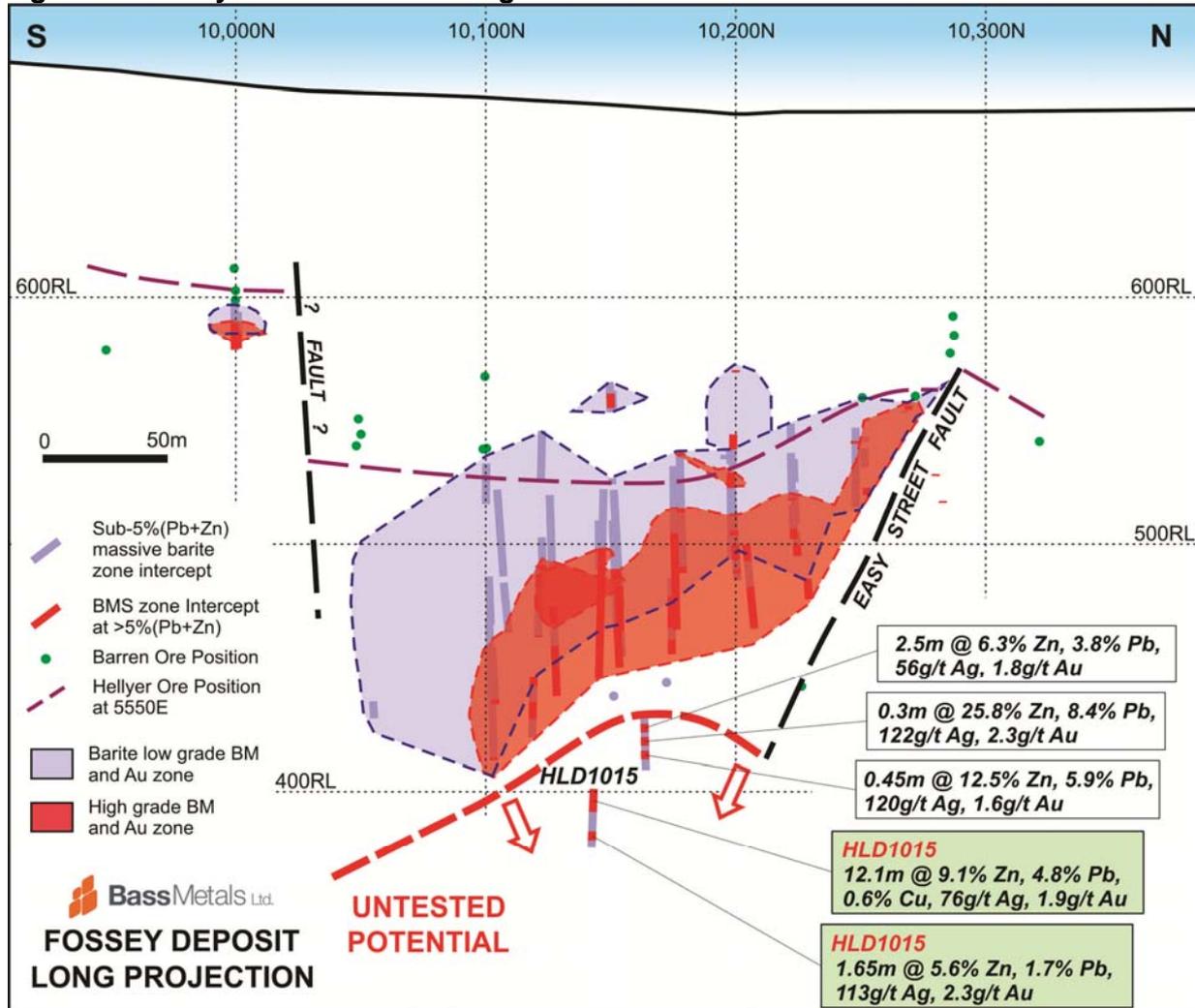
For personal use only

Figure 1: Fossey East schematic cross section



For personal use only

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.

For personal use only