

**April 30 2015**

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

Dear Sir/Madam

## **March 2015 Quarterly Report Of Activities**

Please find following the March 2015 Quarterly Report of Activities and Cashflow for Bass Metals Limited (ASX:BSM) (**Bass** or the **Company**).

### **1. Overview**

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

- Finalising the conditional sale of its Tasmanian assets.
- Rationalisation of exploration tenement holdings in Tasmania.
- Continued review and modelling of remaining Hellyer and Que River resources.
- Ongoing Care and Maintenance and closure activities at the Que River mine site.
- Review and discussions pertaining to potential project acquisitions.

### **2. Que River and Hellyer Resources**

The Company's technical focus within the reported period has continued to be the 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. As part of the study, a formal review of the resources has been undertaken by the Company's Tasmanian geologist, and a scoping study on the potential for open cut and underground mining of the resources has been completed. The base exercise contemplates contract mining of the defined resources and sale of the ore to a third party processor.

As announced on 28 April 2015, the Company has now entered into a 60 day Exclusivity Period with Moreton Resources Limited ("Moreton")(ASX:MRV) with the aim of divesting its Tasmanian Asset Portfolio to Moreton. The assets in question include the Fossey and Que River Mines, which contain base metals inventories of Zinc and Lead, with a variety of additional precious metals and surrounding exploration tenements.

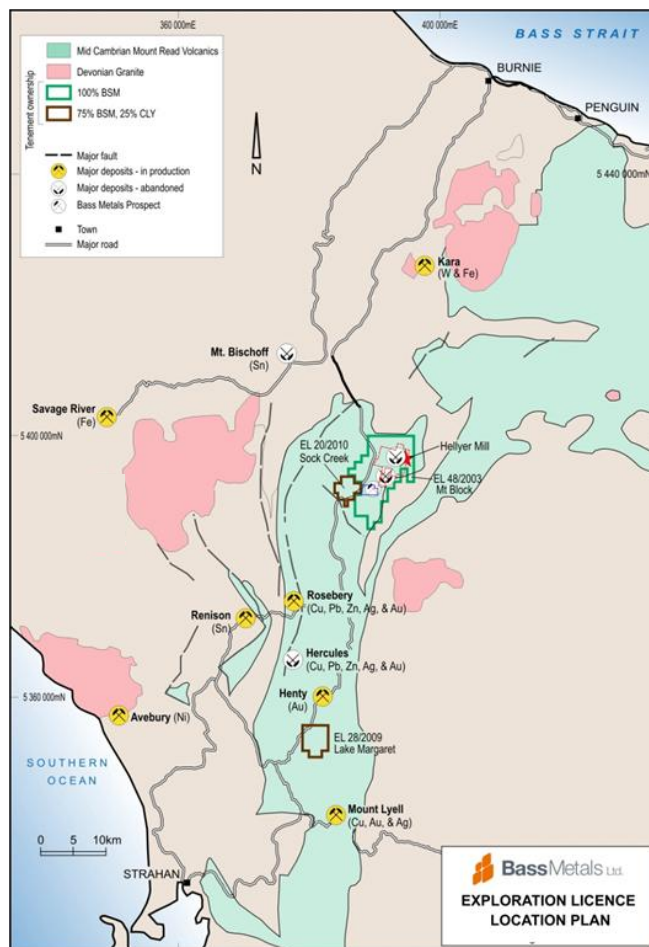
The terms of Moreton's conditional offer are subject to completion by Moreton of due diligence investigations on the assets and fulfilment of certain conditions precedent that are typical of this type of transaction. The parties have agreed to work closely together with a view to completing due diligence in late May and finalising the transaction by the end of July 2015. Finalisation will be subject to regulatory and shareholder approval.

It is the board's opinion that the conditional agreement with Moreton offers value to Bass and its shareholders. The Company will provide further updates on the progress of due diligence in due course.

The Company is currently evaluating a number of acquisition opportunities and looks forward to providing the market with an update once a deal is finalised.

### 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 and review the data collected over many years. The Company has relinquished some areas which are considered to be of low potential. The plan below outlines the exploration areas now retained by the Company.



***Bass Exploration Tenements March 2015***

### 4. Environmental activities, Tasmania

The Company continued to maintain its Care and Maintenance plan for the Que River site during the quarter. Environmental management at the Que River site focussed on the rehabilitation of the surface areas of the site, with significant progress being achieved in clean up, covering and re-seeding of previously disturbed areas. Daily field testing and environmental laboratory testing continued throughout the period as per the site's Care and Maintenance Plan.

## 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 and a compulsory mediation between the parties was been ordered by the Supreme Court some time ago. The Company continues to be frustrated by the lack of action from LionGold in relation to arranging an appropriate date for this mediation, and is examining legal options to expedite the ordered mediation. The board will continue to pursue satisfactory settlement of its litigation with LionGold.

The Company is continuing to evaluate a range of near term production resource assets, and will accelerate this process in the light of the potential arrangement with Moreton Resources on the Hellyer assets. The board looks forward to updating the market once a deal is finalised.



**P.A. Treasure**  
**Director**  
**T: +61 (0)7 3221 0783**

### **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 31 March 2015 were as follows:

Tenement	Interest
EL48/2003 Mt Block <sup>4</sup>	100%
EL24/2004 Bulgobac River <sup>4</sup>	100%
EL28/2009 Lake Margaret <sup>4</sup>	75%
EL20/1010 Sock Creek <sup>4</sup>	75%
CML 103M/1987 Hellyer Mine Lease <sup>2&amp;4</sup>	100%
CML 68M/1984 Que River Mine Lease <sup>4</sup>	100%
ML 10W/1980 Access Easement to QRML	100%
RL11/1997 Mt Charter Retention <sup>3&amp;4</sup>	100%

Notes:

1. Subject to joint venture with Clancy Exploration Limited.
2. 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.
3. 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.
4. 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.

## 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 March 2015

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) Exploration & evaluation	(87)	(228)
(b) Development	-	-
(c) Site Care and Maintenance	(51)	(257)
(d) Administration*	(110)	(305)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	70
1.5 Interest and other costs of finance paid	-	-
1.6 Taxes refunded / (paid)	13	272
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	(228)	(448)
<b>Cash flows related to investing activities</b>		
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)	-	-
<b>Net investing cash flows</b>	-	-
1.13 Total operating and investing cash flows (carried forward)	(228)	(448)

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(228)	(448)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	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)	-	-
	<b>Net financing cash flows</b>	-	250
	<b>Net increase (decrease) in cash held</b>	(228)	(198)
1.20	Cash at beginning of quarter/year to date	531	501
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	303	303

### 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	25
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

--

+ See chapter 19 for defined terms.

### 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
<b>Total</b>	<b>245</b>

### 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	58	286
5.2 Deposits at call	245	245
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>303</b>	<b>531</b>

---

+ See chapter 19 for defined terms.

## 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	<b>Preference securities</b>			
7.2	<i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	376,105,104	376,105,104	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
	<b>TOTAL Ordinary securities</b>	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	<b>+Convertible debt securities</b> <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	<b>Options</b> <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	<b>Debentures</b> <i>(totals only)</i>			
7.12	<b>Unsecured notes</b> <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 April 2015

(Director/Company secretary)

Print name: A de Vos

## Notes

+ See chapter 19 for defined terms.

## 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.

== == == == ==