

BASS METALS COMPLETES \$2 MILLION CONVERTIBLE NOTE RAISING FOR GRAPHMADA MINE CAPITAL IMPROVEMENT PLAN.

Highlights

- Bass Metals Ltd has agreed to issue Convertible Notes (“the Notes”) to subscribers to raise A\$2m from predominantly existing major shareholders, directors, and management.
- The Company is pleased to report strong demand and support from existing shareholders for the Notes which are issued on favorable terms to Bass.
- This funding allows the Company to continue its well-structured and planned Graphmada Mine Capital Improvement Plan and to remain on track for completion later this year.
- Delivery of the Capital Improvement Plan will result in the Company’s production increasing significantly with strong resultant positive cash flow expected.
- Directors and Management have subscribed for a significant portion of the Notes (subject to the necessary shareholder approvals).
- The Note issue leaves the Company in a strong financial position at 30 June 2017 – approximately A\$3.2m in cash and receivables on hand.

Bass Metals Limited (ASX: “BSM”) (the “Company”) is pleased to announce it has completed the issue of Convertible Notes to the value of A\$2m.

The Notes are to be issued to predominantly existing shareholders and the Company’s Board and Management and are being issued on terms which are favorable to the Company. Bizzell Capital Partners lead managed and also participated in the issue.

The Company's Director, Peter Wright, commented that "Notwithstanding recent difficult equity markets, Bass received strong demand for this issue from our highly valued and supportive major shareholders. As investors should rightfully expect the directors and key management have also participated in this issue (subject to the necessary shareholder approvals). Bass is at an exciting juncture of its development as we continue our work at Graphmada whilst concurrently progressing some highly prospective exploration assets. Bass' long term aim is to establish itself as a mid cap mining company, in my view all the portents are in place, chief amongst them strong key stakeholder support".

Terms of the Convertible Notes

The Company negotiated favorable terms for the issue of the Notes that provide a balanced return to Note holders and also helps preserve the Company's capital structure in the short term.

The Convertible Notes shall automatically convert to equity at 30 November 2017 if the Company has completed a capital raising and obtained the necessary shareholder approvals by that date. The Notes will convert at the lower of 1.5 cents per share or the price at which the Company concludes a capital raising. Additionally, each note holder shall receive 1 listed option (with an exercise price of 2.5c and expiry date of 31 December 2018) for each 2 shares that they will receive at the conversion date (30 November 2017).

Interest is payable at 12% per annum on the Convertible Notes and interest will accrue and also be converted to securities on the conversion date. In the event the Notes do not convert to equity, they shall be redeemable on 1 December 2017.

Company's Current Asset Position

The receipt of funds from the issue of these Notes, along with current receivables and cash on hand, leaves the Company in a strong financial position at 30 June 2017. The Company's cash and other current assets are likely to exceed \$3.2m and in addition to this, the Company currently holds Graphite inventory of approximately \$100,000 which is likely to be sold this quarter.

For more information, please contact:

Tim McManus

Chief Executive Officer

Phone: (07) 3203 5894

Email: tim@bassmetals.com.au

Peter Wright

Director

Phone: (07) 3203 5894

Email: peter@bassmetals.com.au

Please visit us at: www.bassmetals.com.au