

BASS METALS SIGNS SALES AND PURCHASE MOU FOR 50% OF STAGE 1 GRAPHMADA GRAPHITE PRODUCTION

Bass Metals Limited (ASX: "BSM") (the "Company") is pleased to announce that it has signed a sales and purchase Memorandum Of Understanding (MOU) for 50% of its forecast Stage 1 premium graphite concentrate production for 2018.

The concentrates to be produced from the Company's 100% owned Graphmada Graphite Mine, located in Madagascar, will be sold into the refractories, foundries and crucibles markets throughout Europe at a premium in pricing to other market segments such as battery applications.

The Confidential Entity, based in Europe, intends to purchase 3,000 metric tonnes per annum of graphite concentrates from Bass Metals, for a period of three years from the signature date of the final sale and purchase agreement.

Bass continues to make excellent progress towards refurbishing and incorporating process changes at Graphmada with the aim of re-commissioning this calendar year as a profitable producer of high purity graphite concentrates.

BASS METALS CEO, MR TIM MCMANUS:

"Our partnering with a group that has been in operation for more than 100 years and generates annual revenues of greater than €350 million is an important strategic development for Bass. Their customer base includes companies from the refractory industry, metallurgy and foundries, cement and construction materials as well as chemicals and plastics processing. This partnership will benefit the Company through distributing our premium concentrates to end-users in Europe and establishing Graphmada concentrates as a highly valued product in end markets."

For more information, please contact:

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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 100% 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 for over 100 years 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.

With the aim of generating revenue through lowest quartile cost production, the mine is currently being optimized by an experienced management team to 6000 tonnes per annum (Stage 1) 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 (Stage 2) of graphite concentrate sales by 2019.

In addition to exploring the greater mineralization potential of Madagascar, the Company has also made the strategic decision, in parallel with the optimization of Graphmada, to actively explore and develop deposits in the immediate proximity to the mine, to materially expand its 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.

DISCLAIMER & CAUTIONARY STATEMENTS

DISCLAIMER

This document has been prepared by Bass Metals Limited (the “Company”). It should not be considered as an invitation or offer to subscribe for or purchase any securities in the Company or as an inducement to make an invitation or offer with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this document. This document is provided on the basis that neither the Company nor its officers, shareholders, related bodies corporate, partners, affiliates, employees, representatives and advisers make any representation or warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the document and nothing contained in the document is, or may be relied upon as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law.

FORWARD LOOKING STATEMENTS

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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.