

30 April 2014

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

Dear Sir/Madam

March 2014 Quarterly Report Of Activities & Cashflow

Please find following the March, 2014 Quarterly Report of Activities and Cashflow for Bass Metals Limited (ASX:BSM) (**Bass** or the **Company**).

1. Introduction

Bass Metals' activities over the past quarter have focussed on the search for potential new opportunities for the Company, whilst continuing exploration activities and environmental works in Tasmania. The board continues to seek and implement cost cutting measures, resulting in further decreases in corporate overheads.

2. Environmental activities, Tasmania

Bass environmental staff continued to conduct rehabilitation operations on the Northern NAF dump at the Que River Mine. Contouring and topsoil application operations were finalised on this area and the site is currently being reseeded for expected spring germination.

The 2014 Que River Closure plan is being developed for presentation to Bass directors and the relevant government departments. This paper will outline the steps required to bring the site to full closure if recommended by Bass management.

Bass environmental staff continue to conduct daily site field analysis and weekly/monthly and quarterly laboratory sampling of the area as per Tasmanian EPA requirement.

3. Exploration, Tasmania

During the Quarter Bass completed a 550 sample, soil sampling program, over parts of the Mt Block and Mt Charter tenements (Figure 1). The aim of the sampling was to increase coverage of Bass' modern multi-element sampling of the highly prospective "corridor" between the Mt Charter and Hellyer deposits. The method has been shown by Bass to be effective in detecting deeply buried mineralisation. The current survey will be used to refine existing and define new drill targets. Assay results for the program are awaited.

During the June Quarter, geochemical sampling and short wave infrared (SWIR) spectral analysis will commence on historic drill core from around twenty drill holes on the Sock Creek Exploration Licence. This program will apply modern geochemical methods, to explore rocks that are correlates of the volcanics hosting the Que-Hellyer orebodies. The targeted stratigraphy is host to known zinc mineralisation at the Sock Creek and Sock Creek South prospects.

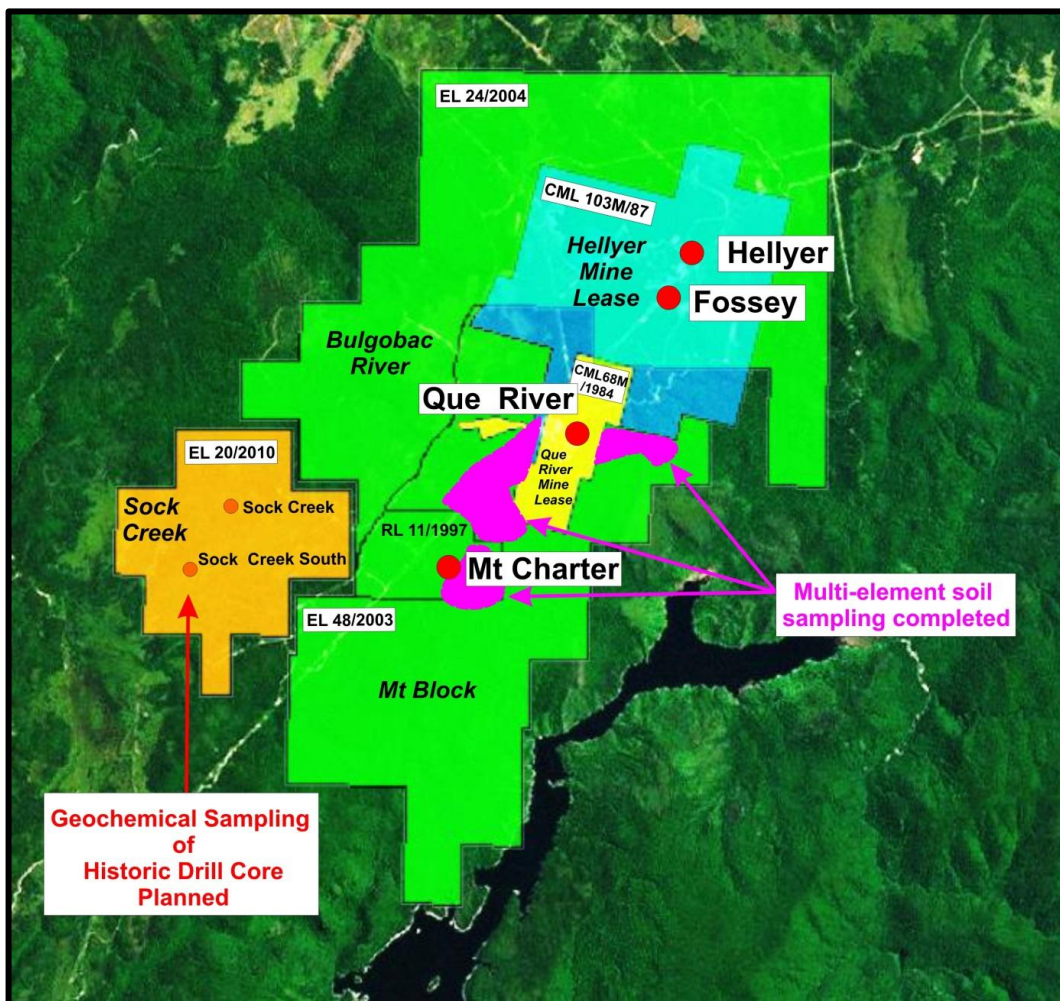


Figure 1: Summary map showing work completed and work planned

In addition to ongoing regional exploration of the Tasmanian tenements, Bass is continuing its assessment of potential for development of a number of small resources previously delineated in the vicinity of the Hellyer tenements.

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4. Opportunities

The Board of Bass Metals are currently in discussions with a number of parties who hold exploration and development assets, both in Australia and overseas. These assets are being examined as potential opportunities for Bass to diversify its interests outside of Tasmania, and to enhance investor interest in the Company. The Board will provide further information on these discussions as and when they progress to a definitive stage.



P.A. Treasure
Director
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Competent Persons Statement

The information in this report that relates to Mineral Resource estimates is based on information reviewed by Mr Tony Treasure who is a Director of Bass and a Member of the Australasian Institute of Mining and Metallurgy. Mr Treasure 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)". Mr Treasure consents to the inclusion in the report of the matters based on this information in the form and context in which it appears."

The Company's interests in mining tenements are as follows:

| Tenement | Interest |
|---|----------|
| EL31/2003 Heazlewood ¹ | 100% |
| EL36/2003 Whyte River ¹ | 100% |
| EL48/2003 Mt Block ⁵ | 100% |
| EL24/2004 Bulgobac River ⁵ | 100% |
| EL28/2009 Lake Margaret ² | 75% |
| EL20/1010 Sock Creek ² | 75% |
| CML 103M/1987 Hellyer Mine Lease ^{3 & 5} | 100% |
| CML 68M/1984 Que River Mine Lease ⁵ | 100% |
| ML 10W/1980 Access Easement to QRML | 100% |
| RL11/1997 Mt Charter Retention ^{4 & 5} | 100% |

Notes:

1. Subject to a 2% NSR Royalty to Pioneer Resources Ltd.
2. Subject to joint venture with Clancy Exploration Limited.
3. CML 103/1987 is owned by HMO a 100% subsidiary of Ivy Resources Ltd. Bass has 100% interest in all of the existing base metal resources and base metal exploration rights through a Sublease Agreement.
4. RL11/1997 is owned by Bass, but HMO has a 100% interest in the existing gold resource and gold exploration rights through a Sublease Agreement. Bass retains all base metal exploration rights.
5. Intec Limited holds a 2.5% NSR Royalty over all Product from Bass' interests in RL11/1997, EL24/2004, EL48/2003, CML68M/1984 and CML103M/1987.

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/2013

Name of entity

BASS METALS LTD

ABN

31 109 933 995

Quarter ended ("current quarter")

31 MARCH 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors | 28 | 28 |
| 1.2 Payments for (a) exploration & evaluation (b) development (c) Site Care and Maintenance (d) administration* | (56) - (82) (297) | (138) - (433) (1,273) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 6 | 24 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other (provide details if material) | - | - |
| Net Operating Cash Flows | (401) | (1,792) |
| 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 | - - - | - - 3 |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (provide details if material) | - | - |
| Net investing cash flows | - | 3 |
| 1.13 Total operating and investing cash flows (carried forward) | (401) | (1,789) |

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

| | | | |
|------|--|-------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (401) | (1,789) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | 91 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (provide details if material) | - | - |
| | Net financing cash flows | - | 91 |
| | Net increase (decrease) in cash held | (401) | (1,698) |
| 1.20 | Cash at beginning of quarter/year to date | 1,102 | 2,399 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 701 | 701 |

Payments to directors of the entity, associates of the directors, 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

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

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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 | 64 |
| 4.2 Development | - |
| 4.3 Environment including Site Care and Maintenance | 80 |
| 4.4 Administration | 180 |
| Total | 324 |

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 | 701 | 1,102 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 701 | 1,102 |

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

| | Tenement reference and location | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|-------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed | | | |
| 6.2 | Interests in mining tenements and petroleum tenements acquired or increased | | | |

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 (description) | | | |
| 7.2 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | |
| 7.3 | +Ordinary securities | 326,105,104 | 326,105,104 | |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | | | |
| 7.5 | +Convertible debt securities (description) | | | |

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

| | | | | | |
|------|---|--|------------|--|---|
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 | Options (description and conversion factor) | 90,137,678 50,000 50,000 50,000 15,000,000 | 90,137,678 | Exercise price 20.0 cents 43.5 cents 61.0 cents 88.0 cents 1.30 cents | Expiry date 30.09.14 31.01.15 31.01.15 31.01.15 31.05.15 |
| 7.8 | Issued during quarter | | | | |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | | | | |
| 7.11 | Debentures (totals only) | | | | |
| 7.12 | Unsecured notes (totals only) | | | | |

Note to 7.10: * Refers to employee options that have lapsed as a result of employees whom are no longer in the employment of the Company.

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 ~~does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here: P.J. Malherbe
(Director/Company secretary)

Date: 30 April 2014

Print name: P.J. Malherbe

Notes

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Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

- 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. 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 and petroleum 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 or petroleum 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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