

# ASX Announcement



3 November 2010

## Fossey Resource – High Grade Intercept

Australian base and precious metals producer, Bass Metals Ltd (**ASX:BSM**) (“Bass” or “the Company”) is pleased to report further drilling encouragement with an intercept of **6.9 metres at 14.2 % zinc, 6.6 % lead, 0.6 % copper, 135 g/t silver and 1.8 g/t gold** providing additional information on a lens of massive sulphide mineralisation at the Fossey deposit, currently in development.

Drill hole, HLD1016, a geotechnical hole targeted at the Easy Street Fault intersected the edge of the Eastern Lens, one of the minor lenses included in the inferred resources at the Fossey deposit (refer Figure 1).

The results are summarised in Table 1 at a assay cut-off of > 5% Pb+Zn and drill hole details are presented in Table 2. As well as the 7 metre zone from 123.8 metres down-hole, there were also several narrow and very high grade zones such as 1.3 metres at 53% combined Pb and Zn.

This lens is very disjointed by faulting and late basalt dykes and this drill hole provides additional information on this zone of Inferred Resource.

These results indicate the potential for a modest tonnage, high grade resource in the Eastern Lens that is potentially mineable when mine development from Fossey to Hellyer is put in place.

With the completion of the geotechnical drilling Bass has resumed drill testing of the exciting new and distinct, Fossey East target.

**Table 1: HLD 1016 intercepts at assay cut-off of > 5% Pb + Zn.**

From	To	Metres drilled	Cu %	Pb %	Zn %	Ag ppm	Au ppm
94.10	95.40	1.30	0.9	22.2	31.2	469	3.3
<b>104.50</b>	<b>107.50</b>	<b>3.00</b>	<b>0.3</b>	<b>6.6</b>	<b>10.7</b>	<b>340</b>	<b>7.2</b>
120.30	121.10	0.8	0.8	23.3	29.0	334	0.9
<b>123.80</b>	<b>130.70</b>	<b>6.90</b>	<b>0.6</b>	<b>6.6</b>	<b>14.2</b>	<b>135</b>	<b>1.8</b>

**Table 2: Drill hole details**

Hole ID	Grid* North	Grid East	RL	Grid Azimuth	Dip	Depth
HLD1016	10175.0	5609.3	675.2	342	-79	250.0

- Hellyer Mine grid is orientated at 22.1 degrees to AMG

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Figure 1: Fossey long projection showing the HLD 1016 intersection.

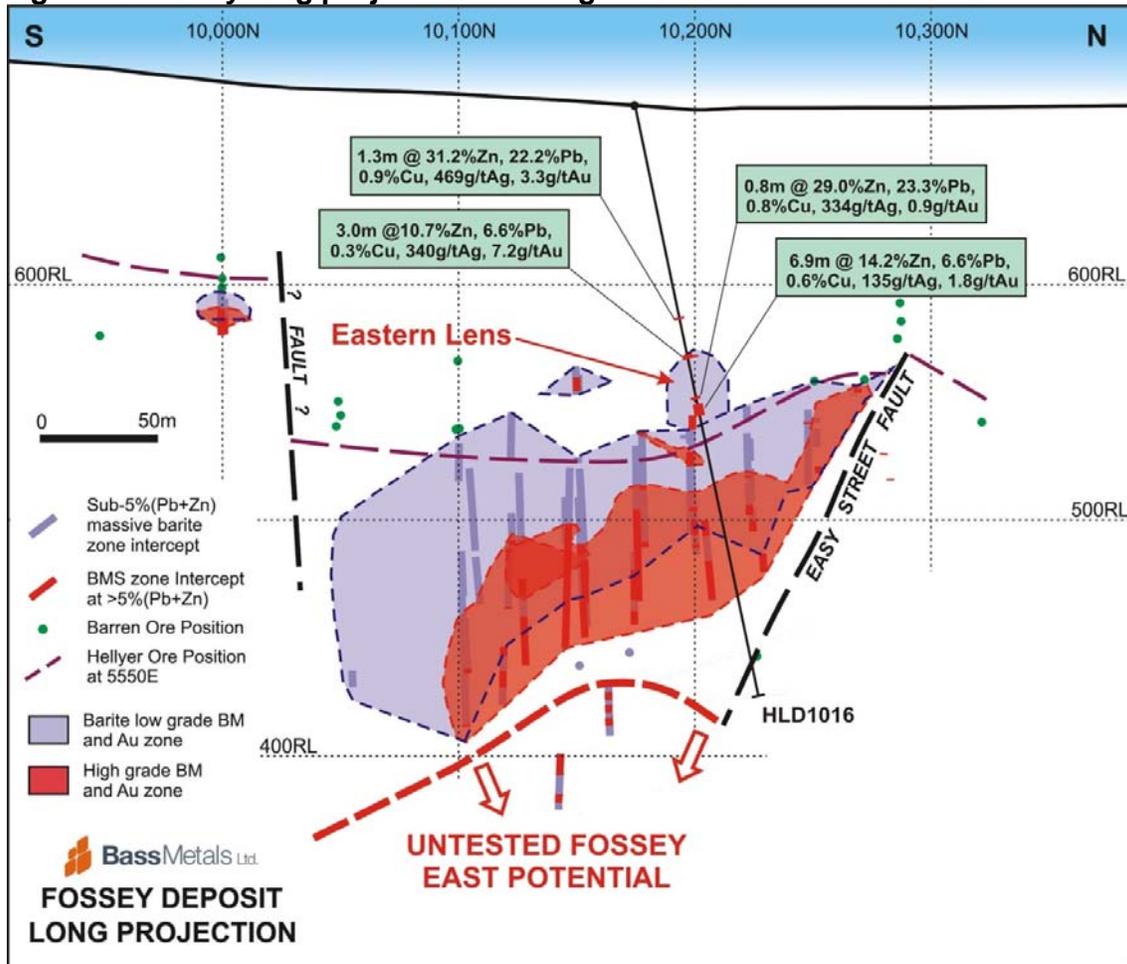


Table 3: Combined Fossey Massive Sulphide Mineral Resources as at 30 June 2010 – 5% Pb+Zn cut-off

Location	JORC Classification	Tonnes kt	Copper (%)	Lead (%)	Zinc (%)	Silver (g/t)	Gold (g/t)
Fossey	Indicated	690	0.4	6.1	10.4	143	2.5
	Inferred	110	0.3	4.3	7.4	106	2.1
	<b>Total</b>	<b>800</b>	<b>0.4</b>	<b>5.8</b>	<b>9.9</b>	<b>137</b>	<b>2.5</b>

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## **Competent Person**

### *Exploration Results*

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.

### *Mineral Resources*

The information in this report that relates to the Fossey Mineral Resource estimates is based on information compiled by Mr Steve Richardson who is a fulltime employee of the company and a Member of the Australasian Institute of Mining and Metallurgy. Mr Richardson has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which he is undertaking 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 (the JORC Code)". Mr Richardson consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

### **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](http://www.bassmetals.com.au).

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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 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.