

11 February 2011

Final Hellyer Concentrate Production Milestone Achieved

HIGHLIGHTS:

- Hellyer Mill completely and successfully commissioned.
- Zinc concentrate (of saleable quality) filtered and in storage shed.
- Truck haulage of concentrate to Burnie Port commenced.

Diversified miner, Bass Metals Ltd (**ASX:BSM**) is pleased to report that it has entered the final phase of its new Hellyer Mine Project development in NW Tasmania with the commissioning of the filtration circuit to produce zinc concentrate and haulage of concentrate to the Port of Burnie.



[From L to R] Bass Metals' Chairman, Don Boyer, Managing Director, Mike Rosenstreich and General Manager-Tasmanian Operations, Brian Burdett examining the first filtered zinc concentrates from stockpile to the right.

Under this final stage of the processing of ore sourced from the Fossey deposit, zinc, lead and copper-silver-gold concentrates from the Hellyer Mill flotation circuit are stored in stock tanks as slurry, prior to being filtered (dewatered) and hauled to port, on a batch basis.

The first milling campaign of approximately 25,000 tonnes of ore has been used for commissioning of the mill including filling of float cells, thickeners and stock tanks as well as concentrate production. This includes the first shipment of 500 tonnes of zinc concentrate scheduled for ship-loading next week. The next milling campaign is planned to commence in early March and further production data will be provided in the March 2011 quarterly report.

In January 2010, Bass signed a committed off-take contract with leading global multi-metals business, Nyrstar, for all zinc and lead concentrates produced from the current Fossey Mine.

Commentary

Bass Metal's Managing Director, Mike Rosenstreich said; "This Mill commissioning has progressed particularly well given that in the late 1980s it took three years to fully commission the Mill on Hellyer ore, in 2006 it took 3 weeks to commission on tailings feedstock and this time it has taken approximately one week to attain steady state throughput and create a marketable product."

"Our production people have done a terrific job and are now focussed on optimising the flowsheet," he added.

Mr Rosenstreich reported that the new Fossey underground mine is operating on schedule with ore production to date comprising approximately 30,000 tonnes of ore. Higher rate, stoping ore production is set to commence later this month.

"This is a wonderful time to be selling zinc, lead, copper, silver and gold in to the commodities market; prices are very attractive and the outlook for metal demand from a range of well respected commodity research groups is positive," Mr Rosenstreich commented.

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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 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, 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.