



ACN 109 933 995

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

**NOTICE IS INCLUDED FOR
THE GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON
MONDAY, 11 JANUARY 2010 AT 11.00AM
AT THE OFFICES OF BASS METALS LTD, 16 THELMA STREET, WEST PERTH**

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.
If you do not understand it, or any part of it,
you should consult with your professional advisers without delay.

**You are encouraged to attend the meeting, but if you cannot, you are requested to
complete and return the enclosed Proxy Form without delay to
Bass Metals Ltd at
16 Thelma Street, West Perth WA 6005
or by mail to PO Box 1330, West Perth WA 6872
or by facsimile on facsimile number (+61 8) 9481 2846**



ACN 109 933 995

NOTICE OF GENERAL MEETING

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

TIME: 11.00am

DATE: Monday, 11 January 2010

LOCATION: The offices of Bass Metals Ltd, 16 Thelma Street, West Perth

**This is an important document that should be read in its entirety.
If you do not understand it, you should consult with your professional advisers without delay.**

**If you wish to discuss any aspects of this document with the Company, please contact
Mr. Michael Rosenstreich, Managing Director of Bass Metals Ltd on +61 8 9322 8044.**

Words and phrases used in the Resolutions are defined in Section 4 of the accompanying Explanatory Statement and these words and phrases have the same meaning in this Notice of General Meeting as defined in the Explanatory Statement.

BUSINESS

RESOLUTION 1: RATIFICATION OF SHARE PLACEMENT

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That pursuant to ASX Listing Rule 7.4 and for all other purposes, the issue of 15,207,320 Shares at an issue price of 23 cents per Share on 7 December 2009 being the first tranche of a placement on the terms and conditions set out in the Explanatory Statement be ratified."

VOTING EXCLUSION STATEMENT: The Company will disregard any votes cast on this resolution by a person who participated in the issue and an Associate of those persons.

RESOLUTION 2: APPROVAL FOR SHARE PLACEMENT

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That pursuant to ASX Listing Rule 7.1 and for all other purposes, approval be given to issue 28,270,941 Shares at an issue price of 23 cents per Share being the final tranche of a placement on the terms and conditions set out in the Explanatory Statement."

VOTING EXCLUSION STATEMENT: The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a shareholder, if the resolution is passed, and an Associate of those persons.

VOTING EXCLUSIONS

Where a voting exclusion applies to a Resolution under the ASX Listing Rules, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a directions on the Proxy Form to vote as the proxy decides.

EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of 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:

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is 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.

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of the General Meeting as soon as possible and either:

- send the Proxy Form by facsimile to the Company on +61 8 9481 2846;
- post the Proxy Form to the Company at PO Box 1330, West Perth WA 6872; or
- deliver the Proxy Form to the registered office of the Company at 16 Thelma Street, West Perth WA 6005.

Proxy Forms must be received by the Company not later than 48 hours before the time specified for the commencement of the General Meeting.

DATE FOR DETERMINING HOLDERS OF SHARES

For the purposes of regulation 7.11.37 of the Corporations Act, the Directors have set 9.00am WST on 11 January 2010 as the time and date to determine who are the Shareholders in the Company for the purposes of the General Meeting. Accordingly share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Dated this 9 December 2009

By order of the Board



Susan Hunter
Company Secretary



ACN 109 933 995

EXPLANATORY STATEMENT TO SHAREHOLDERS

This Explanatory Statement sets out information in relation to the Resolutions. The Directors recommend that you read this Explanatory Statement and attend the General Meeting or complete and return the Proxy Form.

1. RESOLUTION 1: RATIFICATION OF SHARE PLACEMENT

On 24 November 2009, the Company announced a placement to raise \$10 million (before costs) through the issue of 43,478,261 Shares at 23 cents to institutional and professional investors. Element Capital Pty Ltd is managing the placement for a fee of 6%.

The placement is part of an integrated fundraising strategy that includes a rights issue to Shareholders to raise up to a further \$5.3 million. The total \$15 million capital raising in combination with a planned \$10 to \$15 million banking and/or concentrate pre-payment facility is planned to generate sufficient cash for the Company to undertake its Fossey Mine development, accelerate testing of its new exploration targets in the Hellyer-Que River region and provide general working capital for the Company.

The Placement will be completed in two tranches:

- Tranche A comprising 15,207,320 Shares issued on 7 December 2009; and
- Tranche B comprising 28,270,941 Shares subject to shareholder approval per Resolution 2 of this General Meeting.

Resolution 1 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the issue of the first tranche of 15,207,320 Shares.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

In this regard the first tranche of the placement of Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 1:

Number of Shares Allotted: 15,207,320 Shares.

Issue Price: 23 cents each.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Allottees: The Shares were issued to institutional investors and other professional and sophisticated investors (as defined under Section 708 of the Corporations Act) pursuant to a placement managed by Element Capital Pty Ltd.

Intended Use of Funds: The funds raised from the first tranche of the placement were \$3,497,684 (before costs). The funds will be used as additional working capital primarily in relation to ongoing exploration, evaluation and development of the Company's projects, particularly Fossey Zone, Que River and Hellyer.

Voting Exclusion: an appropriate voting exclusion statement is included in the Notice of General Meeting.

2. RESOLUTION 2: APPROVAL FOR SHARE PLACEMENT

As referred to in Section 1 above, the Company proposes to issue the final tranche of the placement comprising 28,270,941 Shares at the same price of 23 cents to institutional and professional investors.

Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 7.1. Listing Rule 7.1 prohibits a listed company from issuing securities representing more than 15% of its issued capital in any 12 month period without prior shareholder approval (subject to certain exceptions). By obtaining approval for the 28,270,941 Shares, the securities will not be counted in the Company's 15% limit and the capacity will be reinstated.

In accordance with Listing Rule 7.3 the following information is provided in relation to Resolution 2:

Maximum Number: 28,270,941 Shares.

Date of Issue/Allotment: The Shares will be issued no later than 3 months after the General Meeting or such later date to the extent permitted by an ASX waiver of the Listing Rules. It is expected that the Shares will all be allotted together on a single day.

Issue Price: 23 cents each.

Allottees: The Shares will be issued to institutional investors and other professional and sophisticated investors (as defined under Section 708 of the Corporations Act) pursuant to a placement managed by Element Capital Pty Ltd.

Terms: The Shares will rank equally in all respects with the existing Shares on issue.

Intended Use of Funds: The funds raised from the final tranche of the placement will be \$6,502,316 (before costs). The funds will be used as additional working capital primarily in relation to ongoing exploration, evaluation and development of the Company's projects, particularly Fossey Zone, Que River and Hellyer.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of General Meeting.

3. ROLE OF ASX

The fact that the Notice of General Meeting and Explanatory Statement have been reviewed by ASX is not to be taken as an indication of the merits of the Resolutions. ASX and its officers take no responsibility for any decision a Shareholder may make in reliance on any information included in the Notice of General Meeting and Explanatory Statement.

4. DEFINITIONS

In this Explanatory Statement:

ASX means ASX Limited, ABN 98 008 624 691.

Bass Metals means Bass Metals Ltd, ACN 109 933 995.

Board means the Board of Directors of the Company.

Company means Bass Metals Ltd, ACN 109 933 995.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

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

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

Listing Rules mean the Listing Rules of the ASX.

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

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

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

Share means a fully paid ordinary share in the Company.

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



ACN 109 933 995

PROXY FORM

I/We (print name)

of

.....
 a member/members of Bass Metals Ltd (ACN 109 933 995) hereby appoint

.....
 of

.....
 or failing him/her

.....
 of
 or failing him/her, the Chairman of the meeting, as my/our proxy at the General Meeting of the Company to be held commencing at **11.00 am on Monday, 11 JANUARY 2010**, and at any adjournment thereof and to vote for me/us on my/our behalf in respect of all/the following*

.....
 of my/our shares in the manner as set out below.

In relation to any undirected proxies the Chairman intends to vote in favour of all Resolutions.

If you do not wish to instruct your proxy how to vote, please place a cross in the box.

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box and you have not directed your proxy how to vote, the Chairman will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolution

	For	Against	Abstain
Resolution 1 Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Approval for Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this day of 2009 / 2010.

PLEASE SIGN HERE

Individual or Securityholder 1

**Individual/Sole Director and
Sole Company Secretary**

Securityholder 2

Director

Securityholder 3

**Director/
Company Secretary**



ACN 109 933 995

INSTRUCTIONS FOR COMPLETING THE PROXY FORM

1. To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and either:
 - send the Proxy Form by facsimile to the Company on +61 8 9481 2846;
 - post the Proxy Form to the Company at PO Box 1330, West Perth WA 6872; or
 - deliver the Proxy Form to the registered office of the Company at 16 Thelma Street, West Perth WA 6005.
2. Proxy Forms must be received by the Company not later than 48 hours before the time specified for the commencement of the General Meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights.
4. *If two proxies are appointed you may delete "all" and insert the relevant number or proportion of shares in respect of which each such appointment is made. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
5. Should you desire to direct your proxy how to vote, place a cross in the appropriate box for each item, otherwise your proxy may vote as your proxy thinks fit or abstain from voting.
6. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
7. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provision of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.
8. Completion of a Proxy Form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the meeting in person, the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.
9. Where a Proxy Form or form of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged with this proxy.