Bass Metals Ltd.
ABN 31 109 933 995

8 April 2009

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

Dear Sir

Que River High Grade Drill Intercepts & Ore Sales Update

Bass Metals Ltd (ASX:BSM) is pleased to provide the following update on the Company's Que River mine project located in NW Tasmania.

Key Points

1. Drilling beneath the northern end of the PQ pit at Que River has yielded further high grade gold, silver and base metal assay results including:
   - **6.6 metres 4.0 g/t gold, 465 g/t silver, 24.2 % zinc, 11.6 % lead and 0.7 % copper (QRD1302)**
   - **7.9 metres at 5.1 g/t gold, 250 g/t silver, 18.8 % zinc, 10.3 % lead, and 0.5 % copper (QRD1303)**
   - **3.8 metres at 3.7 g/t gold, 329 g/t silver, 15.6 % zinc, 8.3 % lead and 0.2 % copper (QRD1305)**
   - **4.7 metres at 2.8 g/t gold, 171 g/t silver, 12.7 % zinc, 7.8 % lead and 0.4 % copper (QRD1306)**
2. This drilling has confirmed the target zone previously estimated to have potential for 40,000 to 60,000 tonnes of PQ style mineralisation.
3. Ore Payment Factors for the remainder of the Que River Ore Sales contract have been finalised with OZ Minerals Ltd, resulting in lower payability for contained copper, lead and zinc with gold and silver remaining the same. Note - gold and silver revenues comprise approximately 45% of the forecast revenue mix.

Introduction

This report presents the assay results for the final nine diamond drill holes drilled to test shallow extensions of the high grade PQ Lens north of the existing limit of the planned PQ pit. A summary of the assay results for drill holes QRD1295 and QRD1301 to 1308 are presented in Table 1 and schematically in longitudinal section in Figure 1.

The Company has also concluded negotiations with OZ Minerals Ltd (OZL) on its 2009 Ore Payment factors for remaining contracted ore deliveries from the Que River mine.

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Drilling Results

The drill holes reported are testing discrete positions along strike of the PQ lens between areas known to have been stoped during the historic underground mining operations in the 1980's. The Company recently reported an Exploration Target of 40,000 to 60,000 tonnes immediately north and beneath the current Stage 1 PQ pit design as shown in Figure 1 (refer Report to ASX 10 February 2009).

Table 1: Assay summary at 5% (Pb+Zn) cutoff

From (m)	To (m)	Drilled Interval (m)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)
QRD1295 (at > 5 % (Pb+Zn) cut-off)							
No significant interval							
QRD1301(at > 5 % (Pb+Zn) cut-off)							
No significant interval							
QRD1302 (at > 5 % (Pb+Zn) cut-off)							
32.00	38.60	6.60	24.2	11.6	0.7	466	4.0
QRD1303 (at > 5 % (Pb+Zn) cut-off)							
17.60	25.50	7.90	18.8	10.3	0.5	250	5.1
QRD1304 (at > 5 % (Pb+Zn) cut-off)							
49.20	72.70	23.50	5.3	3.4	0.1	43	1.0
QRD1305 (at > 5 % (Pb+Zn) cut-off)							
34.50	43.60	9.10	15.6	8.3	0.2	329	3.7
QRD1306 (at > 5 % (Pb+Zn) cut-off)							
12.90	17.60	4.70	12.7	7.8	0.4	171	2.8
QRD1307 (at > 5 % (Pb+Zn) cut-off) no significant intervals but note:							
19.00	*20.00*	*1.00*	*7.1*	*4.5*	*0.1*	*146*	*2.8*
23.00	*25.00*	*2.00*	*4.8*	*2.9*	*0.1*	*46*	*1.6*
QRD1308 (at > 5 % (Pb+Zn) cut-off) no significant intervals but note:							
60.00	*62.00*	*2.00*	*4.4*	*2.8*	*0.1*	*39*	*0.76*

**Significant intervals* reflect interval selection criteria where an intercept generally comprises at least:

- For polymetallic mineralisation – minimum of 3 metres downhole at a minimum assay cut-off of 5 % (Pb+Zn); or,
- For gold mineralisation - at least 5 metres downhole at a minimum assay cut-off of 1 g/t Au.

The drilling programme had to work around the current open pit mining operations as well as testing lens positions in close proximity to the historic underground voids. The results of the drilling were generally positive and specific points to note with respect to the latest assay results include:

- A significant zone of high grade mineralisation has been delineated immediately beneath the current designed pit base by drill holes QRD1302 to 1307.
- QRD1295, 1299 and 1308 intersected either alteration with minor stringer style mineralisation or narrow lower grade massive sulphide mineralisation defining the base of the remnant mineralisation at approximately 25 to 35 metres beneath the current pit level.
- QRD1303 intersected two minor cavities, 0.4 and 0.7 metres wide within the mineralised intercept reported above. Several other drill holes also intersected cavities outside the mineralisation consistent with the historic mine plans.

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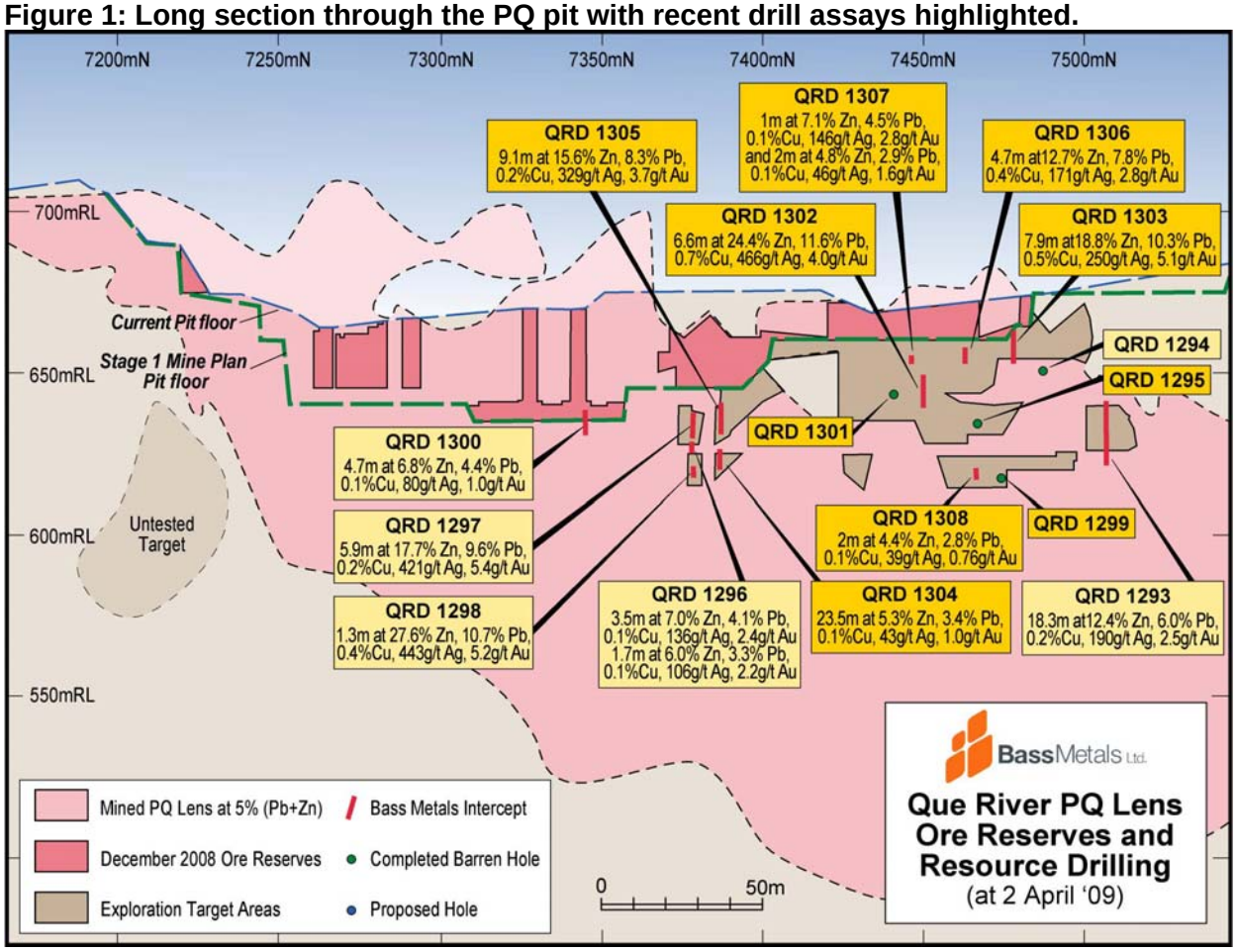
Figure 1: Long section through the PQ pit with recent drill assays highlighted.



Que River Ore Sales Contract

The Company has finalised negotiations with OZL for the 2009 Ore Payment factors which will be applied retrospectively to ore deliveries from the 1st March 2009. This has resulted in reductions to the payment factors for lead, zinc and copper, with gold and silver payment factors remaining unchanged. BSM has a further 35,000 tonnes of the original 120,000 tonne contracted amount to deliver. This is planned to comprise high grade PQ ore with high gold and silver credits, which will be mined over the next 3 months. As reported previously, gold and silver comprise approximately 45% of the company's metal revenue mix.

The recent acquisition of the Hellyer Mill creates enables BSM to evaluate processing the remaining PQ, QR32 and S-Lens Ore Reserves itself on-site, or entering into a new Ore Sales contract with OZL-Rosebery. Technical issues such as the lack of a gold circuit at Hellyer and the need to run the plant on a campaign basis are currently being examined, as are the financial management issues and gross revenue outcomes from selling metal concentrates instead of whole ore.

Testwork and negotiations on this aspect to extend the current Que River mine operations are in progress.

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Commentary

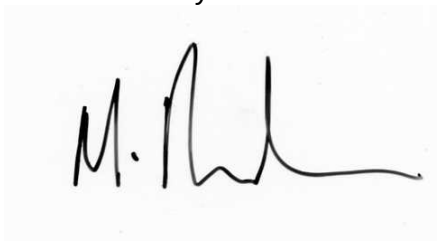
The final drilling results at PQ North continue to provide encouragement for further Mineral Resource extensions beyond the current PQ pit design. A Mineral Resource estimate is underway and this is expected to be consistent with the exploration target reported previously of 40,000 to 60,000 tonnes. Given the very close proximity to the existing pit and the high gold, silver and base metal grades the Company is hopeful to include this mineralisation into its mine plans. Exploration designed to identify more significant resource extensions is also about to recommence and the Company considers that there is excellent prospectivity to identify new lens positions.

BSM considers that the Ore Sales contract with OZL has been a successful endeavour for both companies which, in conjunction with its hedging receipts, underpinned a significant interim profit of $4.5 million for the Half-year to December 31, 2008. At current prices BSM is owed approximately $5.2 million by OZL for ore deliveries to date and these receipts are planned to flow in over the next 7 months. Therefore the negative impact of the revised Ore Payment factors will be minimised by these cash flow receipts and the strong contribution of gold and silver in the forecast revenue mix. This is subject to future metals prices and OZL maintaining its current financial standing with its Banking Syndicate.

Ownership of the Hellyer Mill gives BSM options to reassess the ore sales arrangement at the conclusion of the current contract. The Mill is suited to treat Que River ore types and further testwork to determine how best to capture the gold value is underway. The financial implications with respect to working capital and revenue are also being examined to evaluate an early re-start of the Hellyer Mill to process the available open-pitable mineralisation at Que River.

I look forward to reporting further on the Company's progress and outcomes in pursuit of its growth objectives in the near term.

Yours Sincerely



Mike Rosenstreich
Managing Director

The information within this report that relates to exploration results is based on information compiled by Mr Kim Denwer and Mr Mike Rosenstreich 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 and they consent to the inclusion of this information in the form and context in which it appears in this report.

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