

January 30 2015

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

Dear Sir/Madam

December 2014 Quarterly Report Of Activities

Please find following from the September 2014 Quarterly Report of Activities and Cashflow for Bass Metals Limited (ASX:BSM) (**Bass** or the **Company**) released on 28 October 2014.

1. Overview

Bass Metals' activities during the period under review, have focussed on:

- Ongoing scoping study on Que River and Hellyer resources.
- Rationalisation of exploration tenement holdings in Tasmania.
- Continuation of the Company's pathfinder element programme.
- Care and maintenance and closure activities ongoing at the Que River mine site.
- Receipt of R&D Funding and completion of \$250,000 placement
- Review and discussions pertaining to potential project opportunities.

In addition, during the quarter Mr Mark Sykes stepped down from the board, and was replaced by Mr David Premraj. The Company wishes to thank Mr Sykes for his contribution over the past eighteen months, and wishes him well for the future. Mr Premraj is a principal of Singapore based Consolidated Minerals Pte Ltd, a privately held investment company with a global portfolio of metals and mining projects, who subscribed for the \$250,000 placement completed by the Company in October 2014.

2. Review of Que River and Hellyer Resources

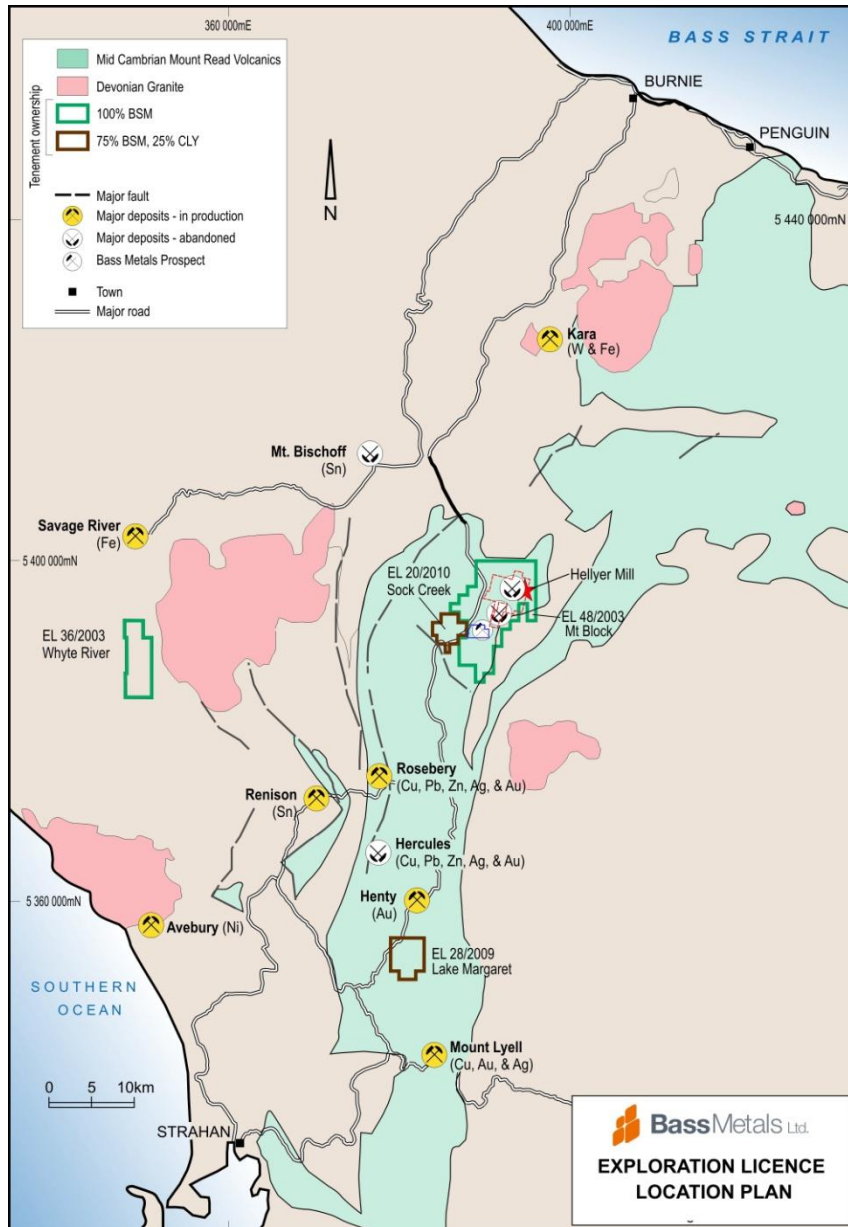
The Company's technical focus within the reported period has been the continued assessment of potential for viable development of remaining resources in the Que River and Hellyer areas, details of which have been previously reported by the Company. The Company has commissioned the services of an experienced mining engineer to complete a scoping study on the potential for open cut and underground mining of the resources. The exercise contemplates contract mining of the defined resources and sale of the ore to a third party processor.

Initial results of the study are encouraging and substantiate the board's view value can potentially be recovered from the resources. Further detailing of the study will be required before this can be confirmed. In the meantime, the Company is continuing discussions with parties who may be willing to partner with Bass in undertaking the potential development.

3. Exploration, Tasmania

Whilst focussing on the assessment of the Que River and Hellyer resource, Bass has continued to rationalise its exploration tenement portfolio in Tasmania. The Company has relinquished some areas, which are considered to be of low potential, and is in the process of planning ongoing exploration activities for 2015.

The plan below outlines the exploration areas now retained by the Company.



Bass Exploration Tenements December 2014

4. Environmental activities, Tasmania

Environmental management at the Que River site focussed on the rehabilitation of the middle drainage area of the site. Improved drainage and the addition of topsoil to this area will vastly improve runoff water entering the site during periods of high rainfall. Que River environmental staff continued limestone lining and capping of internal runoff drains and windrows to provide much needed alkalinity to the runoff emanating from these areas and to provide the system with an inflow of clean mid pH water.

Daily field testing and environmental laboratory testing continued throughout the period as per the sites Care and maintenance plan.

During October Bass submitted an updated Care and Maintenance plan and PQ Pit closure plan for the site. These are extensive documents which outline the Company's commitment to the continued environmental management of the site. As the company explores all options towards the reopening of the Que River mine, BSM environmental staff will continue to rehabilitate the areas damaged from previous campaigns and monitor any offsite emissions from the site. The environmental goal for the Que River site is to return the site to Tasmanians in a better state than when BSM began operations in 2006.



Drains and windrows lined with Limestone to improve pH

5. LionGold Litigation

As previously advised the Litigation between the Company and LionGold Corporation has been placed on the commercial list in the Supreme Court of Western Australia, with a view to expediting the hearing of the Company's claim. A compulsory mediation between the parties has been ordered by the Supreme Court.

The Company continues to be frustrated by lack of action from LionGold in relation to arranging an appropriate date for this mediation. The board will continue to pursue satisfactory settlement of its litigation with LionGold.

6. Financial

The Company ended the reported period with cash at bank of approximately \$530,000 (previous quarter closing cash balance \$350,000), excluding payment of reimbursable costs of over \$100,000 for environmental and site maintenance services conducted at Hellyer Mill Operations on behalf of Ivy Resources Pty.Ltd.

During the quarter a placement of 50 million shares at a price of 0.5 cents per share was made to Consolidated Minerals Pte Limited, a Singapore based investment company with a global portfolio of metals and mining projects, raising \$250,000 for working capital purposes.

Through this placement Bass has established a strategic relationship with an international resources group who have access to the style of resource projects which the Company is seeking. The board is currently reviewing a number of opportunities, aimed at progressively rebuilding shareholder value, and looks forward to providing further detail as discussions progress.



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 tenement as at 30 December 2014 were as follows:

Tenement	Interest
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.

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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 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) Exploration & evaluation	(58)	(141)
(b) Development	-	-
(c) Site Care and Maintenance	(117)	(206)
(d) Administration*	(101)	(195)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	38	63
1.5 Interest and other costs of finance paid	-	-
1.6 Taxes refunded / (paid)	171	259
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(67)	(220)
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	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(67)	(220)

+ See chapter 19 for defined terms.

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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)	(67)	(220)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	250	250
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	250	250
	Net increase (decrease) in cash held	183	30
1.20	Cash at beginning of quarter/year to date	348	501
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	531	531

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	22
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	90
4.2 Development	-
4.3 Environment including Site Care and Maintenance	60
4.4 Administration	95
Total	245

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	286	348
5.2 Deposits at call	245	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	531	348

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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	50,000,000	50,000,000	\$0.005
	TOTAL Ordinary securities	376,105,104	376,105,104	

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.5	+Convertible debt securities <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	Options <i>(description and conversion factor)</i>	15,000,000	<u>Exercise price</u> 1.30 cents	<u>Expiry date</u> 31/08/2015
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>			

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:

Date: 30 January 2015

(Director/Company secretary)

Print name:

A de Vos

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* applies 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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