

# Bass Metals Ltd

*Positioned to withstand the  
shocks....and grow*

RIU Explorers Conference

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## ***Disclaimer An important notice***


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**Status review in adverse conditions**

<u>Threat</u>	<u>BSM's Position</u>
Equity Market/value-Gone	In production – modest positive cashflow & current strong cash position
Economic climate for metals prices – declining	High grade mineralisation & insulated by hedge book ( <i>bought options</i> )
Investor interest – gone	Sensational advanced projects with growth potential; being drilled & generating news


**Discussion Outline**

### BSM's Position

In production – modest positive cashflow & current strong cash position

High grade mineralisation & insulated by hedge book (*bought options*)

Sensational advanced projects with growth potential; being drilled & generating news.

### Discussion topics

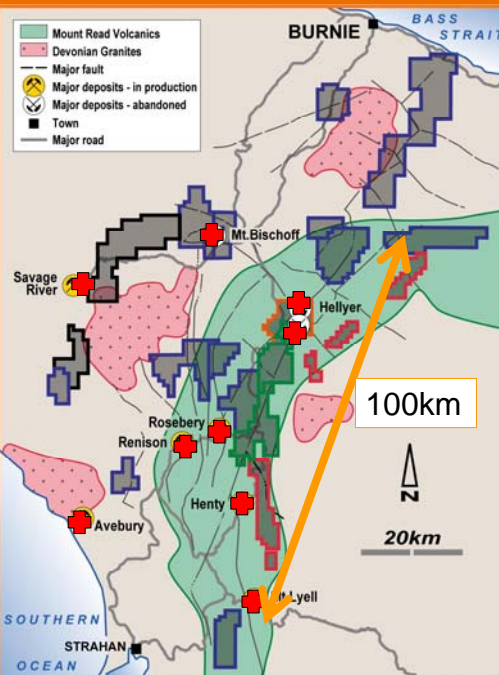
Brief Introduction

Que River base metals mine – *update on operations*

Resources – Zn equivalent grade of 15%\* (Zn, Pb, Cu, Ag & Au) - *an update*

Advanced projects e.g.: 57m at 9.2% Zn, 4.7% Pb, 94 g/t Ag & 2.9g/t Au – *an update on Hellyer Mine Project*

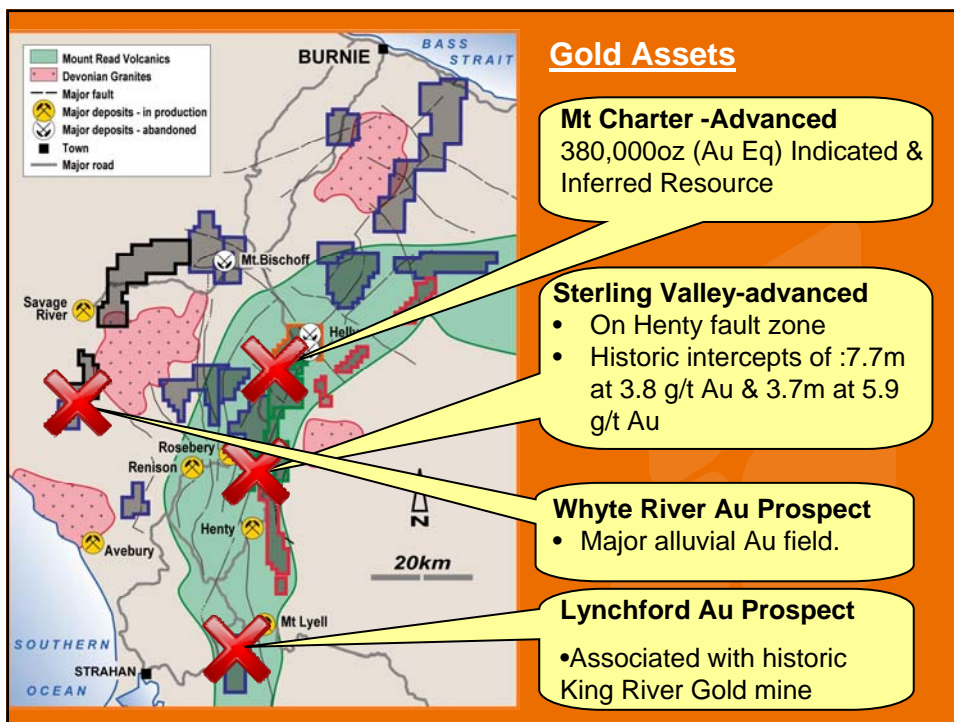
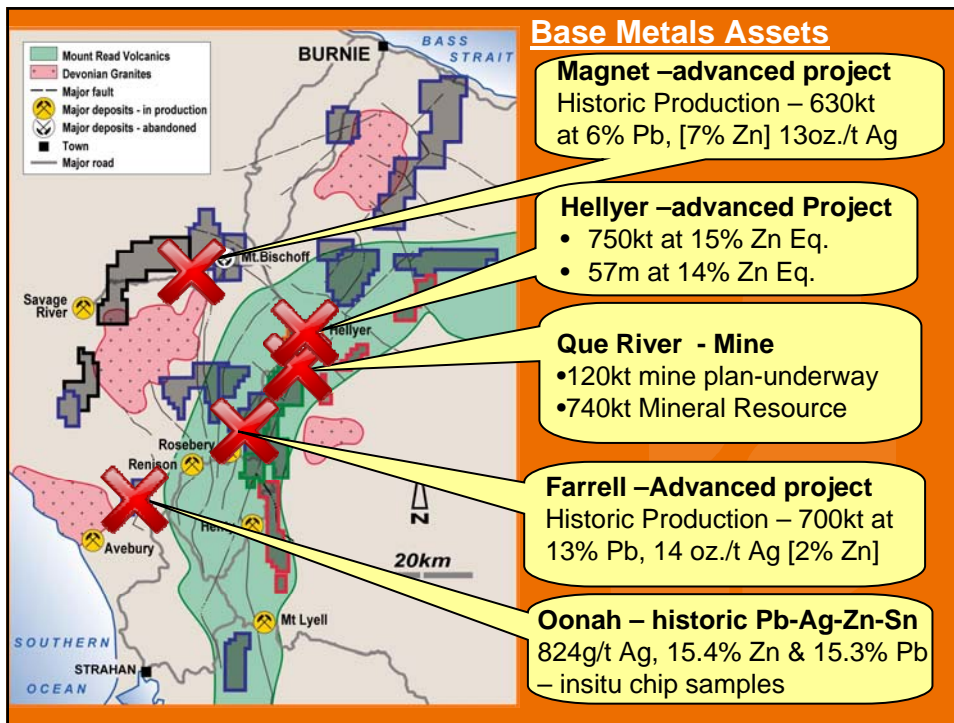
\* Refer ASX Report dated 26 October 2007




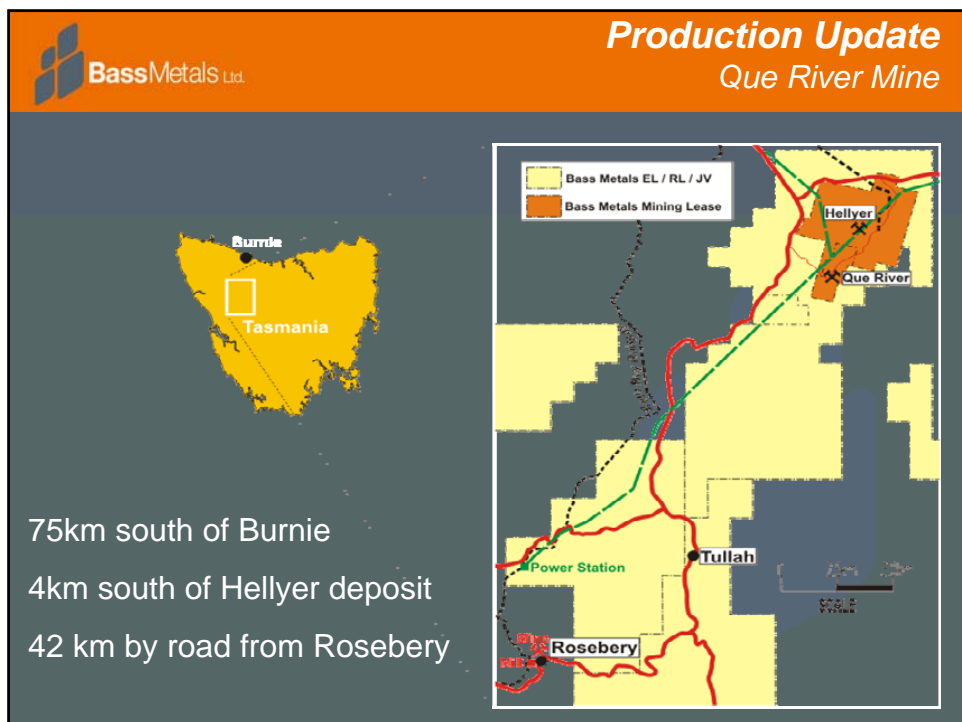
### **NW Tasmania - an intensely mineralised geological terrain – “Elephant Country”**

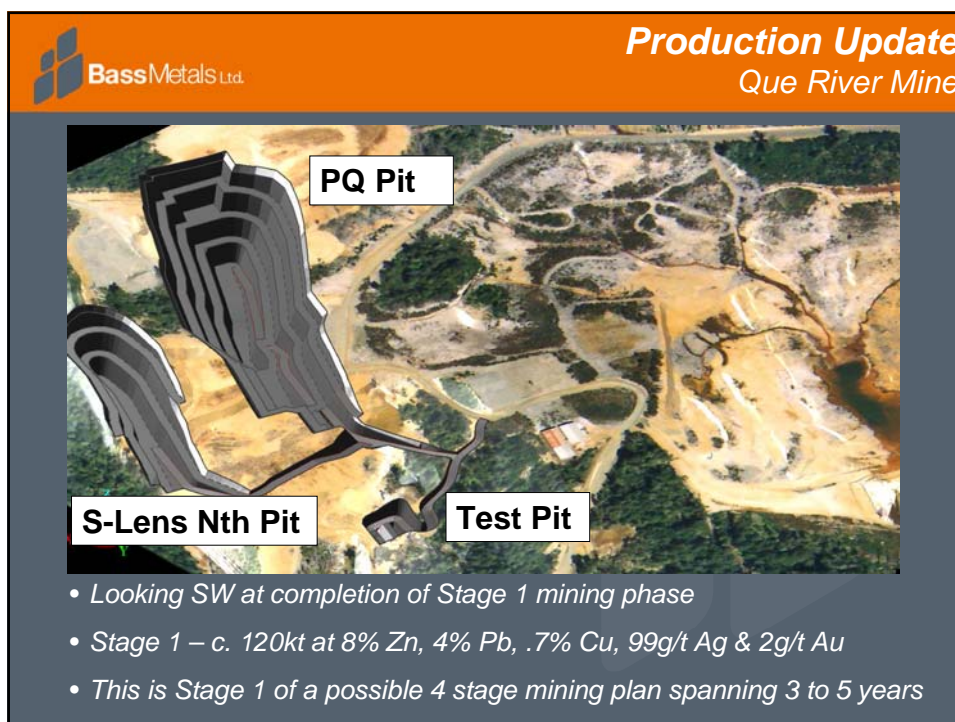
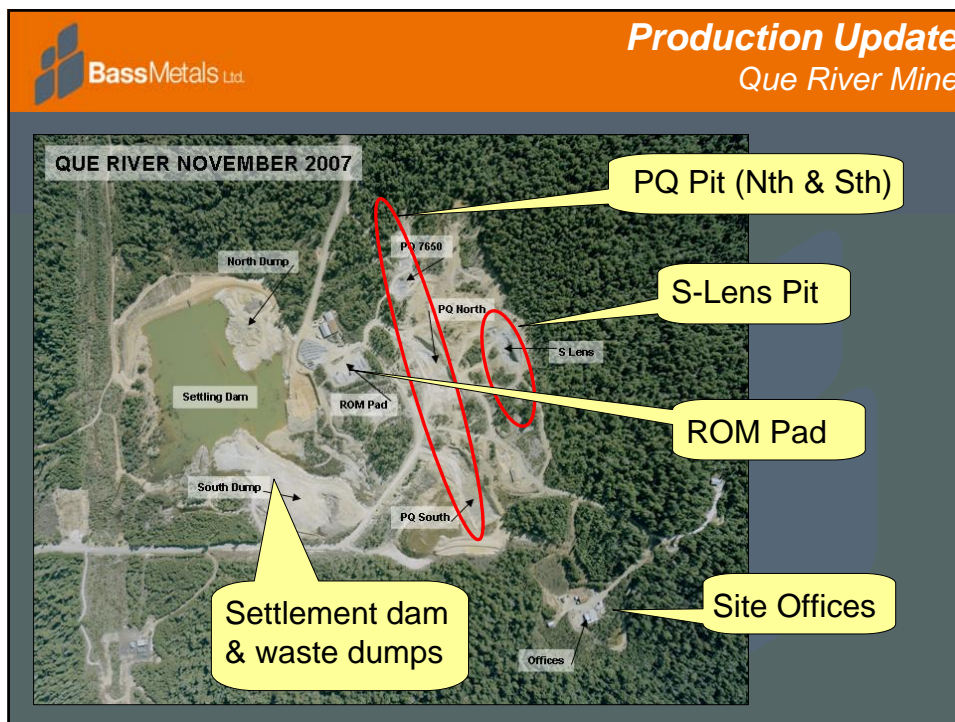
Area includes diverse large scale, high grade mineral deposits such as:

- Hellyer (Zn-Pb-Cu-Ag)
- Que River (Zn-Pb-Cu-Ag)
- Rosebery (Zn-Pb-Cu-Ag)
- Henty (Au)
- Mt Lyell (Cu-Au)
- Renison (Sn)
- Mt Bischoff (Sn)
- Avebury (Ni)
- Savage River (Fe)



 <span style="float: right;"><b>BSM Introduction</b> <b>Corporate Snapshot</b></span>	
<b>ASX Codes</b>	BSM & BSMOA
<b>Share price</b>	23 cents
<b>Mkt Cap</b>	\$24M
<b>No. of shares</b>	103.5M
<b>Shareholders</b>	c. 1,300
<b>Major Shareholders</b>	23.2% Intec Ltd (ASX:INL) 6.2% Saracen Mineral Holdings (ASX:SAR) 4.1% Sempra Metals
<b>Cash</b>	\$6.2M (as at 31 Dec07)
<b>Hedging</b>	65-70% of payable Pb & Zn covered with Puts •Avg. prices to Nov 2009 of: –Zn price of A\$3,700 & US\$2,250/t –Pb price of A\$3,000 & US\$2,875/t •FX – c.US\$22M of revenue is capped at US\$0.91.





 **Production Update**  
Que River Mine


**Operating Summary - December 2007 Quarter**


Ore Mined: 8,271t at 9%Zn, 6% Pb, 130g/t Ag, 1.5g/t Au & 0.5% Cu

Ore Sold: 6270t at 10.5% Zn, 6.6% Pb, 102 g/t Ag, 1.1 g/t Au & 0.4% Cu

Costs: Operating cost \$123/t ore mined (\$129/t PTD basis)  
Development cost \$81/t (\$93/t PTD basis)  
Total costs now moving toward \$172/t ore as planned  
Capital costs \$0.4M - on track

Revenue: \$1.8M or \$265/t (estimate)



 **Production Update**  
Que River Mine

**Early Mining Reconciliation Trends – as at 31 January 2008**

**PQ Pit – Positive reconciliation**

Actual Mined: 4,976t at 11.7% Zn, 7.8% Pb, 123 g/t Ag & 2.33 g/t Au  
Predicted: 2,106t at 17% Zn, 8.2% Pb, 75 g/t Ag & 2.1 g/t Au  
*Deliberate strategy to mine more tonnes, whilst maintaining strong grades*

**S-Lens Pit – back on track, and looking positive**

Actual Mined: 10,491 at 7.3% Zn, 2.7% Pb, 35 g/t Ag & 0.6 g/t Au  
Predicted: 7,552t at 7.8% Zn, 2.5% Pb, 38 g/t Ag & 0.6 g/t Au



**Production Update**  
*Que River Mine*




Mining at PQ Pit & sampling the ROM stocks



**Production Update**  
*Que River Mine*



Material movements, ore reconciliations and costs – all on track.



## Production Update

### Que River Mine


## Key Risks

**Metal Revenues** – *negative impact on cash flow*

- Bearish market view on short-medium term Zn & Pb prices – off set by hedge position
- 2008 ore sales terms with Zinifex are vulnerable to global smelter charges which have or are anticipated to increase.

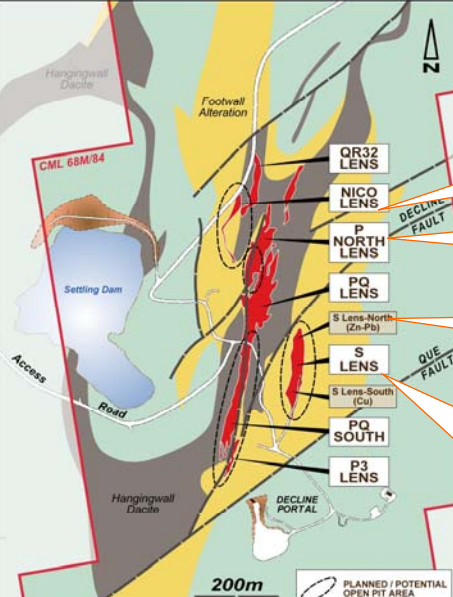
## Key Opportunities

- Positive ore reconciliations – *higher profitability by recovering more metal*
- Feasibility on possible mine stages 2 to 4 assessing the viability of the remaining 620kt Mineral Resource - *increasing the mine life*
- Operating improvements to focus on cost reductions – *improving margins*
- Numerous local exploration targets – *increase resource base & mine life*



## Base Metal Resource Update

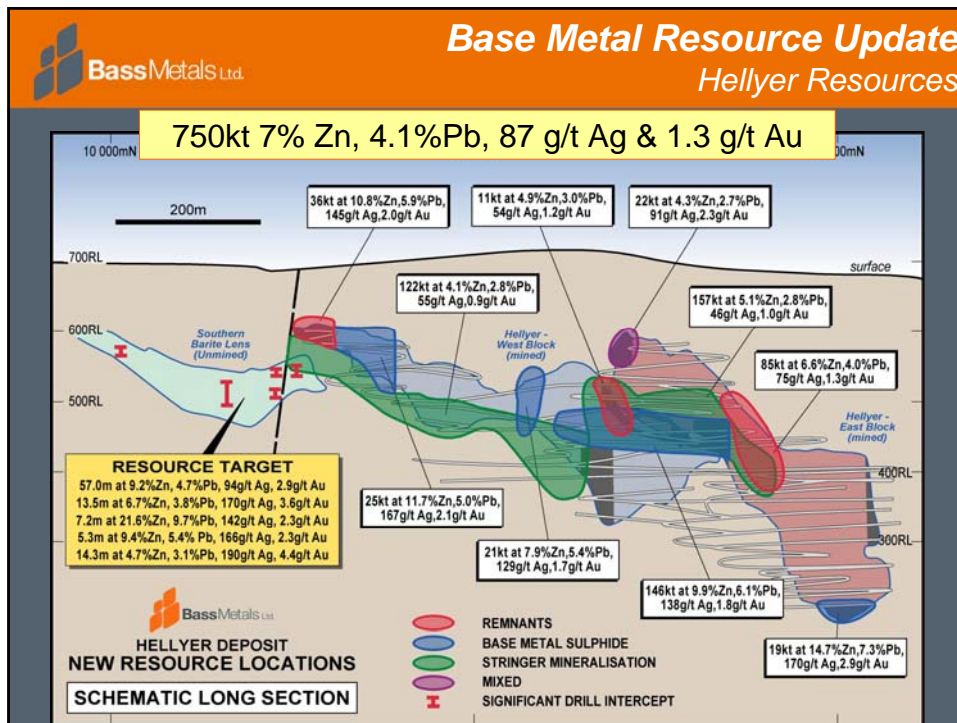
### Que River Resources



736kt at 5.7% Zn, 2.9% Pb, 1.1% Cu, 84 g/t Au & 0.9 g/t Au

- QR32 - 188kt at 5.5% Zn, 3.3% Pb, 79g/t Ag & 1.1 g/t Au**
- Nico - 102kt at 8.6% Zn, 4.9% Pb, 111g/t Ag & 0.9g/t Au**
- PQ - 46kt at 17.1% Zn, 9.4% Pb, 231g/t Ag & 5.7g/t Au**
- S-North - 95kt at 8.1% Zn, 2.7% Pb, 0.6% Cu & 46 g/t Ag**
- S-Central - 72kt at 5.6% Zn, 2.8% Pb, 2.2% Cu & 89 g/t Ag**
- S-South - 233kt at 1.3% Zn, 2.3% Cu & 59 g/t Ag**

Refer BSM 2007 Annual Report for full details.



**Base Metal Resource Update Combined Resource Inventory**

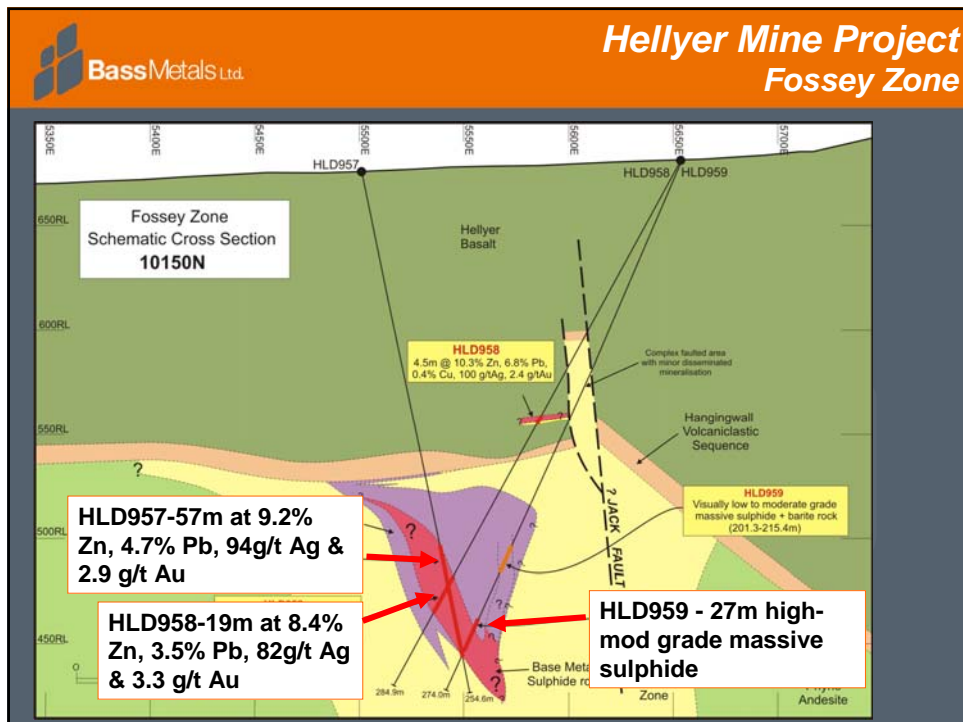
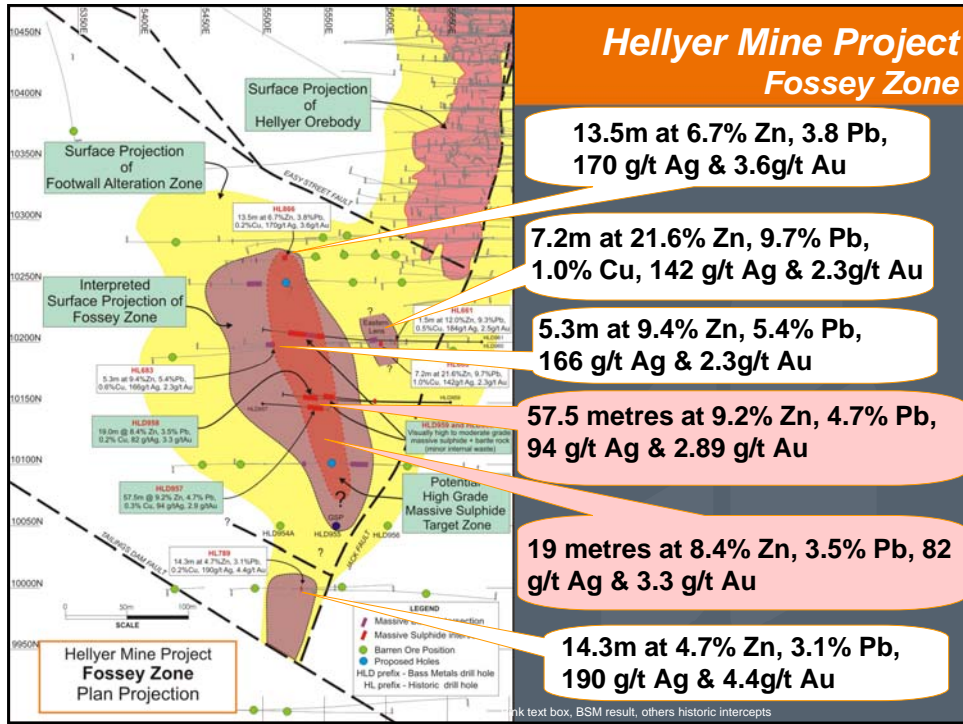
**Summary of Classified Base Metal Mineral Resources as at October 2007**

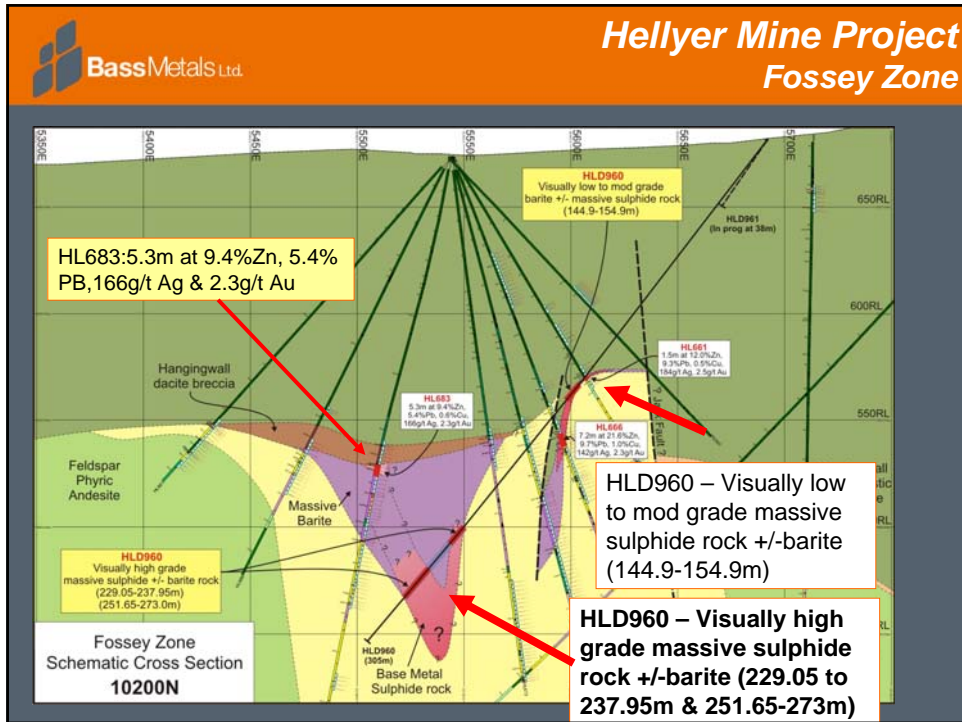
Mineralisation Type	JORC Code Category	Tonnes (000's)	Zn %	Pb %	Cu %	Ag g/t	Au g/t
Que River	Measured	56	2.1	0.7	1.7	69.4	0.3
Hellyer	Measured	-	-	-	-	-	-
<b>TOTAL MEASURED</b>		<b>56</b>	<b>2.1</b>	<b>0.7</b>	<b>1.7</b>	<b>69.4</b>	<b>0.3</b>
Que River	Indicated	486	6.2	3.1	1.1	87.1	1.0
Hellyer	Indicated	641	6.8	4.0	0.4	83.0	1.3
<b>TOTAL INDICATED</b>		<b>1,127</b>	<b>6.6</b>	<b>3.6</b>	<b>0.7</b>	<b>84.8</b>	<b>1.2</b>
Que River	Inferred	194	5.3	2.9	0.9	79	0.9
Hellyer	Inferred	107	8.1	4.9	0.2	107	1.5
<b>TOTAL INFERRED</b>		<b>301</b>	<b>6.3</b>	<b>3.6</b>	<b>0.7</b>	<b>88.7</b>	<b>1.1</b>
<b>TOTAL MINERAL RESOURCE</b>		<b>1,484</b>	<b>6.3</b>	<b>3.5</b>	<b>0.7</b>	<b>85.0</b>	<b>1.1</b>
<b>Contained Metals</b>			<b>Zn</b>	<b>Pb</b>	<b>Cu</b>	<b>Ag</b>	<b>Au</b>
			<b>kt</b>	<b>kt</b>	<b>kt</b>	<b>koz</b>	<b>koz</b>
			<b>94</b>	<b>52</b>	<b>11</b>	<b>4,055</b>	<b>54</b>

- Contained metal value of c. US\$560 million (current metal prices\*)
- 4km apart and close to several processing plants.

Zn - US\$2,400/t, Pb - US\$2,700/t, Cu - US\$7,500/t, Ag - US\$16/oz & Au - US\$900/oz.  
 For Mineral Resource details refer ASX Release (c 25 Oct 07) for full details.







**BassMetals Ltd.** **Hellyer Mine Project**  
**Fossey Zone**

**HLD959**

- Intersected 2 mineralised zones
  - 27m of high to mod grade base metal sulphides
  - 15m of mod to low grade base metal sulphides
- 40m down dip of HLD958 intercept

**HLD960**

- 50m north of previous intercepts
- Further wide high grade base metal sulphide mineralisation logged

**HLD959 & 960 assays pending**  
**Drilling ongoing**



*In summary*

***BSM – well positioned to withstand market volatility and increase shareholder value:***

- Strong cash position - \$6.2M
- Cash flow from production – underpinned with uncommitted hedging,
- Significant resource base comprising base metals & gold
- Attractive exploration targets; high grade, well positioned & with resource growth potential
- Experienced and talented team growing the assets and managing the Company for its shareholders.



*Developing Mines - Actively exploring for “Elephants”*  
[www.bassmetals.com.au](http://www.bassmetals.com.au)