Bass Metals Ltd.
ABN 31 109 933 995

10 March 2008

The Manager Companies
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

<u>Que River Mine & Hellyer Mine Project; Update Presentation</u>

The presentation attached herein is intended to provide an update on the Company's advanced base metal assets, specifically the Que River mine and drilling at the Fossey Zone, part of the Hellyer Mine Project. Recent further high grade drill results at Fossey Zone are covered in a separate ASX release.

Key updates with respect to the Que River Mine include:

1. **Ore production** on track:
   - Total ore mined to the end of February – 24,165 tonnes.
   - PQ Pit – Positive ore reconciliation *(trend to 31 Jan 08).*

     Actual Mined Ore: 4,976t at 11.7 % Zn, 7.8 % Pb, 123 g/t Ag & 2.33 g/t Au.

     Predicted Ore : 2,106t at 17 % Zn, 8.2 % Pb, 75 g/t Ag & 2.1 g/t Au.
   - S-Lens Pit – Positive ore reconciliation *(trend to 31 Jan 08).*

     Actual Mined Ore: 10,491t at 7.3 % Zn, 2.7 % Pb, 35 g/t Ag & 0.6 g/t Au

     Predicted Ore: 7,552t at 7.8 % Zn, 2.5 % Pb, 38 g/t Ag & 0.6 g/t Au
2. **Ore Sold** to the end of February 2008:
   - 15,938dmt at 11 % Zn, 6 % Pb, 103 g/t Ag, 2.0 g/t Au & 0.4 % Cu.
3. **Revenue** estimate as at the end of February 2008:
   - $4.26M or $267/t.
4. **Operating Costs**: (up to 31 January 2008):
   - Total operating cost*$197/t <u>ore sold</u>
   - Total operating cost $110/t <u>ore mined</u>

   **after adjustments for depreciation, amortisation and capitalisation*
   - Cash operating costs $339/t ore sold
   - Cash operating costs $189/t ore mined

Costs – are on track and reflect, the large ore inventory position of c.7,000t in stocks (*i.e. the difference in unit costs between tonnes sold and tonnes mined*) and the early high waste stripping costs (*i.e. the difference between the Total Operating costs and the Cash costs*).

I look forward to providing further updates on the Company's mining, development and exploration activities.

Yours Sincerely

Mike Rosenstreich
Managing Director

Attachment: *Presentation – Base Metals Update*

The information within this report that relates to exploration results is based on information compiled by Mr Mike Rosenstreich who is a full time employee of the Company and is a Member of The Australasian Institute of Mining and Metallurgy. He has 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 as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion of this information in the form and context in which it appears in this report.

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Bass Metals Ltd

Base Metals Update
Que River and the Hellyer Mine Project

10 March 2008

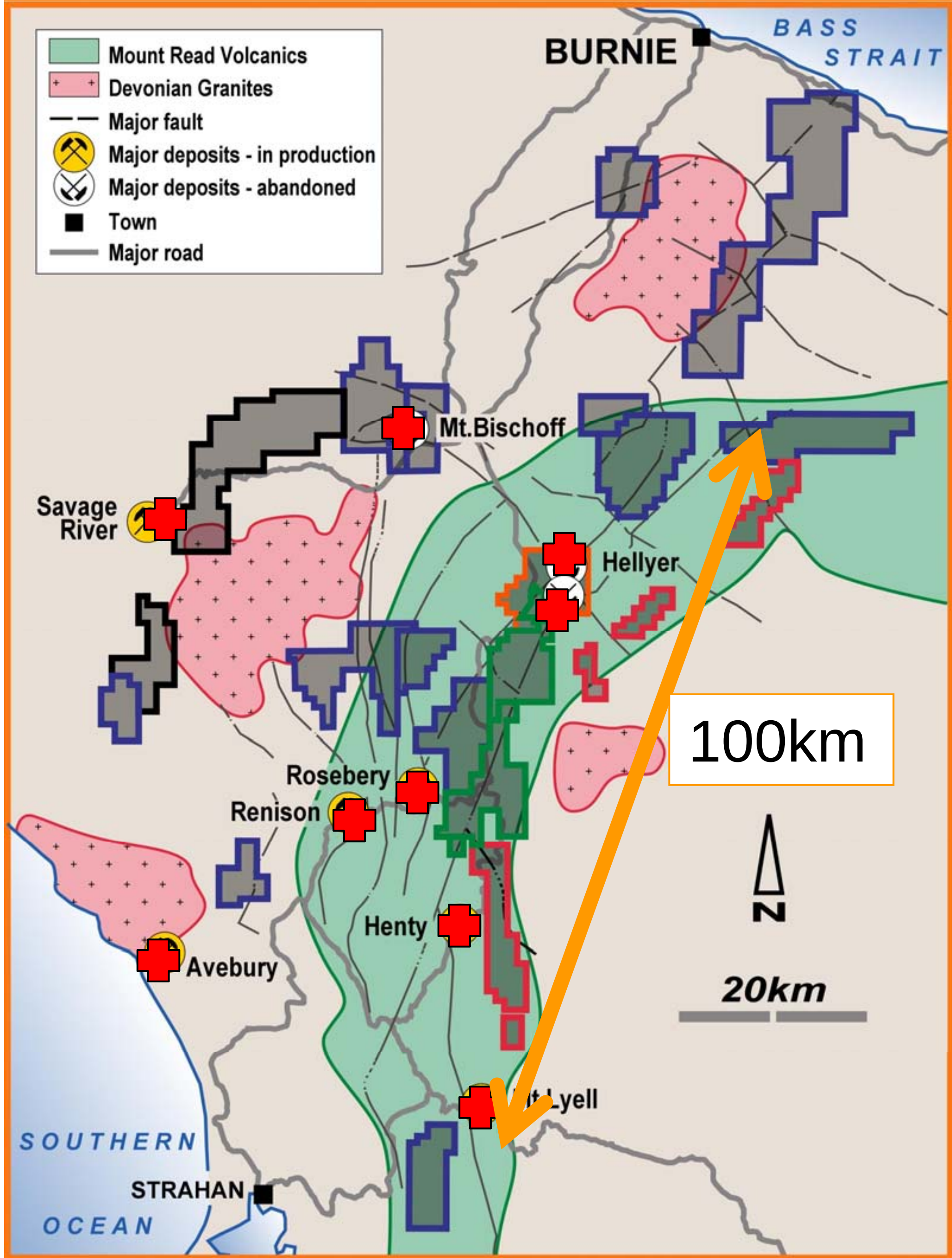
Mike Rosenstreich

Managing Director

Disclaimer
An important notice

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.

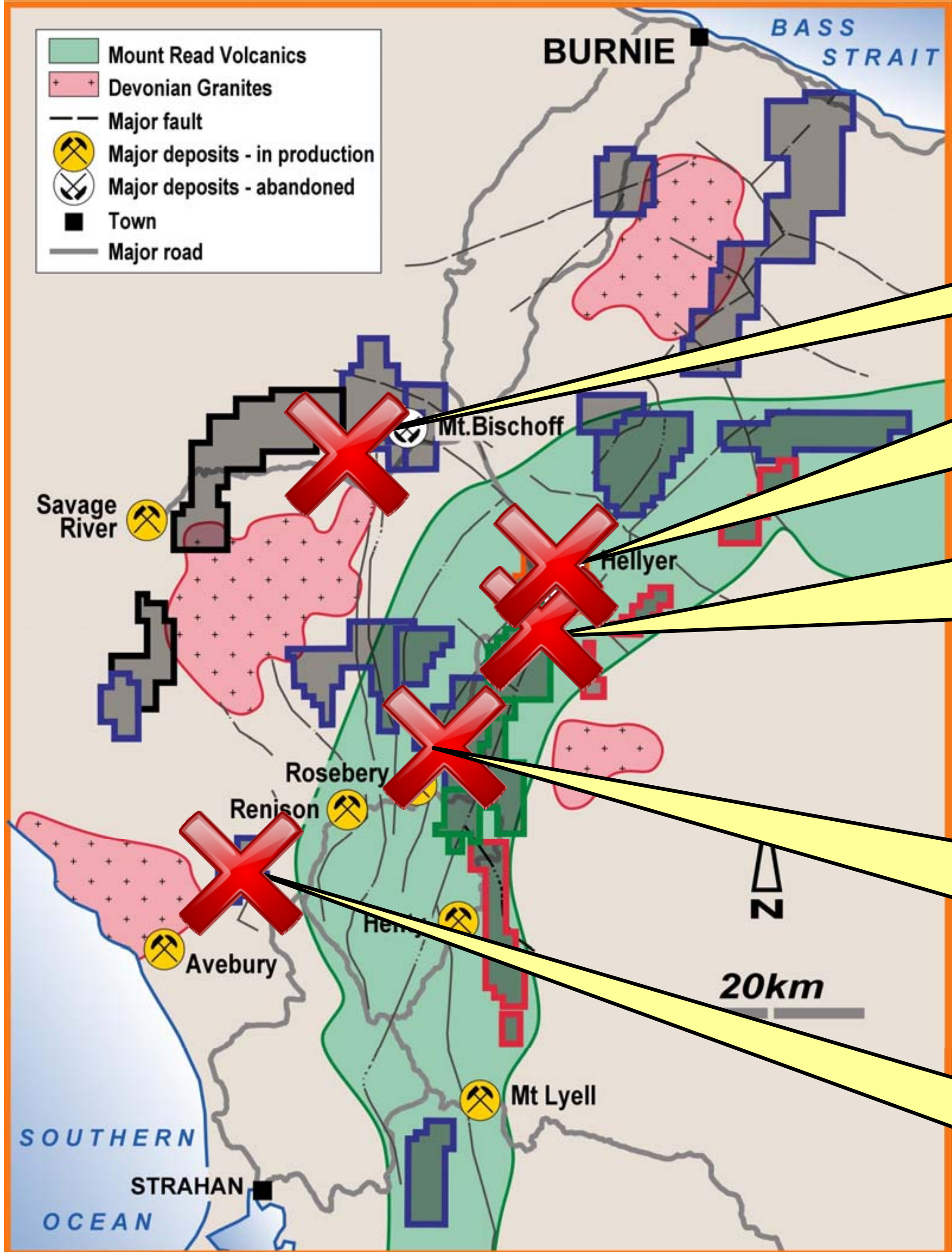


NW Tasmania - an intensely mineralised geological terrain – "Elephant Country"

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)**

Key Base Metals Assets



Magnet –advanced project
Historic Production – 630kt at 6% Pb, [7% Zn] 13oz./t Ag

Hellyer –advanced Project
- 750kt at 15% Zn Eq.
- 57m at 14% Zn Eq.

Que River - Mine
•120kt mine plan-underway
•740kt Mineral Resource

Farrell –Advanced project
Historic Production – 700kt at 13% Pb, 14 oz./t Ag [2% Zn]

Oonah – historic Pb-Ag-Zn-Sn
824g/t Ag, 15.4% Zn & 15.3% Pb – insitu chip samples

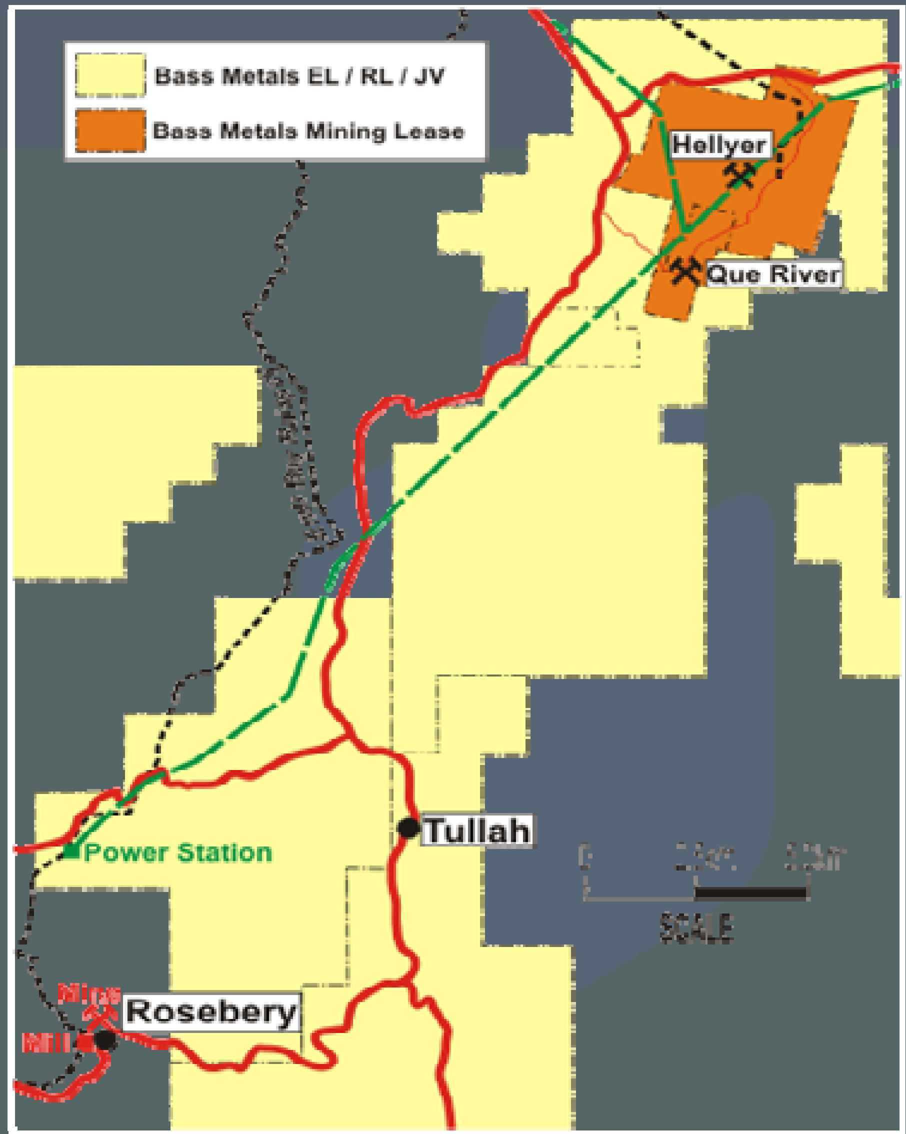
Production Update

Que River Mine

75km south of Burnie

4km south of Hellyer deposit

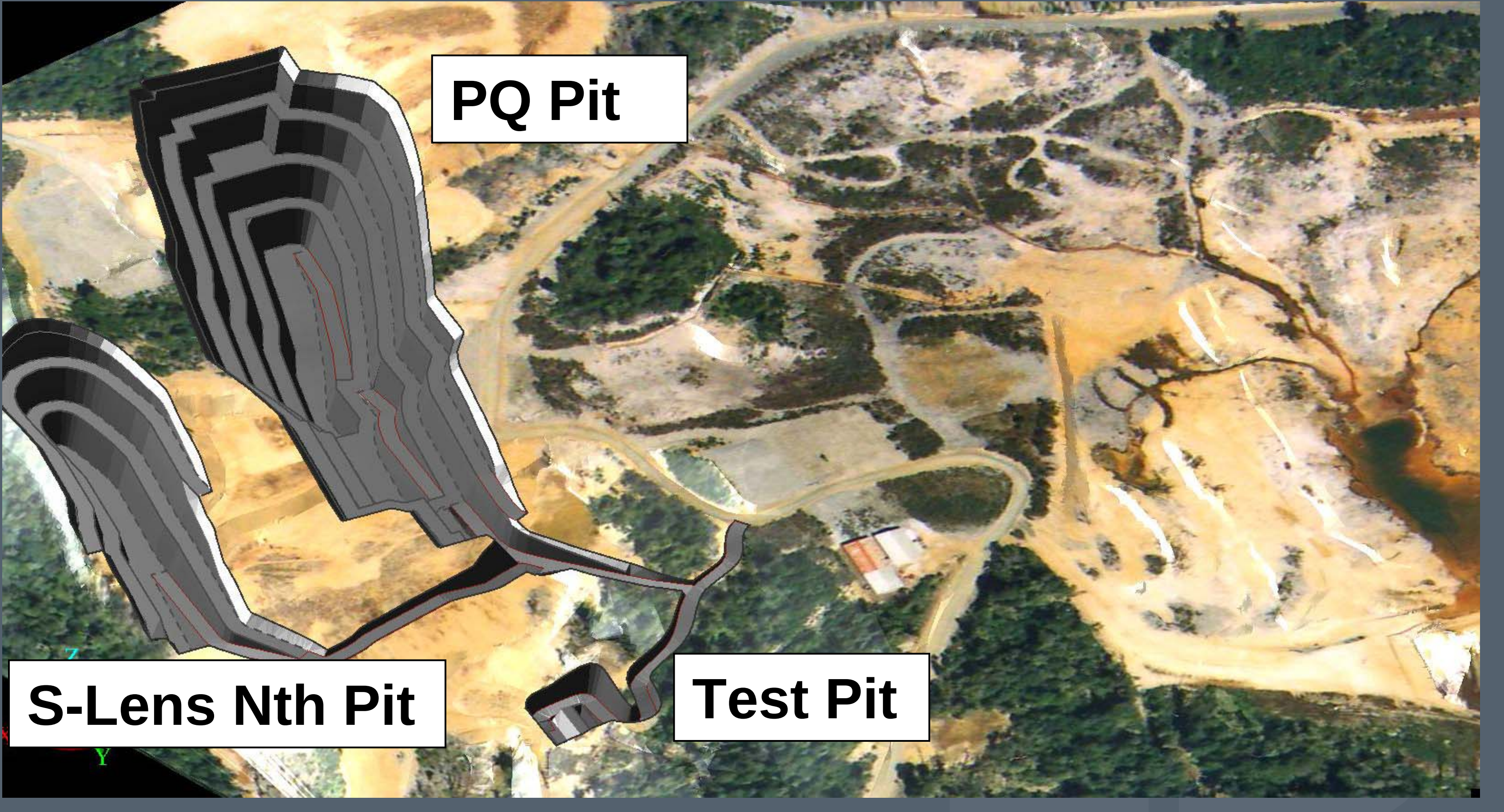
42 km by road from Rosebery



Production Update

Que River Mine

Production Update
Que River Mine



- *Looking SW at completion of Stage 1 mining phase*
- *Stage 1 – c. 120kt at 8% Zn, 4% Pb, .7% Cu, 99g/t Ag & 2g/t Au*
- *This is Stage 1 of a possible 4 stage mining plan spanning 3 to 5 years*

Production Update
Que River Mine

Operating Summary – Project to Date (29 Feb 08)

Ore Mined: 24,165t

Ore Sold: 15,938dmt at 11% Zn, 6% Pb, 103 g/t Ag, 2.0 g/t Au & 0.4% Cu

Costs: (up to 31 January 2008)

Total operating cost*$197/t <u>ore sold</u>
Total operating cost $110/t <u>ore mined</u>
*after adjustments for depreciation, amortisation and capitalisation

Cash operating costs $339/t ore sold
Cash operating costs $189/t ore mined
Highlights:
- *large inventory position – c.7,000t in stocks*
- *early high waste stripping costs*

Capital costs $0.42M - on track

Revenue: $4.26M or $267/t (estimate subject to QP)

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 – Positive reconciliation

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

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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.

Key Risks

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

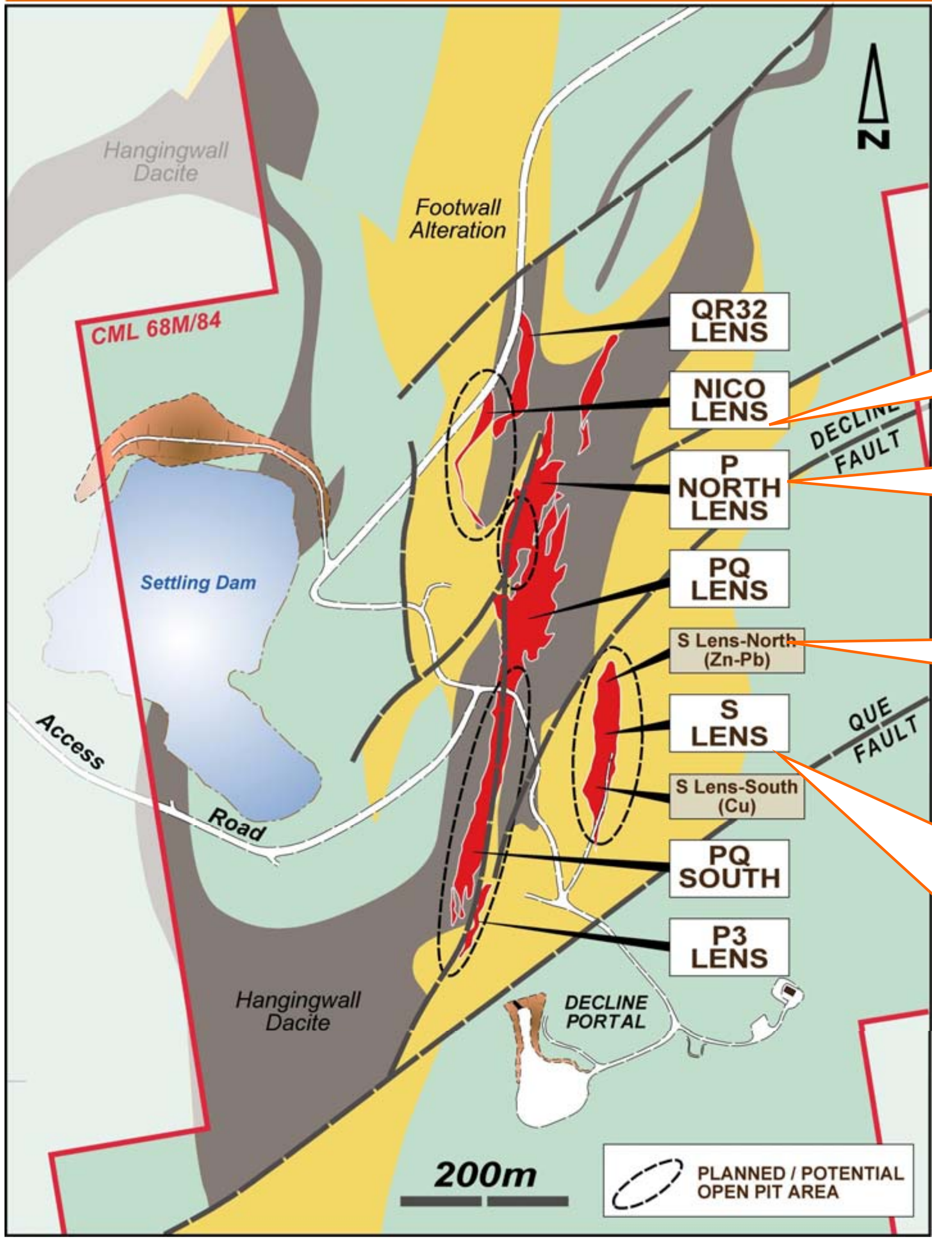
- Bearish market view on short-medium term Zn & Pb prices – off set by hedge position
- 2008 ore sales terms with Zinifex are vulnerable to global smelter charges which have or are anticipated to increase.

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

Hellyer Resources

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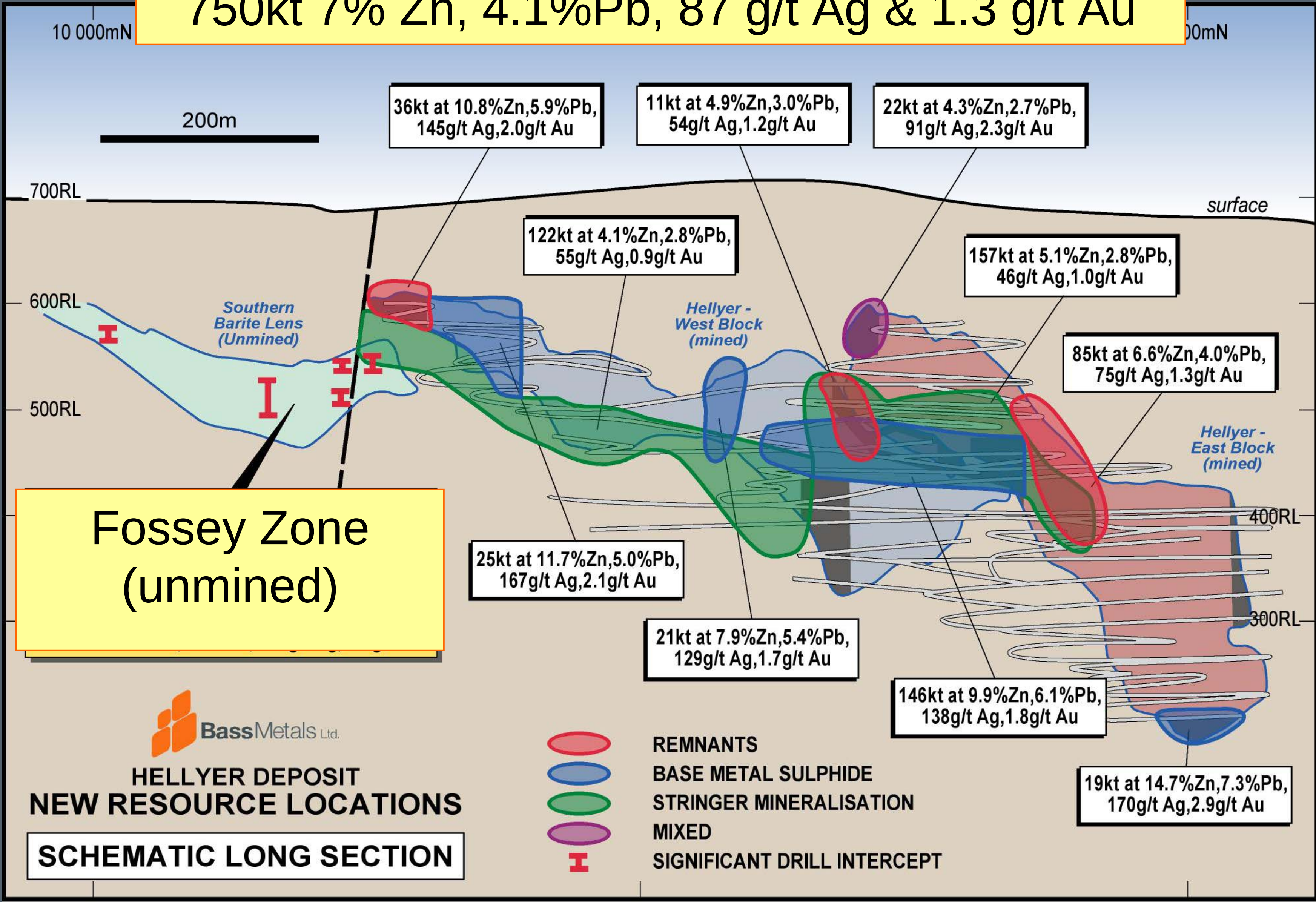
750kt 7% Zn, 4.1%Pb, 87 g/t Ag & 1.3 g/t Au



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	-	-	-	-	-	-
TOTAL MEASURED		**56**	**2.1**	**0.7**	**1.7**	**69.4**	**0.3**
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
TOTAL INDICATED		**1,127**	**6.6**	**3.6**	**0.7**	**84.8**	**1.2**
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
TOTAL INFERRED		**301**	6.3	3.6	0.7	88.7	1.1
TOTAL MINERAL RESOURCE		**1,484**	**6.3**	**3.5**	**0.7**	**85.0**	**1.1**

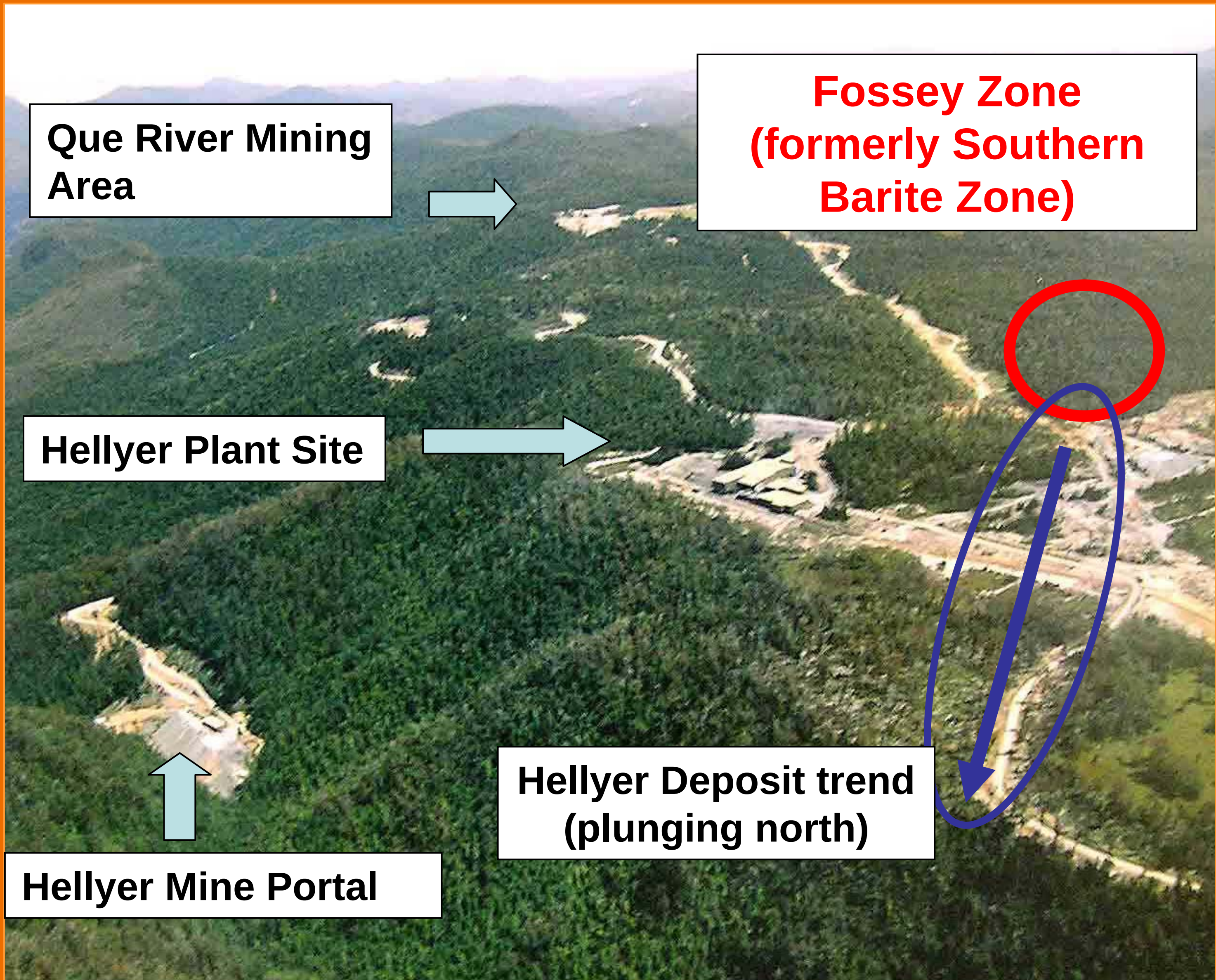
	Zn kt	Pb kt	Cu kt	Ag koz	Au koz
Contained Metals	**94**	**52**	**11**	**4,055**	**54**

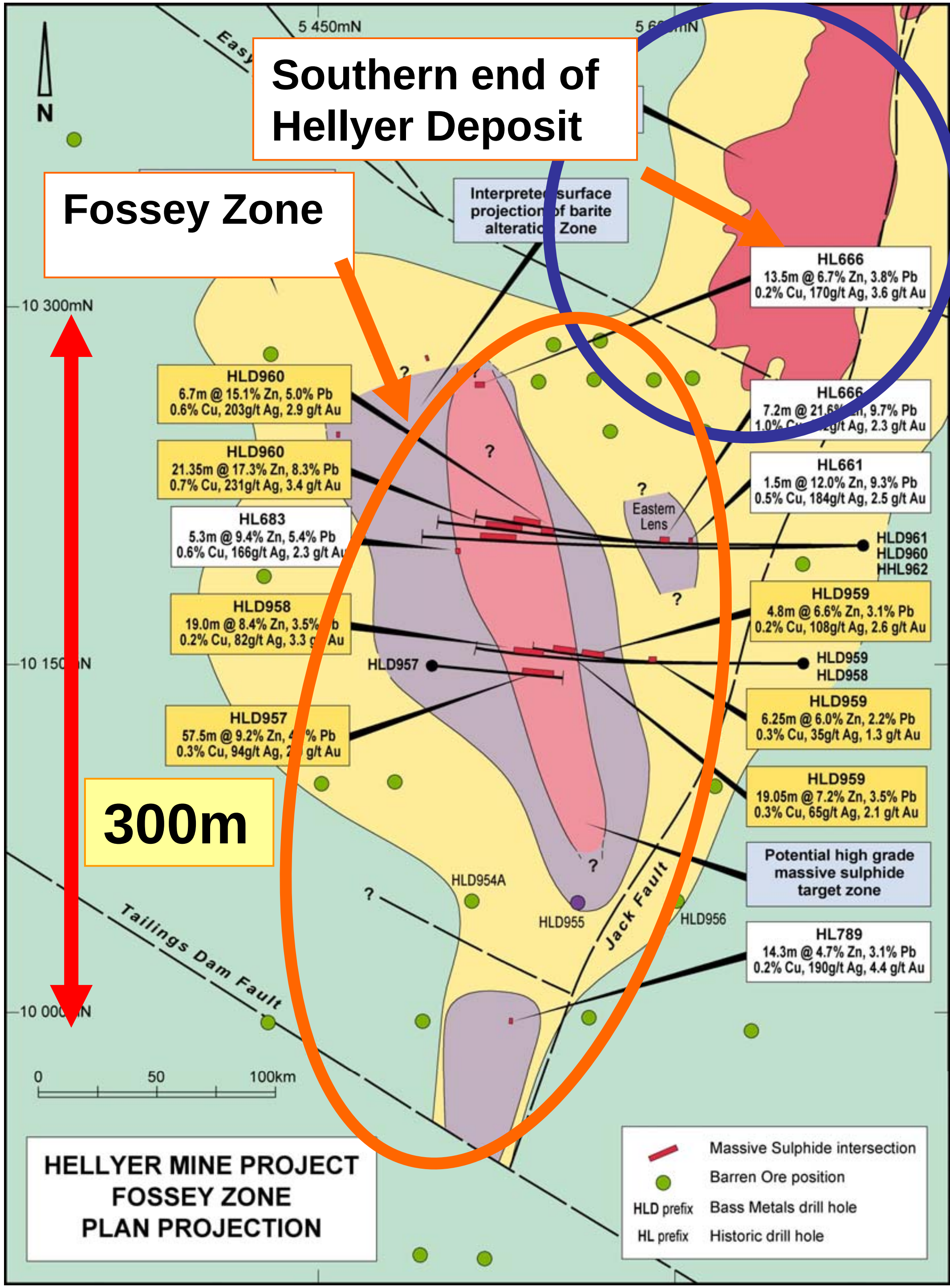
- Contained metal value of c. US$560 million (current metal prices*)
- 4km apart and close to several processing plants.

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.

Advanced Base Metals Projects

Hellyer Mine Project – growth potential





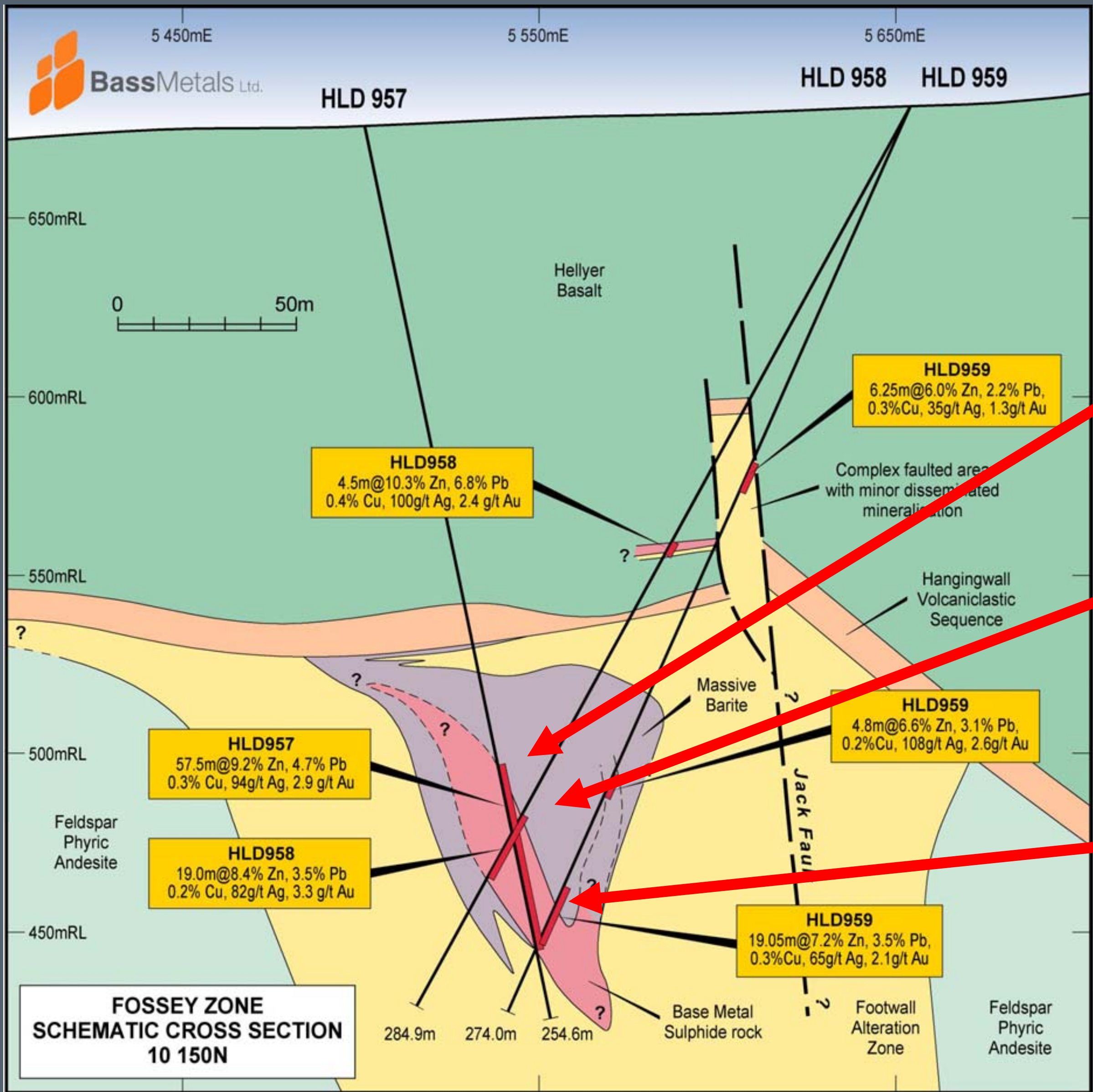
Hellyer Mine Project

Fossey Zone

Fossey Zone

- Formerly – Southern Barite Lens
- Immediately south of the Hellyer Deposit
- Unmined zone of barite alteration with massive base metal sulphide mineralisation
- New BSM geological interpretation highlighted potential for steeply dipping thick high grade Zn-Pb-Ag-Au mineralisation
- Drilling in progress to define Mineral Resource

Hellyer Mine Project
Fossey Zone



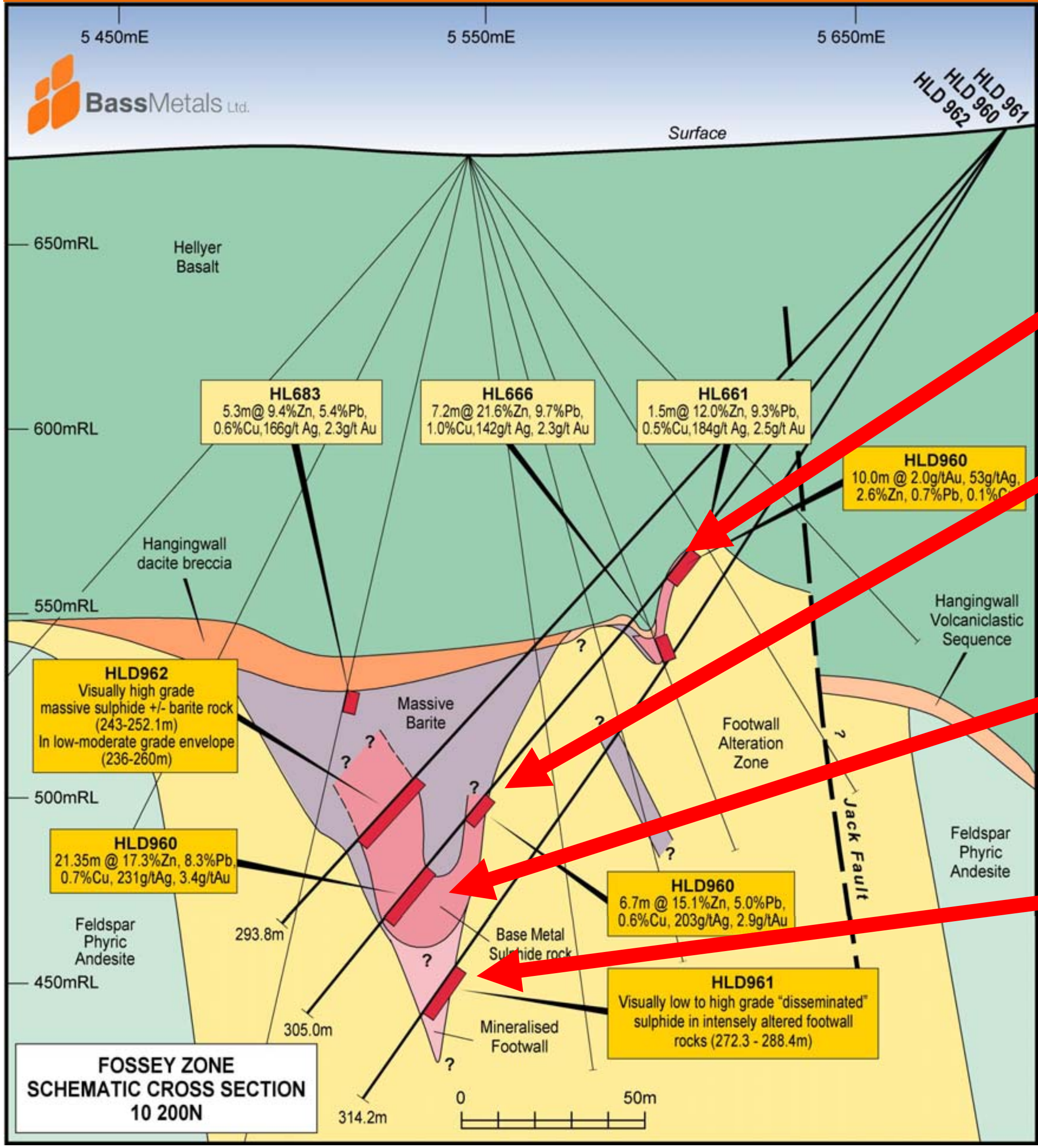
Clearly not flat!

HLD957-57m at 9.2% Zn, 4.7% Pb, 94g/t Ag & 2.9 g/t Au

HLD958-19m at 8.4% Zn, 3.5% Pb, 82g/t Ag & 3.3 g/t Au

HLD959 – 19m at 7.2% Zn, 3.5% Pb, 65 g/t Ag & 2.1 g/t Au

Hellyer Mine Project
Fossey Zone



…and 50m to the north

HLD960 – 10m at 3.0 g/t Au, 53 g/t Ag, 2.6% Zn,0.7% Cu.

HLD960 – 6.7 at 15.1% Zn, 5% Pb, 203 g/t Ag, 2.9 g/t Au & o.6% Cu.

HLD960 – 21.4m at 17.3% Zn, 8.3% Pb, 231 g/t Ag, 3.4g/t Au, 0.7% Cu

HLD961 – Visually low to high grade massive & disseminated sulphide - (272-288m)

In summary

BSM – well positioned to withstand market volatility and increase shareholder value –focus on base metal production profile.

- Strong cash position - $6.2M (as at end of Dec 07)
- Cash flow from production – underpinned with uncommitted hedging
- Significant resource base comprising base metals & gold
- Medium term focus to grow and develop existing 1.5mt base metal resource; drilling, metallurgical and processing options studies underway.
- Looking for options to fast track Fossey Zone

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Developing Mines - Actively exploring for "Elephants"

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