4 October 2013

Bass Chairman's Address to the General Meeting 4 October, 2013.

My fellow Bass shareholders

I would like to take a little time to address you before you consider Resolution 3 which is now to be put to this morning's meeting.

Firstly I would like you to be aware of the efforts which the directors, who are subject to Resolution 3, have made to seek a full proposal from Metals Finance Ltd (MFC) in relation to its ongoing strategy for Bass rather than merely accept the MFC position that it should control the Board of Bass with only 9.1% of the equity. I make these comments to assure you that all efforts have been made to secure MFC's commitment to enunciate a strategy to you as shareholders of Bass before you vote on this Resolution.

Just over four months ago Geoff Hill, the Chairman of MFC, advised me that MFC would be supporting action by some Bass shareholders to requisition changes to the Board. Since that time members of your Board have;

- Met with Rick Anthon and Gavin Solomon in Brisbane on 21 June.
- Separately met or spoken with Gavin Solomon on 11, 26 and 30 June, 2 July and 16 August, Rick Anthon on 5 and 6 June and Geoff Hill on 29 June, 10 July and 4 August.
- Email contact with Messrs Anthon and Sykes seeking a full strategy proposal as opposed to the current MFC proposal which merely seeks the appointment of an MFC controlled Board. Notwithstanding Mr Anthon advised by email on 19 September, 2013 that "I will respond in more detail today" nothing has been received to date.

It is the view of your Board that there needs to be a well enunciated "go forward" strategy for Bass which we have not, to date, seen from MFC.

Notwithstanding exhaustive efforts to find compromise with MFC, we as a Board could not support passing Board control to MFC and that is why we are now facing this vote.

Secondly one of the MFC's contentions is that "none of the Bass directors have taken any public responsibility for the failures of Bass and the decline in its share price". This is certainly not the case as I stated in;

- ***My Chairman's letter included with the 2012 Annual Report;***
  "I would like to thank you as shareholders of Bass Metals for your support throughout the year in terms of your participation in the September, 2011 entitlements issue and your patience as this process has continued to date".

- ***My Chairman's address to the AGM held on 22 November, 2012;***
  "I appreciate this has been a particularly difficult year for you as shareholders of Bass Metals. Your Board and a significantly reduced management team are working tirelessly to restore value to your shareholdings where there is an absolute alignment of interests."

And I went on to say.

> "In closing I would like to thank you for your attendance today and your patience throughout the past year. I hope to be able to report more positively next year."

Likewise I know that Mike, in his discussions with shareholders, in audio interviews and various reports has expressed his regret and has acknowledged his leadership role during the period of technical problems and none of us have retreated from that fact.

While the benefit of hindsight is always definitive it should be remembered that throughout the development of the Fossey Project and the technical issues which emerged Bass had the ongoing involvement and support of the RMB Group which is probably the best qualified investor in terms of scrutinising technical risks. RMB continued its financial support of Bass as evidenced by its recent exercise of options in Bass.

I am not sure how else we can take responsibility aside from what we have done in publicly thanking shareholders for their patience and support.

Thirdly and concurrent with the MFC requisition there has been the emergence of four investors who now collectively holding 16.4 % of the shares in Bass. Based on recent articles in The Australian and The West Australian, it appears that these four investors may be associated with LionGold against whom Bass is litigating. If this is the case, and we have not been able to verify or prove that these shareholders are in fact associated with LionGold, there is a conflict where a significant shareholder group associated with LionGold as the defendant hold a significant interest in your Company as the plaintiff to this action.

I therefore urge you to be diligent in your continuing review of this position as you are all shareholders who stand to benefit from any litigation recovery. As a holder of 3.85 million shares in your company, I will be taking a keen interest in this matter regardless of whether I am Chairman after this general meeting.

Thank you for your attention and hopefully you are now slightly more informed to make your decision.

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