

31 October 2011

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

Dear Sir

RESULTS OF NON-RENOUNCEABLE ENTITLEMENTS OFFER

Bass Metals Ltd (ASX:BSM) ("Bass" or the "Company") advises 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 Company is pleased to advise that the Offer was well supported with receipt of valid applications for New Shares plus free attaching New Options under the Offer totalling approximately \$8.2 million. This exceeds the required Minimum Subscription of \$8.0 million stipulated in the Offer Prospectus.

Importantly, the Company's banker RMB Australia Holdings Limited ("RMBAH") has agreed that this result of the Offer to date meets its requirements for the Company to raise \$8 million of new equity. This is one of the key requirements for the new extended, \$13 million loan facility provided on 27 September 2011, which Bass subsequently drew down \$9 million from.

The amount raised comprises \$5.0 million from eligible existing shareholders by way of acceptance of entitlements and applications for extra New Shares and New Options and applications for shortfall New Shares and New Options. A further \$3.2 million was contributed by existing Convertible Note holders who elected to have their Notes redeemed early and apply the proceeds of the redemption of their Notes to taking up New Shares and New Options through the Offer, which has a cash flow benefit to the Company in terms of reduced future interest payments. Bass is also continuing to work with the Lead Manager, Helmsec Global Capital Ltd to place the balance of the shortfall.

As part of the agreement with the Convertible Note holders, Bass has agreed to issue 9.76 million new ordinary shares in the Company at \$0.15 per share as compensation for interest payments forgone and also to issue 5.67 million new ordinary shares at \$0.15 per share to RMBAH in consideration for its consent in relation to the condition precedent above. These share issues will come out of the Company's existing ASX Listing Rule 7.1 15% placement capacity.

The Directors consider that the successful closing of the Offer has contributed sufficient new equity into the Company to continue its drill out of the Fossey East deposit, expand its exploration drilling program in the Hellyer-Que River area as well as continuing the Gold Recovery Project feasibility study as outlined in the Prospectus.

Subject to Board approval, the Company plans to allot and issue the New Shares and New Options under the Offer on Friday, 4 November 2011 and seek re-quotations of the Company's securities on ASX with a view that the shares will resume trading by no later than Monday, 7 November 2011.

By order of the Board



Susan Hunter
Company Secretary