



ACN 109 933 995

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY STATEMENT
TO SHAREHOLDERS**

**NOTICE IS INCLUDED FOR
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD AT
11.00AM ON WEDNESDAY, 27 NOVEMBER 2013
AT LEVEL 7, 15 CASTLEREAGH STREET SYDNEY NSW**

IMPORTANT INFORMATION

This Notice of Meeting should be read in its entirety.
If Shareholders are in doubt as to how they should vote, they should seek advice from
their professional advisers without delay.

For personal use only



ACN 109 933 995

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Bass Metals Ltd ("**Bass Metals**" or "**the Company**") will be held as follows:

TIME: 11.00am

DATE: Wednesday, 27 November 2013

LOCATION: Level 7, 15 Castlereagh Street Sydney NSW

**This Notice of Annual General Meeting should be read in its entirety.
If Shareholders are in doubt as to how they should vote, they should seek advice from their
professional advisers without delay.**

**If you wish to discuss any aspects of this document with the Company, please contact
Mr. Pierre Malherbe, Company Secretary,
of Bass Metals Ltd on +61 8 6315 1300.**

Words and phrases used in the Resolutions are defined in Section 8 of the accompanying Explanatory Statement and these words and phrases have the same meaning in this Notice of Annual General Meeting as defined in the Explanatory Statement.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding** resolution:

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2013.”

Note: Pursuant to section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described in sub-paragraphs (a) or (b) above; or
- (b) the person is the chair of the Annual General Meeting voting an undirected proxy which expressly authorises the chair to vote the proxy on a resolution connected with the remuneration of a member of Key Management Personnel.

Resolution 2 – Re-election of Director – Mr. Patrick Anthony Treasure

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That Mr. Patrick Anthony Treasure being a Director of the Company who retires by rotation pursuant to clause 11.3 of the Company’s Constitution, and being eligible, is re-elected as a Director of the Company.”

Resolution 3 – Ratification of Issue of Shares

To consider and, if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the issue and allotment of 855,858 Shares to Orefind Pty Ltd on 23 September 2013, for the purposes and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”

Voting Exclusion: Please refer to the voting exclusion statement for Resolution 3 in the Explanatory Statement accompanying this Notice of Annual General Meeting.

Resolution 4 – Ratification of Issue of Shares

To consider and, if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the issue and allotment of 599,101 Shares to Mineral Mapping Pty Ltd on 23 September 2013, for the purposes and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”

Voting Exclusion: Please refer to the voting exclusion statement for Resolution 4 in the Explanatory Statement accompanying this Notice of Annual General Meeting.

SPECIAL BUSINESS

Resolution 5 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or
- (b) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Important note:

The proposed persons to whom any Equity Securities may be issued to under the Additional 10% Placement Facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of Annual General Meeting for further explanation of the Resolutions.

PROXIES

Members are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

CORPORATE REPRESENTATIVES

A body corporate that is a shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

DATE FOR DETERMINING HOLDERS OF SHARES

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the Annual General Meeting. For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding at 11am (AEST) on 25 November 2013. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Dated this 25 October 2013

By order of the Board

Pierre Malherbe
Company Secretary



ACN 109 933 995

EXPLANATORY STATEMENT TO SHAREHOLDERS

1. ACTION TO BE TAKEN BY SHAREHOLDERS

This Explanatory Statement sets out information about the Resolutions to be considered by the Shareholders at the Annual General Meeting. Defined terms used in this Statement are set out in Section 8. Accompanying this Statement is the Notice of Annual General Meeting convening the Annual General Meeting and a Proxy Form.

Shareholders are encouraged to attend and vote on the Resolutions to be put to the Annual General Meeting. If a Shareholder is not able to attend and vote at the Annual General Meeting, the Shareholder may complete the Proxy Form and return it not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

2. PURPOSE OF THE ANNUAL GENERAL MEETING

The Annual General Meeting has been convened for the purpose of considering the Resolutions, which are set out in the Notice of Annual General Meeting and explained in more detail below.

3. ANNUAL FINANCIAL REPORTS

The Corporations Act requires the Company's financial statements and reports of the Directors and of the auditor for the year ended 30 June 2013 to be laid before the Annual General Meeting. The financial statements and the reports of the Directors and of the auditor are contained in the Company's 2013 Annual Report, a copy of which is available on the Company's website at www.bassmetals.com.au.

Whilst no Resolution is required in relation to this item, Shareholders should consider the documents and raise any matters of interest with the Directors when this item is being considered.

The Company's auditor will be present at the meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies and the independence of the auditor.

4. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Remuneration Report is required to be considered for adoption in accordance with section 250R of the Corporations Act. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company (noting that 3 of these 4 Directors were removed from office at a meeting of shareholders held 4 October 2013). The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2013.

It should be noted that Bass' Managing Director agreed with the Company for two reductions in salary being 20% reduction as from on 1 October 2012 and a further 10% reduction as from 1 June 2013,.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the Annual General Meeting. Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

4.1. If Remuneration Report is voted against

Pursuant to the Corporations Act, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2014 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of all Directors of the Company ("**Spill Resolution**").

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting ("**Spill Meeting**") within 90 days of the Company's 2014 annual general meeting. All of the Directors who were in office when the Company's 2014 Directors' Report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The Company's Shareholders have approved the Remuneration Report at each previous annual general meeting. A Spill Resolution will not be required at this Annual General Meeting as the votes against the Remuneration Report at the Company's previous annual general meeting were less than 25%.

4.2. Undirected Proxies

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Annual General Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

5. RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR. PATRICK ANTHONY TREASURE

Clause 11.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors, or, if their number is not a multiple of 3, then the number nearest one-third (rounded to the nearest whole number), shall retire from office, provided always that no Director (except the managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

Accordingly, Mr. Patrick Anthony Treasure retires from office, and being eligible, offers himself for re-election as a Director of the Company.

Mr Treasure is a geologist by profession who has been actively involved in the resource and metal recovery industry for over 36 years, holding senior executive positions with a number of publicly listed companies in the process metallurgy and mining fields. Mr Treasure has extensive experience in corporate management, technology development, project evaluation and development.

The board unanimously supports the re-election of Mr. Treasure.

6. RESOLUTION 3: RATIFICATION OF ISSUE OF SHARES

Background

As announced to the ASX on 23 September 2013, the Company issued ordinary shares in lieu of cash for geological consulting services consistent with the terms of a Technical Services Agreement dated 28 March 2013, in which the consultants requested the option to be paid in Bass shares for work completed.

As payment for work completed, the Company agreed to issue ordinary shares to Orefind Pty Ltd (**Orefind**) to the value of \$10,000.

A purpose of Resolution 3 is for Shareholders to approve and ratify the issue of 855,858 ordinary shares to Orefind as payment for work completed, which occurred on 23 September 2013.

The ordinary shares issued to Orefind, for which approval and ratification is sought under Resolution 3, comprise 0.26% of the Company's current issued capital (based on the number of Shares on issue as at the date of this Notice of Annual General Meeting).

ASX Listing Rules

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Shareholder approval was not required under Listing Rule 7.1 for the issue by the Company of the 855,858 ordinary shares to Orefind. However, under Resolution 3, the Company now seeks Shareholder approval for, and ratification of, the issue of 855,858 ordinary shares to Orefind, so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities by the Company in the next 12 months.

Regulatory Requirements

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

(a) Number of securities issued:

- The Company issued 855,858 ordinary shares to Orefind

(b) The price at which the securities were issued:

The ordinary shares were issued to:

- Orefind as payment for geological consulting services consistent with the terms of a Technical Services Agreement dated 28 March 2013, in which the consultants requested the option to be paid in Bass shares for work completed. The issue price was calculated at an appropriate commercial VWAP of \$0.0117 per Share; and accordingly
- Orefind was not required to provide any cash consideration for the issue and allotment of the ordinary shares.

(c) Terms of the securities:

The Shares allotted are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing ordinary shares and rank equally in all respects with the existing ordinary shares.

(d) Allottee of the securities:

The allottee of the ordinary shares was Orefind Pty Ltd. Orefind is not a Related Party of the Company.

(e) The use of the funds raised:

The ordinary shares were issued to:

- Orefind as payment for geological consulting services; and accordingly
- No funds were raised by the issue of the ordinary shares.

Voting Exclusion

The Company will disregard any votes cast on Resolution 3 by Orefind (or its nominee) and any of its associates. However, the Company will not disregard any votes cast on Resolution 3 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chairman of the Annual General Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Recommendation

The Directors believe that the ratification of this issue is beneficial for the Company as it allows the Company to ratify the above issues of securities and retain the flexibility to issue further Equity Securities representing up to 15% of the Company's share capital during the next 12 months.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

7. RESOLUTION 4: RATIFICATION OF ISSUE OF SHARES

Background

As announced to the ASX on 23 September 2013, the Company issued ordinary shares in lieu of cash for geological consulting services consistent with the terms of a Technical Services Agreement dated 28 March 2013, in which the consultants requested the option to be paid in Bass shares for work completed.

As payment for work completed, the Company agreed to issue ordinary shares to Mineral Mapping Pty Ltd (**Mineral Mapping**) to the value of \$7,000.

A purpose of Resolution 4 is for Shareholders to approve and ratify the issue of 599,101 ordinary shares to Mineral Mapping as payment for work completed, which occurred on 23 September 2013.

The ordinary shares issued to Mineral Mapping, for which approval and ratification is sought under Resolution 4, comprise 0.18% of the Company's current issued capital (based on the number of Shares on issue as at the date of this Notice of Annual General Meeting).

ASX Listing Rules

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Shareholder approval was not required under Listing Rule 7.1 for the issue by the Company of the 599,101 ordinary shares to Mineral Mapping. However, under Resolution 4, the Company now seeks Shareholder approval for, and ratification of, the issue of 599,101 ordinary shares to Mineral Mapping, so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities by the Company in the next 12 months.

Regulatory Requirements

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

(a) Number of securities allotted:

The Company issued 599,101 ordinary shares to Mineral Mapping.

(b) The price at which the securities were issued:

The ordinary shares were issued to:

- Mineral Mapping as payment for geological consulting services consistent with the terms of a Technical Services Agreement dated 28 March 2013, in which the consultants requested the option to be paid in Bass shares for work completed. The issue price was calculated at an appropriate commercial VWAP of \$0.0117 per Share; and accordingly
- Mineral Mapping was not required to provide any cash consideration for the issue and allotment of the Shares.

(c) Terms of the securities:

The ordinary shares allotted are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing ordinary shares and rank equally in all respects with the existing ordinary shares.

(d) Allottee of the securities:

The allottee of the ordinary shares was Mineral Mapping. Mineral Mapping is not a Related Party of the Company.

(e) The use of the funds raised

The ordinary shares were issued to:

- Mineral Mapping as payment for geological consulting services; and accordingly
- no funds were raised by the issue of the Shares.

Voting Exclusion

The Company will also disregard any votes cast on Resolution 4 by Mineral Mapping (or its nominee) and any of its associates. However, the Company will not disregard any votes cast on Resolution 4 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chairman of the Annual General Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Recommendation

The Directors believe that the ratification of this issue is beneficial for the Company as it allows the Company to ratify the above issues of securities and retain the flexibility to issue further Equity Securities representing up to 15% of the Company's share capital during the next 12 months.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

RESOLUTION 5: APPROVAL OF 10% PLACEMENT CAPACITY

7.1. General

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued capital through placements over a 12 month period after the annual general meeting (“**10% Placement Facility**”). The 10% Placement Facility is in addition to the Company’s 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A2 (refer to Section 7.2(c) below).

The Company has recently reported its aim to identify and evaluate new project opportunities where its exploration skills and development experiences can add value to provide Bass Shareholders exposure to a greater project and commodity diversity. The Company may use the 10% Placement Facility to acquire or invest in such a new project. In addition, the Company may use the 10% Placement Facility towards continued exploration of its existing tenements in north western Tasmania and for general working capital.

The Directors believe that Resolution 5 is in the best interest of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

7.2. Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Security

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of Annual General Meeting, the Company has two classes of Equity Securities, being Shares and quoted Options exercisable at \$0.20 each and expiring on 30 September 2014.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity’s 15% placement capacity without shareholder approval;
- (d) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity’s 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice of Annual General Meeting, the Company has on issue 326,105,104 Shares and therefore has a capacity to issue:

- (i) 48,915,766 Equity Securities under Listing Rule 7.1, subject to the Shareholder approval being sought under Resolution 3 and 4.; and
- (ii) 32,610,510 Equity Securities under Listing Rule 7.1A, subject to the Shareholder approval being sought under Resolution 5.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) ("**10% Placement Period**").

7.3. Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

7.4. Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP of the Company's Equity Securities in the same class calculated over the 15 Trading Days immediately before:
- the date on which the price at which the Equity Securities are to be issued is agreed; or
 - if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
- the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset;
- which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice. The formula in Listing Rule 7.1A(2) is shown in Section 7.2(c) above.

The table also shows:

- Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.0045 50% decrease in Issue Price	\$0.009 Issue Price	\$0.0135 50% increase in Issue Price
Current Variable A 326,105,104 Shares	10% Voting Dilution	32,610,510 Shares	32,610,510 Shares	32,610,510 Shares
	Funds Raised	\$146,747.30	\$293,494.59	\$440,241.89
50% increase in current Variable A 489,157,656 Shares	10% Voting Dilution	48,915,766 Shares	48,915,766 Shares	48,915,766 Shares
	Funds Raised	\$220,120.95	\$440,241.89	\$660,362.84
100% increase in current Variable A 652,210,208 Shares	10% Voting Dilution	65,221,021 Shares	65,221,021 Shares	65,221,021 Shares
	Funds Raised	\$293,494.59	\$586,989.19	\$880,483.78

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may occur to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 - (v) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is \$0.009, being the closing price of the Shares on ASX on 9 October 2013.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) Non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) The Company may identify and evaluate new project opportunities where its exploration skills and development experiences can add value to provide Bass Shareholders exposure to a greater project and commodity diversity. The Company may use the funds raised to acquire or invest in such a new project. In addition, the Company may use the 10% Placement Facility towards continued exploration of its existing tenements in north western Tasmania and for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but may include existing substantial Shareholders and/or new Shareholders who are not Related Parties or associates of a Related Party of the Company. Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility may include vendors of the new resources, assets or investments.

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(e) Previous issues of Equity Securities made in the 12 months preceding the Meeting

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2012 Annual General Meeting.

The total number of Equity Securities issued in the 12 months preceding the date of the meeting, is 16,654,959 Equity Securities or 5.38% of the number of Equity Securities on issue at the commencement of that 12 month period.

In compliance with the information requirements of Listing Rule 7.3A.6(b), Shareholders are advised of the following information:

(i) Number of securities issued and date of issue

- 15,200,000 Unlisted Options were issued on 18 December 2012. (Approved by shareholders at General Meeting dated 17 August 2012)
- 15,200,000 Ordinary Shares were issued on 23 September 2013. (Exercise of unlisted options issued on 18 December 2012)
- 855,858 Ordinary Shares were issued on 23 September 2013. . (As payment for work completed in lieu of cash)
- 599,101 Ordinary Shares were issued on 23 September 2013. (As payment for work completed in lieu of cash)

(ii) Class and terms of the securities

- 15,200,000 Unlisted Options exercisable @ \$0.006 on or before 18 December 2015;
- Ordinary shares Issued (16,654,959) - The Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares. The Company has applied to ASX for official quotation of the Shares, which has been granted.

(iii) Persons to whom the securities were issued to

- The 15,200,000 Options were issued to RMB Holdings Australia Limited (**RMB**).
- The 15,200,000 Shares were issued to RMB upon exercising of their options.
- The 855,858 Shares were issued to Orefind as payment for work completed.
- The 599,101 Shares were issued to Mineral Mapping as payment for work completed.

None of the Shares or Options were issued to related parties of the Company (or associates of such persons) at the time of issue of the Shares or Options.

(iv) The price at which the securities were issued

- 15,200,000 Options were issued for no consideration per Option.
- 15,200,000 Shares were issued for \$0.006 per Share in terms of an exercise of options.
- 855,858 Shares were issued for \$0.0117per Share. The issue price was calculated at an appropriate commercial 5 day VWAP.
- 599,101 Shares were issued for \$0.0117per Share. The issue price was calculated at an appropriate commercial 5 day VWAP.

(v) The use of the funds raised and value of consideration

- The issue of 15,200,000 unlisted options was for a Nil cash consideration.
- The issue of 15,200,000 ordinary shares was for a total cash consideration of \$91,200 in terms of an exercise of options. The Company has not spent any of the funds as noted above. The funds received will be used as working capital.

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- The issue of 855,858 ordinary shares was for a Nil cash consideration. The issue was in terms of a Technical Services Agreement whereby Shares would be issued in lieu of a cash payment for work completed. The value of the work completed was \$10,000. The current value of the shares as at 24 October 2013 was \$7,703.
- The issue of 599,101 ordinary shares was for a Nil cash consideration. The issue was in terms of a Technical Services Agreement whereby Shares would be issued in lieu of a cash payment for work completed. The value of the work completed was \$7,000. The current value of the shares as at as at 24 October 2013 was \$5,392.

- (f) A voting exclusion statement for Resolution 5 is included in the Notice of Annual General Meeting preceding this Explanatory Memorandum.

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed person to whom any Equity Securities may be issued to under the Additional 10% Placement Facility are not as yet known or identified.

In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

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8. DEFINITIONS

In this Explanatory Statement:

Annual General Meeting means the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice of Annual General Meeting.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

Board means the Board of Directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company or **Bass Metals** means Bass Metals Limited ACN 109 933 995.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice of Annual General Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of the ASX.

Notice of Annual General Meeting means the notice convening the Annual General Meeting accompanying this Explanatory Statement.

Option means an option to subscribe for a Share.

Proxy Form means the form of proxy accompanying this Notice of Annual General Meeting.

Related Party means a party so defined by section 228 of the Corporations Act.

Remuneration Report means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2012.

Resolution means a resolution proposed to be passed at the Annual General Meeting and contained in the Notice of Annual General Meeting.

Section means a section of the Notice of Annual General Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a person entered in the Company's register as a holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means the volume weighted average price.

AEST means Australian Eastern Standard Time as observed in Sydney NSW.

Lodge your vote:

✉ **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

┌ 000001 000 BSM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

🔔 **For your vote to be effective it must be received by 11.00am (AEST) Monday 25 November 2013**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View the annual report, 24 hours a day, 7 days a week:

www.bassmetals.com.au

View and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

This Document is printed on Greenhouse Friendly™ ENVI Laser Carbon Neutral Paper

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Bass Metals Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Bass Metals Limited to be held at Level 7, 15 Castlereagh Street, Sydney, New South Wales on Wednesday, 27 November 2013 at 11.00am and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Mr. Patrick Anthony Treasure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Business

Resolution 5 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / / _____

B S M

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Computershare +