



BASS METALS LTD

ABN 31 109 933 995

15 March 2007

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

Dear Sir

UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE

Bass Metals Ltd is pleased to announce a pro rata renounceable rights issue (Rights Issue) to raise approximately \$4.43 million before costs. The Rights Issue offers:

- one new share for every four shares held at the record date at an issue price of \$0.28 per new share; and,
- one free attaching new option for every four new shares issued. The attaching new options have an exercise price of \$0.40 and expire 30 April 2010.

The Company will apply to have the new shares and new options quoted on the Australian Stock Exchange. The Rights Issue includes a Shortfall facility whereby eligible shareholders may apply for additional new shares and attaching new options in excess of their entitlement at the issue price. The Shortfall will only be available subject to other eligible shareholders not taking up their entitlements. Allocation of any Shortfall will be at the discretion of the Underwriter in consultation with Directors.

The Company is pleased to be working with Patersons Securities Limited which proposes to underwrite \$4.0 million of the Rights Issue. Positive support to the Rights Issue has also been provided by Intec Ltd, Bass Metals' major shareholder. Intec has agreed to sub-underwrite \$1.5 million of the raising, inclusive of its full entitlement.

The funds raised will be used by the Company to provide working capital support to its proposed Que River mining project and to maintain the current vigorous level of exploration activity, particularly to follow-up on promising results from several regional targets.

The Prospectus relating to the Rights Issue will be lodged with ASIC and ASX on or about 16 March 2007 and will be available on the ASX website (www.asx.com.au) and also on the Company's website (www.bassmetals.com.au). The Prospectus and personalised Entitlement and Acceptance Form will be despatched to all eligible shareholders registered at the Record Date. The Record Date will be on or about 28 March 2007. Rights trading will commence on or about 22 March 2007.

Bass Metals is at an exciting transitional phase in its growth and the proposed raising has been structured to provide an opportunity for participation by all eligible shareholders. Shareholders are strongly encouraged to review the forthcoming notices and Prospectus carefully to ensure they fully understand the Rights Issue process and key dates. Any questions should be directed to the undersigned or the Company Secretary, Ms Susan Hunter, on the contact details below.

Yours Sincerely

Mike Rosenstreich
Managing Director