

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Bass Metals Ltd

ABN

31 109 933 995

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                                     |
|---|--|-------------------------------------|
| 1 | +Class of +securities issued or to be issued   | Fully paid ordinary shares.         |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 472,505 fully paid ordinary shares. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares.         |

---

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes - fully paid ordinary shares.</p>								
<p>5 Issue price or consideration</p>	<p>\$0.25 per fully paid ordinary share.</p>								
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued pursuant to exercise notices received for 472,505 listed options exercisable at \$0.25 on or before 31 July 2007.</p>								
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>18 May 2007 - 22,500 shares.          22 May 2007 - 5 shares.          23 May 2007 - 450,000 shares.</p>								
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1400 997 1444">Number</th> <th data-bbox="997 1400 1283 1444"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1444 997 1512">72,048,289</td> <td data-bbox="997 1444 1283 1512">Ordinary shares</td> </tr> <tr> <td data-bbox="686 1512 997 1646">5,243,099</td> <td data-bbox="997 1512 1283 1646">Options exercisable at 25 cents each and expiring 31 July 2007.</td> </tr> <tr> <td data-bbox="686 1646 997 1850">4,178,814</td> <td data-bbox="997 1646 1283 1850">Options exercisable at 40 cents each and expiring 30 April 2010.</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	72,048,289	Ordinary shares	5,243,099	Options exercisable at 25 cents each and expiring 31 July 2007.	4,178,814	Options exercisable at 40 cents each and expiring 30 April 2010.
Number	<sup>+</sup> Class								
72,048,289	Ordinary shares								
5,243,099	Options exercisable at 25 cents each and expiring 31 July 2007.								
4,178,814	Options exercisable at 40 cents each and expiring 30 April 2010.								

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	12,044,929	Ordinary shares.
	163,750	Options exercisable at 25 cents and expiring 31 July 2007.
	1,365,000	Options exercisable at 25 cents and expiring 31 December 2007.
	350,000	Options exercisable at 30 cents and expiring 31 December 2007.
	350,000	Options exercisable at 35 cents and expiring 31 December 2007.
	1,600,000	Options exercisable at 27.5 cents and expiring 22 December 2011.
	500,000	Options exercisable at 37.5 cents and expiring 31 December 2011.
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	NA	

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	NA
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

- |    |   |  |
|----|---|--|
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?  |  |
| 17 | Policy for deciding entitlements in relation to fractions   |  |
| 18 | Names of countries in which the entity has <sup>+</sup> security holders who will not be sent new issue documents<br><br><small>Note: Security holders must be told how their entitlements are to be dealt with.<br/>Cross reference: rule 7.7.</small> |  |
| 19 | Closing date for receipt of acceptances or renunciations  |  |
| 20 | Names of any underwriters   |  |
| 21 | Amount of any underwriting fee or commission  |  |
| 22 | Names of any brokers to the issue   |  |
| 23 | Fee or commission payable to the broker to the issue  |  |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup> security holders   |  |
| 25 | If the issue is contingent on <sup>+</sup> security holders' approval, the date of the meeting  |  |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled  |  |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders   |  |
| 28 | Date rights trading will begin (if  |  |

---

+ See chapter 19 for defined terms.

	applicable)	<input style="width: 100%;" type="text"/>
29	Date rights trading will end (if applicable)	<input style="width: 100%;" type="text"/>
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	<input style="width: 100%;" type="text"/>
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<input style="width: 100%;" type="text"/>
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	<input style="width: 100%;" type="text"/>
33	+Despatch date	<input style="width: 100%;" type="text"/>

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

38 Number of securities for which +quotation is sought 

NA
----

39 Class of +securities for which quotation is sought 

--

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

--

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

--


	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

**Quotation agreement**

---

+ See chapter 19 for defined terms.

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 25 May 2007  
(~~Director~~/Company secretary)

Print name: Susan Hunter  
=====

---

+ See chapter 19 for defined terms.