

27 October 2011

The Manager Companies  
Company Announcements  
Australian Securities Exchange  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

**Presentation – Mining 2011 Resources Convention**

Bass Metals Ltd (ASX code: BSM) (“the Company”) is pleased to provide the Company’s latest corporate presentation which the Company’s Chief Operating Officer, Mr. Victor Rajasooriar, and Exploration Manager, Mr. Kim Denwer, are presenting at the Mining 2011 Resources Convention in Brisbane, Queensland.

Yours sincerely



Susan Hunter  
*Company Secretary*

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***Production***



***Development***



***Discovery***



***of copper, lead, zinc, silver & gold in Tasmania***

**Mining 2011 Resources Convention**  
Victor Rajasooriar – Chief Operating Officer &  
Kim Denwer – Exploration Manager

# Competent Persons Statement & Disclaimer

## Mineral Resources & Exploration Results

The information within this report that relates to exploration results and Mineral Resource estimates is based on information compiled by Mr Michael Rosenstreich and Mr Kim Denwer 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 (the JORC Code)" and they consent to the inclusion of this information in the form and context in which it appears in this report.

## Ore Reserves

The information in this report that relates to the Fossey Ore Reserve estimates is based on information compiled by Mr Victor Rajasooriar who is a full time employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr Rajasooriar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves (the JORC Code)". Mr Rajasooriar consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

## Disclaimer

Statements contained in this material, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, reserves or potential growth of Bass Metals Ltd, industry growth or other trend projections are, or may be, forward-looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.

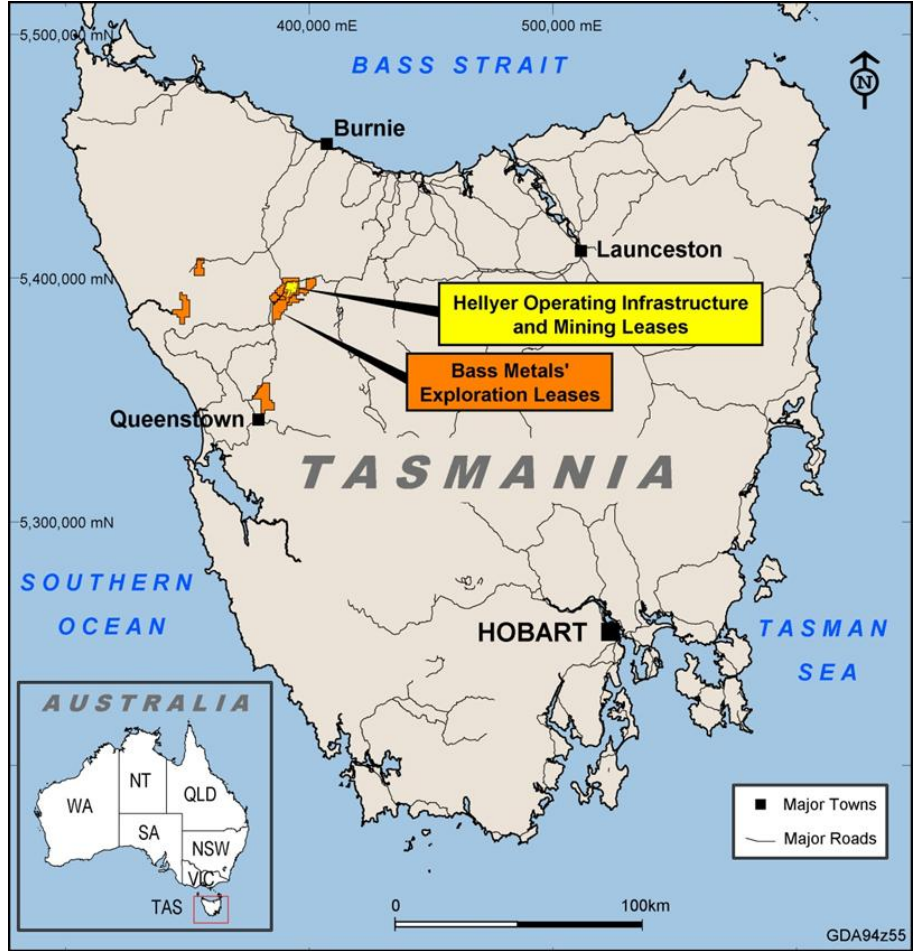
Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

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# Bass Metals

## Production, Development & Discovery

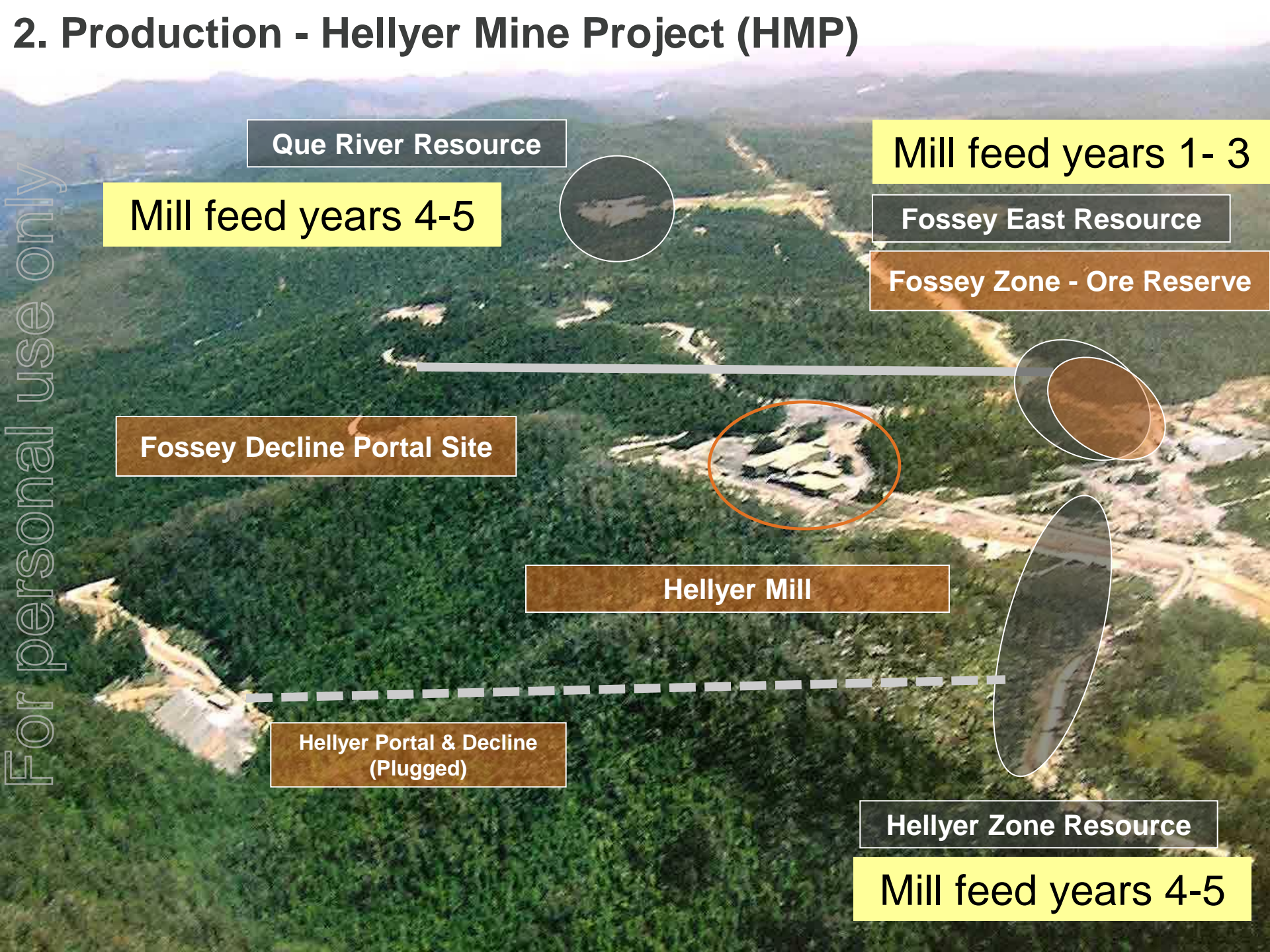
- 1. Introduction
- 2. Production
- 3. Development
- 4. Growth Strategy
- 5. Discovery





# 2. Production - Hellyer Mine Project (HMP)

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Que River Resource

Mill feed years 4-5

Mill feed years 1-3

Fossey East Resource

Fossey Zone - Ore Reserve

Fossey Decline Portal Site

Hellyer Mill

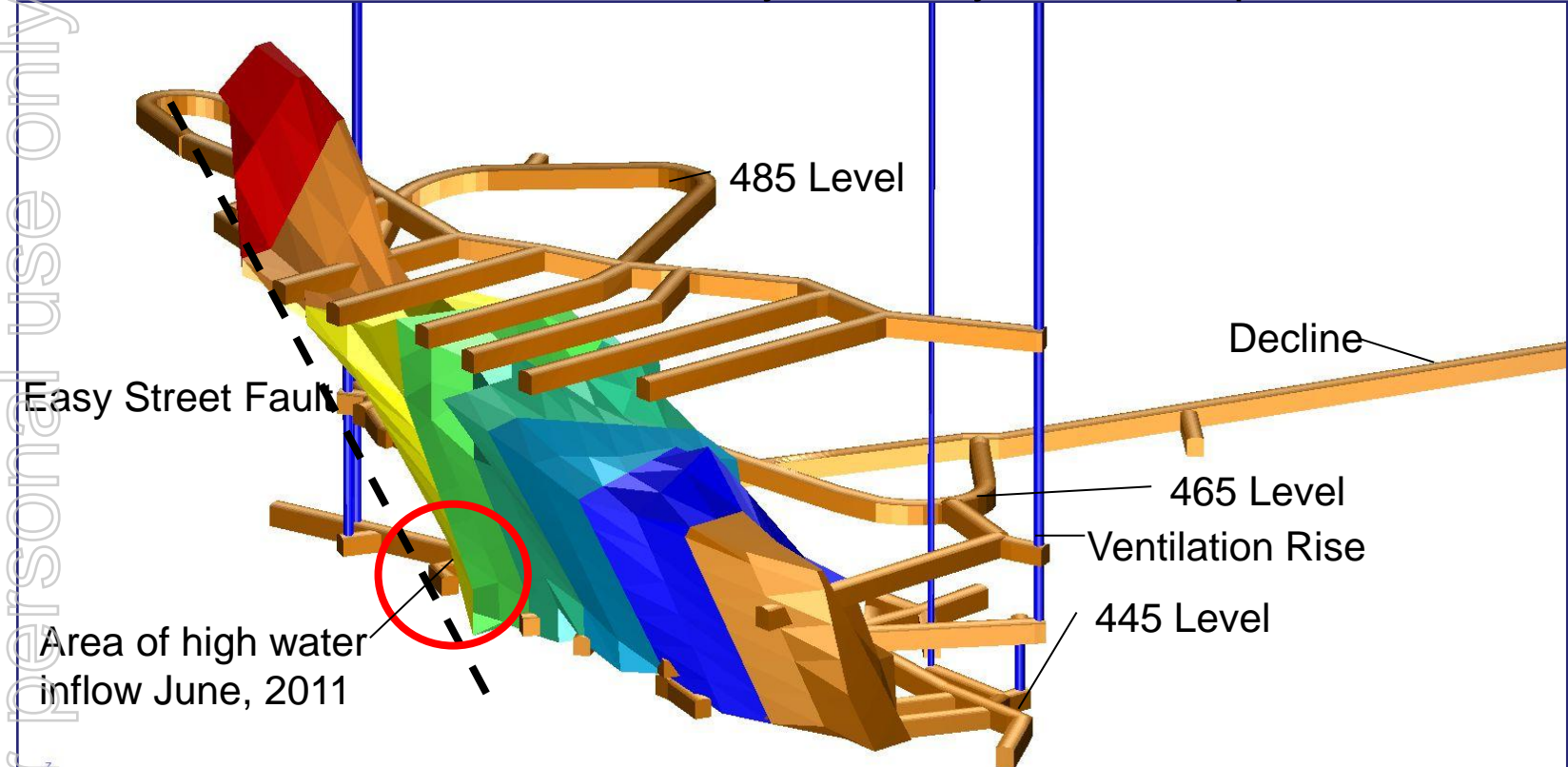
Hellyer Portal & Decline (Plugged)

Hellyer Zone Resource

Mill feed years 4-5

# 2. Production – HMP Mining Plan

Schematic view of Fossey ore body and mine plan\*



\*Note this is based on old mine plan, and presented here only to provide an overview of the mine layout.

Category	Tonnes (000's)	Copper %	Lead %	Zinc %	Gold g/t	Silver g/t
Total Reserve	494	0.4	5.3	9.7	2.2	103



## 2. Production – HMP Mining Plan



Underground water pumping station  
[www.bassmetals.com.au](http://www.bassmetals.com.au)

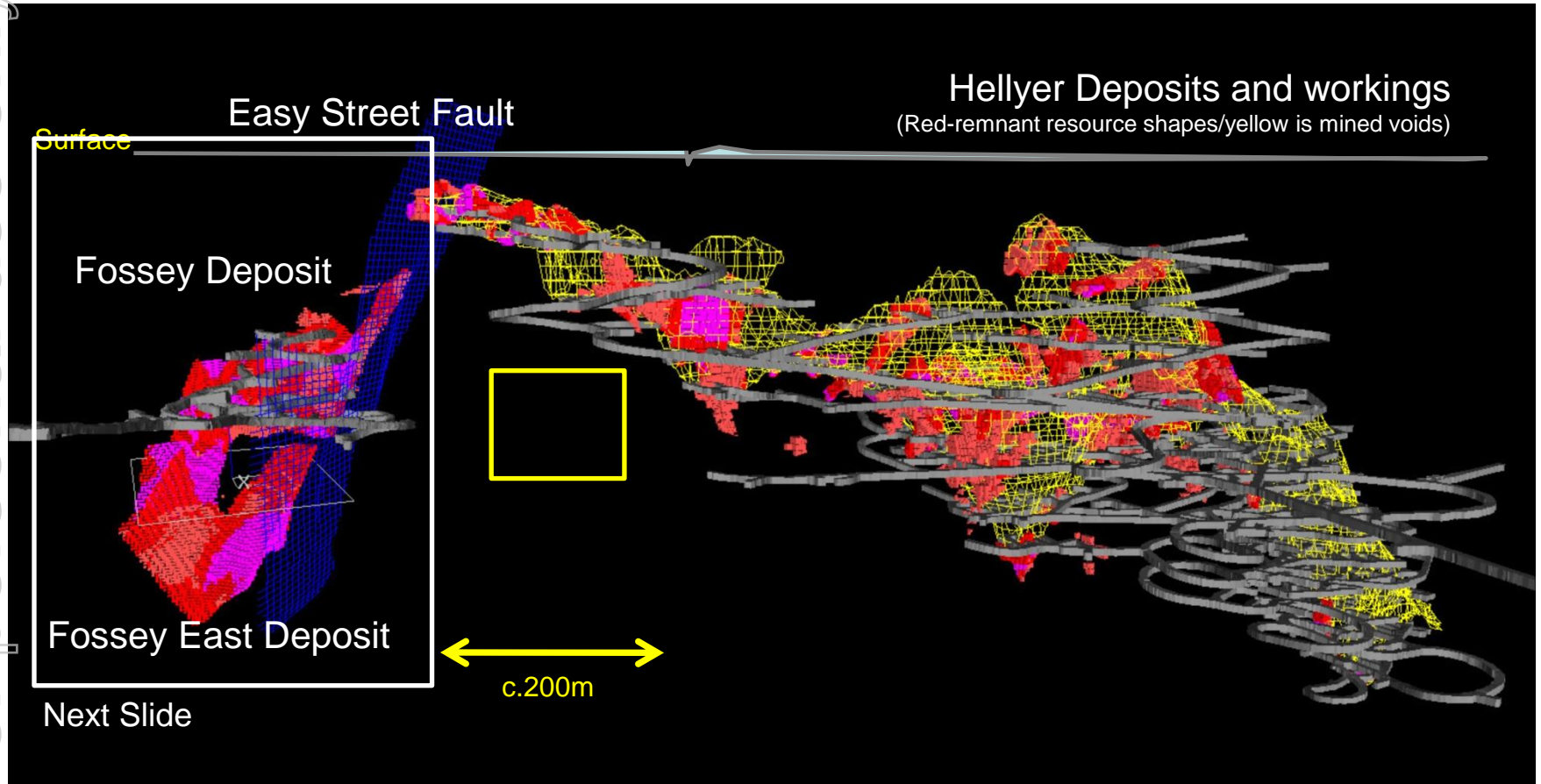
- Mining Rate: 360k tonnes of ore/year (30kt per month)
- Operating Cost: \$80 - \$90/t ore – estimated total average operating cost
- Capital Cost : \$2 - \$3 million – power, dewatering and services.



Underground "Jumbo" drill rig

# 2. Production – HMP Mining Plan – the future

## Fossey & Hellyer Deposits



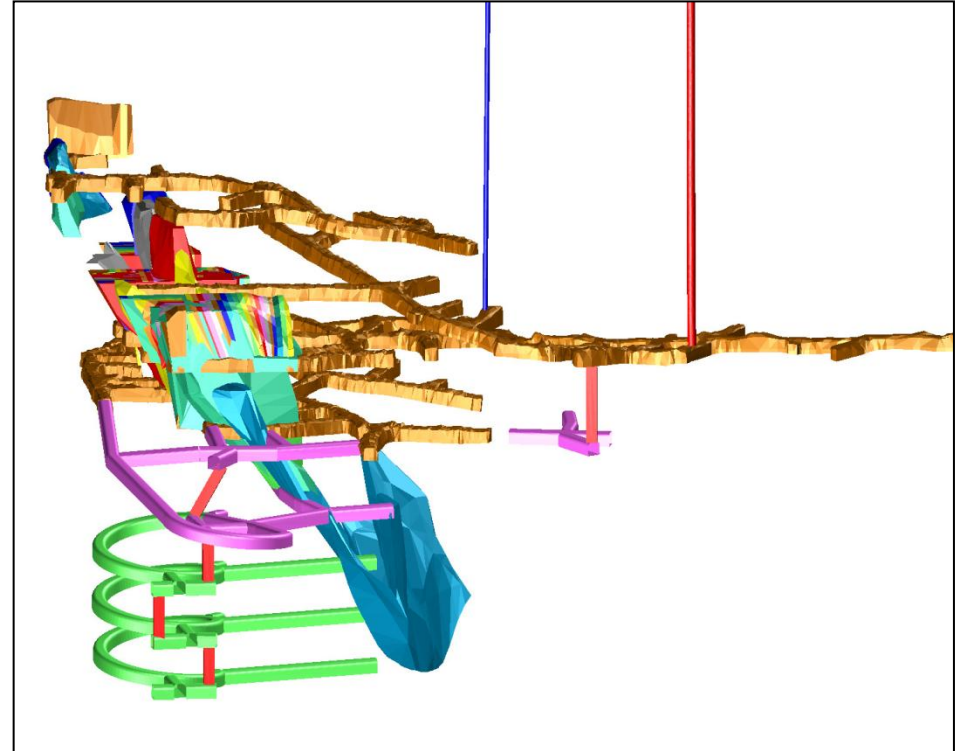
Long section view looking west



## 2. Production – HMP Mining Plan –the future

### Extensions to Fossey - Fossey East

- Infill drilling program complete.
- Strong drill results to date.
- Moving to Prefeasibility study.
- Funds allocated for exploration drill drive.

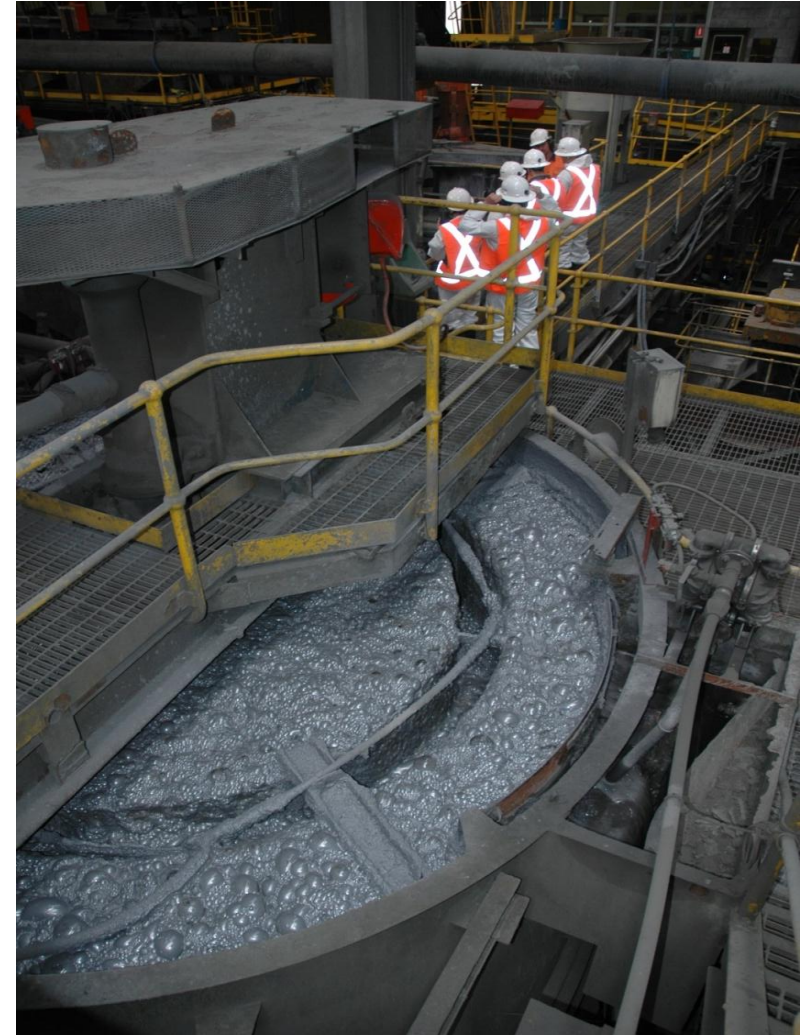


## 2. Production – HMP Processing

Product	Production per year	LOM Production
Zinc Conc.	46kt	72kt
Lead Conc.	22kt	34kt
Copper/silver Conc.	3.4kt	5.6kt

### Concentrate marketing

- Zinc & lead concentrates sold to Nyrstar
- Copper-silver concentrates sold by LN Metals



Lead flotation cell.

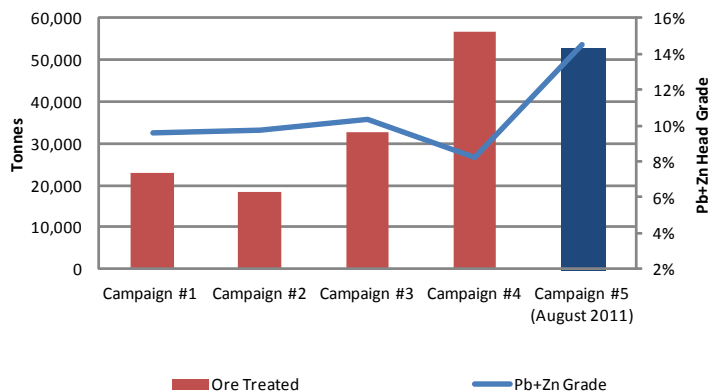
# 2. Production – HMP

## Recent production performance

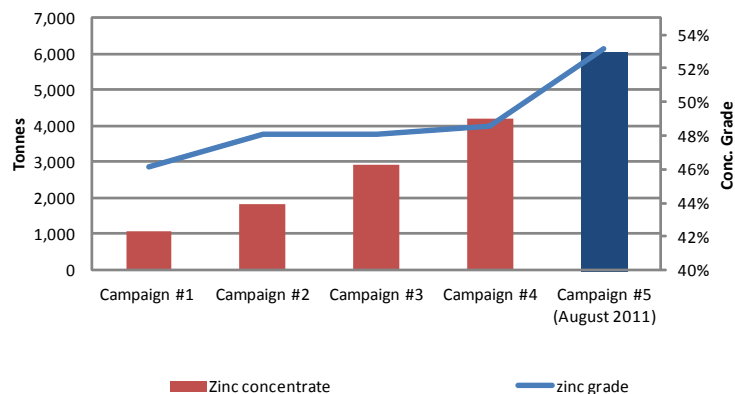
Sixth Milling campaign started 3<sup>rd</sup> October – grades and recoveries on plan

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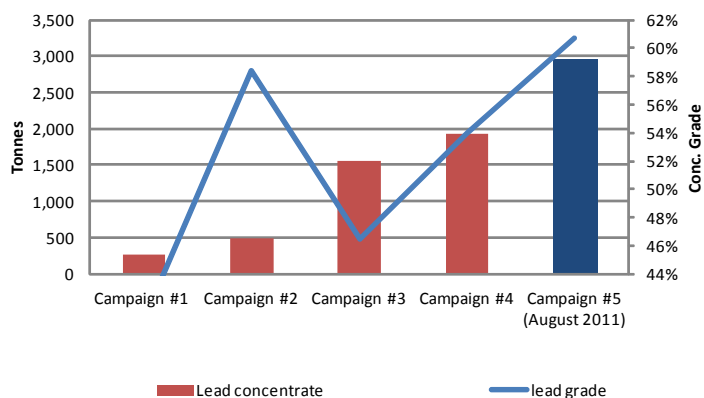
Processed Tonnes and Grade (Pb+Zn)



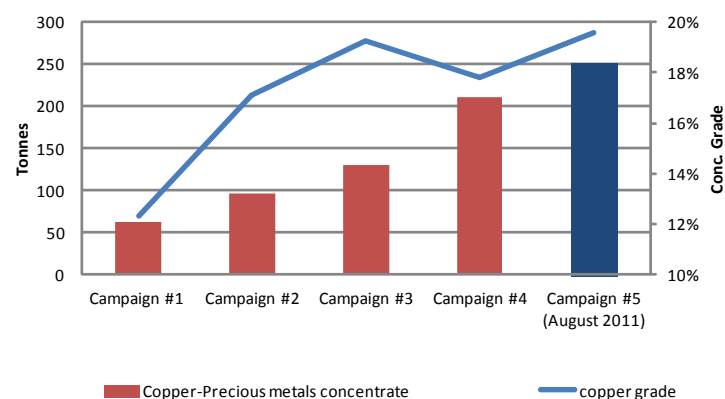
Zinc concentrate produced



Lead concentrate produced



Copper concentrate produced



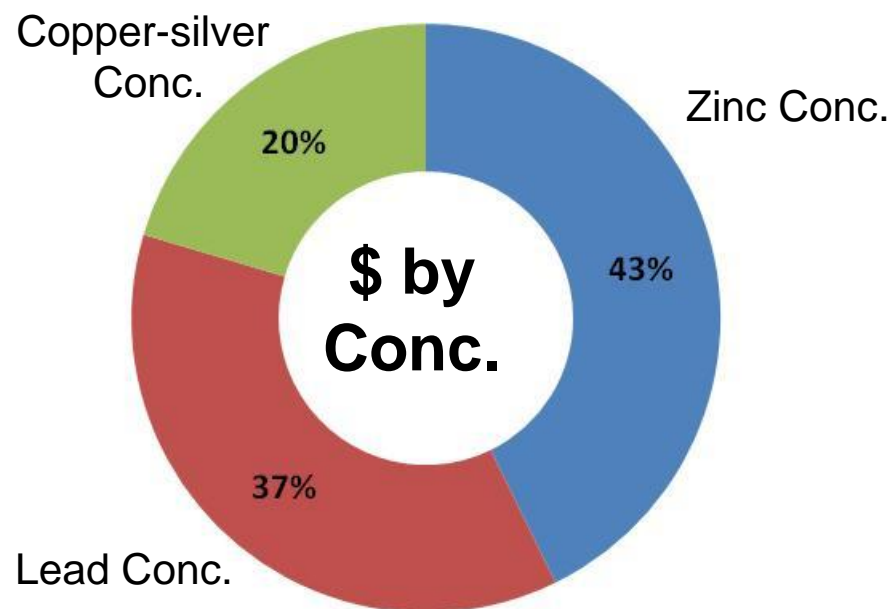
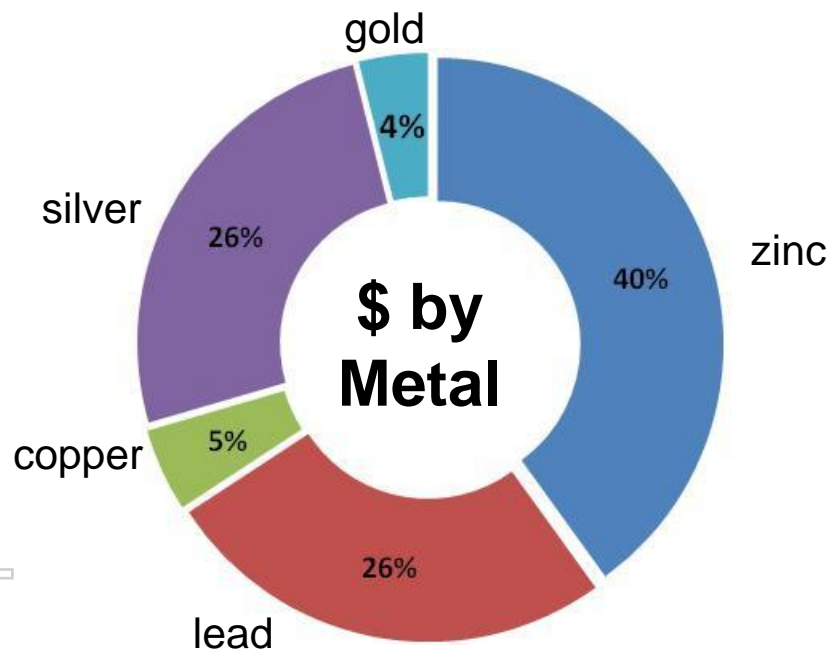


# 2. Production – HMP

## Sales revenue

### Fossey Ore Reserve

- Gross value per tonne - \$364 (70% base metals & 30% precious metals)
- Mine Gate Value per tonne - \$305 (after smelting and logistics expenses)



**Revenue mix by metal and concentrate product**

#### Metal Price Assumptions:

zinc-US\$2,293/t, lead-US\$2,577/t, copper-US\$9,031/t, silver US\$37/oz and gold-US\$1,538/oz. AUD:USD-1.06.

[www.bassmetals.com.au](http://www.bassmetals.com.au)

## 2. Production – HMP

### Costs

Conservative cost assumptions with opportunities to improve

Activity	Cost / t Ore
Total Capital	7.0
Total Cost	162
Mine Gate Value	305
Gross Margin	143
	47%

***Capital on Fossey Mine – largely spent***

***Strong margins through focus on high grades***

## 2. Production – HMP

Current Status – 25<sup>th</sup> October 2011

### Mining

Underground ore production and development – on track.

September – a record month 41kt ore produced.

Already building ore stockpile for the 7<sup>th</sup> campaign

### Processing

6<sup>th</sup> Mill Campaign started 3 October

Planned: 67kt at 7.8% Zn, 4.6% Pb, 0.3% Cu. 79 g/t Ag & 1.6 g/t Au

Stockpile estimate: 67kt at 9.1% Zn, 5.3% Pb, 0.4% Cu. 101 g/t Ag & 1.9 g/t Au

Milled to dated: 51kt at 8.9% Zn, 5.3% Pb, 0.4% Cu (Ag & Au assays pending)

Pb & Zn concentrates being trucked to Burnie Port



### 3. Development - Gold Recovery Project

#### ***Large Gold & Base Metal Resource***

Hellyer Tails – 9.5Mt at 2.5% Zn, 3.0% Pb, 104 g/t Ag & 2.6 g/t Au.  
(product of former Hellyer Ops. 1988-2000).

Tails storage facility with Resource

Hellyer Mill

Shore tanks & Piping

1 km

#### **Contained Metal**

- 800koz Gold
- 32Moz Silver
- 290kt Lead
- 240kt Zinc
- 20kt Copper

All contained metal – no recovery factors applied.

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# 4. Project Development Strategy

## Growth strategy to generate shareholder value

### 1. Deliver forecast cash flow from Fossey Mine

- Complete drill out and feasibility study on Fossey East.
- Ongoing project/systems/risk review.

### 2. Assess & potentially develop 1.5M oz gold(eq) resource

- Gold DFS in progress.
- Seek technical and or financial partners for development.

### 3. Increase mine life to underpin long-term cash flow

- Resources to reserves (Fossey East/Hellyer/Que River).
- extensional exploration drilling around known resources.

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# 4. Discovery

Bass is a successful explorer

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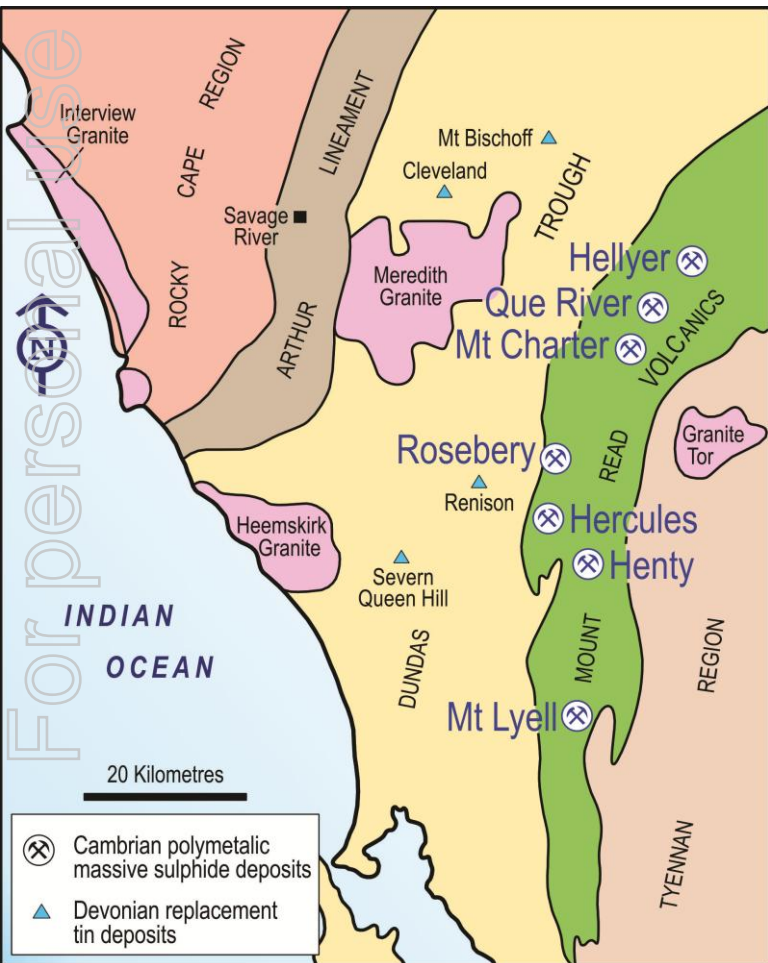


# 4. Discovery

## Bass is a successful explorer

### Tasmania – an exciting well mineralised address

- Mt Read volcanic belt – world class volcanogenic massive sulphide (VMS) terrain.
- Tasmanian VMS deposits are large tonnage & polymetallic ; Cu-Pb-Zn-Ag-Au.

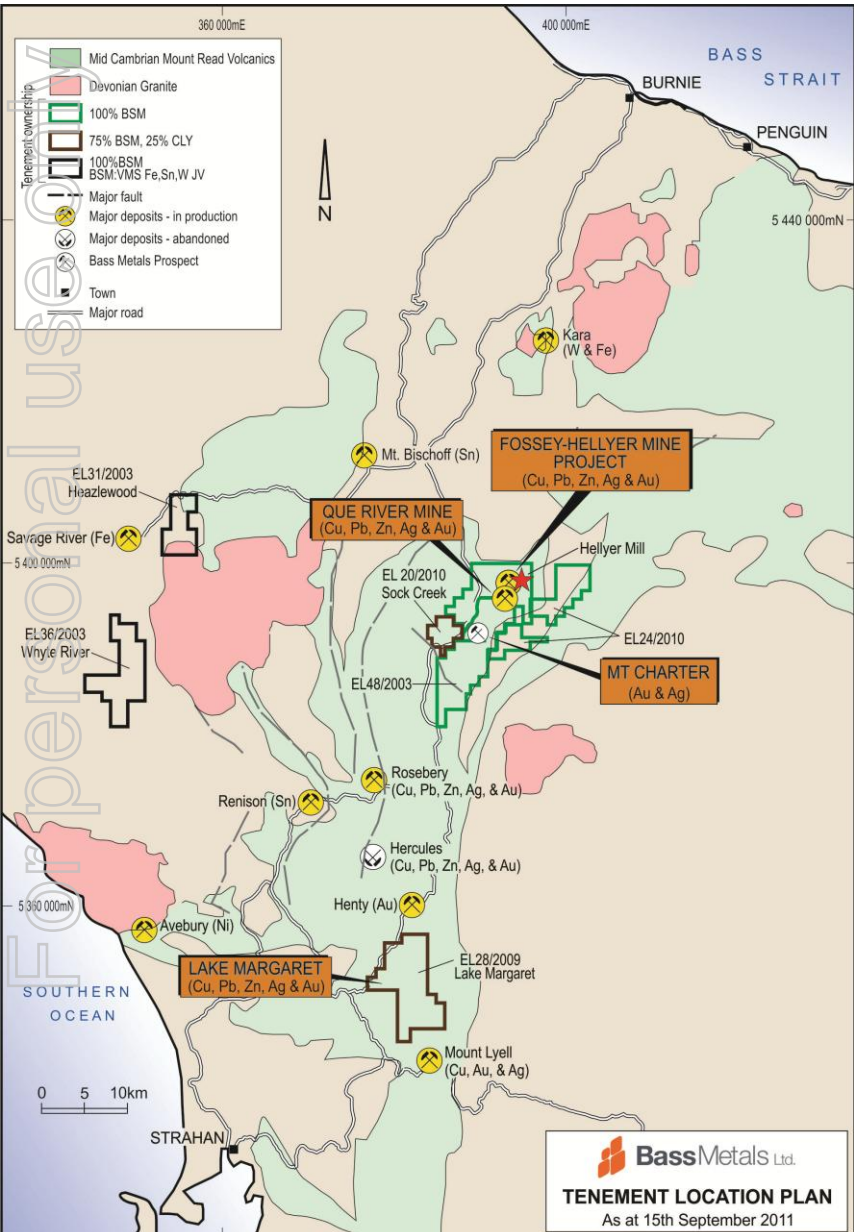


Deposit	Mt	Cu %	Pb %	Zn %	Ag g/t	Au g/t
Hellyer	16.9	0.4	7.2	13.8	167	2.5
Rosebery	46	0.6	4	13.9	144	2.1
Que River	3.3	0.7	7.4	13.3	195	3.3
Hercules	3.3	0.4	5.5	16.7	171	2.8
Mt Lyell	130	1.2			6.1	0.3
Henty	3					12.5

The figures reported are based largely on historical production and reports of the deposits as reported in Mineral Resources Tasmania online public database and various reports.

# 4. Discovery

Bass is a successful explorer with large ground position



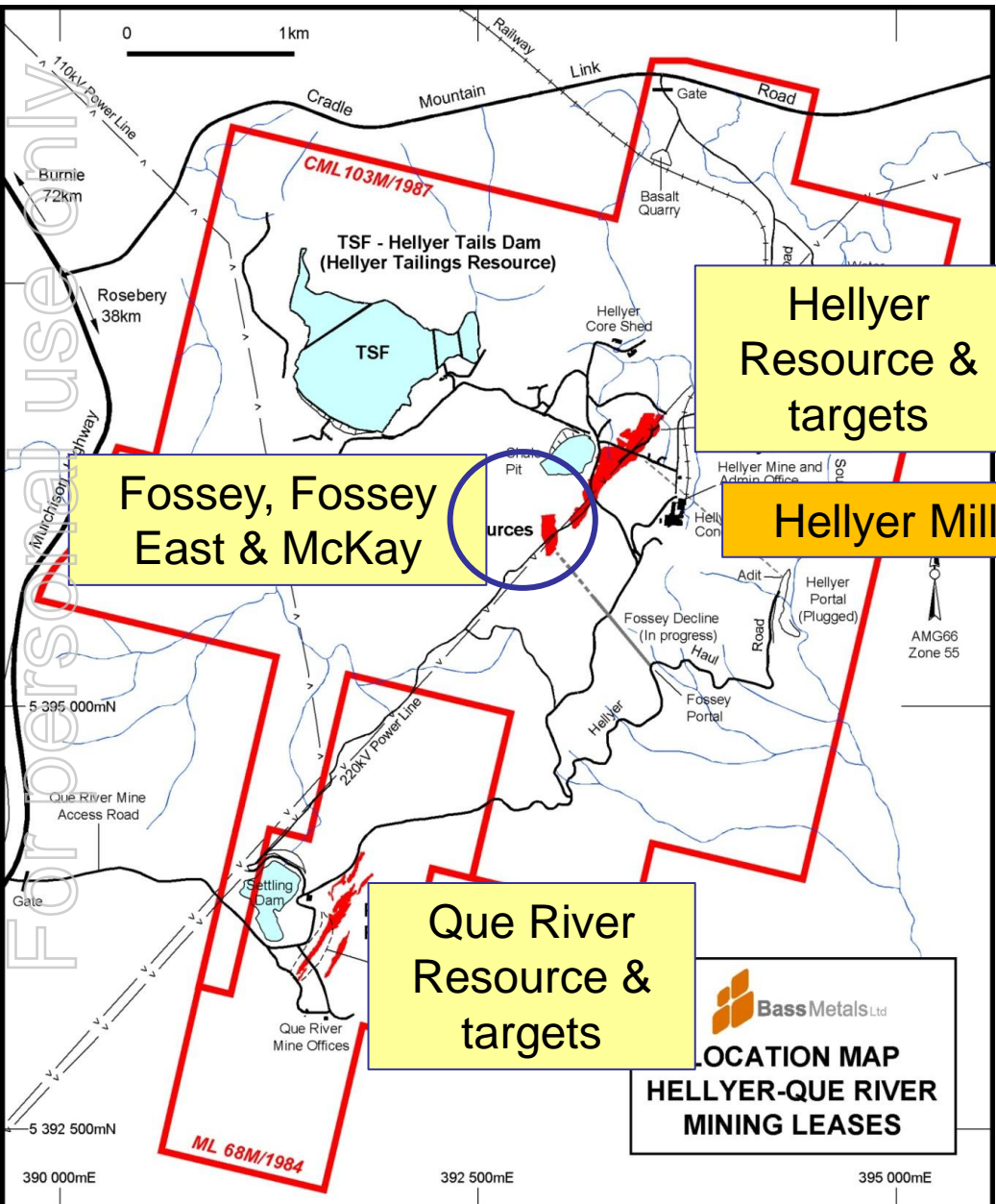
## Track record of increases resources:

- 2005** Acquired Tasmanian leases  
**Nil resources – 2005**
- 2006** **+Mt Charter Au-Ag Resource\***  
**+Que River Cu-Pb-Zn-Ag-Au Resource**
- 2007** Open-pit mining Que River starts  
**Fossey Discovery**  
**+Hellyer Cu-Pb-Zn-Ag-Au Resource**
- 2008** **+Fossey Cu-Pb-Zn-Ag-Au Resource**
- 2009** **+Hellyer Tails Au-Ag-Zn-Pb Resource**  
Acquired Hellyer Mill & Infrastructure
- 2010** Que River open pits – complete (MMG-deal)  
Fossey Underground Mine – first ore  
**Fossey East Discovery**
- 2011** **+Fossey East Cu-Pb-Zn-Ag-Au Resource**  
1<sup>st</sup> Concentrates sold from Fossey Mine  
**McKay high-grade intercept**

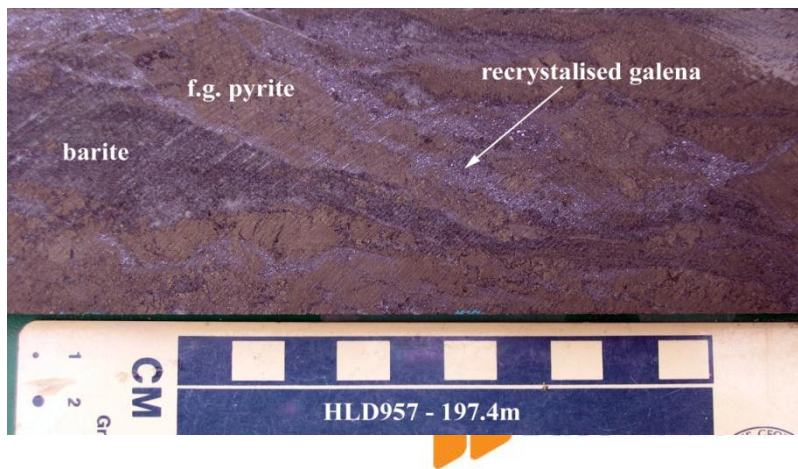


# 4. Discovery Update

## In the shadow of the Mill



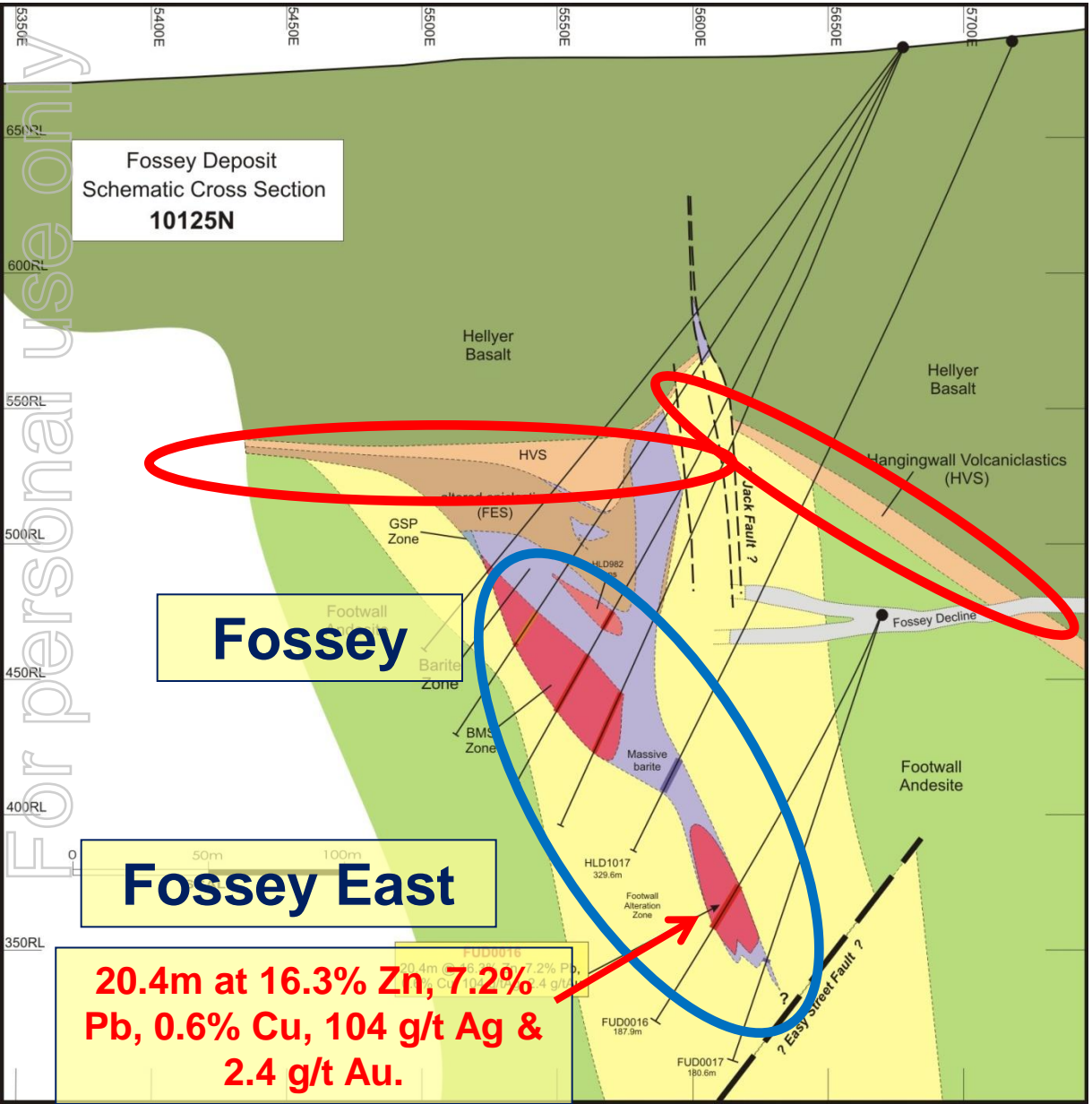
- Key exploration targets are within 5km radius of the Hellyer Mill.
- Large and small discoveries can potentially be “cashed in”
- Recent success at Fossey East, Hellyer Stockwork, Switchback & McKay





# 4. Discovery

## Fossey Zone-an example of new exploration potential



Fossey Deposit  
Schematic Cross Section  
10125N

**Fossey**

**Fossey East**

**20.4m at 16.3% Zn, 7.2% Pb, 0.6% Cu, 104 g/t Ag & 2.4 g/t Au.**

- Historic drilling focussed on “traditional” VMS target zone.
- New discoveries lie deeper than this.
- Opens up significant new targets

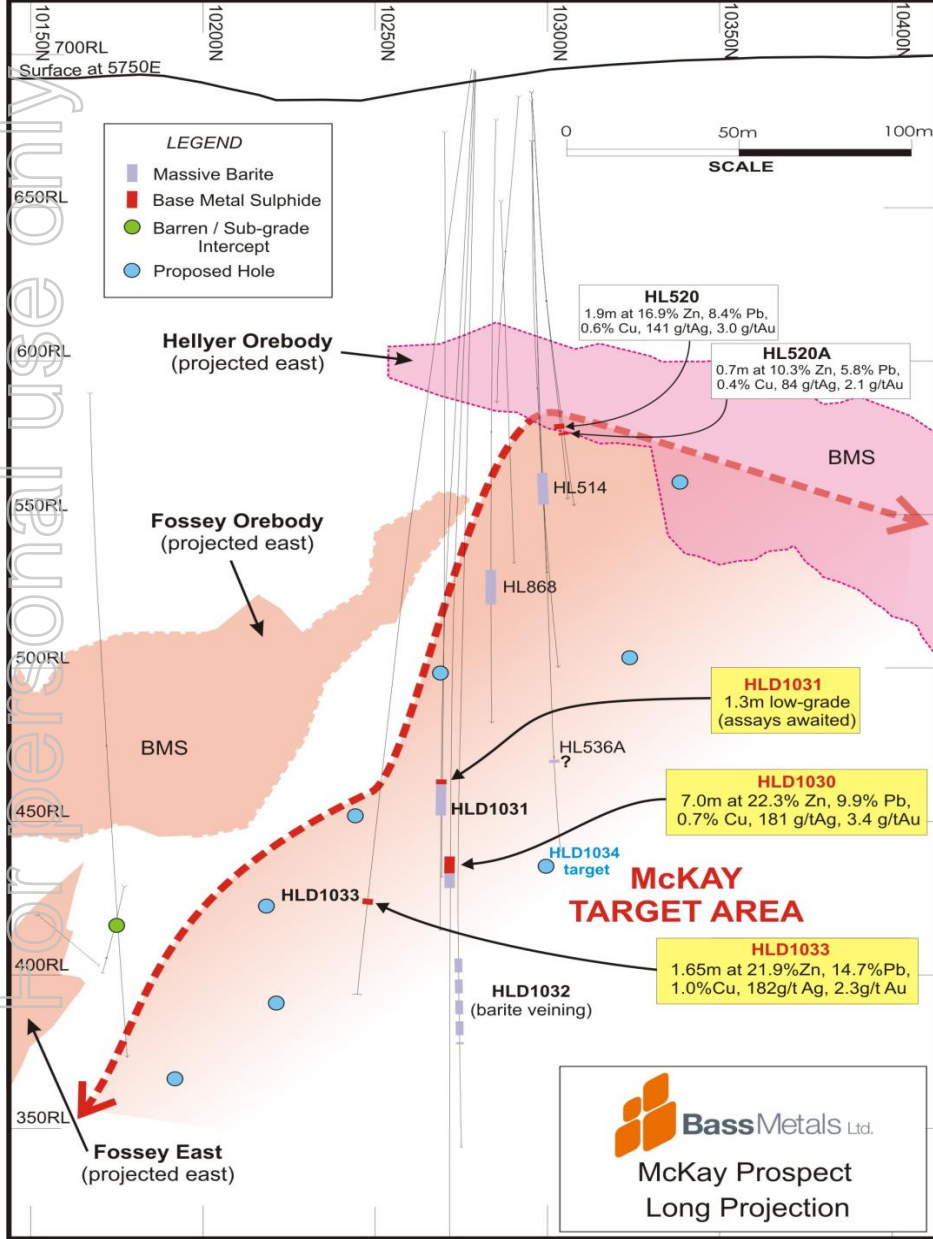
**Conventional targets in Host Horizon”**

**New “unconventional” ore position**



# 4. Exploration Growth

## McKay Zone – a new discovery, East of Jack Fault.



### Discovery Hole-HLD1030

7.0 metres at 22.3 % Zn, 9.9 % Pb, 0.7% Cu, 3.4 g/t Au & 181 g/t Ag

#### Within:

11.1 metres at 14.9 % Zn, 6.5 % Pb, 0.7% Cu, 2.6 g/t Au & 130 g/t Ag.

### 25 metres to south – new intercept

1.7 metres at 21.9 % Zn, 14.7 % Pb, 1.0 % Cu, 2.3 g/t Au & 182 g/t Ag

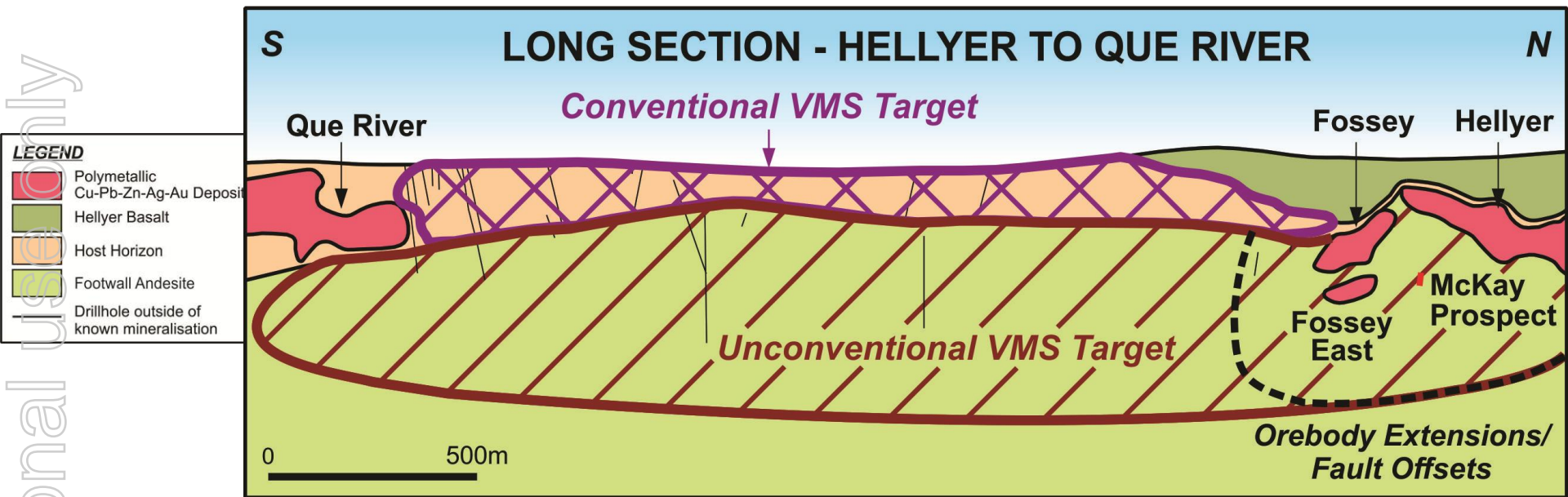
### Drilling in-progress to the north

**New mineralisation in a new geological position**



# 4. Discovery

## New prospective geological position – “unconventional VMS target”



- Highly prospective –under tested.
- Potential in both the conventional and unconventional VMS stratigraphic position.
- Requires detailed targeted and pattern drilling- utilising new tools in the toolbox for proximity- geology, mineralisation, alteration, trace element geochemistry and geophysics.



# 7. Value Proposition

*What has really changed since April 2011 in terms of value?*

	Before	After	Comment
<b>Production Rate</b>	450ktpa	360ktp	More conservative
<b>Ore Reserve</b> <i>(Massive base metal sulphide portion only)</i>	0.8Mt	0.5Mt	Revised with more detailed drilling. Does not include Fossey East.
<b>Mine Gate Value</b>	\$211/t ore	\$305/t ore	Increased grade
<b>Total Operating Cost</b>	\$117/t ore	\$162/t ore	30% fixed cost effect, with lower tonnes & 60% increased costs eg labour/dewatering.
<b>Margin</b>	\$94/t ore	\$143/t ore	47% margin
<b>Net cash Flow</b> <i>(Fossey ore Reserve only)</i>	\$70M	\$55M	Lower ore tonnes
<b>Market value based on share price.</b>	Price range was \$0.3- \$0.4 cents A\$65M to A\$85M	A\$105 – A\$144M*	Prior to Halt, regarded as “undervalued”. Currently in Trading Halt

\* Broker valuation; Helmsec dated 12 Sept 2011.

# 7. Value Proposition

*Bass retains a sound and exciting asset base.*

	Before	After
<i>Market value based on share price.</i>	Price range was 30-40 cents \$65M to \$85M	tbd
<i>Key assets</i>	100% owned Hellyer Mill	100% owned Hellyer Mill
<i>Resources</i>	c.2.3Mt (Fossey, Que & Hellyer)	c.2.1Mt (Fossey East, Fossey, Que & Hellyer)
<i>Discoveries</i>	Fossey East	McKay
<i>Gold Project</i>	2 Moz (Aueq)	2Moz (Aueq) Positive testwork updates

*Bass – is emerging from a recent set-back, with robust cash flow estimate and enhanced growth outlook.*

# 7. Value Proposition

## Value Upside

### Broker Valuation (12 September 2011)

- **Helmsec valuation range: from A\$105M to A\$144M**, not including exploration upside or Plant.
- **Equates to A\$0.39 to A\$0.54 per share on diluted basis post Offer\***.

### Key Value Drivers:

- **Production** - robust and established production, with revenue from base metals (70%) and precious metals (30%): c. \$55m in next 18 months.
- **Polymetallic resources** – Hellyer, Que River & Fossey East.
- **Gold & Silver Resources** – 2 Million Ounces Gold (eq)
- **Exploration upside** – highly mineralised area with a track record of discovery and new prospectivity.
- **Processing Plant** – modern 1.5mtpa plant.

## ***Strong Exploration Upside Underpinned by Production***

\* Based only on ordinary shares , does not include C-Note or Options

# Questions?





# Attachment 1: HMP Mineral Resources & Ore Reserves

## Table 1: Combined Polymetallic Massive Sulphide Mineral Resources

(as at 30 June 2011 – 5% Pb+Zn cut-off )

Location	JORC Classification	Tonnes kt	Copper (%)	Lead (%)	Zinc (%)	Silver (g/t)	Gold (g/t)
Fossey*	measured	286	0.6	7.4	14.2	137	2.9
	Indicated	108	0.4	6.8	11	120	1.8
	Inferred	66	0.3	4.7	8.4	94	2.1
	<b>Total</b>	<b>460</b>	<b>0.5</b>	<b>6.9</b>	<b>12.6</b>	<b>127</b>	<b>2.5</b>
Fossey East	Indicated	140	0.5	5.2	11	83	1.9
	Inferred	110	0.3	3.3	6.6	60	1.7
	<b>Total</b>	<b>250</b>	<b>0.4</b>	<b>4.4</b>	<b>9.1</b>	<b>73</b>	<b>1.8</b>
<b>Fossey Trend Sub-Total</b>		<b>710</b>	<b>0.5</b>	<b>6.0</b>	<b>11.4</b>	<b>108</b>	<b>2.3</b>
Hellyer Remnants	Indicated	640	0.4	4	6.8	83	1.3
	Inferred	110	0.2	4.9	8.1	107	1.5
	<b>Total</b>	<b>750</b>	<b>0.3</b>	<b>4.1</b>	<b>7</b>	<b>87</b>	<b>1.3</b>
Que River Pb-Zn Zone	Indicated	160	0.2	3.8	6.5	96	1.2
	Inferred	140	0.3	4.2	7.4	104	1.2
	<b>Total</b>	<b>300</b>	<b>0.2</b>	<b>4</b>	<b>6.9</b>	<b>100</b>	<b>1.2</b>
Que River Cu Zone	Measured	60	1.7	0.7	2.1	69	0.3
	Indicated	260	1.9	1.6	4.3	68	0.3
	Inferred	60	2.5	0.2	0.6	33	0.2
	<b>Total</b>	<b>380</b>	<b>2</b>	<b>1.3</b>	<b>3.4</b>	<b>63</b>	<b>0.3</b>
<b>Total</b>	Measured	346	0.8	6.4	12.4	127	2.5
	Indicated	1,350	0.7	3.9	7.2	86	1.2
	Inferred	486	0.5	3.7	6.6	85	1.4
	<b>Total</b>	<b>2,140</b>	<b>0.6</b>	<b>4.2</b>	<b>7.8</b>	<b>92</b>	<b>1.4</b>

\* Fossey resource depleted by mining 90kt.

# Attachment 1: HMP Mineral Resources & Ore Reserves

## Table 2: Fossey East Mineral Resource Estimate Summaries (28 Feb 2011)

As the drill density is still very sparse – resource is quoted for a series of Pb+Zn cut-offs.

Geological outline								
ZONE	CATEGORY	kT	Zn%	Pb%	Ag g/t	Au g/t	Cu%	DENSITY
BMS / Barite	Indicated	170	9.4	4.4	75	1.7	0.4	4.15
BMS / Barite	Inferred	450	2.2	1.1	44	1.3	0.1	4.09
Stringer	Inferred	30	2.7	1.2	22	0.7	0.1	3.25
<b>TOTAL</b>		<b>650</b>	<b>4.1</b>	<b>2.0</b>	<b>51</b>	<b>1.4</b>	<b>0.2</b>	<b>4.06</b>
3%(Pb+Zn) Cutoff								
BMS / Barite	Indicated	160	10.3	4.8	79	1.8	0.5	4.17
BMS / Barite	Inferred	160	4.9	2.6	57	1.6	0.2	4.15
Stringer	Inferred	20	3.2	1.5	28	0.7	0.1	3.31
<b>TOTAL</b>		<b>340</b>	<b>7.2</b>	<b>3.5</b>	<b>66</b>	<b>1.6</b>	<b>0.3</b>	<b>4.10</b>
5%(Pb+Zn) Cutoff								
BMS / Barite	Indicated	140	11.0	5.2	83	1.9	0.5	4.18
BMS / Barite	Inferred	100	6.6	3.5	63	1.8	0.3	4.20
Stringer	Inferred	10	3.8	1.8	30	0.7	0.1	3.31
<b>TOTAL</b>		<b>250</b>	<b>9.1</b>	<b>4.4</b>	<b>73</b>	<b>1.8</b>	<b>0.4</b>	<b>4.16</b>

Note: Small rounding errors may occur

# Attachment 1: HMP Mineral Resources & Ore Reserves

## Table 3: Fossey Ore Reserves:

Fossey - Broken Underground Stocks - as at 30 June 2011												
Category	Tonnes	Tonnes	Copper	Lead	Zinc	Gold	Silver	Copper	Lead	Zinc	Gold	Silver
	t	KT	%	%	%	g/t	g/t	t	t	t	oz	oz
Underground	36,891	37	0.3	3.3	5.7	1.9	83	93	1,222	2,087	2,252	98,447
	<b>36,891</b>	<b>37</b>	<b>0.3</b>	<b>3.3</b>	<b>5.7</b>	<b>1.9</b>	<b>83</b>	<b>93</b>	<b>1,222</b>	<b>2,087</b>	<b>2,252</b>	<b>98,447</b>
Fossey - Surface Stockpile Stocks - as at 30 June 2011												
Category	Tonnes	Tonnes	Copper	Lead	Zinc	Gold	Silver	Copper	Lead	Zinc	Gold	Silver
	t	KT	%	%	%	g/t	g/t	t	t	t	oz	oz
Mill ROM	14,954	15	0.3	4.8	8.6	2.2	139	44	712	1,289	1,080	66,673
Crushed Mill Stocks	3,500	4	0.4	6.8	11.4	2.3	132	14	238	397	262	14,809
	<b>18,454</b>	<b>18</b>	<b>0.3</b>	<b>5.1</b>	<b>9.1</b>	<b>2.3</b>	<b>137</b>	<b>58</b>	<b>950</b>	<b>1,686</b>	<b>1,342</b>	<b>81,482</b>
Fossey Mining Reserve - as at 30 June 2011												
Category	Tonnes	Tonnes	Copper	Lead	Zinc	Gold	Silver	Copper	Lead	Zinc	Gold	Silver
	t	KT	%	%	%	g/t	g/t	t	t	t	oz	oz
Proven	269,188	269	0.5	6.7	12.9	2.6	123	1,444	18,151	34,729	22,788	1,064,594
Probable	170,150	170	0.2	3.4	5.6	1.5	71	339	5,757	9,599	8,000	388,666
Reserve	<b>439,338</b>	<b>439</b>	<b>0.4</b>	<b>5.4</b>	<b>10.1</b>	<b>2.2</b>	<b>103</b>	<b>1,784</b>	<b>23,908</b>	<b>44,327</b>	<b>30,788</b>	<b>1,453,260</b>
Mining Inventory (MI)	<b>43,161</b>	<b>43</b>	<b>0.3</b>	<b>4.1</b>	<b>7.6</b>	<b>1.7</b>	<b>77</b>	<b>120</b>	<b>1,777</b>	<b>3,287</b>	<b>2,405</b>	<b>107,420</b>
Underground Stock (Proven)	<b>36,891</b>	<b>37</b>	<b>0.3</b>	<b>3.3</b>	<b>5.7</b>	<b>1.9</b>	<b>83</b>	<b>93</b>	<b>1,222</b>	<b>2,087</b>	<b>2,252</b>	<b>98,447</b>
Surface Stockpiles (Proven)	<b>18,454</b>	<b>18</b>	<b>0.3</b>	<b>5.1</b>	<b>9.1</b>	<b>2.3</b>	<b>137</b>	<b>58</b>	<b>950</b>	<b>1,686</b>	<b>1,342</b>	<b>81,482</b>
<b>Total Reserve</b>	<b>494,683</b>	<b>495</b>	<b>0.4</b>	<b>5.3</b>	<b>9.7</b>	<b>2.2</b>	<b>103</b>	<b>1,935</b>	<b>26,080</b>	<b>48,101</b>	<b>34,382</b>	<b>1,633,189</b>
<b>Total Reserve + MI</b>	<b>537,844</b>	<b>538</b>	<b>0.4</b>	<b>5.2</b>	<b>9.6</b>	<b>2.1</b>	<b>101</b>	<b>2,055</b>	<b>27,857</b>	<b>51,388</b>	<b>36,787</b>	<b>1,740,609</b>

# Attachment 1: Hellyer Tailings Mineral Resources

**Table 4: Hellyer Tails Combined Mineral Resource Estimate – 23 June 2009**

JORC Classification	Tonnes mt	Copper (%)	Lead (%)	Zinc (%)	Silver (g/t)	Gold (g/t)
Measured	4.9	0.2	3.1	2.8	105	2.7
Indicated	2.5	0.2	3.0	2.6	104	2.6
Inferred	2.1	0.2	2.9	1.7	103	2.4
<b>Total</b>	<b>9.5</b>	<b>0.2</b>	<b>3.0</b>	<b>2.5</b>	<b>104</b>	<b>2.6</b>

**Table 5: Summary of Mt Charter Mineral Resource at a 0.7 g/t Au cut-off 30 October 2006**

JORC Classification	Tonnes mt	Gold (g/t)	Silver (g/t)	Zinc (%)	Gold koz	Silver koz
Indicated	1.9	1.21	36.3	0.7	74	2,218
Inferred	4.2	1.22	35.2	0.4	165	4,754
<b>Total</b>	<b>6.1</b>	<b>1.22</b>	<b>35.5</b>	<b>0.5</b>	<b>239</b>	<b>6,972</b>

## **Notes on Metal Prices and Gold Equivalence**

- Metal prices effecting the gold equivalent calculation are : Gold A\$1,430/oz and silver A\$35.6/ozs. This generates a Au:Ag ration of 1:40.1. This has been conservatively modified to 1:45 to complete the equivalence calculation based only on contained silver and gold in the respective resources in Table 4 and 5.
- The grades for the calculation of a Au equivalent grade are from the respective combined resource estimates presented in Tables 4 and 5.
- No recoveries or other modifying factors have been applied in the calculation. Au is the chosen metal for reporting equivalence as it is potentially the more valuable.