Bass Metals Ltd

Investor Update:
"high grade production funding development of high quality assets"

15th October 2008

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Managing Director

BassMetals Ltd

Disclaimer & Competent Person
An important notice

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.

Competent Person

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.

Technical Detail

This presentation 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 .

Recent Highlights

- Record high grade ores sales in September Quarter
- $3.1M cash injection, new cash balance of $7M
- Fossey Resource – 830kt 9% Zn, 5% Pb, 120 g/t Ag & 2.5 g/t Au.
  - ✓ Overall HMP Resource – 1.6Mt 8% Zn, 4.4% Pb, 104 g/t Ag & 1.9 g/t Au
  - ✓ Entire Que/Hellyer Resource – 2.3Mt at 19% Zn equiv.
- Maiden $1.8M profit result for FY08
- Terry Burns – HMP Study Manager appointed.

Discussion Outline

General Overview

Cash Flow – "*show me the money*"

- Que River Mine - update
- Budget overview – impact on Shareholders

Growth – "*show me the value*"

- Overview – high grade polymetallic projects
- Hellyer Mine Project – Update

Conclusion:

Q – *Why buy Bass Metals shares?*

A – *BSM is self funding with real assets and operating experience…looking to grow*

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BSM Introduction
Corporate Snapshot

ASX Codes	BSM & BSMOA
Share price	11 cents
12 month Hi/Lo	56 cents / 7.6 cents
Mkt Cap	$11.4M
No. of shares	103.5M
Shareholders	c. 1,300
Major Shareholders	23.16 % Intec Ltd (ASX:INL) 6.18 % Saracen Mineral Holdings (ASX:SAR) 3.15 % Sempra Metals
Cash	c.$7M

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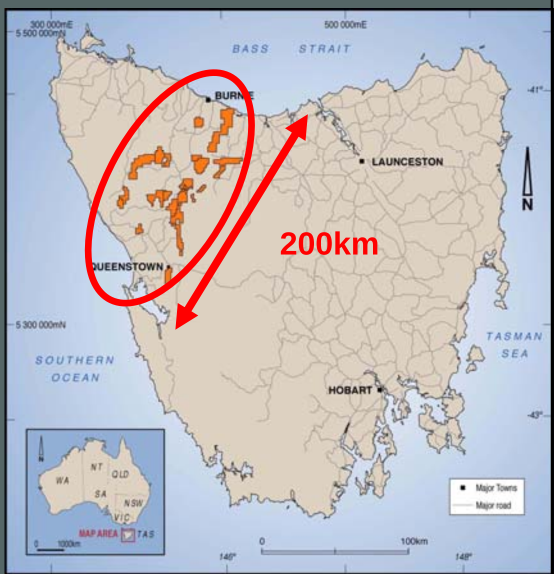
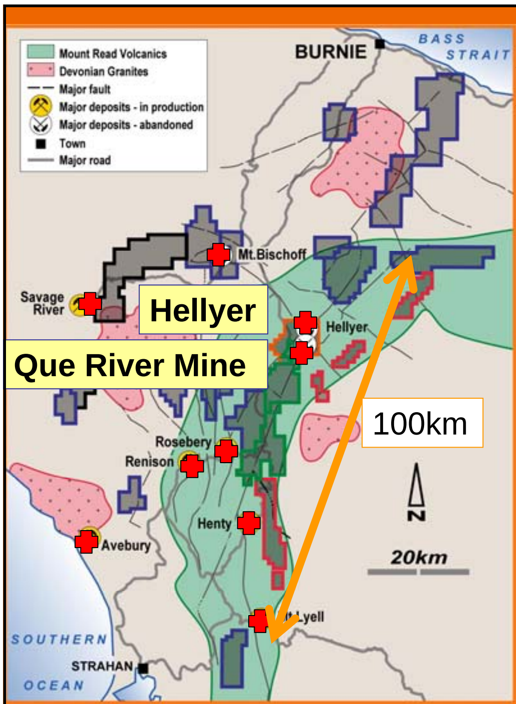
BSM Introduction
Location – NW Tasmania

Bass Metals' Project Areas

- **1,200km^2 of tenure**
- **Compact area**
- **Supportive local/state Government**
- **Excellent infrastructure**
  - **✓Power**
  - **✓Roads**
  - **✓Towns**
  - **✓Processing Plants**





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)**

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Cash flow - Production Update

Que River Mine

Zero LTI's project to date

Mancala Mining - Project Manager/Alliance Partner

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Cash flow - Production Update

Mine Production

	Tonnes Mined	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)
FY-08	43,807	11.3	6.1	0.3	162	2.9
FY-09 Sept Qtr	19,028	20.0	10.8	0.5	270	5.4
PTD	62,835	13.9	7.5	0.4	194	3.7
PTD – Reconciliation Factors Actual Mined vs. Ore Reserve						
Factor	**+ 57 %**	**+ 26 %**	**+ 50 %**	**- 6 %**	**+ 64 %**	**+ 69 %**

- **Strong technical performance**
- **Reconciliation factors – suggest strong positive outlook**

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Cash flow - Production Update

Que River Mine – FY-09 Outlook

Reserves as at 30 Sept 08

	Tonnes (000's)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)
Stage 1 Mine Plan – Remaining						
PQ Pit	29	17.6	9.9	0.3	233	6.4
S-Lens Pit	46.5	2.8	1.0	1.3	47	0.3
ROM Stocks	6.6	20.4	10.5	0.6	288	5.0

- Mining inventory – NOT factored for reconciliation trends
- Current mining activity in PQ pit only
- S-Lens pit under review – possibly defer till after potential QR32 or Nico pits, which are higher grade and benefit acid forming waste rock management.

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Cash flow - Production Update

Financial Performance – to 30 June 2008

Unit figures per tonne of ore sold

	Unit	FY-08
Value of ore sold	**$/t**	**247**
Site Costs	$/t	88
Treatment Costs	$/t	40
State Royalties	$/t	4
Depn. & Amortsn. expense	$/t	57
Total Operating Cost	**$/t**	**188**
Operating Margin	**$/t**	**59**
Operating margin	%	31
Realised hedge gains	**$/t**	**38**
Total Que River Margin	**$/t**	**97**
Total margin	%	52

From 2008 Annual Profit & Loss Statement (subject to audit)

Maiden Profit

$1.8M

1.6 cps

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Cash flow - Production Update

net realisable value (NRV) – at 30 Sept 08

Record high grade ore sales in September Quarter

NRV	Unit	FY-08	FY-09*	PTD
Avg. Value of ore sold	$/t	243	397	290
Operating Cost	$/t	210	195	205
Margin	$/t	33	202	84
Tonnes ore mined	t	43,825	19,028	62,835

****Full September 2008 Quarter***

Current AUD metal prices (Zn, Pb, Ag & Au) exceed BSM's budgeted price assumptions

NRV: compares net realisable value of all ore mined (sold & stockpiles) and all project expenditure as it is incurred, i.e. no deferral of early, higher stripping ratios.

Cash flow - Production Update
Que River Mine – FY-09 Outlook

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- Focus on PQ Pit – very high grade, very positive reconciliation trends = high margins
- Evaluate new pits – Nico & QR32, get EPA approvals
- At current metal prices (*e.g. Sept08 NRV calc*), QR generates significant margins of over 100% on costs.
- BSM has cashed in its Option hedge book – $3.14M

With $7M cash at bank and positive cash flow from Que River BSM is very well funded.

Cash flow - Production Update
Que River Mine

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The story so far…..positive mine & financial performance to date, conservative forward assumptions……

But what about the impact on the Company and the shareholders?

Cash flow - Production Update
Impact on BSM & Shareholders

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Budget Plan – FY09

Opening Cash	**$3.4 (net as at 1 July08)**
Cash Inflow - Mine	**$13.6***
-Hedge	**$3.1 (cash in Oct 15)**
Cash Outflow	
Mine Costs	$8.2*
Exploration	$4.2**
Corporate & Business Dev.	$1.7
Closing Cash	**$6.1 (net as at 30 June09)**

PQ Pit only, with no factoring for positive ore reconciliation trends.

***** Under review***

Impact – BSM has sufficient funding to achieve its current exploration objectives & accumulate cash.

Value through Growth
Focus on grade and polymetallic endowment

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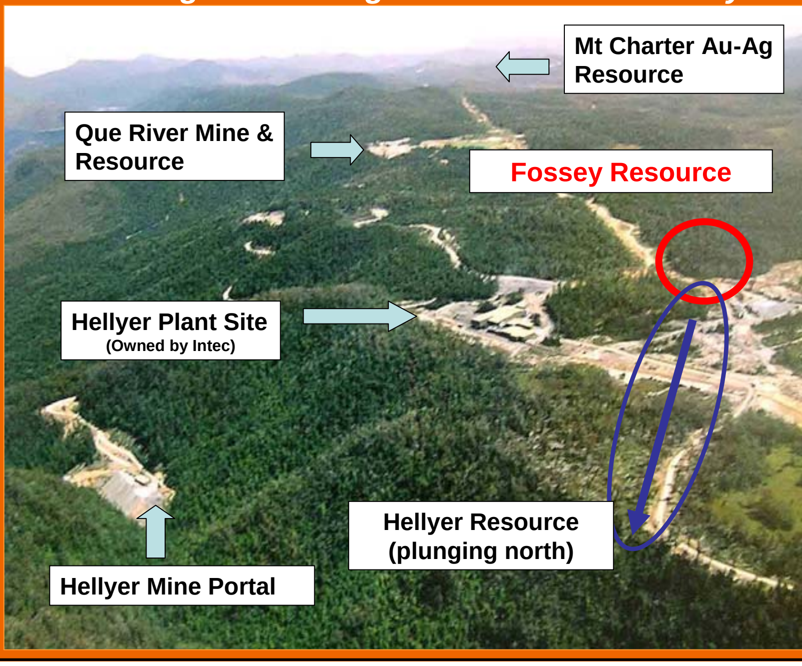
Advanced growth opportunities

HMP:	Fossey/Hellyer Resources - 1.6Mt 8% Zn, 4% Pb,104 g/t Ag & 1.9 g/t Au
Que River:	Mineral resource - 0.7Mt 5% Zn, 3%pb, 1.2%Cu, 83g/t Ag & 0/9 g/t Au
Mt Charter:	Mineral resource - 6.1Mt at 1.2 g/t Au & 36 g/t Ag (380koz Au eq)
Farrell:	Historic Pb-Ag (Zn) Mine – historic production of 700kt at 13%Pb & 14 oz/t Ag
Magnet:	Historic Pb-Ag (Zn) Mine – historic production of 630kt at 6%Pb, 7% Zn & 13 oz/t Ag
Oonah:	3 Historic Mines – historic production of: - Oonah- 863kt 1.1% Cu, 1.2 % Pb, 1.0% Sn & 153 g/t Ag - Montana- 40kt 5.3% Pb, 143 g/t Ag & 0.5 g/t Au - Zeehan Western- 300kt 8.7% Pb, 480 g/t Ag & 0.5 g/t Au

The existing advanced growth assets-near Hellyer



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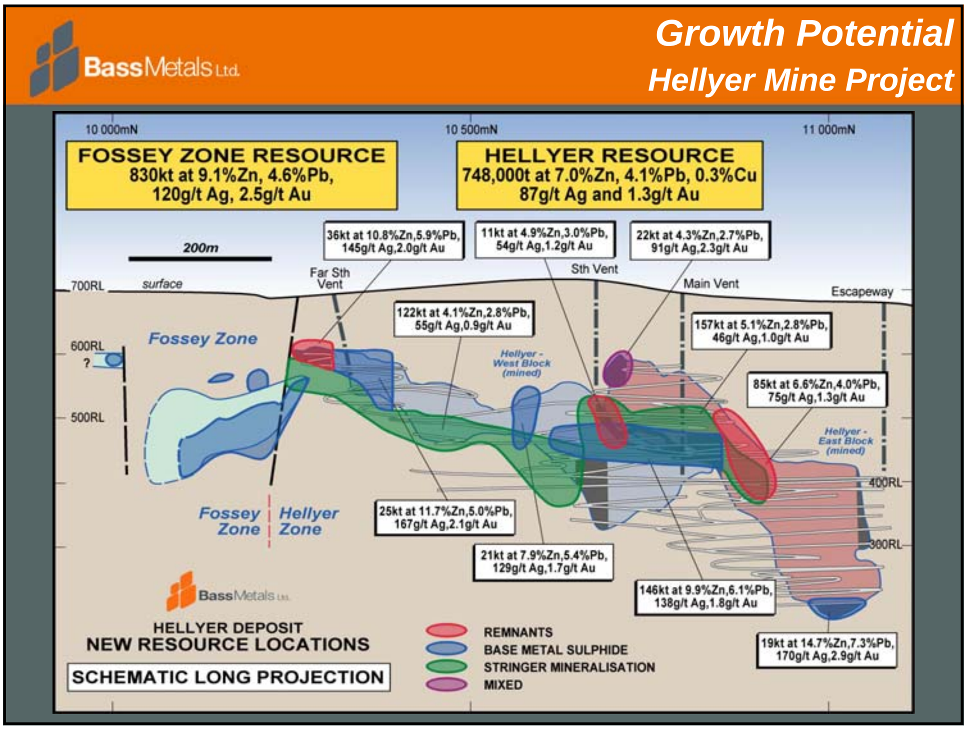
Growth Potential
Hellyer Mine Project

Next phase - "meaningful" production and cash flow

Hellyer Mine Project:

- 1.6Mt of high grade, polymetallic Cu-Pb-Zn-Ag-Au Mineral Resource
- Well located in terms of:
  - ✓ Existing underground mine development (Hellyer)
  - ✓ Power, road access & services
  - ✓ Two potential processing plants
- A potential 150kt to 250kt of high grade ore production per year mine development.
- A potential larger scale project incorporating gold and silver resources also.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Growth Potential
Hellyer Mine Project
10 000mN
10 500mN
11 000mN
FOSSEY ZONE RESOURCE
830kt at 9.1%Zn, 4.6%Pb,
120g/t Ag, 2.5g/t Au
HELLYER RESOURCE
748,000t at 7.0%Zn, 4.1%Pb, 0.3%Cu
87g/t Ag and 1.3g/t Au
200m
36kt at 10.8%Zn,5.9%Pb,
145g/t Ag,2.0g/t Au
11kt at 4.9%Zn,3.0%Pb,
54g/t Ag,1.2g/t Au
22kt at 4.3%Zn,2.7%Pb,
91g/t Ag,2.3g/t Au
700RL
surface
Far Sth Vent
Sth Vent
Main Vent
Escapeway
122kt at 4.1%Zn,2.8%Pb,
55g/t Ag,0.9g/t Au
157kt at 5.1%Zn,2.8%Pb,
46g/t Ag,1.0g/t Au
600RL
Fossey Zone
Hellyer - West Block (mined)
85kt at 6.6%Zn,4.0%Pb,
75g/t Ag,1.3g/t Au
500RL
Hellyer - East Block (mined)
400RL
Fossey Zone
Hellyer Zone
25kt at 11.7%Zn,5.0%Pb,
167g/t Ag,2.1g/t Au
300RL
21kt at 7.9%Zn,5.4%Pb,
129g/t Ag,1.7g/t Au
146kt at 9.9%Zn,6.1%Pb,
138g/t Ag,1.8g/t Au
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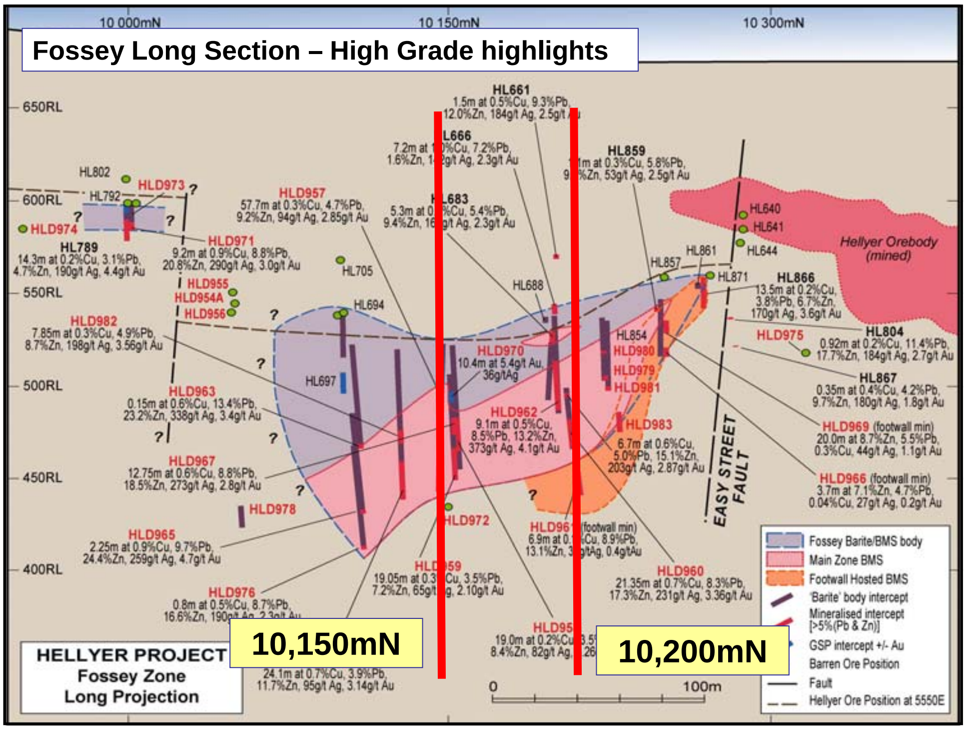
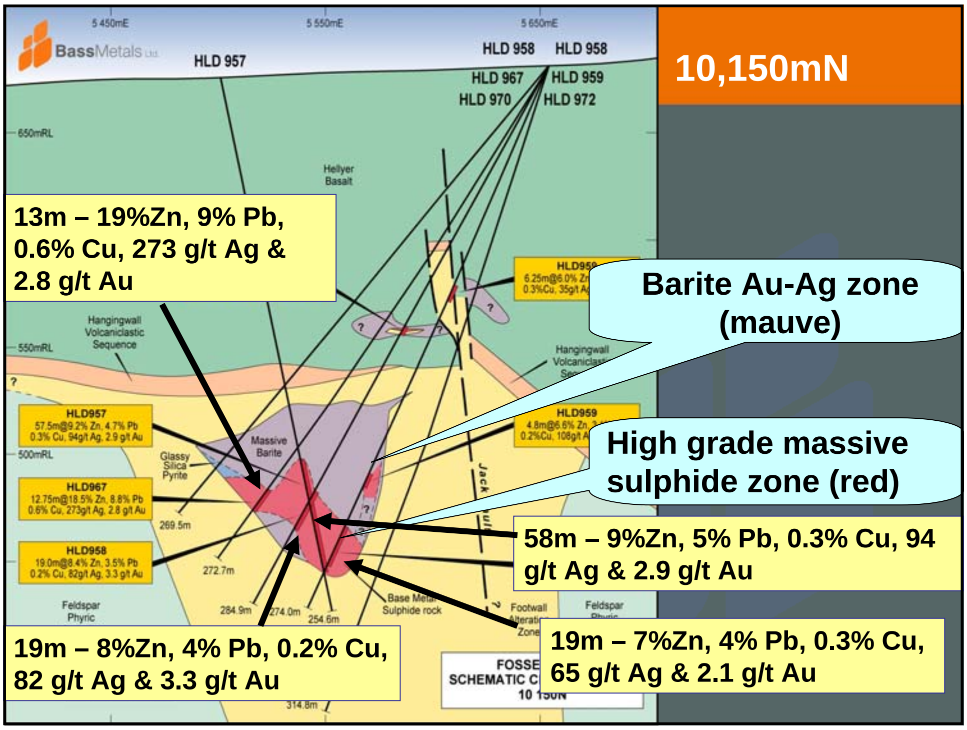
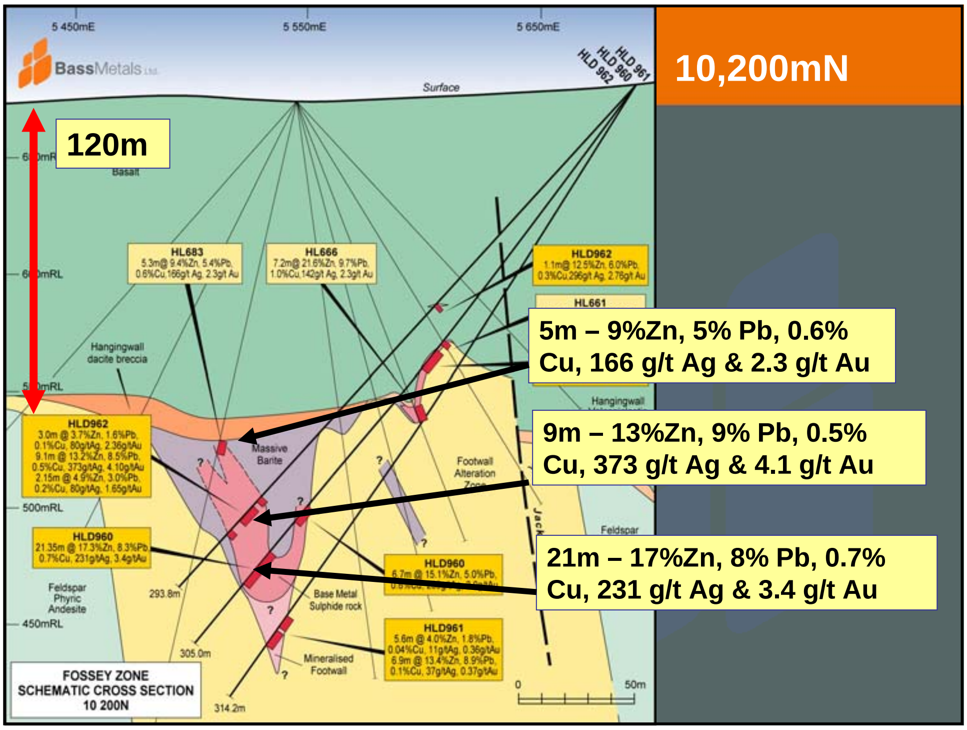
HELLYER DEPOSIT
NEW RESOURCE LOCATIONS
SCHEMATIC LONG PROJECTION
REMNANTS
BASE METAL SULPHIDE
STRINGER MINERALISATION
MIXED
19kt at 14.7%Zn,7.3%Pb,
170g/t Ag,2.9g/t Au


10 000mN
10 150mN
10 300mN
Fossey Long Section – High Grade highlights
650RL
600RL
550RL
500RL
450RL
400RL
HL661
1.5m at 0.5%Cu, 9.3%Pb,
12.0%Zn, 184g/t Ag, 2.5g/t Au
HL859
HLD957
57.7m at 0.3%Cu, 4.7%Pb,
9.2%Zn, 94g/t Ag, 2.85g/t Au
HLD973
HLD974
HL789
14.3m at 0.2%Cu, 3.1%Pb,
4.7%Zn, 190g/t Ag, 4.4g/t Au
HLD971
9.2m at 0.9%Cu, 8.8%Pb,
20.8%Zn, 290g/t Ag, 3.0g/t Au
HLD982
7.85m at 0.3%Cu, 4.9%Pb,
8.7%Zn, 198g/t Ag, 3.56g/t Au
HLD963
0.15m at 0.6%Cu, 13.4%Pb,
23.2%Zn, 338g/t Ag, 3.4g/t Au
HLD967
12.75m at 0.6%Cu, 8.8%Pb,
18.5%Zn, 273g/t Ag, 2.8g/t Au
HLD978
HLD965
2.25m at 0.9%Cu, 9.7%Pb,
24.4%Zn, 259g/t Ag, 4.7g/t Au
HLD976
HLD970
10.4m at 5.4g/t Au,
36g/tAg
HLD962
9.1m at 0.5%Cu,
8.5%Pb, 13.2%Zn,
373g/t Ag, 4.1g/t Au
HLD972
HLD983
6.7m at 0.6%Cu,
5.0%Pb, 15.1%Zn,
203g/t Ag, 2.87g/t Au
HLD960
21.35m at 0.7%Cu, 8.3%Pb,
17.3%Zn, 231g/t Ag, 3.36g/t Au
Hellyer Orebody
(mined)
HL866
13.5m at 0.2%Cu,
3.8%Pb, 6.7%Zn,
170g/t Ag, 3.6g/t Au
HLD975
HL804
0.92m at 0.2%Cu, 11.4%Pb,
17.7%Zn, 184g/t Ag, 2.7g/t Au
HL867
0.35m at 0.4%Cu, 4.2%Pb,
9.7%Zn, 180g/t Ag, 1.8g/t Au
HLD969 (footwall min)
20.0m at 8.7%Zn, 5.5%Pb,
0.3%Cu, 44g/t Ag, 1.1g/t Au
HLD966 (footwall min)
3.7m at 7.1%Zn, 4.7%Pb,
0.04%Cu, 27g/t Ag, 0.2g/t Au
EASY STREET FAULT
10,150mN
10,200mN
HELLYER PROJECT
Fossey Zone
Long Projection
24.1m at 0.7%Cu, 3.9%Pb,
11.7%Zn, 95g/t Ag, 3.14g/t Au
0
100m
Fossey Barite/BMS body
Main Zone BMS
Footwall Hosted BMS
'Barite' body intercept
Mineralised intercept
[>5%(Pb & Zn)]
GSP intercept +/- Au
Barren Ore Position
Fault
Hellyer Ore Position at 5550E


10,150mN
BassMetals
HLD 957
HLD 958
HLD 958
HLD 967
HLD 959
HLD 970
HLD 972
13m – 19%Zn, 9% Pb, 0.6% Cu, 273 g/t Ag & 2.8 g/t Au
Barite Au-Ag zone (mauve)
High grade massive sulphide zone (red)
58m – 9%Zn, 5% Pb, 0.3% Cu, 94 g/t Ag & 2.9 g/t Au
19m – 8%Zn, 4% Pb, 0.2% Cu, 82 g/t Ag & 3.3 g/t Au
19m – 7%Zn, 4% Pb, 0.3% Cu, 65 g/t Ag & 2.1 g/t Au


10,200mN
BassMetals
Surface
120m
5m – 9%Zn, 5% Pb, 0.6% Cu, 166 g/t Ag & 2.3 g/t Au
9m – 13%Zn, 9% Pb, 0.5% Cu, 373 g/t Ag & 4.1 g/t Au
21m – 17%Zn, 8% Pb, 0.7% Cu, 231 g/t Ag & 3.4 g/t Au
FOSSEY ZONE
SCHEMATIC CROSS SECTION
10 200N

Growth Potential
Hellyer Mine Project

Mine Study Progress Update:

1. Terry Burns HMP Study Manager appointed
2. Conceptual Mining study – in progress with support from Mancala Mining Pty Ltd.
3. Metallurgical Testwork – in progress (Ammtec/Mineralurgy)

   Early results - very encouraging for making distinct Pb and Zn concentrates + Au, Ag & Cu recovery. This is without regrinding, more cleaning circuits or reagent optimisation.
4. Environmental Study – in progress

   Key issue is water management, i.e. dewatering Hellyer mine void
5. Processing Options under review – New Plant, Hellyer & Rosebery plants

In Conclusion
To maximise investor returns

Sound execution of a plan…..

Step 1: Que River – gives BSM "producer" status & positive cash flow – <u>funds next step</u>.
If there is excess cash (indicated by positive ore reconciliation trends), plan to accumulate it.

Step 2: Hellyer Mine Project has the potential to add "meaningful" scale production profile.

Aiming for early staged development approach 12-18 month time frame.

Step 3: Exploration – focus on advanced high grade polymetallic projects and continue some early stage exploration.

Seek out new projects & corporate deals

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Finally, Why buy Bass Metals ?

BSM management has experienced market downturns before.

Whilst other companies suddenly, BECOME cautious…..

…..BSM has, ALWAYS been cautious!

- ***Focused on high grade polymetallic projects***
- ***Focused on safety and sustainable management systems***
- ***Focused on cash flow protected by sensible hedging***

Now, in this tough market – we intend to exploit the opportunities; we are

- ***Optimistic about metal demand and prices in 2009 onwards***
- ***Self-funding the development of our project pipeline***
- ***Actively seeking out new projects and sensible deals***

…..to maximise shareholder value!

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Producing, Developing & Exploring for "Elephants"

www.bassmetals.com.au