

TESTS CONFIRM GRAPHMADA GRAPHITE CONCENTRATES AS BENCHMARK FOR FOUNDRIES, CRUCIBLES AND REFRACTORY MARKETS

HIGHLIGHTS

- Independent global specialist test work demonstrates Graphmada large flake graphite concentrates are the benchmark for the foundries, crucible and refractories markets.
- The bulk sample provided from 2016 production sales stock demonstrated the highest known flake size distribution of 71% large to super jumbo flake size from an operating mine.
- Bass intends to establish a financial platform from Stage 1 production of 6000 tpa of concentrates and expand to 20,000 tpa in Stage 2.
- Results indicate Bass is on track with its stated strategy to become a mid-tier producer of industrial minerals concentrates.

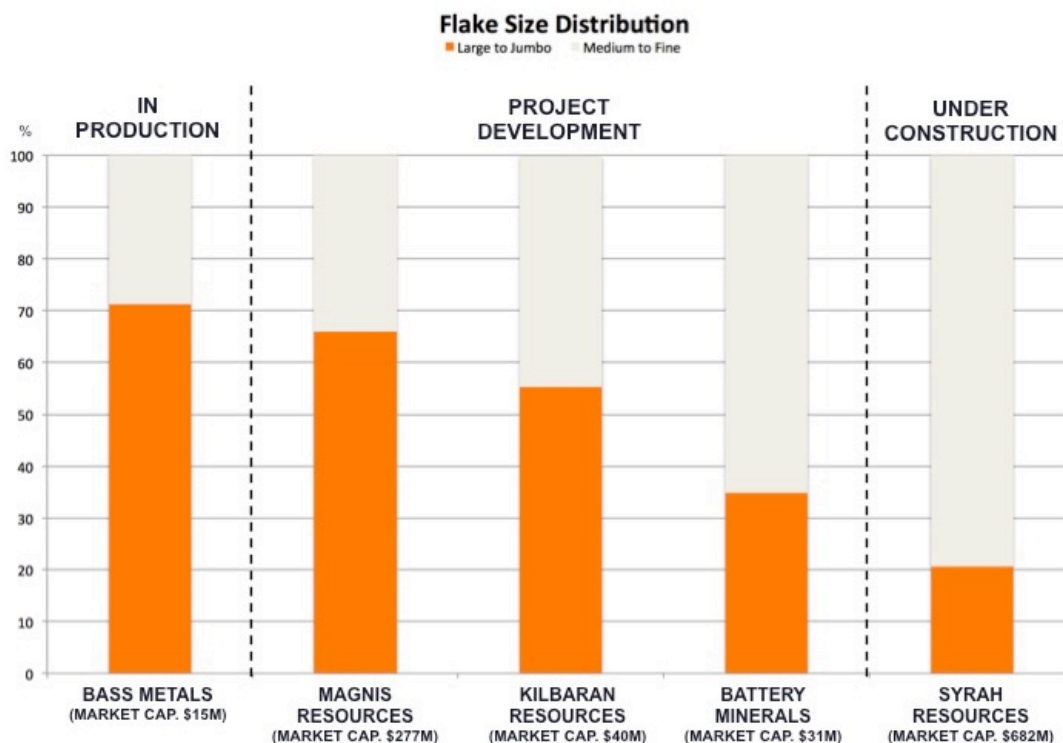


Figure 1: Peer comparison

Bass Metals Limited (ASX: "BSM") (the "Company") is pleased to announce the results from an independent evaluation of its natural flake graphite for foundries, crucible and refractory applications.

The foundries, crucible and refractory demand for natural flake graphite accounts for more than 50% of the current global demand for natural flake graphite. The larger flake sizes (>180 microns) in this market segment account for the highest ex-mine gate prices achievable in the industry.

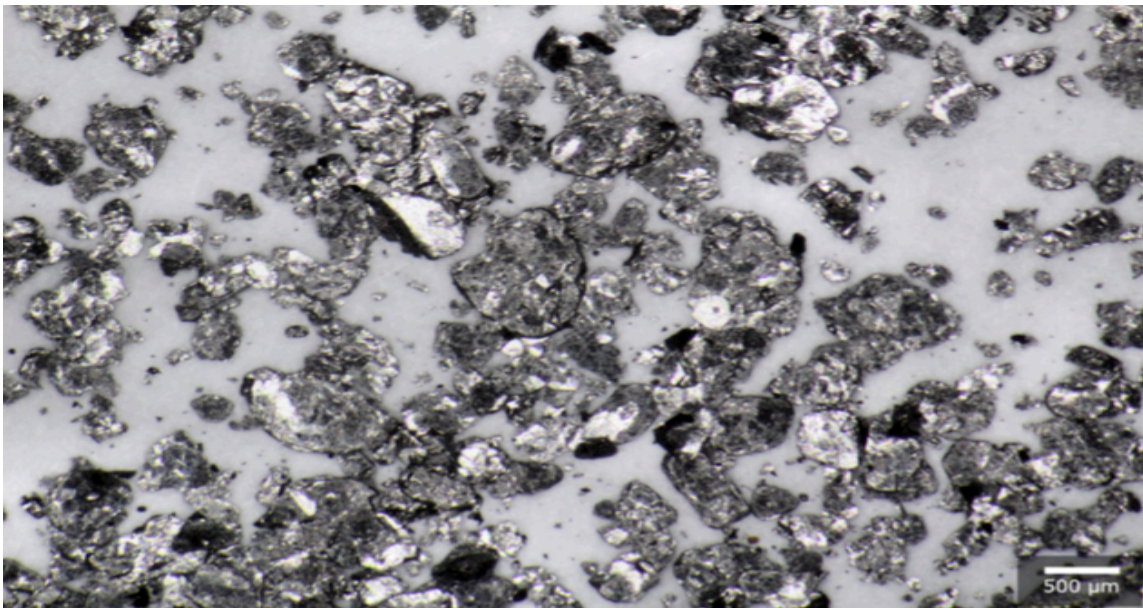


Figure 2: Microphotograph of Graphmada graphite concentrate as received (scale: 500 microns).

The bulk sample provided from 2016 production sales stock, a yet to be optimized product from the old Graphmada Processing Plant, demonstrated the highest known flake size distribution of 71.3% large to super jumbo flake size from an operating mine. Refurbishment works, now underway at Graphmada, expect to see the optimal plant configuration achieve a material improvement on these results.

In order for natural flake graphite concentrates to be acceptable for foundry, crucible and refractory applications it must meet the following requirements:

1. Large flake size (>300 microns, >180 microns).
2. Have a high resistance against oxidation.
3. Low Loss On Ignition (LOI) at 420°C.
4. Low levels of mineral impurities unwanted for refractories like fluxes and sulphur.
5. High melting temperature of flake ash.

Size Fraction (micron)	Portion of Size Fraction (wt.%)	Cumulative (wt.%)
> 400	21.3	21.3
300 – 400	16.6	37.9
180 – 300	33.4	71.3
106 – 180	19.2	90.5
75 – 106	5.0	95.5
< 75	4.5	100

Table 1: Size distribution of bulk sample.

Results concluded that the Graphmada concentrates are suitable for foundries, crucible and refractory applications due to:

- Exceptional flake size.
- A high resistance against oxidation.
- A low LOI at 420⁰C
- No carbonates such as calcite and dolomite being identified, along with no other fluxes being discovered.
- A very low Sulphur (SO₃) content, at 0.02 wt.-%.
- Exhibiting favorable flake ash melting temperatures.

BASS METALS CEO, MR TIM MCMANUS:

“Flake graphite from Madagascar has been the benchmark for over 100 years for foundries, crucible and refractory applications, due to its high quality and large flake size distribution. In conducting these tests, the independent specialist used reference graphite samples, which have been sold for these applications, as comparable concentrates to rate our performance.

It is pleasing that the Graphmada premium concentrates rated so highly and compared favorably to these reference samples, exceeding the reference sample performance in some categories.

This combined with the highest known flake size distribution of 71.3% large to super jumbo flake size from an operating mine elevates Graphmada to benchmark status not only in this sector but also in the natural graphite flake market in general. We knew this,

internally to be the case from our past sales, but now having the technical documentation to demonstrate our benchmark status, we'll be able to approach new customers in the foundries, crucible and refractory market with the aim of increasing our overall basket price and subsequent margins."

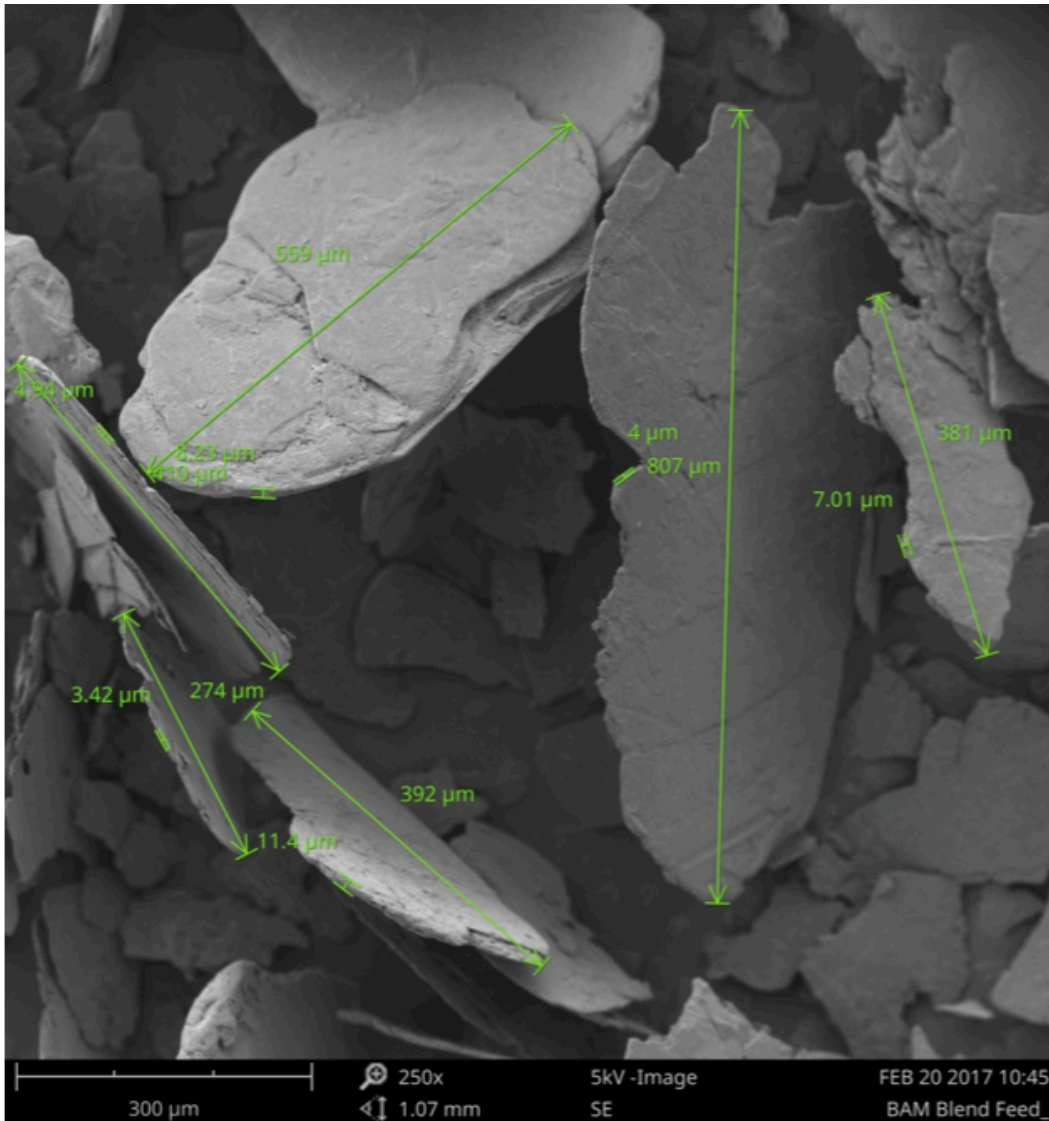


Figure 3: SEM micrograph of Graphmada graphite concentrate; 250x.

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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 premium 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 2019.

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.