

3 April 2013

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

Dear Sir

MARCH 2013 QUARTERLY REPORT OF ACTIVITIES & CASHFLOW

Please find following the March, 2013 Quarterly Activities and Cash Flow Report for Bass Metals Ltd (ASX).

It was a milestone period for the Company, marking its emergence from being solely focused on creditors following operational difficulties to now turning its focus to restore shareholder value. This followed the successful sale of its Hellyer gold assets and process plant to Ivy Resources Pty Ltd on 23 February, 2013 for \$11 million. On clearing all debts the Company is left with approximately \$3 million of cash and no debt.

With the focus now on restoring shareholder value, the Company has put in place several initiatives to advance this goal:

- Outlined a new business strategy to diversify its interests into a new project as well as to advance exploration on its existing tenements but with an amended exploration strategy.
- Continued to stream line its corporate structure by combining the roles of Chief Financial Officer and Company Secretary with the appointment of Mr. Pierre Malherbe who replaces a Contract Financial Controller and regrettably Mrs. Susan Hunter as Company Secretary, who will step down on 30 April, 2013.
- With a stable financial position – to pursue its legal case against LionGold Corp. Ltd of Singapore.

Many of these activities are already well advanced – as described herein.

The Board and management are pleased and excited to have successfully managed the Company back onto a stable financial trading position and to start exploring new opportunities. The focus is now on the core goal of the Company which is to build shareholder value. I look forward to providing further updates as we continue to strive towards achieving this goal.

Yours faithfully



Mike Rosenstreich
Managing Director

A. CORPORATE ACTIVITIES

1. Asset Sale Process

Settlement of the transaction to sell Bass' wholly owned subsidiary, Hellyer Mill Operations Pty Ltd (HMO) to Ivy Resources Pty Ltd (IRPL) occurred on Saturday 23 February 2013. Bass subsequently repaid all of its secured and unsecured creditors.

With the sale of HMO, Bass retains exploration and development rights in respect of base metals over the Hellyer Mine Lease through a Sublease Agreement, as well as its other existing tenement holdings. Ivy has confirmed to Bass that it intends for the Hellyer Plant to remain on site. The Hellyer Plant would, therefore, be available for Bass to utilise subject to Ivy's development plans. Bass will continue to be involved in the site maintenance and environmental management activities under a technical services agreement to share and optimise personnel and services, but importantly for Bass, these costs will also now be shared.

Bass is now effectively debt free with approximately \$3 million of working capital to restart exploration programs on its Tasmanian projects and to pursue new project opportunities as outlined below.

2. Updated Corporate Strategy

2.1 Business Strategy

This section sets out to provide stakeholders with some insight into the overall business priorities and objectives over the next few months to the end of June 2013 as well as presenting initial ideas in terms of a longer term corporate strategy.

Exploration: the Company has resumed exploration activities on its Hellyer-Que licence areas with geophysical surveys of 20 diamond drill holes due to commence imminently (refer below).

The exploration strategy will be refocused onto large scale polymetallic ore bodies and no longer be distracted by "near-mine" smaller scale incremental targets. Geophysical, geochemical targeting and drill spacing will be targeting individual resources of at least 1 million tonnes. There are several highly promising targets in the Hellyer – Que area such as Switchback, D-Zone and Que South and on the Lake Margaret Exploration Licence, near Queenstown.

Site Care & Maintenance; Bass has placed both the Que River and Hellyer sites on care and maintenance whilst it assesses and seeks to increase the existing polymetallic resources at each site. Expenditure will be required to maintain environmental standards at both sites and to complete several rehabilitation projects. Planning of these capital works has commenced and is likely to be largely completed in the June quarter of 2013.

New Project Generation – the Board of Bass Metals has agreed that increased attention needs to be focused on diversification into a new project either through an acquisition, farm-in or through a corporate transaction. An initial guiding framework has been established with the following key elements:

- Commodity Focus – based on positive market fundamentals and in house experience; gold, copper, gold-copper, tin, lithium (tantalum) and polymetallic base metals.
- Project Status – likely to be "scaleable" exploration projects i.e. with a large scale target or "conceptual resources" in a well-endowed mineral province. Renewed involvement in an advanced pre-development or production project would be considered but subject to an appropriate funding model.
- Jurisdiction/Sovereign Risk – overall Bass intends to take a "bankers" view on what countries to invest in and be very mindful also of the personal safety of its employees. The

company considers that there are exciting opportunities in Australia as well as developed and emerging countries and will prudently assess these.

Offering Bass shareholders the diversification into a new project has already commenced with Bass currently assessing several project offers. However Bass is also taking a pro-active stance to identify opportunities through a systematic investigation of geological terrains, projects and companies.

3. Management Changes

The Company recently announced the appointment of Mr. Pierre Malherbe as Chief Financial Officer, replacing a contract Financial Controller. Mr. Malherbe has also been appointed as co-Company Secretary, with MS Susan Hunter until 30 April 2013 at which time Mrs. Hunter will step down as Company Secretary. Combining the roles of Chief Financial Officer and Company Secretary is a further step to streamlining the business whilst maintaining input from highly experienced professional skill sets. The Board wishes to record their sincere appreciation to Mrs. Hunter for her dedicated and professional contribution to the Company's affairs over the past seven years.

Mr. Malherbe's extensive experience in South Africa and Australia includes 24 years in the Investment Banking, Finance and Mining industries. Further details of Mr. Malherbe's background are available in the Bass Metals announcement to the ASX dated 2 April, 2013.

4. Financial Position

Cash on hand at the end of the quarter was \$3.96 million (\$1.15 million at the end of the December 2012 quarter).

Receipts comprised \$11.45 million mainly from the sale of HMO, final settlement of all concentrate invoices as well as proceeds from the sale of minor surplus equipment from the underground operations.

Debt: the Company's is debt free with the only outstanding obligation as at 31 March, 2013 being approximately \$0.7 million in Tasmanian State Royalties which was settled on 2 April, 2013.

On 22 February 2013, RMBAH agreed to a further extension of the Final Repayment Date of its loan facilities to 12 March 2013 in anticipation that FIRB approval for the HMO sale transaction to Ivy would not be advised in time to effect settlement prior to 22 February 2013, the former Final Repayment Date for the RMBAH facilities.

5. Capital Structure

No new securities were issued, expired or were cancelled during the quarter.

As at 31 March, 2013, the Company had 309,450,145 fully paid ordinary shares, 90,137,678 quoted options and 32,055,000 unquoted options on issue.

6. LionGold Litigation

The IRPL transaction and recent extensions of Bass' debt facilities have arisen due to the breach of a binding Share Sale Agreement by LionGold Corp. Ltd of Singapore in early September 2012, which, had it been completed, would have resulted in Bass receiving a total of \$14 million in cash.

Bass has filed a writ for damages and a statement of claim in the WA Supreme Court against LionGold. Currently, LionGold is disputing whether the service by Bass of the writ on its service agent in Australia (being its Australian based solicitors) and executives was valid. This was heard on 26 March 2013 and the Master of the Court has reserved his decision; which could take up to another 6 weeks or so. To date LionGold has not responded specifically to the claims made against it by Bass in the current court action. Whilst Bass recognises that the sale of HMO to IRPL reduces the total damages it is claiming from LionGold, the company considers that it still has a significant claim and will continue to explore all avenues to pursue this action and achieve an appropriate overall settlement.

B. TASMANIAN SITE ACTIVITIES

1. Exploration

To conserve funds prior to conclusion of the asset sale, exploration activity was at a minimal level. However, since mid-February 2013, work has resumed at both the Hellyer and Lake Margaret project areas.

1.1 Hellyer Project

At Hellyer, access work has been completed in preparation for a major down-hole EM program. Twenty diamond drill holes, completed by Bass over the last three years, will be surveyed to search for off-hole conductive massive sulphide bodies. The drill holes to be surveyed include the McKay, D Zone, Switchback, Hellyer North, Easy Street and Que River prospects. The survey will begin in early April 2013.

Planning is underway for a review, by and in conjunction with external consultants, of all geological and exploration work undertaken in the Que-Hellyer area over the past forty years. The aim is to determine if there are gaps or improvements to be made in knowledge, data coverage or exploration models and methods, and to make recommendations for the direction of future exploration. In part, the review will examine the efficacy of extending the trace element geochemical and spectral study undertaken by Bass in 2009-10, from the footwall to hanging wall rocks. This may provide a new tool to explore deep prospective stratigraphy as well as assess existing targets and potentially generate new targets.

1.2 Regional Exploration

Bass Metals exploration licence tenure is shown below in Figure 1. As part of the asset sale agreement with IRPL, EL's 24/2010 Mackintosh Creek and EL51/2011 Loongana were also transferred to Ivy. These two licences were pegged to explore for limestone, which may be required for treatment of the Hellyer Tailings resource.

The only exploration conducted by Bass away from the Hellyer Project has been on the Lake Margaret licence (see below).

Lake Margaret (EL 28/2009) Bass Metals 70% Clancy Exploration 30%; a partial digest soil geochemical survey commenced in late March, 2013. The survey is an extension of the 2011 survey, which aimed to search through glacial cover, over prospective volcanics, adjacent to the Great Lyell Fault. The original survey indicated anomalous Cu, Ag, Pb and Zn values at the southern limit of the survey - the Newton Copper Target described in the March 2012 Quarterly Report. The soil survey now in progress aims to define the extent of the anomaly toward the south. The location of the original survey, soil anomaly and soil survey extension is shown in Figure 2 below.

In addition to the soil survey, drill hole LMD2, completed by Bass in 2011, will be surveyed by down-hole EM, in conjunction with the geophysical program at Hellyer.

Figure 1: Bass Metals Exploration Licence locations

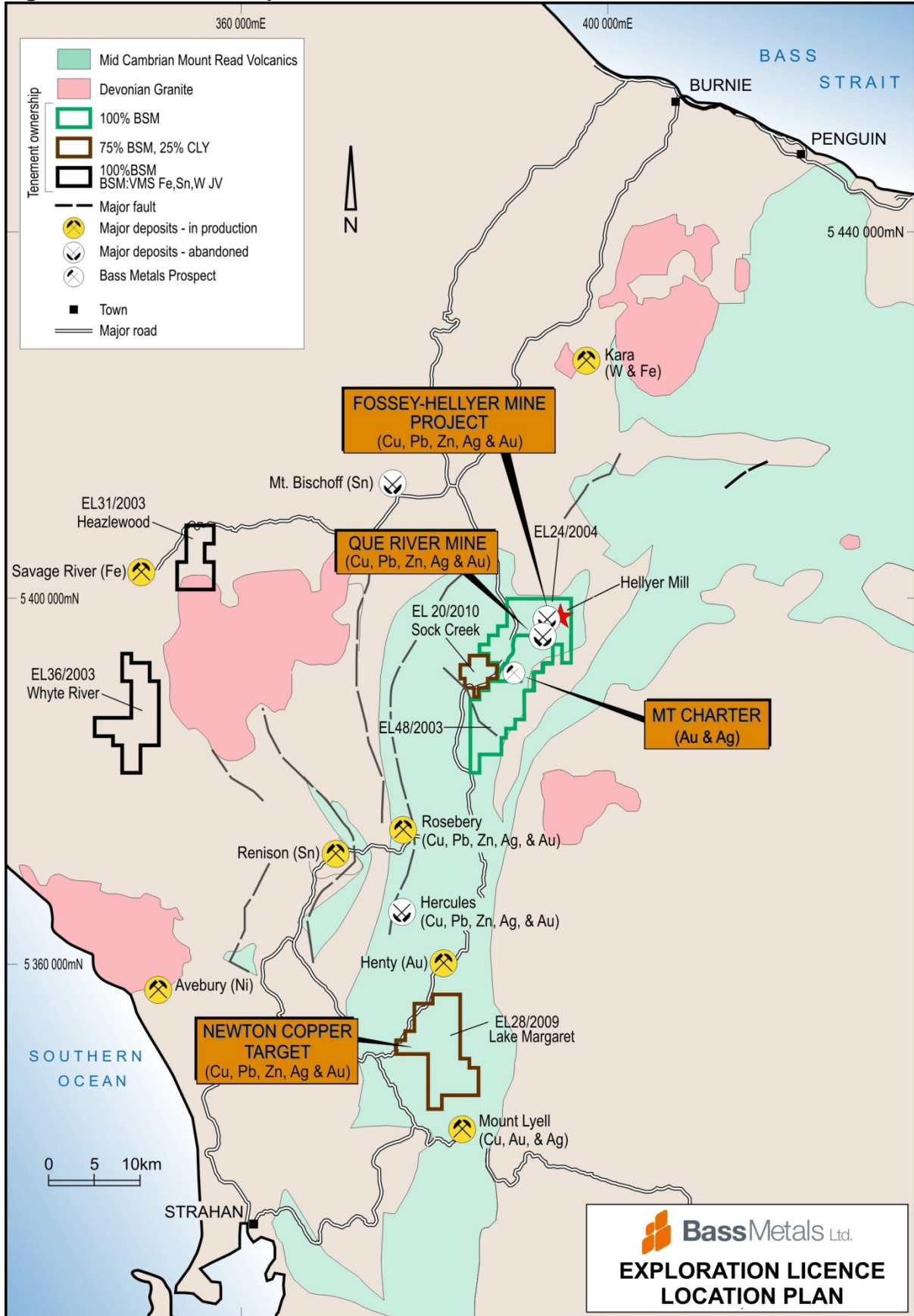
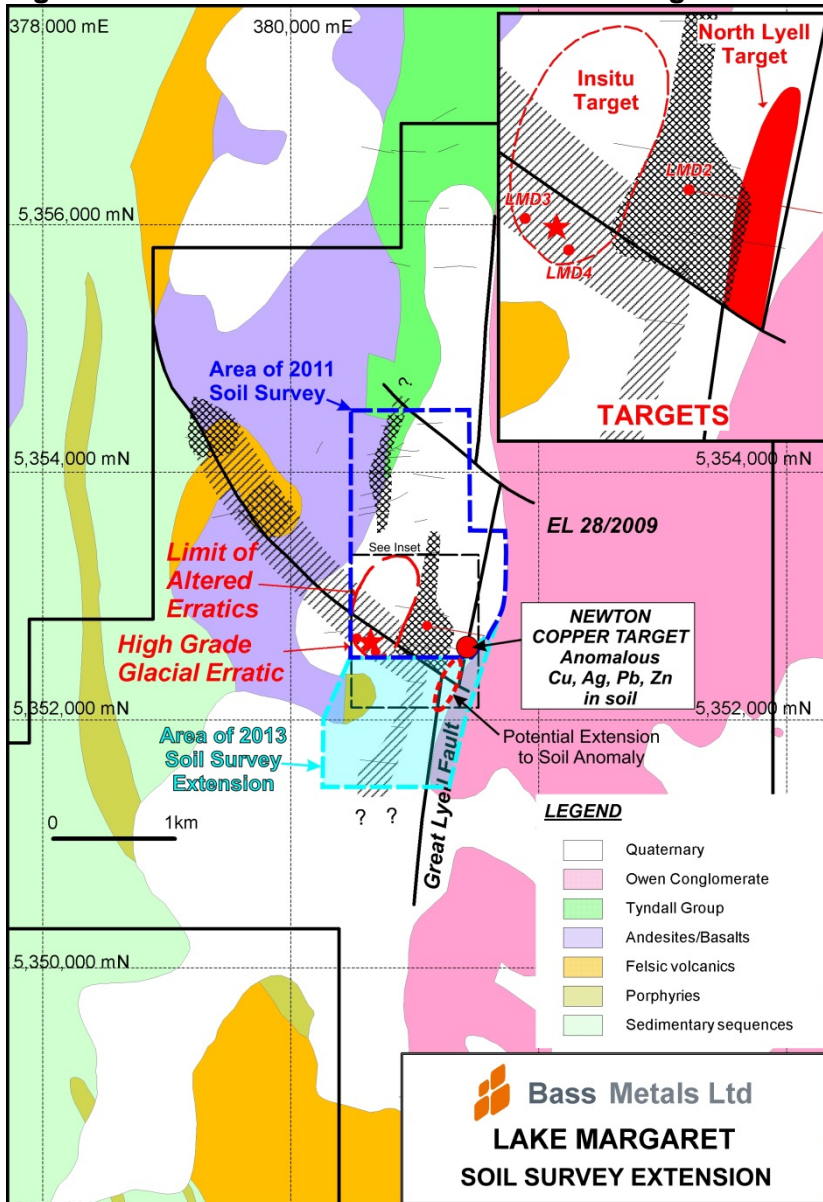


Figure 2: Location of Extension to the Lake Margaret Soil Geochemistry Program



Heazlewood (EL 31/2003) and Whyte River (EL36/2003) Venture Minerals 76% BSM 24% - Sn-Fe-W JV; Venture has completed some stream sediment and soil sampling on both licence areas. Several anomalies were generated and Venture is in the process of formulating the joint venture strategy for future work. Stellar has advised Bass that it has withdrawn from the commodity based joint venture on EL36/2003.

2. CARE AND MAINTENANCE

There were no material environmental incidents or lost time injuries on any Bass Metals' managed tenements during the March 2013 quarter. The Company is undertaking routine care and maintenance activities which include ongoing environmental management now that mining and processing operations have ceased.

Arrangements for the sharing of services and costs with HMO (under IRPL ownership) are being implemented, which will reduce Bass' expenditure on the Hellyer Mine Lease and enable both parties to share personnel and reduce overheads on site.

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Competent Persons Statement

The information in this report that relates to Mineral Resource estimates is based on information compiled by Mr Michael Rosenstreich who is a fulltime employee of Bass Metals and a Member of the Australasian Institute of Mining and Metallurgy. Mr Rosenstreich has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which he is undertaking 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 (the JORC Code)". Mr Rosenstreich consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Disclaimer

This announcement contains certain forward looking statements. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "intend", "should", "could", "may", "will", "believe", "propose", "forecast", "targets", "outlook" and other similar expressions. The forward looking statements contained in this announcement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Bass Metals, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Bass Metals cautions shareholders and prospective shareholders not to place undue reliance on these forward looking statements. The forward looking statements are based on information available to Bass Metals as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), Bass Metals undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

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Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

BASS METALS LTD

ABN

31 109 933 995

Quarter ended ("current quarter")

31 MARCH 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	458	4,513
1.2 Payments for		
(a) exploration & evaluation	(33)	(92)
(b) development & production (smelter costs) ¹	(3,948)	(6,263)
(c) OHS & environmental	(35)	(463)
(d) Site care & maintenance	(93)	(880)
(e) site administration	(157)	(562)
(f) mine closure	-	(647)
(g) corporate administration	(463)	(1,686)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	67
1.5 Interest and other costs of finance paid	(116)	(387)
1.6 Income taxes paid	-	30
1.7 Other	-	200
Net Operating Cash Flows	(4,380)	(6,170)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	11	51
(d) Subsidiary	11,000	11,000
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Hedging Settlements	-	603
Net investing cash flows	11,011	11,654
1.13 Total operating and investing cash flows (carried forward)	6,631	5,484

¹ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	6,631	5,484
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from convertible notes	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(3,814)	(5,192)
1.18	Dividends paid	-	-
1.19	Other (fundraising transaction costs)	-	-
	Net financing cash flows	(3,814)	(5,192)
	Net increase (decrease) in cash held	2,817	292
1.20	Cash at beginning of quarter/year to date	1,146	3,671
1.21	Exchange rate adjustments to item 1.20		
		3,963	3,963
1.22	Cash at end of quarter		

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	31
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1.2 (b) Expenditure for the quarter relates to the net settlement of outstanding Creditors in accordance with the Creditor Payment Plan on receipt of funds from the sale of HMO.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	266
4.2 Development	-
4.3 Production	-
4.4 Site Care & Maintenance	98
4.5 Site Environmental Management	170
4.6 Corporate (includes funding of LionGold litigation.	400
Total	934

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,955	1,138
5.2 Deposits at call	8	8
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,963	1,146

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		

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Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	309,450,145	309,450,145		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			-	-
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

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Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
		90,137,678	90,137,678	20.0 cents	30.09.14
		200,000	-	25.0 cents	01.09.13
		200,000	-	35.0 cents	01.09.13
		200,000	-	50.0 cents	01.09.13
		730,000	-	22.0 cents	05.07.13
		75,000	-	43.5 cents	31.01.15
		75,000	-	61.0 cents	31.01.15
		75,000	-	88.0 cents	31.01.15
		100,000	-	26.0 cents	27.08.15
		100,000	-	36.5 cents	27.08.15
		100,000	-	52.5 cents	27/08.15
		15,000,000	-	1.30 cents	31.05.15
		15,200,000	-	0.6 cents	18.12.15
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: M. Rosenstreich
(Director/~~Company secretary~~)

Date: 3 April 2013

Print name:

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position.

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Appendix 5B Mining exploration entity quarterly report

An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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