

ACN 109 933 995

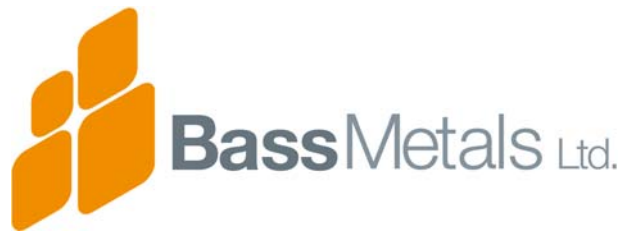
**NOTICE OF GENERAL MEETING
AND
EXPLANATORY STATEMENT
TO SHAREHOLDERS**

**NOTICE IS INCLUDED FOR
THE GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON
MONDAY, 17 DECEMBER 2007
AT 11.00AM
AT THE CELTIC CLUB, 48 ORD 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 to
Bass Metals Ltd at Suite 5, 2 Richardson Street, West Perth WA 6005
or by mail to Bass Metals Ltd, PO Box 1330, West Perth WA 6872
or by facsimile on facsimile number (+61 8) 9481 2846**



ACN 109 933 995

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT TO SHAREHOLDERS

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: 11.00am

DATE: Monday, 17 December 2007

LOCATION: The Celtic Club, 48 Ord Street, West Perth

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.

If you wish to discuss any aspects of this document with the Company, please contact Mr Michael Rosenstreich, Managing Director of Bass Metals Ltd on +61 8 9322 8044.

Words and phrases used in the Resolutions are defined in 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 PLACEMENT

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

"That pursuant to ASX Listing Rule 7.4 and for all other purposes, the placement of 9,757,442 Shares at an issue price of \$0.42 per Share on 5 November 2007 on the terms set out in the Explanatory Statement be ratified."

VOTING EXCLUSION STATEMENT: The Company will disregard any votes cast on this resolution by a person who participated in the issue and a person who obtained a benefit, except a benefit solely in the capacity of a shareholder, and an Associate of those persons.

RESOLUTION 2: APPROVAL FOR ISSUE OF SHARES TO INTEC HELLYER UNDER THE PLACEMENT

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

"That pursuant to ASX Listing Rule 10.11.2 and for all other purposes, approval be given to issue 2,995,717 Shares at an issue price of \$0.42 per Share under the placement to Intec Hellyer Metals Pty Ltd on the terms set out in the Explanatory Statement."

VOTING EXCLUSION STATEMENT: The Company will disregard any votes cast on this resolution by Intec Hellyer Metals Pty Ltd and Mr Kieran Rodgers and a person who obtained a benefit, except a benefit solely in the capacity of a shareholder, and any Associate of those persons.

RESOLUTION 3: APPROVAL FOR ISSUE OF OPTIONS TO INVESTEC

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

“That pursuant to ASX Listing Rule 7.1 and for all other purposes, approval be given to issue a maximum of 4,230,159 unlisted Investec Options over unissued Shares to Investec Bank (Australia) Limited on the terms set out in the Explanatory Statement.”

VOTING EXCLUSION STATEMENT: The Company will disregard any votes cast on this resolution by Investec Bank (Australia) Limited and a person who obtained a benefit, except a benefit solely in the capacity of a shareholder, and an Associate of those persons.

VOTING EXCLUSIONS

Where a voting exclusion applies to a Resolution under the ASX 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 Resolutions.

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 Suite 5, 2 Richardson Street, West Perth WA 6005.

Proxy Forms must be received by the Company not later than 48 hours before the time specified for the commencement of the General Meeting.

DATE FOR DETERMINING HOLDERS OF SHARES

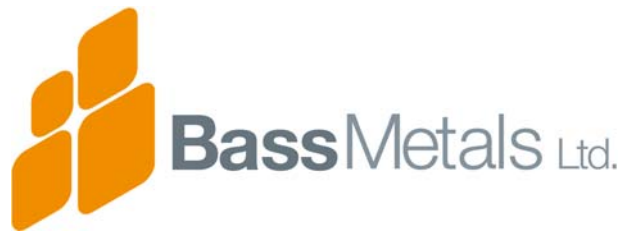
For the purposes of regulation 7.11.37 of the Corporations Act, the Directors have set 5.00pm on 14 December 2007 as the time and date to determine who are the holders of the Shares in the Company for the purposes of the General Meeting. Accordingly share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Dated this 12 November 2007

By order of the Board



Susan Hunter
Company Secretary



EXPLANATORY STATEMENT TO SHAREHOLDERS
BASS METALS LTD
ACN 109 933 995

This Explanatory Statement sets out information in relation to the Resolutions. The Directors recommend that you read this Explanatory Statement and attend the General Meeting or complete and return the Proxy Form.

1. RESOLUTION 1: RATIFICATION OF SHARE PLACEMENT

On 26 October 2007, the Company announced a placement of 12,753,159 Shares at \$0.42 each raising \$5,356,326 before brokerage and costs. The placement was to be made in two tranches as follows:

- (a) 9,757,442 Shares issued on 5 November 2007; and
- (b) 2,995,717 Shares to be issued to Intec Hellyer subject to shareholder approval.

This Resolution seeks shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the placement of the first tranche of 9,757,442 Shares. The second tranche to Intec Hellyer is subject to separate shareholder approval under Resolution 2 referred to in the following Section.

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 each of the following applies:

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

In this regard the placement of Shares was within the Company's 15% limit. Subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

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

Number of Shares Allotted: 9,757,442 Shares.

Issue Price: \$0.42 each.

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

Allottees: The Shares were issued to institutional investors and other professional and sophisticated investors (as defined under Section 708 of the Corporations Act) pursuant to a placement managed by Patersons Securities Limited.

Intended Use of Funds: The funds raised from the first tranche of the placement was \$4,098,126 before costs. The funds will be used to bolster general working capital including the ongoing development at Que River and the Company's highly active exploration programme.

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

2. RESOLUTION 2: APPROVAL FOR ISSUE OF SHARES TO INTEC HELLYER UNDER THE PLACEMENT

As referred to in Section 1 above, the proposed issue of 2,995,717 Shares to Intec Hellyer is part of the placement arranged through Patersons Securities Limited and will be at the same price (\$0.42) as the placement to institutional and other sophisticated investors under Resolution 1.

This resolution seeks Shareholder approval pursuant to ASX Listing Rule 10.11.2. According to Listing Rule 7.2 exception 14, where approval under Listing Rule 10.11 is obtained, approval is not required under Listing Rule 7.1 and the issue of securities will not be included in the Company's 15% limit.

Listing Rule 10.11 provides that a company must not issue or agree to issue equity securities without shareholder approval to:

(10.11.1) - a "related party"; or

(10.11.2) - a person whose relationship with the company or a "related party" is, in ASX's opinion, such that approval should be obtained.

It is noted that Intec Hellyer is not considered a "related party" of the Company. However, ASX has determined that Intec Hellyer is a person whose relationship with the Company or a related party is, in ASX's opinion, such that Shareholder approval should be obtained.

Intec Hellyer is the Company's major shareholder holding 20,996,932 Shares representing 21.0% of the Company as at the date of this Explanatory Statement. Intec Hellyer also holds 1,227,477 listed options exercisable at \$0.40 each on or before 30 April 2010 and 225,000 unlisted options exercisable at \$0.275 each on or before 22 December 2011.

Mr Kieran Rodgers, a Director of Bass Metals, is also a director of Intec Hellyer (1 of 3 directors) and Intec Ltd (1 of 7 directors) and is therefore a "related party" of each of those entities. Intec Hellyer is a wholly owned subsidiary of Intec Ltd (an ASX listed company). The Company understands that Mr Rodgers has no shareholding in Intec Hellyer and a negligible holding in Intec Ltd.

The Company and Intec Hellyer are not "related parties" merely by virtue of the fact that Mr Rodgers is a common director. As stated in the Company's 2007 Annual Report, Mr Rodgers does not have a legal relevant interest in the securities of the Company held by Intec Hellyer. In addition, on the basis of the above, Mr Rodgers does not control Intec Hellyer and, in turn, Intec Hellyer does not control Bass Metals.

With respect to the placement, the number of Shares to be issued to Intec Hellyer of 2,995,717 was determined on the basis that Intec Hellyer would participate only to the extent required to maintain its shareholding interest in the Company of 23.5% at that time. Subsequently, Intec Hellyer's interest has in fact been slightly diluted due to the issue of Shares upon exercise of third party options as shown in the table below:

	Total Issued Shares in the Company	Shares held by Intec Hellyer	Intec Hellyer %
At date of the placement announcement	89,404,394	20,996,932	23.5%
Shares issued under first tranche of placement	9,757,442		
Shares issued upon exercise of options	700,000		
At the date of this Explanatory Statement	99,861,836		21.0%
Proposed issue of Shares to Intec Hellyer	2,995,717	2,995,717	
Total Shares on issue post placement*	102,857,553	23,992,649	23.3%

** this figure does not take into account any additional Shares that the Company may be required to issue upon the exercise of options between the date of this Explanatory Statement and the General Meeting.*

Intec Hellyer will not be paid any fees or commissions in relation to their participation in the placement. The placement price of \$0.42 was determined by the Company in conjunction with Patersons Securities Limited and represented a discount of approximately 13% to the volume weighted average price for the Company's Shares on ASX over the 10 days preceding the trading halt on 22 October 2007. Over the three months prior to the date of this Explanatory Statement, the Company's Shares have traded on ASX in a range of \$0.35 to \$0.56.

On the basis of the above, the Board (excluding Mr Kieran Rodgers) considers that the issue of the Shares at \$0.42 to Intec Hellyer is reasonable as the terms are consistent with the placement terms to institutional and other sophisticated investors under Resolution 1 and Intec Hellyer's voting power in the Company will not increase as a result of the issue.

In accordance with Listing Rule 10.13 the following information is provided in relation to Resolution 2:

Allottee: Intec Hellyer Metals Pty Ltd.

Maximum Number: 2,995,717 Shares.

Date of Issue: The shares will be issued within 1 month of the General Meeting or such later date to the extent permitted by an ASX waiver of the Listing Rules.

Relationship: As set out above Intec Hellyer is not a "related party" of the Company. However, ASX has determined that in its opinion Intec Hellyer is a person whose relationship with the Company or Kieran Rodgers, a Director of the Company, is such that Shareholder approval should be obtained.

Issue Price: \$0.42 each (consistent with the placement in Resolution 1).

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

Intended Use of Funds: Funds of \$1,258,201 before costs will be raised from the issue to Intec Hellyer. The funds will be used, in conjunction with the placement funds per Resolution 1, to bolster general working capital including the ongoing development at Que River and the Company's highly active exploration programme.

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

3. RESOLUTION 3: APPROVAL TO ISSUE OPTIONS TO INVESTEC

As announced in previous releases to ASX, the Company has been pursuing a financing facility with a resource financing group to provide working capital support for the Que River mine development. On 12 November 2007, the Company reported that it is negotiating a financing facility with Investec potentially comprising a \$2.0 million cash facility, \$2.5 million receivables facility and \$0.5 million performance bond facility (the Facility). The key purpose of the Facility is to advance revenues due from the Company's ore sales to Zinifex which have a standard 3 to 6 month payment pipeline, as well as to provide general standby working capital support. In connection with the Facility, the Company proposes to issue to Investec a total of 4,230,159 Investec Options. These Investec Options will only be issued, subject to Shareholder approval, if negotiations between the Company and Investec are successfully concluded. It is expected that the final terms of any financing facility with Investec will be settled prior to the General Meeting.

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period. For the purposes of Listing Rule 7.1 the ASX deems a convertible security, such as the Investec Options, to be equivalent to the number of ordinary shares into which they can be converted.

One exception is where prior approval of shareholders has been obtained. Accordingly, approval is being sought so that the Investec Options are not included in the Company's 15% limit.

In accordance with Listing Rule 7.3 the following information is provided in relation to Resolution 3:

Maximum Number: 4,230,159 Investec Options split between 3,300,000 Tranche A and 930,159 Tranche B.

Date of Issue/Allotment: The allotment will occur on a single date within 3 months of the General Meeting or such later date to the extent permitted by an ASX waiver of the Listing Rules.

Issue Price: The Investec Options were granted for no consideration.

Allottee: Investec Bank (Australia) Limited.

Terms: The Investec Options are unlisted. The Investec Options are exercisable at \$0.58 (Tranche A) and \$0.63 (Tranche B) each on or before 30 November 2010. Apart from the exercise price, all other terms of Tranche A and Tranche B of the Investec Options are the same. Full terms are set out below.

Intended Use of Funds: No funds will be raised through the issue of the Investec Options. There are certain specified requirements for the use of funds on exercise of the Investec Options as stated in paragraphs (p) and (q) of the terms.

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

TERMS OF THE INVESTEC OPTIONS (RESOLUTION 3)

- (a) The Investec Options will not be quoted on the ASX.
- (b) Tranche A of the Investec Options will have an exercise price of \$0.58. Tranche B of the Investec Options will have an exercise price of \$0.63
- (c) Each Investec Option will automatically lapse if not exercised on or before 30 November 2010.
- (d) Each Investec Option shall entitle the holder to subscribe for and be allotted one ordinary share in the capital of the Company upon exercise of the Investec Option and payment to the Company of the Exercise Price.
- (e) An Investec Option may be exercised by the optionholder at any time prior to the expiry date by sending a completed and signed notice of exercise, together with the payment of the Exercise Price and the certificate for the Investec Options, to the Company. The Investec Options may be exercised in whole or in part.
- (f) A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.
- (g) Subject to any restrictions in the ASX Listing Rules, within 3 business days of receipt of a properly executed notice of exercise and the required exercise moneys the number of ordinary shares specified in the notice will be allotted.
- (h) Each certificate will bear a suitable form of notice of exercise of the Investec Options, endorsed on the back of the certificate, for completion by the optionholder (if required). If the Investec Options comprised in any such certificate are exercised in part only, before the expiry date, the Company will issue the optionholder with a fresh certificate for the balance of the Investec Options held and not yet exercised.
- (i) Ordinary shares allotted pursuant to the exercise of the Investec Options will rank equally with the then issued ordinary shares of the Company.
- (j) Subject to the Company being listed on the ASX, the Company undertakes to apply for official quotation by the ASX of all ordinary shares allotted pursuant to the exercise of any Investec Options, within 10 business days of the date of allotment of those new ordinary shares.
- (k) The optionholder is not entitled to participate in new issues of securities offered to shareholders without exercising the Investec Options before the relevant record date for that new issue.
- (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 Investec Options, all rights of the optionholder 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.
- (m) If from time to time before the expiry of the Investec Options the Company makes an issue of ordinary shares to shareholders by way of a bonus issue, other than in lieu of a dividend payment, then upon exercise of an Investec Option the optionholder will be entitled to have issued to it (in addition to the ordinary shares which it is otherwise entitled to have issued to it upon such exercise) additional ordinary shares in the Company. The number of additional ordinary shares is the number of ordinary shares which would have been issued to the optionholder if the Investec Options had been exercised before the record date for the bonus issue.
- (n) The Investec Option does not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised, other than under paragraphs (l) and (m) above.
- (o) The Investec Options are not transferable without the prior written consent of the Company (which consent shall not be unreasonably withheld).
- (p) If the Investec Options are exercised during the term of the cash facility, the exercise monies paid by Investec to the Company for the exercise of those Investec Options must be applied to a mandatory prepayment of the cash facility.
- (q) Subject to compliance with the relevant provisions of the Corporations Act and the ASX Listing Rules, Investec agrees that in the event that the Company's daily closing share price on ASX exceeds either exercise price for each tranche of the Investec Options by more than 2.5 times over a period of 10 consecutive trading days, then the Company (at its sole discretion) may require Investec to exercise a minimum of 50% of the Investec Options then outstanding. In this event, the Company agrees that the exercise monies paid by Investec to the Company for the exercise of those Investec Options will be applied to repay any outstanding cash facility.

4. ROLE OF ASX

The fact that the Notice of General Meeting and Explanatory Statement have been reviewed by ASX is not to be taken as an indication of the merits of the Resolutions. ASX and their respective officers take no responsibility for any decision a Shareholder may make in reliance on any information included in the Notice of General Meeting and Explanatory Statement.

5. DEFINITIONS

In this Explanatory Statement:

ASX means ASX Limited, ACN 008 624 691.

Bass Metals means Bass Metals Ltd, ACN 109 933 995.

Board means the Board of Directors of the Company.

Company means Bass Metals Ltd, ACN 109 933 995.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying the 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.

Intec Hellyer means Intec Hellyer Metals Pty Ltd, ACN 104 931 768.

Investec means Investec Bank (Australia) Limited, ACN 071 292 594.

Investec Options means the 4,230,159 options over unissued Shares in the Company to be issued to Investec pursuant to Resolution 3.

Listing Rules means the Listing Rules of the ASX.

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

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

Related Party means a related party as defined in 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.

Share means a fully paid ordinary share in the Company.

Shareholder means a person entered in the Company's register as a holder of a Share.

INSTRUCTIONS FOR COMPLETING THE PROXY FORM

1. To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of 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 Suite 5, 2 Richardson Street, West Perth WA 6005.
2. Proxy Forms must be received by the Company not later than 48 hours before the time specified for the commencement of the General Meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights.
4. *If two proxies are appointed you may delete "all" and insert the relevant number or proportion of shares in respect of which each such appointment is made. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
5. Should you desire to direct your proxy how to vote, place a cross in the appropriate box for each item, otherwise your proxy may vote as your proxy thinks fit or abstain from voting.
6. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
7. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provision of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.
8. Completion of a Proxy Form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the meeting in person, the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.
9. Where a Proxy Form or form of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged with this proxy.



ACN 109 933 995

FORM OF PROXY

I/We (print name)

of

.....
 a member/members of Bass Metals Ltd (ACN 109 933 995) hereby appoint

.....
 of

.....
 or failing him/her

.....
 of

or failing him/her, the Chairman of the meeting, as my/our proxy at the General Meeting of the Company to be held commencing at **11.00 am on Monday, 17 December 2007**, and at any adjournment thereof and to vote for me/us on my/our behalf in respect of all/the following*

.....
 of my/our shares in the manner as set out below.

In relation to any undirected proxies the Chairman intends to vote in favour of all Resolutions.

If you do not wish to instruct your proxy how to vote, please place a cross in the box.

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

	For	Against	Abstain
Resolution 1 Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Approval for Issue of Shares to Intec Hellyer under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval for Issue of Options to Investec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this day of 2007.

Signature of Member/s

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature		Director/Sole Director
Signature		Director/Company Secretary
Signature		Sole Director and Sole Company Secretary