

16 March 2011

Bass Metals records further positive drill results & progress at 3 prospects.

HIGHLIGHTS:

- **New high-grade drilling intercept confirms Switchback potential;**
- **Drilling commences at Lake Margaret– early stage high-grade copper target;**
- **8.3 metres at 5.8% Zn, 2.1% Pb, 20 g/t Ag, 0.3 g/t Au at Hellyer Stockwork target.**

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 exploration success.

Switchback Target (100% Bass Metals)

Drilling at the Switchback target has intersected a zone of base metal sulphide clasts in HED21 that includes an interval of 0.6 metres (a single clast) that assayed 26.8% Zn, 17.7% Pb, 163 g/t Ag, 1.4 g/t Au and 0.5% Cu. This confirms the potential of this horizon, where Bass previously intersected 3.95 metres at 5.9% zinc, 2.4% lead, 79 g/t silver and 1.1 g/t gold in HED19, 120 metres to the east (Figure 1). Whilst the clast/boulder horizon could potentially be economic in its own right, the most significant aspect of this intercept is that the high-grade clast occurs only 5 metres above intensely altered footwall rocks which suggests that the clasts are close to the original source – potentially a new zone of massive sulphide mineralisation. Drill hole HED22 is being drilled further along strike from HED21. The Switchback Target is located approximately 2km south-east of the Hellyer Mill, along the Fossey Portal access road.

Lake Margaret EL (75% Bass:25% Clancy Exploration)

The first round of drilling has commenced at Lake Margaret testing for a North Lyell style high grade copper-gold target as indicated by the high copper-gold grade in surface boulders (average assays of 5.6% copper, 0.6 g/t gold and 29 g/t silver from three samples) found by Bass' geologists on the Lake Margaret tenement in 2010. They interpret that these boulders are glacial erratics that were "scraped" by glacial ice from outcropping mineralisation that is interpreted to be sourced within the Lake Margaret tenement area. The intense alteration mineralogy of the erratics' comprises silicification with pyrite and various copper sulphide minerals, which is very similar to the mineralogy found at the North Lyell deposit. Mineral Resources Tasmania records¹ indicate historic production from the North Lyell ore body of approximately 4.9 million tonnes grading 5.4 % copper, 0.45 g/t gold and 34 g/t silver¹.

Lake Margaret is an early stage target, and the main objective of this first round of drilling is to outline the key geological elements of peripheral alteration and the controlling fault structures to better focus a second round of drilling, although obviously a mineralised intercept would also be a good outcome. As an example of the drill target, an interpreted schematic section of diamond drill hole LMD2 is shown in Figure 2. The drilling programme is anticipated to be completed in late April, 2011.

1. These are not Mineral Resources, they are a public record of historic mine production from an adjoining tenement.

Hellyer Stockwork (100% Bass Metals)

Three distinct zones of stockwork mineralisation occur beneath the Hellyer massive sulphide zones (Refer Figure 3). This mineralisation was not regarded as “ore” by the original Hellyer mine operators and frequently drill intercepts through it were not sampled and assayed. Bass has recently split and assayed the core from several of these diamond drill holes to reveal potentially significant results including, **8.3 metres at 5.8% Zn, 2.1% Pb, 20 g/t Ag, 0.3 g/t Au and 0.2% Cu**, in HL370.

Bass has reported previously on the 3 to 5 million tonne exploration target at a combined Pb+Zn grade of 4-6% with gold, silver and copper credits as suggested from limited previous drilling. The potential quantity of the target and the respective grades are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Table 1: New drill intersections – Hellyer Stockwork Zone.

Hole No.	From	To	Width	Zn %	Pb %	Ag g/t	Au g/t	Cu %
HL 151	50.0	58.0	8.0	3.0	1.7	17	0.2	0.1
HL 370	72.0	80.3	8.3	5.8	2.1	20	0.3	0.2
HL 371	84.0	92.0	8.0	2.4	1.7	44	0.2	1.0
HL 736	65.5	73.0	7.5	2.7	1.4	33	0.9	0.2

Drill holes HL151, HL370, HL371 and HL736 (results in Table1) are all from the central “feeder” zone and confirm the potential of this target.

These diamond drill-holes were drilled in a variety of directions and declinations by the previous mine operator to test for the boundaries of the Hellyer massive sulphide ore body. They were generally not targeting the stockwork zones. Historic metallurgical testwork indicates that the stockwork mineralisation has high metallurgical recoveries compared to the Hellyer massive sulphide and if extensive mineralised zones can be outlined by drilling and the Company considers there is the potential to assess a lower grade bulk tonnage mine plan.

Fossey East

Drilling from underground is planned to commence in approximately 2 months when an underground drill platform becomes available on completion of the main Fossey infill grade-control drilling. The objective of this drilling program is to infill drill the Fossey East Mineral Resource (reported 11 February 2011) to upgrade the resource by bringing a greater portion of the resource into the Indicated classification. Details on the Fossey East Mineral Resource are available in ASX Report 11 February 2001 which is not reported here for brevity and relevance – the relevant aspect is the timing of the drilling.

Competent Person- Exploration

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.

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Figure 1: Switchback Schematic Long Section for HED21.

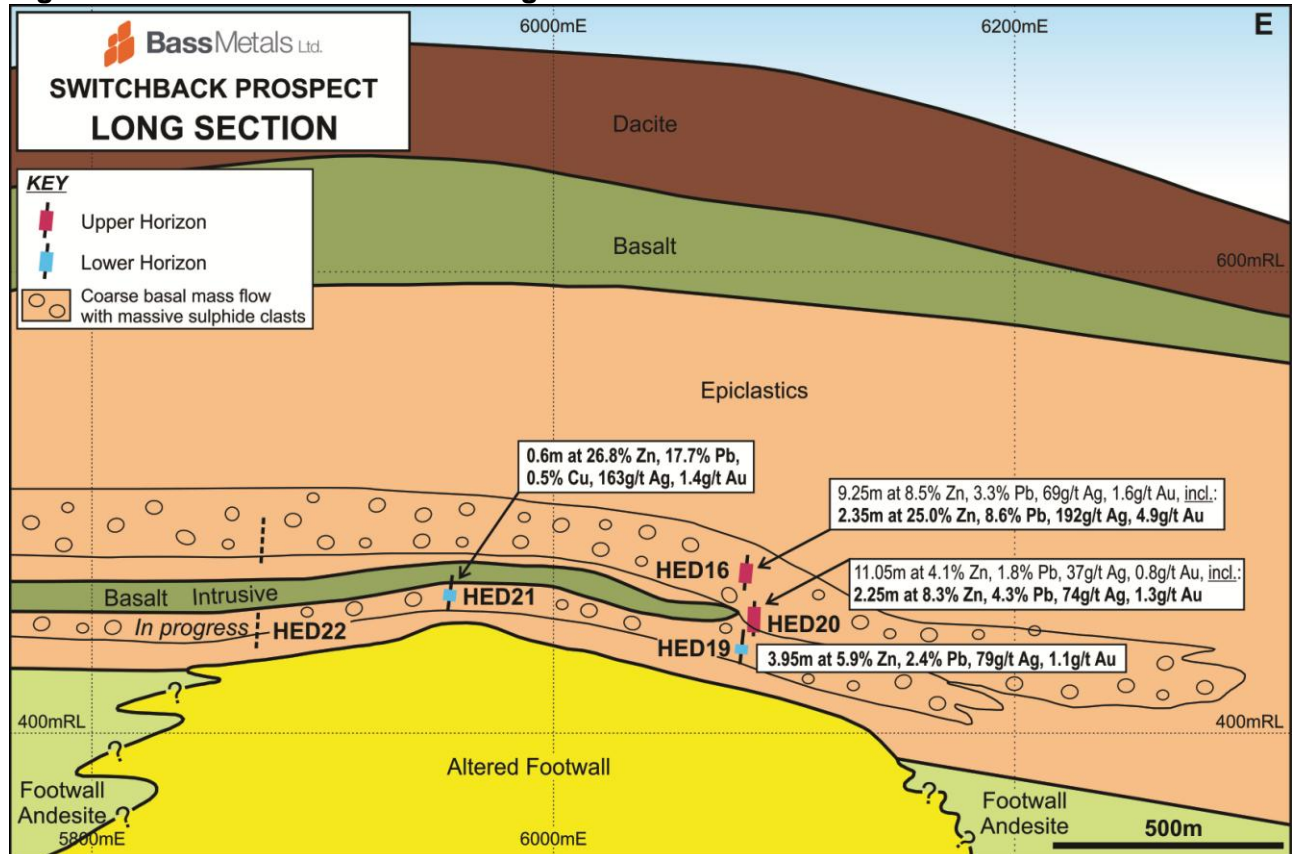


Figure 2: Predicted geology and target for Lake Margaret drill hole LMD2.

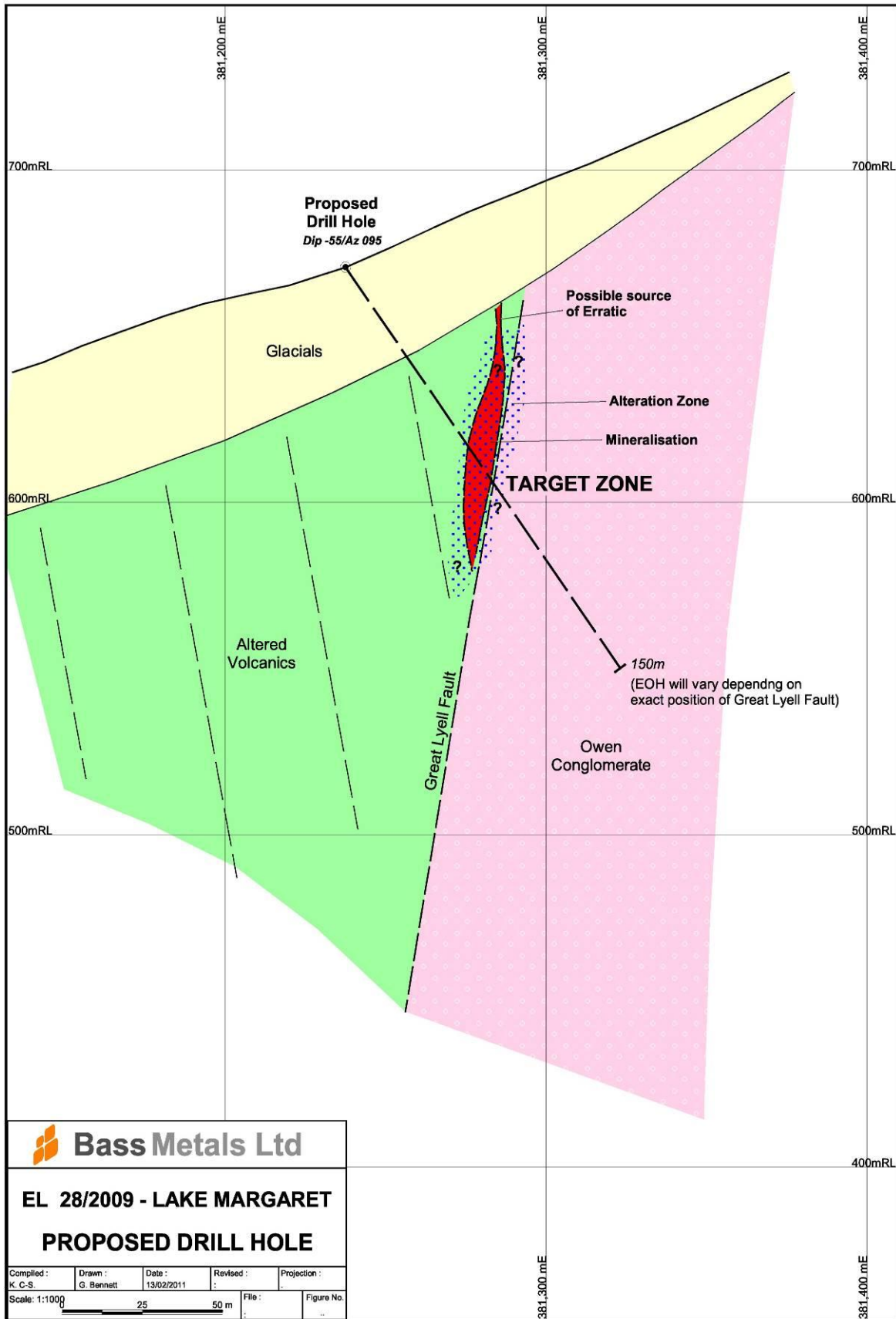
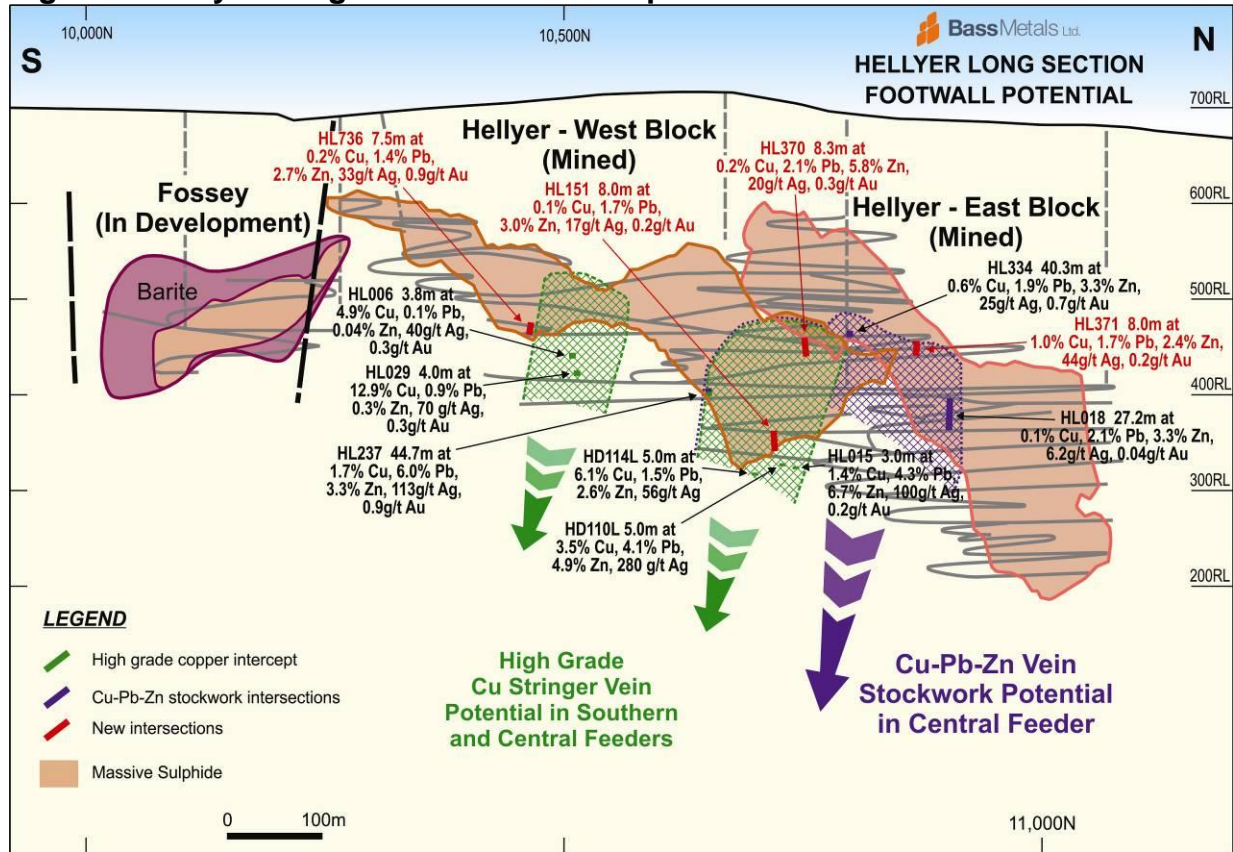


Figure 3: Hellyer Long Section – Footwall potential with new intersections:



About Bass Metals Ltd (ASX: BSM)

Bass Metals Ltd is a growth focussed Australian base and precious metal producer with a portfolio of high quality zinc, lead, copper and gold assets in the rich Mt Read Volcanic 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 has commenced production from the Fossey deposit, discovered by Bass in September 2007. The planned ore treatment rate is 500,000 tonnes per annum (tpa), through the Hellyer Mill to 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, Bass signed a committed off-take contract with 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, significant scale gold 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.