



**BASS METALS LTD**

ABN 31 109 933 995

3 November 2006

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

Dear Sir

**RE: SETTLEMENT OF MAJOR GROUND ACQUISITION WITH SARACEN.**

Bass Metals Ltd today settled on the acquisition of Saracen Mineral Holdings Limited's (SAR) Tasmanian exploration portfolio comprising 138km<sup>2</sup> over the highly mineralised Mt Read volcanic belt. The final settlement which was subject to Ministerial consent comprised the issue of 6.4 million shares and the payment of \$275,000. A meeting of Bass Metal's shareholders on the 10 August 2006 approved the issue of the 6.4 million shares which are subject to a 12 month escrow from today's date. Please refer to the attached Appendix 3B form.

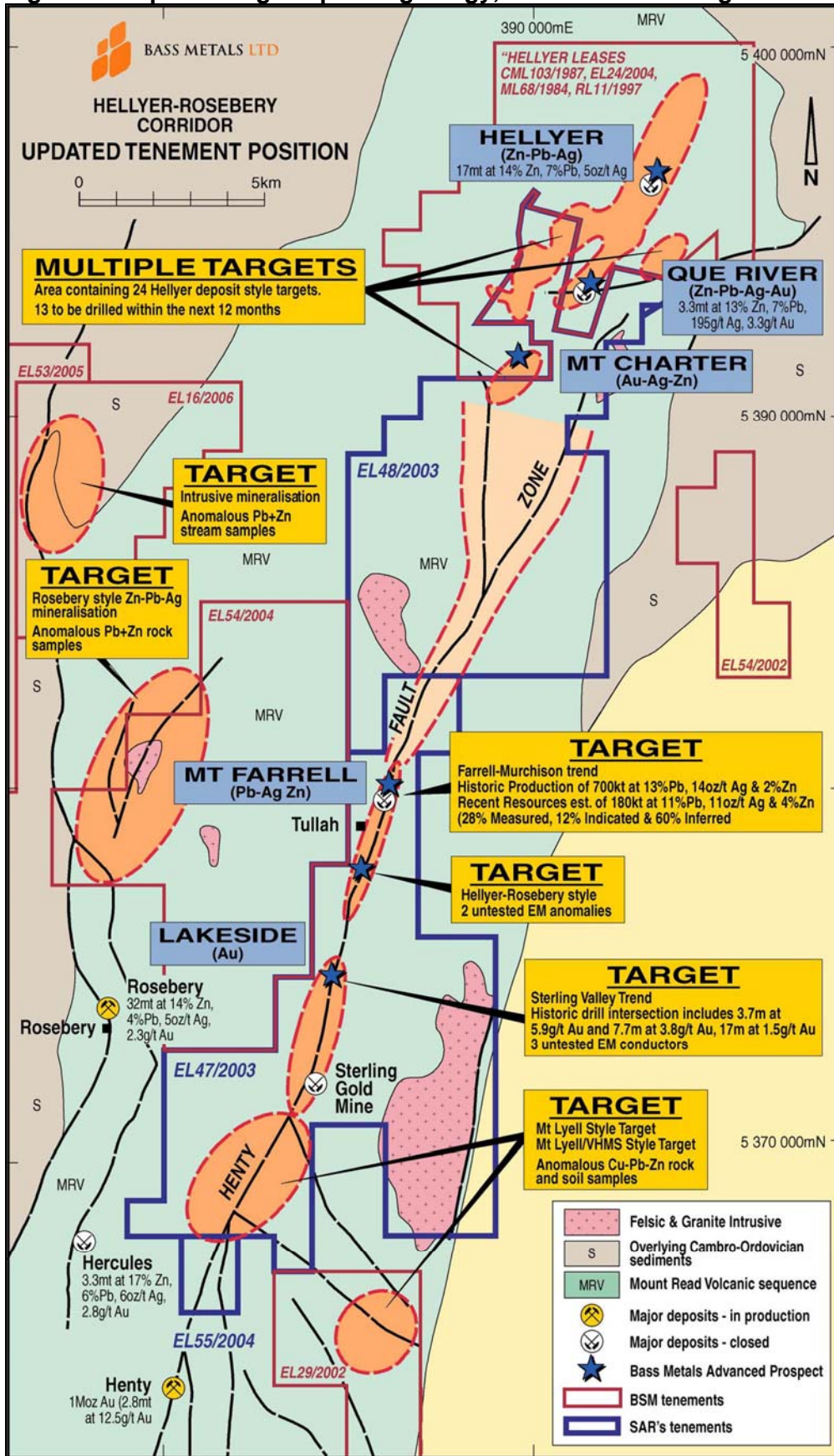
Completion of this transaction is a strategic consolidation of tenements which adjoin Bass Metals' Hellyer project, contain extensions of mineralised units, and lie adjacent to the Henty and Rosebery mining centres. This major acquisition involving a large ground position (refer figure 1) covers existing resources, advanced drill targets and highly rated regional targets and anomalies. The geological "neighbourhood" boasts several very large, high grade base metal and gold mines such as Hellyer (Pb-Zn-Ag-Au), Rosebery (Cu-Pb-Zn-Ag-Au), Mt Lyell (Cu-Au) and Henty (Au) and numerous smaller scale occurrences.

The Company is well poised to achieve exploration success through its dominant regional ground position, access to recently acquired public domain geophysical data and its exploration collaboration with Geoinformatics Exploration Inc. (TSX.V:GXL) and Zinifex Limited (ASX:ZFX) giving it access to proven exploration technology and expertise to compliment its own locally based and highly experienced exploration team.

Yours sincerely

Mike Rosenstreich  
*Managing Director*

**Figure 1: Map showing simplified geology, tenements and targets.**



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 a member of The Australasian Institute of Mining and Metallurgy. Mr Rosenstreich has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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.