

BASS METALS LTD

ABN 31 109 933 995

REGISTERED OFFICE

Bass Metals LTD
Suite 5
2 Richardson Street
WEST PERTH WA 6005
Tel: (08) 9322 8044 Fax: (08) 9481 2846

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
All Correspondence to: **PO BOX 535, APPLECROSS WA 6953**
Tel (08) 9315 2333 Fax (08) 9315 2233
EMAIL: registrar@securitytransfer.com.au

22 June 2007

«NAME»
«ADD_1»
«ADD_2»
«ADD_3»
«ADD_4»
«ADD_5»

Holder No: «HOLDER_NO»
No of Options Held: «OPTIONS»
Amount to Pay: «AMOUNT»

Dear Option Holder

YOUR OPTIONS TO ACQUIRE BASS METALS LTD SHARES AT 25 CENTS PER SHARE EXPIRE ON 31 JULY 2007

We are writing to you as a registered holder of 31 July 2007 options in Bass Metals Ltd to remind you that the options will expire at 5:00pm (WST) on 31 July 2007.

Your option holding may be exercised in whole or in part by payment of 25 cents for each option by no later than 31 July 2007. If payment is not received by 5:00pm (WST) on 31 July 2007 the options will lapse and all rights under the options will cease at that time.

Some of the courses of action available to you as a holder of these soon to expire options are:

- a) Exercise the options on or before 31 July 2007.
- b) Sell your options. Quotation of the options will cease at the close of trading on 24 July 2007.
- c) Do nothing (ie, allow your options to expire). If you do not exercise or sell your options they will expire on 31 July 2007 and your right to subscribe for ordinary shares in Bass Metals Ltd at 25 cents per share will lapse.

There is no obligation on option holders to exercise their options. However, under paragraph 6.1 of Appendix 6A of the Australian Stock Exchange (ASX) Listing Rules, the Company is required to advise option holders of the information contained in this notice.

The closing market sale price of ordinary shares in Bass Metals Ltd on ASX was \$0.37 on 21 June 2007, being the last trading day in Perth prior to the date of this notice.

During the three (3) months preceding the date of this notice:

- the highest market sale price of ordinary shares on ASX was \$0.48 on 24 May 2007; and
- the lowest market sale price of ordinary shares on ASX was \$0.275 on 3 April and 10 April 2007.

If you wish to exercise your options then you must complete your "Notice of Exercise of Options" form printed on the back of this notice and forward it together with payment of 25 cents per option exercised to be received no later than **5:00pm (WST) on 31 July 2007** to the Company's share registry, being:

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

OR 770 Canning Highway
APPLECROSS WA 6953

Cheques should be made payable to "**BASS METALS LTD - Bass Subscription Funds Account**" in Australian dollars only and should be crossed "Not negotiable". If you have any further questions please do not hesitate to contact our Registry on telephone (08) 9315 2333, facsimile (08) 9315 2233 or e-mail registrar@securitytransfer.com.au.

Yours faithfully



Susan Hunter
COMPANY SECRETARY

BASS METALS LTD

ABN: 31 109 933 995

TERMS AND CONDITIONS OF OPTIONS EXPIRING 31 JULY 2007 at 25c (BSMO)

- (a) Each Option will lapse if not exercised on or before their respective expiry dates.
- (b) Each Option shall entitle the holder to subscribe for and to be allotted one Share in the capital of the Company upon exercise of the Option and payment to the Company of the exercise price.
- (c) An Option may be exercised by the option holder at any time prior to the expiry date by sending a completed and signed notice of exercise, together with the payment of the exercise price and the statement for the Option, to the Company's Share Registry. If the option holder holds more than one Option, the Options may be exercised in whole or in part.
- (d) A notice of exercise is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.
- (e) Subject to any restrictions in the ASX Listing Rules, within 10 days of receipt of a properly executed notice of exercise and the required application funds the number of shares specified in the notice will be allotted.
- (f) Each statement will bear a suitable form of notice of exercise of the Options, endorsed on the back of the statement, for completion by the option holder (if required). If the Options comprised in any such statement are exercised in part only, before the expiry date, the Company will issue the option holder with a fresh statement for the balance of the Options held and not yet exercised.
- (g) The period during which the Options may be exercised cannot be extended.
- (h) The option holder is not entitled to participate in new issues of securities offered to share holders. The option holder can participate in new issues of securities offered to shareholders if the Option is exercised before the relevant record date for that new issue.
- (i) If from time to time before the expiry of the Options the Company makes an issue of Shares to the holders of Shares by way of capitalisation of profits or reserves (a "bonus issue"), other than in lieu of a dividend payment, then upon exercise of an Option the option holder will be entitled to have issued to it in addition to the shares which it is otherwise entitled to have issued to it upon such exercise additional shares in the Company. The number of additional shares is the number of shares which would have been issued to it under that bonus issue ("bonus shares") if on the date on which entitlements were calculated it had been registered as the holder of the number of shares which it would have been registered as holder if immediately before that date it had exercised its Options. The bonus shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank equally in all respects with the other shares allotted upon exercise of the Options.
- (j) In the event of any reconstruction (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Options, all rights of the option holder will be reconstructed (as appropriate in accordance with the ASX Listing Rules applying to a re-organisation of capital at the time of the re-organisation).
- (k) Shares allotted pursuant to exercise of the Options will rank equally with the then issued Shares of the Company.
- (l) Should the Company at any time over the life of the Option be re-admitted to ASX and an option holder exercises Options post the readmission date, the Company undertakes to apply for official quotation by ASX of all Shares allotted pursuant to the exercise of any Options, within 10 business days of the date of allotment of those Shares.
- (m) Other than as referred to above, the Option does not confer the right to a change in exercise price, or a change to the number of underlying securities over which it can be exercised.
- (n) Subject to the constitution of the Company, the Corporations Act 2001 and the Listing Rules of the ASX the Options are freely transferable.



NOTICE OF EXERCISE OF OPTIONS

To
The Directors
Bass Metals Ltd
PO BOX 1330
WEST PERTH WA 6872

Share Registry:
Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953
Email: registrar@securitytransfer.com.au
Website: www.securitytransfer.com.au
Ph: (618) 9315 2333 Fax: (618) 9315 2233

I/We Shareholder Number:

Of

Being the registered holder of Options hereby exercise such Options to subscribe for Ordinary fully paid shares at \$0.25 per option.

I/We enclose application money of \$ and authorise you to register me/us as the holder of the shares to be allotted to me/us and /we agree to accept such shares subject to the Rules of the Constitution of the Company

Individual or Holder 1	Securityholder 2	Securityholder 3	Date:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Director	Director/Secretary	Sole Director/Secretary	Day / Month / Year
<input type="text"/>	<input type="text"/>		
Contact Name	Contact Telephone Number		

This application, with application money in Australian Currency, should be lodged at the Company's Share Registry on or before the Expiry Date.

NOTE: Cheque should be made payable to **BASS METALS LTD - Bass Subscription Funds Account** and forwarded to Security Transfer Registrars Pty Ltd.