



METALS FINANCE CORP

SPECIALISTS IN METAL RECOVERY

18 November 2008

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sirs

The Directors are pleased to advise that Metals Finance Corp. (ASX code: MFC) has acquired from Intec Ltd (ASX code: INL) a 19.9% shareholding in Bass Metals Ltd (ASX code: BSM). BSM operates a small polymetallic base metal mine at Que River in north western Tasmania and has a portfolio of high quality advanced exploration tenements in the same general locale.

As announced by BSM on 13 October 2008, the Que River mine achieved record ore sales at high zinc, lead, silver and gold grades, which generated margins over costs for the September 2008 Quarter in excess of 100%. BSM's Managing Director stated that "Bass Metals is well positioned to withstand the recent global declines in base metal prices. The fall in the Australian Dollar and the strengthening of the gold price means that BSM is currently receiving similar prices for zinc, lead, silver and gold as in its budget metal forecasts released to the ASX on 15 September 2008."

BSM recorded a maiden profit for the 2008 financial year of \$1.8 million. Supplemented by a \$3.1 million cash injection in October from a hedge close out, BSM has in excess of \$7 million cash reserves. In its shareholder update of 15 September BSM is projecting continued positive cash flow through the 2009 financial year.

The purpose in this investment for Metals Finance Corp. is to broaden access to resource project opportunities both with respect to location and commodity type. MFC believes that the combination of BSM's significant exploration and mining success with the unique Metals Finance Corp. business plan has the potential to bring significant benefits to both companies over the coming years.

P.A. Treasure
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