ASX / Media Release

28 January 2011

Record High-Grade Intercept Leads Latest Fossey East Drill Results

- **Record high grade intersection of 20.4 metres at 16.3% zinc, 7.2 % lead, 2.4 g/t gold, 104 g/t silver and 0.6 % copper.**
- **Fossey East remains prospective to the south and down-dip.**

Bass Metals Ltd (ASX:BSM) is mining and exploring for large scale, high-grade polymetallic (copper-lead-zinc-silver-gold) volcanogenic massive sulphide (VMS) deposits in NW Tasmania. This report provides an update on recent drilling results at the Fossey East Prospect, discovered in September 2010 in close proximity to the new Fossey mine development.

Results have been received and assessed for 7 diamond drill holes testing extensions to the Fossey East and Fossey mineralised zones; drill holes HLD1020 to 1023 were drilled from surface and holes FUD0016 – FUD0018 were drilled from underground. A complete summary of Fossey East drill results to date is presented in Table 1, with drill hole details in Table 2.

At Fossey East (*Refer Figures 1 to 3*):

- Drill hole FUD0016 hit the highest grade intercept yet recorded at Fossey East with a zone of **20.4 metres grading 16.3% zinc, 7.2 % lead, 2.4 g/t gold, 104 g/t silver and 0.6 % copper**. The narrow intercepts of low-grade baritic stockwork mineralisation intersected down dip in drill holes FUD0017 and HLD1021 indicate a pinch and swell geometry to the Fossey East mineralisation with a moderate plunge to the south.
- FUD0018 was drilled between the high grade HLD1019 hole (reported previously) and HLD1020; it intersected **4.05 metres at 8.8% zinc, 4.9% lead, 1.9g/t gold, 88g/t silver and 0.2% copper** and suggests a pinching-out of the Fossey East lens in this location.
- HLD1020 intersected a fault and did not hit any mineralisation. The significance of this fault is still being investigated and may be indicative of an offset in the mineralised zone.

At Fossey, HLD1022 and 1023 (Figure 1) were designed to test for a new lens developing to the south of Fossey; no significant base metal or barite mineralisation was intersected.

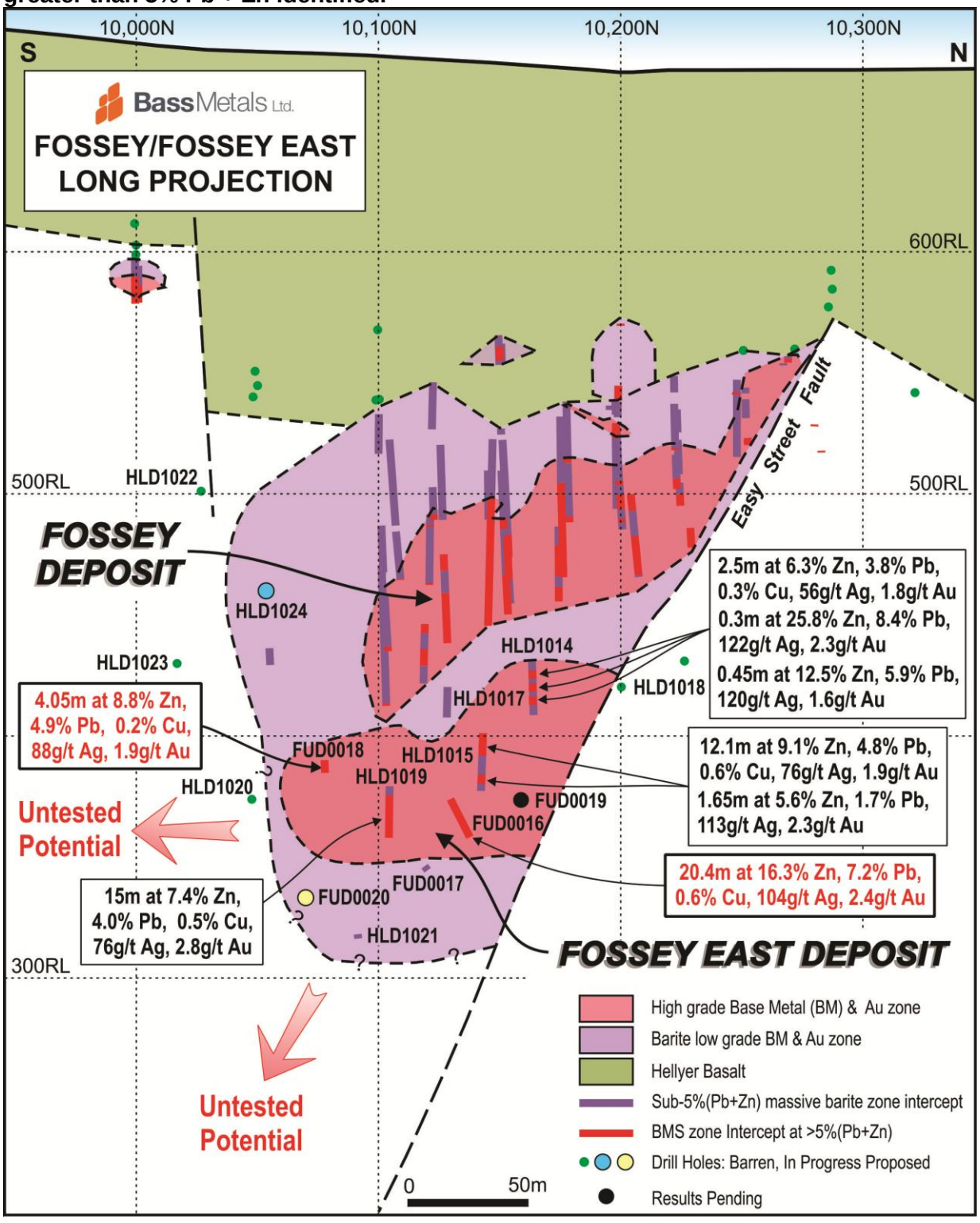
This initial Fossey East drilling programme has delineated a mineralised geological zone, defined by barite and base metal sulphides, with approximate dimensions of 120 metres (N-S) by 60 metres (vertically) and 20 metres average width and remains open down dip and to the south. The sectional interpretations e.g. Figures 2 and 3 highlight the pinch and swell geometry and the ongoing prospectivity of the baritic alteration zones to develop into wide high-grade massive base metal sulphide zones i.e. repetitions of Fossey and Fossey East lenses.

Diamond drilling at Fossey is ongoing with the current focus on testing for down-plunge extensions between holes HLD1020 and HLD1021 and better defining the northern margin of the mineralisation up to and potentially across the Easy Street fault. This information will enable the completion of a maiden Fossey East Mineral Resource estimate planned for February, 2011.

16 Thelma Street WEST PERTH WA 6005
PO Box 1330 WEST PERTH WA 6872
Telephone (08) 6315 1300 Facsimile (08) 9481 2846
www.bassmetals.com.au

ASX / Media Release

Figure 1: Fossey East Long Section showing all drill intersections with intersections greater than 5% Pb + Zn identified.



16 Thelma Street WEST PERTH WA 6005
PO Box 1330 WEST PERTH WA 6872
Telephone (08) 6315 1300 Facsimile (08) 9481 2846
www.bassmetals.com.au

ASX / Media Release

Table 1 - Drill hole intersections-complete Fossey East List:

From (m)	To (m)	Drilled Interval (m)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)
Fossey East Zone							
FUD0016 *(at > 5 % (Pb+Zn) cut-off)* ***[New]***							
122.1	142.5	20.4	16.3	7.2	0.6	104	2.4
FUD0017 *(at > 5 % (Pb+Zn) cut-off)* ***[New]*** *- no intercepts*							
Within a zone (defined by barite alteration)							
139	143	4.0	1.2	0.3	0.03	8	0.7
FUD0018 *(at > 5 % (Pb+Zn) cut-off)* ***[New]***							
105.65	**109.7**	**4.05**	**8.8**	**4.9**	**0.2**	**88**	**1.9**
HLD1014 *(at > 5 % (Pb+Zn) cut-off)*							
277.6	280.1	2.5	6.3	3.8	0.3	56	1.8
Within a zone (defined by barite alteration)							
277.6	303.4	25.8	1.7	0.7	0.1	31	1
HLD1015 *(at > 5 % (Pb+Zn) cut-off)*							
301.95	314.05	12.1	9.1	4.8	0.6	76	1.9
Within a zone (defined by barite alteration)							
299.85	329.35	29.5	4.7	2.3	0.3	55	1.3
HLD1017 *(at > 5 % (Pb+Zn) cut-off)*							
304.4	305.7	1.3	5.6	2.4	0.2	42	0.8
Within a zone (defined by barite alteration)							
290.9	304.4	13.5	0.2	0.1	0.02	25	0.8
HLD1018 *(at > 5 % (Pb+Zn) cut-off) - no significant intercepts*							
HLD1019 *(at > 5 % (Pb+Zn) cut-off)*							
331.55	332.5	0.95	4.0	2.4	0.1	19	1.9
335.90	350.9	15.00	7.4	4.0	0.5	76	2.8
Within a zone (defined by barite alteration)							
331.55	350.9	19.35	6.2	3.3	0.4	61	2.4
HLD1020 *(at > 5 % (Pb+Zn) cut-off)-* ***[New]*** *no intercepts*							
HLD1021 *(at > 5 % (Pb+Zn) cut-off) -****[New]*** *no intercepts*							
Fossey Zone							
HLD1022 (at > 5 % (Pb+Zn) cut-off) ***[New]*** *- no intercepts*							
HLD1023 (at > 5 % (Pb+Zn) cut-off) ***[New]*** *- no intercepts*							

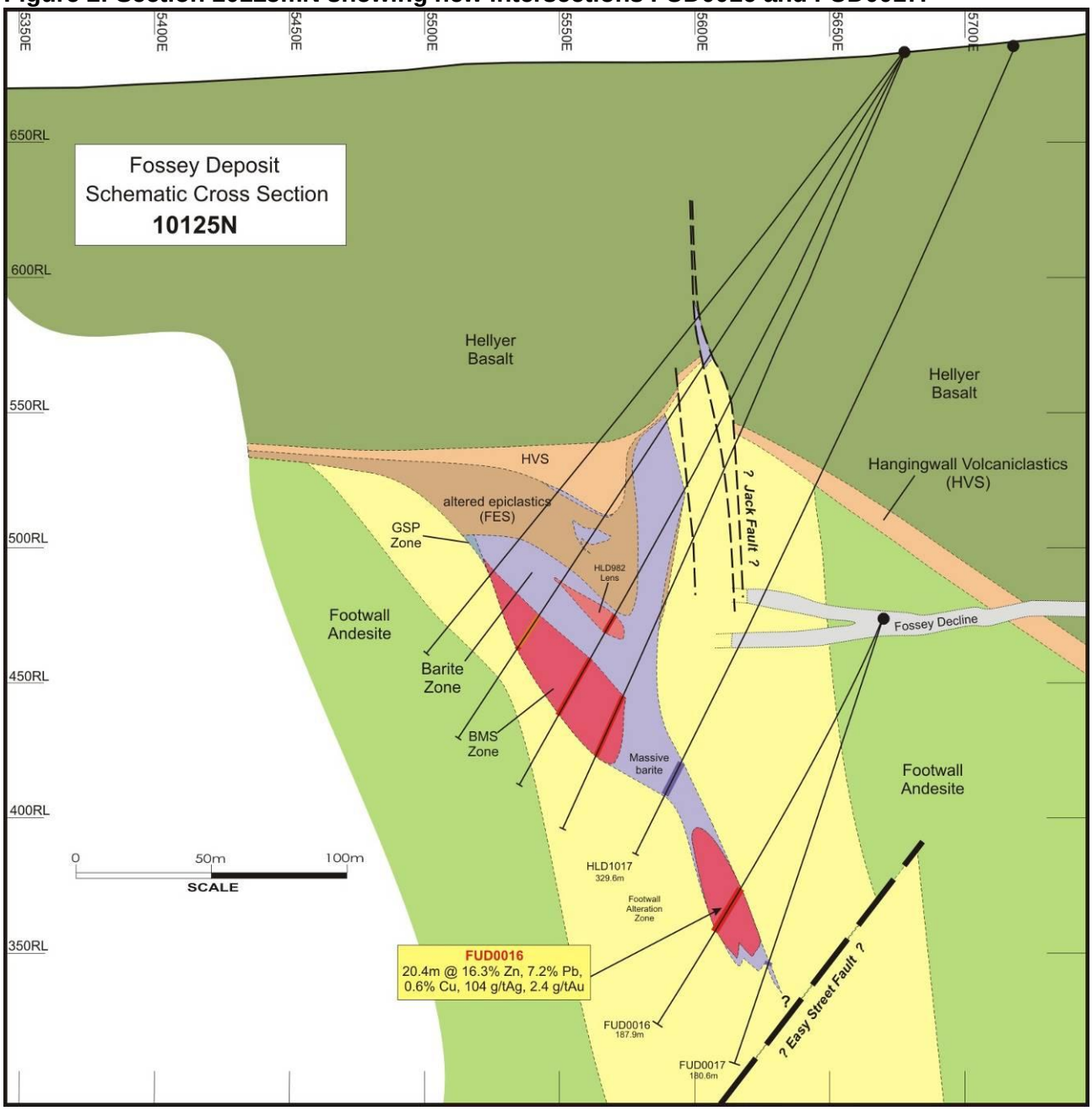
Drill intersections are all approximately orthogonal to strike and are interpreted to be close to true thickness.

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 .

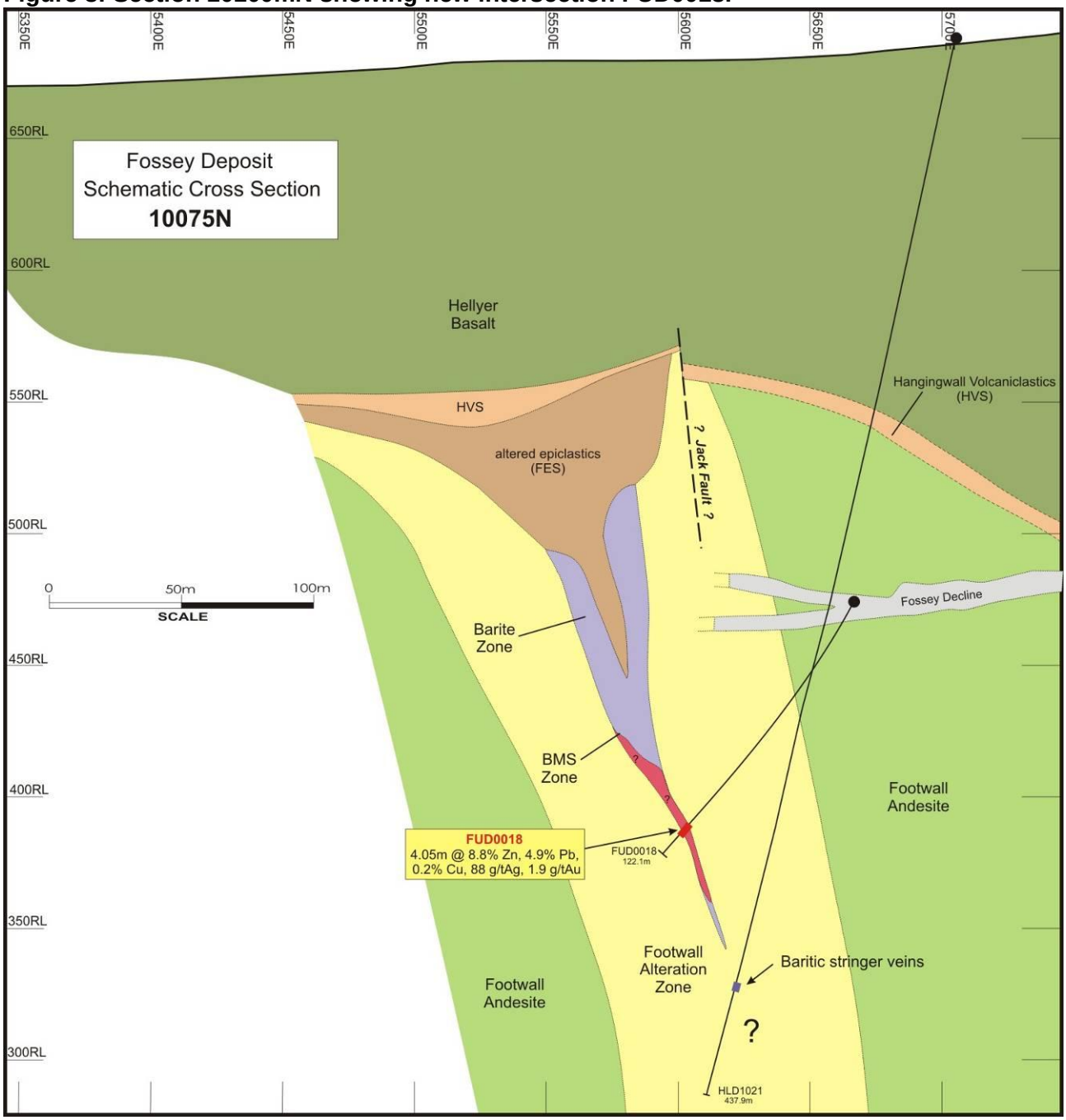
16 Thelma Street WEST PERTH WA 6005
PO Box 1330 WEST PERTH WA 6872
Telephone (08) 6315 1300 Facsimile (08) 9481 2846
www.bassmetals.com.au

Figure 2: Section 10125mN showing new intersections FUD0016 and FUD0017.



16 Thelma Street WEST PERTH WA 6005
PO Box 1330 WEST PERTH WA 6872
Telephone (08) 6315 1300 Facsimile (08) 9481 2846
www.bassmetals.com.au

Figure 3: Section 10100mN showing new intersection FUD0018.



16 Thelma Street WEST PERTH WA 6005
PO Box 1330 WEST PERTH WA 6872
Telephone (08) 6315 1300 Facsimile (08) 9481 2846
www.bassmetals.com.au

ASX / Media Release

Table 2: Drill hole details:

Hole ID	Grid* North	Grid East	Azimuth	Dip	Depth
Fossey East					
HLD1014	10149	5717	275	-65	365
HLD1015	10149	5717	265	-70	358.8
HLD1017	10148	5718.4	260	-65	329.6
HLD1018	10150.7	5716.8	285	-69	308.7
HLD1019	10125	5735	260	-69	390
HLD1020*	10051	5706	268	-76.5	432.1
HLD1021*	10051	5706	293	-76	437.9
FUD0016*	10084	5667	312	-59	187.9
FUD0017*	10083.4	5670.5	309	-70	180.6
FUD0018*	10083.5	5669	264	-57	122.1
FUD0019*	10084	5670	322	-53	In Progress
Fossey Zone					
HLD1022*	10050	5705	260	-53	308.6
HLD1023*	10049	5705	255	-66	389.7

** denotes new drill hole.*

-----Ends-----

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

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 has delivered operating profits for the past three years since 2008 based on its profitable base metals production hub at Que River in Tasmania.

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 55,000 tpa of zinc concentrate, 27,000 tpa of lead concentrates and 5,000 tpa of copper-silver-gold concentrates. 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.

The Company also has an active and successful exploration programme which has yielded new discoveries such as Fossey and new exploration targets through the use of new exploration techniques not applied in the district before. The Company's has significant gold and polymetallic resources and is currently undertaking a feasibility study following on from positive scoping study outcomes indicating the potential to become a long-term 100,000 ounce per year gold (eq) producer.

Bass has differentiated itself through successfully finding high grade polymetallic resources, strategically and incrementally building up its assets and production profile to now become an emerging mid-tier diversified mining business.