



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 AT
9.00AM ON TUESDAY, 3 JANUARY 2012
AT THE OFFICES OF BASS METALS LTD,
LEVEL 1, 91 HAVELOCK 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, and in any event no
later than 9.00am (WST) on 1 January 2012, to
Bass Metals Ltd at
Level 1, 91 Havelock 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
or via email to admin@bassmetals.com.au**



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: 9.00am

DATE: Tuesday, 3 January 2012

LOCATION: The Offices of Bass Metals Ltd
Level 1, 91 Havelock 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, or Ms. Susan Hunter, Company Secretary,
of Bass Metals Ltd on +61 8 6315 1300.

Words and phrases used in the Resolution 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 ISSUE

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

"That for the purposes of Listing Rule 7.4 and for all other purposes, the issue on 4 November 2011 of 15,699,001 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement be approved and ratified."

Short Explanation: The Directors seek Shareholder approval and ratification of the issue of 15,699,001 fully paid ordinary shares to the Company's Convertible Note holders and RMB Australia, on the terms and conditions set out in the Explanatory Statement, to refresh the Company's ability to issue up to 15% of its issued capital without shareholder approval under Listing Rule 7.1.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and their respective Associates except as described under the heading VOTING EXCLUSIONS below.

RESOLUTION 2: RATIFICATION OF ISSUE OF LEAD MANAGER OPTIONS

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

“That for the purposes of Listing Rule 7.4 and for all other purposes, the issue on 4 November 2011 of 2,927,431 Lead Manager Options to the Lead Manager of the Company’s non-renounceable entitlements issue Prospectus dated 15 September 2011 on the terms and conditions set out in the Explanatory Statement be approved and ratified.”

Short Explanation: The Directors seek Shareholder approval and ratification of the issue of 2,927,431 Lead Manager Options to the Lead Manager (or nominee), on the terms and conditions set out in the Explanatory Statement, to refresh the Company’s ability to issue up to 15% of its issued capital without shareholder approval under Listing Rule 7.1

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and their respective Associates except as described under the heading VOTING EXCLUSIONS below.

RESOLUTION 3: APPROVAL FOR AMENDMENT OF TRANCHE 1 OPTION TERMS

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

“That for the purposes of Listing Rule 6.23.4 and for all other purposes, Shareholders approve the amendments to the terms and conditions of the 28,666,667 Tranche 1 Options issued on 30 September 2011 as set out in the Explanatory Statement and as noted below:

- Clause (a) of the existing terms and conditions *“The Tranche 1 Options will not be quoted on the ASX”* will be deleted and the Company will apply to ASX for admission to quotation of the Tranche 1 Options in the same class as the Company’s existing Tranche 2 Options.
- Clause (j) of the existing terms and conditions *“The Tranche 1 Options are not transferable except with the consent of the Company”* will be deleted and replaced with *“The Tranche 1 Options will be transferable”*.
- The last sentence in Clause (k) of the existing terms and conditions *“However, the Company will ensure that for the purposes of determining the entitlements to any such issue, Tranche 1 Option holders will be afforded the opportunity to exercise Tranche 1 Options prior to the date for determining entitlements to participate in any such issue”* will be deleted.”

Short Explanation: Subsequent to the allotment and issue of the Tranche 1 Options, the Company successfully completed the non-renounceable entitlements offer (“the Offer”) resulting in the issue of new Shares and new quoted options (“Tranche 2 Options”). The terms and conditions of the Tranche 1 Options differ from the terms and conditions of the Tranche 2 Options which are set out in the Prospectus dated 15 September 2011. In light of the successful completion of the Offer, the Board has determined that it is appropriate to ensure that the Tranche 1 Options and the Tranche 2 Options are issued on the same terms and conditions and, in this regard, seeks Shareholder approval to amend the Tranche 1 Option terms and conditions such that they are exactly the same as the terms and conditions of the Tranche 2 Options.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by a person who holds Tranche 1 Options and their respective Associates except as described under the heading VOTING EXCLUSIONS below.

VOTING EXCLUSIONS

Where a voting exclusion applies to a Resolution under the 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 direction 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 Resolution.

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 Level 1, 91 Havelock Street, West Perth 6005.

To be effective, a Proxy Form and, if the Proxy Form is signed by the shareholder's attorney, the authority under which the appointment is signed (or a certified copy of that authority) must be received by the Company not later than 48 hours before the time specified for the commencement of the General Meeting.

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 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

For the purposes of regulation 7.11.37 of the Corporations Act, the Directors have set 9.00am WST on 1 January 2012 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 30 November 2011

By order of the Board



Susan Hunter
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 General Meeting. Defined terms used in this Statement are set out in Section 4. Accompanying this Statement is the Notice of General Meeting convening the General Meeting and a Proxy Form.

Shareholders are encouraged to attend and vote on the Resolution to be put to the General Meeting. If a Shareholder is not able to attend and vote at the General Meeting, the Shareholder may complete the Proxy Form and return it to the registered office of the Company at the address which appears on the Notice of Meeting not later than 48 hours before the time specified for the commencement of the General Meeting.

2. PURPOSE OF THE GENERAL MEETING

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

3. RESOLUTIONS

3.1. Resolution 1: Ratification of Share Issue

On 31 October 2011, the Company announced the results of the non-renounceable entitlements offer ("the Offer") to raise up to \$10.7 million (before costs) which opened on 29 September 2011 and closed on 26 October 2011. The amount raised of approximately \$8.8 million comprised approximately \$5.6 million from eligible existing Shareholders and a further \$3.2 million contributed by Convertible Note holders who elected to have their Convertible Notes redeemed early and apply the proceeds of the redemption of the Convertible Notes to taking up new Shares and Tranche 2 Options under the Offer.

As part of the agreement with the Convertible Note holders, Bass agreed to issue 10,032,334 Shares at \$0.15 per share as compensation for early redemption of the Convertible Notes and interest payments forgone and also issue 5,666,667 new ordinary shares at \$0.15 per share to RMB Australia in consideration for its Agent's consent in relation to conditions of its loan facility. These 15,699,001 Shares were issued on 4 November 2011.

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

The Company confirms that the issue of the 15,699,001 Shares on 4 November 2011 was made under the Company's 15% capacity and accordingly did not breach Listing Rule 7.1. Subsequent approval under Listing Rule 7.4 is now being sought such that the issue of the Shares does not count towards the 15% limit.

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

Number of Shares Allotted: 15,699,001 Shares were allotted and issued on 4 November 2011.

Issue Price: \$0.15 per Share.

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

Allottees: A total of 10,032,334 Shares were issued to the Convertible Notes holders of the Company who are sophisticated or professional investors (as defined under section 708 of the Corporations Act). 5,666,667 Shares were issued to RMB Australia. None of the allottees are Related Parties of the Company.

Intended Use of Funds: No funds were raised from the issue. The Shares were issued to the Convertible Note holders as compensation for early redemption of the Convertible Notes and interest payments forgone and were issued to RMB Australia in consideration for its Agent's consent in relation to conditions of its loan facility.

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

The Directors unanimously recommend that the Shareholders vote in favour of this Resolution.

3.2. Resolution 2: Ratification of Lead Manager Option Issue

On 4 November 2011, the Company issued 2,927,431 Lead Manager Options to nominees of the Lead Manager of the non-renounceable entitlements offer ("the Offer"). The Lead Manager Options issued have identical terms to the Tranche 2 Options issued under the Offer and are attached as Annexure A to this Notice of Meeting.

Helmsec Global Capital Limited was the Lead Manager to the Offer. Bass entered into an agreement with the Lead Manager of the Offer who agreed to manage the Offer and attempt to place any shortfall. The Lead Manager receives a cash fee of 5.5% (plus GST) on all funds raised under the Offer and any new Shares placed under the shortfall and that the Lead Manager (or nominee) will receive Lead Manager Options equivalent to 5% of the total number of new Shares issued under the Offer and any new Shares placed under the shortfall. As the Company issued 58,548,617 new Shares under the offer on 4 November 2011, the Lead Manager (or its nominees) was entitled to receive 2,927,431 Lead Manager Options being 5% of the number of new Shares issued under the Offer. These Lead Manager Options were issued on 4 November 2011. The Lead Manager received a retainer of \$25,000 per month for a period of three months up to the end of September 2011. The Lead Manager is entitled to terminate its appointment at any time on written notice in accordance with its agreement signed with the Company.

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 the issue did not breach Listing Rule 7.1 and Shareholders subsequently approve the issue. The Company confirms that the issue of the 2,927,431 Lead Manager Options was made under the Company's 15% capacity and accordingly did not breach Listing Rule 7.1. Subsequent approval under Listing Rule 7.4 is now being sought such that the issue of the Shares does not count towards the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 2:

Number of Shares Allotted: 2,927,431 Lead Manager Options were allotted and issued on 4 November 2011.

Issue Price: Nil.

Terms: The terms and conditions of the Lead Manager Options are attached as Annexure A to this Notice of Meeting.

Allottees: The Lead Manager and its nominees.

Intended Use of Funds: No funds were raised from the issue of Lead Manager Options.

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

The Directors unanimously recommend that the Shareholders vote in favour of this Resolution.

3.3. Resolution 3: Approval for Amendment of Tranche 1 Option Terms

On 30 September 2011, the Company issued 28,666,667 Tranche 1 Options to Convertible Note and Loan Note holders pursuant to Shareholder approval granted at the General Meeting of Shareholders held on 26 September 2011.

The terms and conditions of the Tranche 1 Options as detailed in the Notice of General Meeting and Explanatory Statement of the General Meeting of Shareholders held on 26 September 2011 are included below:

- (a) The Tranche 1 Options will not be quoted on the ASX.
- (b) The Tranche 1 Options are exercisable at \$0.20 each.
- (c) A Tranche 1 Option must be exercised (if at all) not later than 30 September 2014 being 3 years from the date of issue.
- (d) The Tranche 1 Options will become exercisable on issue.
- (e) Each Tranche 1 Option entitles the holder to subscribe for and be allotted one Share in the capital of the Company upon exercise of the Tranche 1 Option and payment to the Company of the exercise price.
- (f) The exercise of some Tranche 1 Options only does not affect the holder's right to exercise other Tranche 1 Options at a later time.
- (g) A Tranche 1 Option is exercisable by the holder lodging with the Company's secretary a notice of exercise, a cheque for the exercise price of each Share to be issued on the exercise of that Tranche 1 Option, and the Tranche 1 Option certificate.
- (h) The Company shall allot Shares on exercise of Tranche 1 Options in accordance with the Company's Constitution.
- (i) Shares issued on the exercise of Tranche 1 Options will rank pari passu with all existing Shares in the capital of the Company from the date of issue of those Shares.
- (j) The Tranche 1 Options are not transferable except with the consent of the Company.
- (k) In relation to new issues, there are no participating rights or entitlements inherent in the Tranche 1 Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Tranche 1 Options. However, the Company will ensure that for the purposes of determining the entitlements to any such issue, Tranche 1 Option holders will be afforded the opportunity to exercise Tranche 1 Options prior to the date for determining entitlements to participate in any such issue.
- (l) If from time to time, prior to the expiry of any Tranche 1 Options, the Company makes an issue of Shares to the holders of Shares in the Company by way of capitalisation of profits or reserves ("bonus issue"), then upon exercise of a Tranche 1 Option a 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) the number of Shares which would have been issued to him under the bonus issue ("bonus issue") if on the date on which entitlements thereto were calculated it had been registered as the holder of the number of Shares which it would have been registered as holder if immediately prior to that date it had duly exercised its Tranche 1 Options and the Shares the subject of such exercise had been duly allotted and issued to it. The bonus Shares will be paid 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 rank pari passu in all respects with the other Shares allotted upon exercise of the Tranche 1 Options.
- (m) In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Tranche 1 Options, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

Subsequent to the allotment and issue of the Tranche 1 Options, the Company announced the Offer which was an offer to eligible shareholders to subscribe for one Share plus one free attaching new option ("Tranche 2 Option") for every three existing Shares held at 5.00pm (Perth time) on the record date. A prospectus in relation to the Offer was lodged with the Australian Securities and Investments Commission on 15 September 2011 ("the Prospectus").

The terms and conditions of the Tranche 1 Options as described above differ from the terms and conditions of the Tranche 2 Options which are set out in the Prospectus and the same as the terms and conditions of the Lead Manager Options detailed in Annexure A.

In light of the successful completion of the Offer, the Board determined that it is appropriate to ensure that the Tranche 1 Options and the Tranche 2 Options are issued on the same terms and conditions.

Accordingly, pursuant to Listing Rule 6.23.4 and for all other purposes, the Company seeks Shareholder approval to amend the terms and conditions of the Tranche 1 Options to make them identical to the terms and conditions of the Tranche 2 Options by the following amendments:

- Clause (a) of the Tranche 1 Options noted above will be deleted and the Company will apply to ASX for admission to quotation of the Tranche 1 Options.
- Clause (j) of the Tranche 1 Options noted above will be deleted and replaced with “the Options will be transferable”.
- The positive requirement for the Company to give Tranche 1 Option holders the opportunity to exercise their Tranche 1 Options prior to the date for determining entitlements to participate in any new issues conducted by the Company in clause (k) above will be removed.

The terms and conditions of the Tranche 1 Options reflecting the above changes are summarised in Annexure B.

Messrs. Boyer, McGown and Treasure decline to make a recommendation to Shareholders in relation to this Resolution due to their material personal interest in the outcome of the Resolution as they or their related parties hold Tranche 1 Options. Each of the other Directors of the Company, who have no material interest in the outcome of the Resolution, consider that the proposed amendment to the Tranche 1 Option terms and conditions is reasonable and recommend that Shareholders vote in favour of this Resolution.

4. DEFINITIONS

In this Explanatory Statement:

Agent means RMB Resources Ltd ACN 074 930 715, acting for RMB Australia.

Associate has the meaning set out in sections 11 to 17 of the Corporations Act.

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.

Company or **Bass Metals** means Bass Metals Ltd, ACN 109 933 995.

Convertible Notes means the 3,300,000 convertible notes issued on 8 August 2011 to professional and sophisticated investors with a face value of \$1.00 per Note convertible into Shares at a conversion price of \$0.15 per Share which were redeemed on 4 November 2011.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying this 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.

Lead Manager means Helmsec Global Capital Limited ABN 77 129 825 798.

Lead Manager Options means the Options issued to the Lead Manager in accordance with the Lead Manager’s mandate letter with the Company and subject to the terms and conditions in Annexure A.

Listing Rules mean the Listing Rules of the ASX.

Loan Notes means the loan notes issued by the Company on 8 August 2011 to entities related to Directors of the Company due 30 June 2013, which, following Shareholder approval granted on 26 September 2011 were converted into Shares at \$0.15 per Share.

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

Offer means non-underwritten non-renounceable entitlement offer of new Shares and Tranche 2 Options offered under the Prospectus dated 15 September 2011 to eligible Shareholders on the basis of one new Share for every three Shares held on the record date of 23 September 2011 at an issue price of \$0.15 per new Share together with one free attaching Tranche 2 Option for every one new Share issued.

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

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

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

RMB Australia means RMB Australia Holdings Ltd ACN 003 201 214.

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.

Tranche 1 Options means options issued on 30 September 2011 to the Convertible Note and Loan Note holders at an exercise price of \$0.20 each expiring on 30 September 2014.

Tranche 2 Options means an options issued under the Offer, each of which is an option to acquire a Share at an exercise price of \$0.20 exercisable on or before 30 September 2014 subject to the terms and conditions detailed in the Company’s prospectus dated 15 September 2011.

Annexure A

TERMS AND CONDITIONS OF THE LEAD MANAGER OPTIONS

- (a) The Lead Manager Options are exercisable at \$0.20 each.
- (b) A Lead Manager Option must be exercised (if at all) not later than 30 September 2014.
- (c) The Lead Manager Options will become exercisable on issue.
- (d) Each Lead Manager Option entitles the holder to subscribe for and be allotted one Share in the capital of the Company upon exercise of the Lead Manager Option and payment to Bass Metals of the exercise price.
- (e) The exercise of some Lead Manager Options only does not affect the holder's right to exercise other Lead Manager Options at a later time.
- (f) A Lead Manager Option is exercisable by the holder lodging with the Bass Metals' secretary a notice of exercise, a cheque for the exercise price of each Share to be issued on the exercise of that Lead Manager Option, and the Lead Manager Option certificate.
- (g) Bass Metals shall allot Shares on exercise of Lead Manager Options in accordance with Bass Metals' constitution.
- (h) Shares issued on the exercise of Lead Manager Options will rank pari passu with all existing Shares in the capital of Bass Metals from the date of issue of those Shares.
- (i) Lead Manager Options are transferable.
- (j) In relation to new issues, there are no participating rights or entitlements inherent in the Lead Manager Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Lead Manager Options.
- (k) If from time to time, prior to the expiry of any Lead Manager Options, the Company makes an issue of Shares to the holders of Shares in Bass Metals by way of capitalisation of profits or reserves (bonus issue), then upon exercise of a Lead Manager Option a 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) the number of Shares which would have been issued to him or her under the bonus issue if on the date on which entitlements thereto were calculated he or she had been registered as the holder of the number of Shares which he or she would have been registered as holder of if immediately prior to that date he or she had duly exercised his or her Lead Manager Options and the Shares the subject of such exercise had been duly allotted and issued to him or her. The bonus Shares will be paid by Bass Metals 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 rank pari passu in all respects with the other Shares allotted upon exercise of the Lead Manager Options.
- (l) In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of Bass Metals before the expiry of any Lead Manager Options, all rights of the option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

Annexure B

AMENDED TERMS AND CONDITIONS OF THE TRANCHE 1 OPTIONS

- (a) The Tranche 1 Options are exercisable at \$0.20 each.
- (b) A Tranche 1 Option must be exercised (if at all) not later than 30 September 2014 being 3 years from the date of issue.
- (c) The Tranche 1 Options will become exercisable on issue.
- (d) Each Tranche 1 Option entitles the holder to subscribe for and be allotted one Share in the capital of the Company upon exercise of the Tranche 1 Option and payment to the Company of the exercise price.
- (e) The exercise of some Tranche 1 Options only does not affect the holder's right to exercise other Tranche 1 Options at a later time.
- (f) A Tranche 1 Option is exercisable by the holder lodging with the Company's secretary a notice of exercise, a cheque for the exercise price of each Share to be issued on the exercise of that Tranche 1 Option, and the Tranche 1 Option certificate.
- (g) The Company shall allot Shares on exercise of Tranche 1 Options in accordance with the Company's Constitution.
- (h) Shares issued on the exercise of Tranche 1 Options will rank pari passu with all existing Shares in the capital of the Company from the date of issue of those Shares.
- (i) The Tranche 1 Options are transferable.
- (j) In relation to new issues, there are no participating rights or entitlements inherent in the Tranche 1 Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Tranche 1 Options.
- (k) If from time to time, prior to the expiry of any Tranche 1 Options, the Company makes an issue of Shares to the holders of Shares in the Company by way of capitalisation of profits or reserves ("bonus issue"), then upon exercise of a Tranche 1 Option a 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) the number of Shares which would have been issued to him under the bonus issue ("bonus issue") if on the date on which entitlements thereto were calculated it had been registered as the holder of the number of Shares which it would have been registered as holder if immediately prior to that date it had duly exercised its Tranche 1 Options and the Shares the subject of such exercise had been duly allotted and issued to it. The bonus Shares will be paid 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 rank pari passu in all respects with the other Shares allotted upon exercise of the Tranche 1 Options.
- (l) In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Tranche 1 Options, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.



ACN 109 933 995
GENERAL MEETING OF SHAREHOLDERS
PROXY FORM

I/We

of

being a member Bass Metals Ltd entitled to attend and vote at the General Meeting, hereby
Appoint
(Name of proxy)

OR ☐ the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 9.00am (WST), on Tuesday, 3 January 2012 at the offices of Bass Metals Ltd, Level 1, 91 Havelock Street, West Perth, and at any adjournment or postponement thereof.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%.

The Chair of the Meeting intends to vote undirected proxies in favour of all Resolutions.

☐ If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolution 3 please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 3 and that votes cast by the Chair of the General Meeting for Resolution 3 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 Chair will not cast your votes on Resolution 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 3.

	For	Against	Abstain
Resolution 1 Ratification of Share Issue	☐	☐	☐
Resolution 2 Ratification of Lead Manager Options Issue	☐	☐	☐
Resolution 3 Approval for Amendment of Tranche 1 Option Terms	☐	☐	☐

Dated this day of 2011.

PLEASE SIGN HERE

Individual or Securityholder 1

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

Securityholder 2

Director

Securityholder 3

**Director/
Company Secretary**

Contact Name: _____ Contact Ph (daytime): _____

BASS METALS LTD
ACN 109 933 995
INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

1. **(Appointing a Proxy):** A member entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked, the proxy may vote as they choose (subject to the requirements of the Corporations Act).
3. **(New sections 250BB and 250BC of the Corporations Act):** These sections came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:
 - if proxy holders vote, they must cast all directed proxies as directed; and
 - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.Further details on these changes is set out below.
Proxy vote if appointment specifies way to vote
Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:
 - the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
 - if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
 - if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
 - if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).***Transfer of non-chair proxy to chair in certain circumstances***
Section 250BC of the Corporations Act provides that, if:
 - an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
 - the appointed proxy is not the chair of the meeting; and
 - at the meeting, a poll is duly demanded on the resolution; and
 - either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.
4. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
5. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
6. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - Delivering the Proxy Form to Bass Metals Ltd, Level 1, 91 Havelock Street, West Perth 6005;
 - Posting the Proxy Form to Bass Metals Ltd, PO Box 1330, West Perth WA 6872; or
 - Faxing the Proxy Form to the Company on facsimile number +61 8 9481 2846; or
 - Emailing the Proxy Form to the Company at admin@bassmetals.com.au,so that it is received **not less than 48 hours prior to commencement of the Meeting.**
Proxy forms received later than this time will be invalid.