

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
FULL METAL MINERALS LTD.		98-0440588	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
CALE MOODIE	604-484-8393	CMOODIE@FULLMETALMINERALS.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
1500 - 409 GRANVILLE STREET		VANCOUVER, BC, CANADA V6C 1T2	
8 Date of action		9 Classification and description	
JULY 08, 2011		STOCK - COMMON SHARES' CONSOLIDATION AND REDESIGNATION	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
35968C 10 9		TSX.V - FMM	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On July 8, 2011, all of the issued and outstanding common shares of Full Metal Minerals Ltd. ("Full Metal") were consolidated (the "Consolidation") on the basis of one post-Consolidation share for every three pre-Consolidation shares. In addition, the common shares of Full Metal were redesignated as Class B common shares (the "Redesignation").

Also on July 8, 2011 and immediately following the Consolidation and Redesignation, Full Metal issued one Class A common share of Full Metal plus ½ of a common share of Full Metal Zinc Ltd. ("ZincCo") in exchange for each Class B common share (other than those held by dissenting shareholders) (the "Exchange"). Common shares of Full Metal held by dissenting shareholders were redeemed by Full Metal in exchange for cash.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ A shareholder's adjusted basis of the common shares of Full Metal should be allocated proportionately among the Class B common shares received by each Full Metal shareholder such that a shareholder's tax basis in one Class B common share of Full Metal after the Consolidation and Redesignation should generally equal 300 percent of the tax basis such shareholder had in one common share of Full Metal immediately before the Consolidation and Redesignation.

A shareholder's adjusted basis in a ZincCo common share received upon the Exchange should be equal to the fair market value of the ZincCo common share on the date of the Exchange. A shareholder's adjusted basis in a Class A common share of Full Metal received on the Exchange should be equal to the excess (if any) of the shareholder's adjusted basis in the Class B common share surrendered on the Exchange over the fair market value of the ZincCo common share received on the Exchange.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Management of Full Metal is of the view that each common share of ZincCo has a fair market value of CA\$0.25 at the time of the Exchange. No such determination of value will, however, be binding on the Internal Revenue Service (the "IRS").

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► Provided that the Consolidation and Redesignation qualifies as a tax deferred reorganization pursuant to Internal Revenue Code ("IRC") section 368(a)(1)(E), a shareholder's adjusted basis of the Class B common shares of Full Metal should be determined with reference to the common shares of Full Metal held by that shareholder at the time of the Consolidation and Redesignation. See IRC section 358(a). The distribution of ZincCo common shares as part of the Exchange should be treated as a distribution for US federal income tax purposes pursuant to IRC section 301 and Treasury Regulation section 1.301-1(l). Because management of Full Metal does not expect Full Metal to have any current or accumulated earnings and profits for the tax year in which the Exchange occurred, a shareholder's basis in a Class B common share of Full Metal should be reduced (but not below zero) by an amount up to the fair market value of the 1/2 ZincCo common share received in respect of that Class B common share. See IRC section 301(c)(2). A shareholder's adjusted basis in the 1/2 ZincCo common share received should be equal to the fair market value of that share at the time of the Exchange. See IRC section 301(d).

Provided that the receipt of a Class A common share of Full Metal in exchange for a Class B common share of Full Metal that occurs pursuant to the Exchange qualifies as a tax deferred reorganization pursuant to IRC section 368(a)(1)(E), a shareholder's adjusted basis of a Class A common share of Full Metal should be determined with reference to the adjusted basis of the Class B common share of Full Metal in respect of which the Class A common share is received, as reduced by the receipt of the 1/2 ZincCo common share. See IRC section 358(a).

18 Can any resulting loss be recognized? ► No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► Additional information and a summary of US federal income tax considerations applicable to the Consolidation, Redesignation and the Exchange are described in further detail in the Notice Of Meeting and Information Circular (the "Circular") dated April 19, 2011, which is available at www.sedar.com. Shareholders of Full Metal should read carefully the information in "Certain United States Federal Income Tax Considerations" in the Circular, which qualifies the summary set forth above.

The statements herein are based on the assumption that Full Metal was a passive foreign investment company ("PFIC") as defined under IRC section 1297 at the time of the Consolidation, Redesignation, and the Exchange and in prior years and also assume that certain proposed Treasury Regulations under IRC section 1291 will be adopted in their current form.

Each shareholder of Full Metal should consult their own tax advisor to determine the effect of the Consolidation, Redesignation, and the Exchange on the basis of their shares of Full Metal. The information reported in this information return is not binding on the Internal Revenue Service (the "IRS") or the US courts, and no assurance can be provided that the conclusions reached within this summary will not be challenged in whole or in part by the IRS or will be sustained by a US court if so challenged.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ►  Date ► January 17, 2012
Print your name ► CALE MOOTTE Title ► CFO