

INITIAL FIELDWORK UNDERTAKEN AT MILLIE'S REWARD LITHIUM PROJECT

HIGHLIGHTS

- Bass Metals Ltd has completed fieldwork at Millie's Reward, a highly prospective lithium project, as part of its due diligence. As a result, Bass is pleased to announce it has identified a large number of pegmatite outcrops along a significant strike length.
- Bass awaits receipt of confirmatory assays to conclude its due diligence.
- Samples of high purity Spodumene crystals (Kunzite) also found in the project area, a highly encouraging and rare surface occurrence.
- Previous fieldwork identified significant spodumene mineralisation with grades recorded from rock chip sampling of up to 6.9% Li₂O.



Figure 1: Samples of high purity Spodumene crystals (Kunzite) found in the project area.

Bass Metals Limited (ASX: "BSM") (the "Company") is pleased to announce it has completed its initial due diligence fieldwork, with CEO Tim McManus conducting a three-day site visit in conjunction with the project vendor and consulting geologists. Part of the initial broad appraisal of the project was the collection of several surface specimens, which have been subsequently sent for independent assay and the identification of several outcropping pegmatites across the project area. The project is part of a license with existing mining approval and complements Bass' presence in Madagascar and its aim to become a leading producer and supplier of industrial minerals concentrates, with an initial focus on delivering baseline profitable production at the Company's Graphmada large flake graphite mine.

Adjacent to the project area is the Holcim Talc Mine, which has a sealed road for product transport and grid power installed. In addition to the potential access of this infrastructure, Millie's Reward has extensive water supplies, accommodation and an available local workforce.

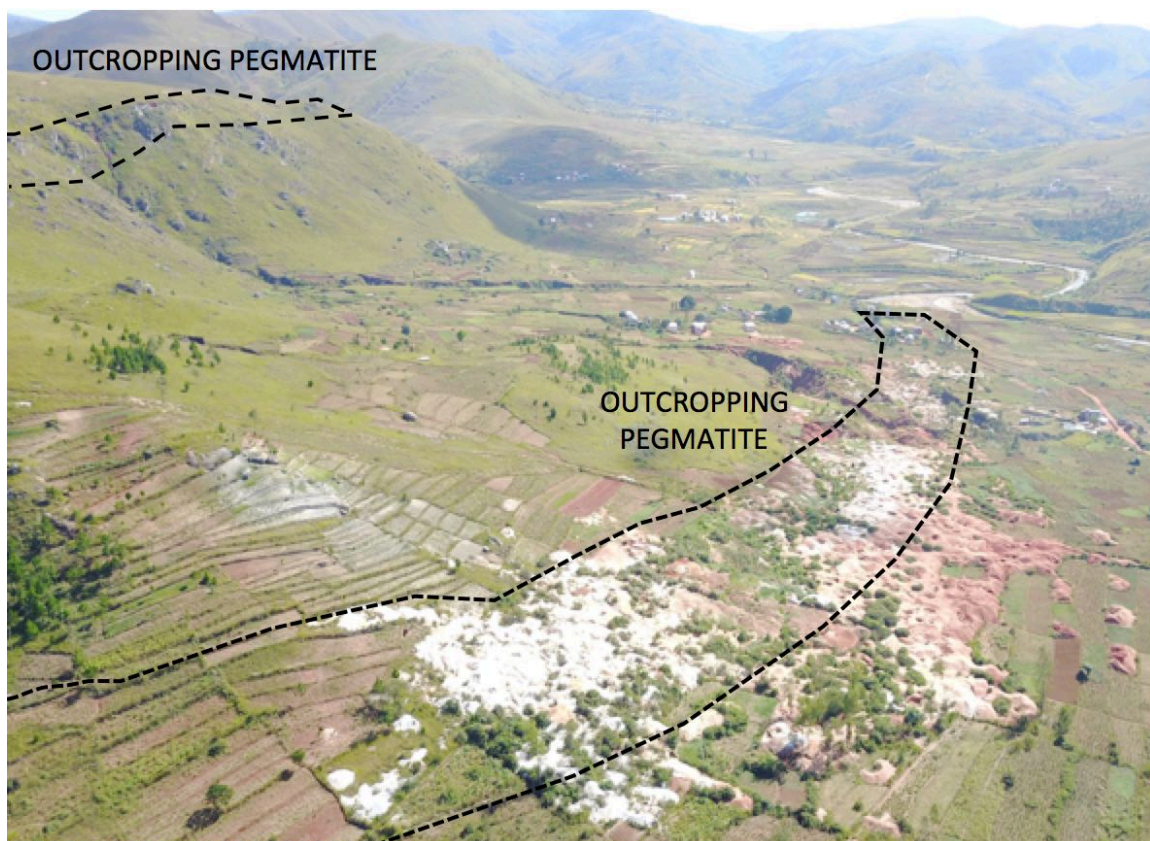


Figure 2: Part of Millie's Reward project area, showing outcrops of potential spodumene bearing pegmatites.

On completion of due diligence and finalisation of the transaction, the Company will immediately conduct a systematic exploration program over the project area, including a mapping and sampling program aimed at identifying targets for a maiden drilling program.



Figure 3: Holcim's talc processing facility with grid power, adjacent to Millie's Reward.



Figure 4: 40m thick pegmatite at surface at Millie's Reward.



Figure 5: Samples of spodumene bearing pegmatites found in the project area.



Figure 6: Sample of spodumene bearing pegmatites found in the project area.

BASS METALS CEO, MR TIM MCMANUS:

“Having walked the ground myself and seeing first hand the potential of Millie’s Reward, I am very pleased that the Company has been able to work with the vendor to secure such a highly prospective project. Certainly finding Kunzite crystals within the project area really identified the potential at Millie’s and from an access and infrastructure prospective, you couldn’t ask for a better project location in Madagascar.

The team and I are excited about the opportunity to explore and develop Millie’s Reward with the addition of complimentary assets assisting in Bass’ stated strategy to be a leading producer of industrial mineral concentrates.

Our primary focus and goal remains the optimisation of Graphmada to generate positive cash flows in 2017. Bass see’s the delivery of stage 1 at Graphmada as providing the financial platform to progress the Company’s broader strategy of carefully moving to an ultimate production profile of >20,000tpa at Graphmada and developing additional projects within the portfolio such as Andapa and Millie’s Reward to establish itself as a leading supplier of industrial mineral concentrates.”

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ABOUT THE GRAPHMADA JUMBO FLAKE GRAPHITE MINE

Bass Metals Ltd. is one of only three 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-off¹. This 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.

¹ These estimates were prepared and first disclosed by Stratmin Global Resource PLC under the JORC Code 2004. The estimates have not been updated to JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Reference is made to the Company's announcement of 2 September 2015, which provides further detail regarding this information.

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COMPETENT PERSON STATEMENT

The information in this document that relates to Exploration Results is based on information compiled by Tim McManus, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy and a full-time employee of the Company.

Tim McManus has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Tim McManus consents to the inclusion of the information in this document in the form and context in which it appears.