

KEY COMPONENT OF GRAPHMADA GRAPHITE MINE REFURBISHMENT DELIVERED AND READY FOR INSTALLATION

Highlights

- Bass Metals' remains on track to deliver Stage 1 of its optimization program at its flagship asset; the Graphmada Graphite Mine, the delivery of which will see a 6,000 tonnes per annum (tpa) run-rate of production from late in 2017.
- A key component of the optimization program; the Modular Drying System (MDS), which was built and shipped from South Africa, arrived at the Graphmada Graphite Mine in August as planned.
- The new MDS is capable of drying 12,000 tpa, providing for Stage 1 surge capacity and additional capacity for Stage 2 (circa 20,000 tpa of high-value large flake graphite concentrates).
- Foundations are currently curing while assembly of the MDS is being planned for safe installation.



Figure 1: Unloading of the Modular Drying System components.

Bass Metals' ("Bass" or the "Company") is pleased to announce that its newly manufactured Modular Drying System (MDS) has arrived on site at its 100% wholly owned Graphmada Graphite Mine and advises that it remains on track to deliver Stage 1 of its optimization program delivering an initial 6,000 tpa run-rate of production in late 2017.

The MDS is capable of drying 12,000 tpa of large flake graphite concentrates without impacting flake size, an important value driver for seeking premium pricing for graphite concentrates.

The 12,000 tpa capacity of the MDS provides surge capacity should the Process Plant, currently undergoing Stage 1 optimization, produce beyond its name-plate capacity of 6,000 tpa. It also provides extra capacity for Stage 2 production (~ 20,000 tpa) when combined with the installation of a second MDS of the same design. This strategic planning initiative saves significant capital in Stage 2 and allows for straightforward manufacture and installation of a second MDS to match future production.



Figure 2: Modular Drying System components being temporarily stored in the Product Storage Facility.



Figure 3: Modular Drying System framework.



Figure 4: Modular Drying System safety railing.

Bass Metals CEO, Mr. Tim McManus:

“We are pleased to have received the MDS which has been specifically designed for large to jumbo graphite concentrate drying. The team has already begun to implement plans for its installation.

We now await the Process Plant equipment, which a majority of has now been manufactured, and only awaits painting and final inspection. We are planning to ship these components in September, for a planned arrival in late October, subject to shipping timetables.

The Board and Management of Bass Metals are pleased with the progress of these optimization activities, especially within the context of only reaching the milestone of 12 months ownership this month.”

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

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 6,000 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.

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

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement. The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward looking statements will be or are likely to be fulfilled. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements). The information in this document does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this document constitutes investment, legal, tax or other advice.

COMPETENT PERSON STATEMENT

The information in this announcement that relates to the in situ Mineral Resource Estimate for the Mahefedok Deposit and is based on information compiled by Mr. Grant Louw and Dr Andrew Scogings, who are both full-time employees of CSA Global Pty Ltd, as consultants to Bass Metals. The estimate was performed under the direction and supervision of Tim McManus, who takes overall responsibility for the report. Mr. McManus is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code 20121). Mr. McManus consents to the inclusion of such information in this announcement in the form and context in which it appears.