



BASS METALS LTD

ABN 31 109 933 995

10 August 2006

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

Dear Sir

RE: PLACEMENT TO RAISE \$3.2 MILLION

The Company is pleased to announce that it has negotiated the placement of 20,000,000 ordinary fully paid shares at an issue price of 16 cents per share as an excluded offer. The placement which will raise \$3,200,000 before brokerage and costs was jointly managed by Carmichael Capital Markets Pty Ltd and JSM Corporate Capital Pty Ltd from Brisbane. The Placees include existing shareholders and several new, experienced resource investors who qualify as Sophisticated and Professional Investors under Section 708 of the Corporations Law.

The funds raised will be used in funding the Company's highly active exploration and development programmes as well as its ongoing corporate overheads.

Shareholders approved the placement at a General Meeting of shareholders held this morning. The shares issued pursuant to the placement will rank equally in all respects with all existing ordinary shares previously issued by the Company and quoted on ASX. Application will be made to ASX for quotation of the placement shares.

A prospectus will be issued shortly to facilitate secondary trading of the placement shares as these were issued without disclosure to investors under Part 6D.2 of the Corporations Act.

On behalf of the Board I thank all of our existing and new shareholders for their support and I look forward to providing further updates on results from our four distinct exploration and development initiatives in western Tasmania.

Yours sincerely

Mike Rosenstreich
Managing Director