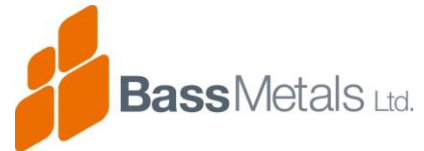


ASX Announcement



11 July 2011

BASS METALS; REFINANCING TO SUPPORT UPDATED MINE PLAN

Bass Metals Ltd (ASX:BSM) has today requested a Trading Halt of its securities on ASX pending completion of a re-financing transaction to support an updated Hellyer Mine Project (HMP) operating plan.

The trading suspension of the Company's securities is anticipated to be for three to four weeks. The Company is in advanced discussions with several parties with the objective of raising approximately \$25 million, largely through a convertible debt structure. Commensurate with this the operations team is updating the HMP mine plan to generate a robust high-grade mine plan to be incorporated in its cash flow forecasts, which is also being scrutinised by independent technical consultants.

The funds raised, subject to successful completion of the refinancing, are planned to be deployed toward:

- upgrading mine services such as dewatering infrastructure and funding production delays and shortfalls incurred through the June 2011 quarter (c. \$8 million);
- exploration work to evaluate existing resources and generate new targets as well as completion of the Gold Recovery Feasibility study (c. \$6.5 million); and,
- provide a minimum cash buffer of approximately 2 months working capital (c.\$9 million).

Bass' Managing Director, Mike Rosenstreich commented "*The Company needs to recapitalise to be able to reposition itself from the unforeseen technical issues only recently encountered revolving around water inflows and ore grades. The newly updated operating plan appears robust and it is anticipated to provide a strong platform from which to aggressively develop our existing assets and to rebuild shareholder value eroded over the past few months.*"

Contact

Mike Rosenstreich
Managing Director - Bass Metals Limited
T: +61 (0)8 6315 1300

Media

David Brook
Professional Public Relations
Mob : +61 0 415 096 804

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