

16 March 2012

## Suspension Update

Further to the ASX announcement made on 9 March 2012, Bass Metals Ltd (ASX: BSM) wishes to provide the following update on discussions with key stakeholders regarding its financial position.

### Financial Position & Suspension of Shares

The Company considers that the Stage 1 mine and processing plan provides an opportunity to accelerate meeting its secured and unsecured creditor obligations and trade its way through this situation with contributions from core asset sales and additional financial support. However, as mentioned in the ASX release of 9 March 2012 this will be dependent on the approval and co-operation of a range of key stakeholders, including the secured lender's agent, RMB Resources Ltd, mining alliance partner, Mancala Mining Pty Ltd and Mineral Resources Tasmania (MRT).

Bass has received the approval from RMB Resources, MRT and several other key stakeholders. Negotiations with mining alliance partner Mancala Mining Pty Ltd are ongoing. Accordingly the Board of Bass Metals is of the view that the Company's securities should remain in suspension until the outcome of those negotiations is concluded. Reinstatement of trading in the Company's securities prior to this may materially prejudice the Company's ability to conclude the work out strategy with the key stakeholders, and until the work out strategy is concluded, the Company's financial position remains uncertain. As such the Board is of the view that the Company's securities should remain suspended.

It is anticipated that this process will be concluded by 23 March 2012. The Company will, however, provide the market with regular updates and subject to a positive conclusion to the above negotiations by 23 March 2012 the Company's intention is to seek re-quotations of the Company's securities by that date.

### Contact

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