

## EXCELLENT CONCENTRATE OPTIMISATION RESULTS FOR GRAPHMADA MINE

### Highlights

- 66% large to super jumbo flake recovery from Loharano, with an average grade of >96%.
- Optimisation results demonstrate proposed low capital intensity flowsheet will be highly effective at the producing Graphmada Mine.
- High grade, large to super jumbo flake graphite trades at significant market premiums.

Bass Metals Limited (ASX: "BSM") (the "Company") is pleased to announce the concentrate optimisation results from test work on the Loharano ore feed at the Graphmada Graphite Mine, located in eastern Madagascar.

The test work completed by the highly regarded consultancy Independent Metallurgical Operations ("IMO") on the Loharano ore feed has demonstrated 66% of the ore feed, at a Total Graphitic Carbon (TGC) grade of >96%, can be recovered in concentrate in the highly valuable large to super jumbo flake category, when utilising the proposed low capital intensity flowsheet.

This is a key component of Bass Metals strategy to pursue modest but effective improvements at the Graphmada mine. Bass sees post the optimisation of current operations the ability to consistently sell higher value concentrates as key to material sustained positive cash flow. High grade, large to super jumbo flake graphite trades at significant market premiums, and the Company remains extremely confident in maximising value from Graphmada.

The concentrate optimisation results from Loharano are shown in Table 1 below:

Flake Size	Micron	Flake Size Distribution (%)	TGC (%)
Super Jumbo	>500	16.0	96.4
Jumbo	>300	28.8	96.4
Large	180 – 300	22.8	96.1
Medium	106 - 180	13.5	96.0
Small	75 – 106	4.7	95.7
Fine	<75	14.2	92.3

Table 1: Loharano Concentrate Optimisation Results

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In parallel and as part of the optimisation strategy Bass is also undertaking a significant drilling program to expand resource inventories at the adjacent Mahefedok deposit. This is in addition to similar flowsheet optimisation work on the Mahefedok ore feed, with results expected imminently.

**Bass Metals Director, Mr Peter Wright:**

“These results are pleasing on several fronts. Key to the strategy post-acquisition was to conduct optimisation flowsheet analysis in order to ascertain the lowest capital intensity pathway to selling higher value concentrates.

This, along with material resource inventory expansion is a critical component of our asset strategy. This is a pleasing development for my fellow shareholders, and we look forward to keeping the market abreast of further developments in the optimisation strategy.”

For more information, please contact:

Tim McManus

Chief Executive Officer

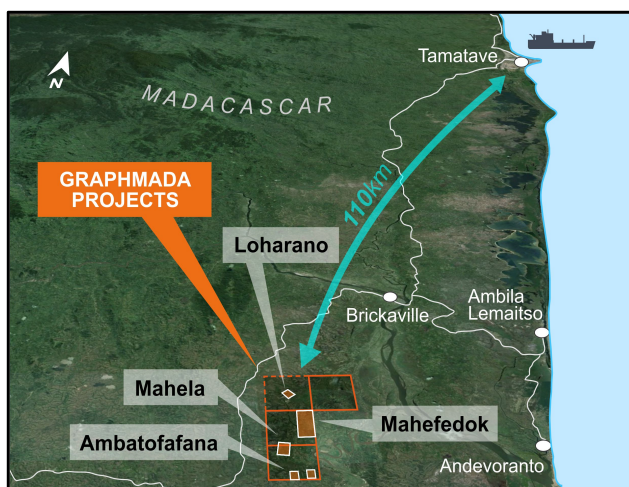
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## ABOUT THE GRAPHMADA LARGE FLAKE GRAPHITE MINE

Bass Metals Ltd. is one of only five publicly listed graphite producers in the world. The company owns and operates the Graphmada large flake graphite mine, Bass' flagship project, located in eastern Madagascar. Madagascar has been a recognized producer and exporter of graphite since 1907 and sets the world standard for product quality and flake size.



The Graphmada mine has 40-year mining permits in place, containing four premium quality, large flake, graphite deposits hosted in weathered graphitic gneiss, a soft, easily minable rock that incurs low mining costs. With all associated mining infrastructure and logistics in place, the mine currently produces and sells a range of graphite concentrates into multiple market segments, to customers in India, the United States and Europe.

Generating revenue through ongoing lowest quartile cost production, the mine is currently being optimised by an experienced management team to 6000 tonnes per annum with improved final graphite concentrate grades, in order to grow cash margins.

Graphmada also has significant potential for low capital intensity expansion. Bass plans to invest capital to expand production to greater than 20,000 tonnes per annum of graphite concentrate sales by late 2018.

The Company has also made the strategic decision, in parallel with the optimisation at Graphmada, to actively explore and develop deposits in the immediate proximity to the mine, with a view to materially expanding existing resource inventories.

The Loharano deposit has provided the bulk of the feed to the Graphmada processing plant and has total JORC compliant Indicated and Inferred resources of 5.7Mt @ 4.1% Grade with a 2% cut-off. These resources are to a depth of only 6 meters, and mineralization is known to go to depth with increasing grade, and is open in all directions.

With the Company having a strong community engagement program and being well down the path in achieving its optimisation plans and growing its resource inventory, the team at Bass is confident of its plans for expansion and its future value creation for shareholders.

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