

BASS METALS ANNOUNCES EQUITY RAISING

Intended equity raise – overview

- Bass Metals intends to raise up to \$2.5 million before costs via an institutional placement at an issue price of \$0.011 per share.
- Bass Metals intends to raise a further approximately \$2.5 million before costs via a 1 for 6 non-renounceable entitlement offer, also at an issue price of \$0.011 per share.
- On completion of the entitlement offer, Bass Metals may raise a further \$1.0 million before costs via a deferred placement, also at an issue price of \$0.011 per share.
- Subscribers to the equity issues will also receive one listed option exercisable on or before 31 December 2018 at a price of \$0.025 for each four shares subscribed for.
- The offer price of \$0.011 per new share represents (based on the last traded price on 19 September 2017):
 - a 25.44% discount to the TERP of \$0.0148;
 - a 31.25% discount to the last traded price of \$0.016; and
 - a 24.80% discount to the 5 day Volume Weighted Average Price (VWAP) of \$0.0146.
- Bizzell Capital Partners Pty Ltd (BCP) and Morgans Corporate Limited (Morgans) are the Joint Lead Managers to the Placement and the Entitlement Offer.

Use of proceeds

The net proceeds from the Equity Raising will be used to fund final payment to Stratmin Global Resources Plc for the acquisition of the Graphmada Graphite Mine, funding the remaining mine refurbishment capital expenditure, exploration of highly prospective graphite and lithium permits and for working capital.

Equity raising details

Details of the Placement

Pursuant to the terms of the Placement, Bass Metals intends to issue up to 227.3 million fully paid ordinary shares (Shares) to Institutional and Sophisticated Investors at an issue price of \$0.011 per Share to raise up to \$2.5 million before costs. Settlement of the Placement is expected to occur on 28 September 2017. Additionally, for every 4 New Shares subscribed to in the Placement, Shareholders will receive 1 free attaching listed option with an exercise price of \$0.025 exercisable on or before 31 December 2018, tradable on the ASX under the code BSMOB. Up to 57m listed options in Bass Metals may be issued under the Placement.

Shareholder approval is not required as the Placement comes within the Company's existing capacity pursuant to ASX listing rules 7.1 and 7.1A. All Shares issued under the Placement will rank equally with existing shares on issue but will not be eligible to participate in the Entitlement Offer.

Details of the Entitlement Offer

Bass Metals intends to conduct a 1 for 6 Accelerated Non-Renounceable Entitlement Offer (Entitlement Offer) an issue price of \$0.011 per New Share to raise approximately \$2.5 million before costs. Additionally, for every 4 New Shares subscribed to in the Entitlement Offer, shareholders will receive 1 free attaching listed option with an exercise price of \$0.025 exercisable on or before 31 December 2018, tradable on the ASX under the code BSMOB.

The Entitlement Offer includes an institutional component (Institutional Entitlement Offer) and a retail component (Retail Entitlement Offer). Under the Institutional Entitlement Offer, eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place from today, Wednesday, 20 September 2017 to Thursday 21 September 2017. Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Entitlements that eligible

institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through an institutional shortfall book-build at the Offer Price on Thursday 21 September 2017.

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on 27 September 2017 and close at 5.00pm (Brisbane time) on 11 October 2017.

The Retail Entitlement Offer will include a top up facility under which eligible retail shareholders who take up their full Entitlement will be invited to apply for additional shares in the Retail Entitlement Offer from a pool of those not taken up by other eligible retail shareholders. There is no guarantee that applicants under this top up facility will receive all or any of the shares they apply for under the facility.

The Company will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. Eligible shareholders will be sent, on or around 27 September 2017, an information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

The offer price for the Entitlement Offer will be \$0.011 per share which represents:

- a 25.44% discount to the TERP of \$0.0148;
- a 31.25% discount to the last traded price of \$0.016; and
- a 24.80% discount to the 5 day Volume Weighted Average Price (VWAP) of \$0.0146.

Under the Retail Entitlement Offer, eligible shareholders will be able to subscribe for 1 new ordinary share in Bass Metals for every existing 6 shares held at 7.00 pm (Brisbane time) on 22 September 2017 (Record Date) at the offer price (Entitlements).

Approximately 228 million new ordinary shares and 57 million new listed options in Bass Metals will be issued under the Entitlement Offer. New Shares issued under the Equity Raising will rank equally with existing shares.

All Directors and Executives had indicated that they will be taking up their entitlements in full.

Key dates

Event	Date
Trading Halt (before market opens)	Wednesday, 20 September 2017
Announcement of intention to raise Capital and Appendix 3B Release section 708AA(2)(f) notice to ASX	Wednesday, 20 September 2017
Institutional Entitlement Offer opens	Wednesday, 20 September 2017
Institutional Entitlement Offer closes	Thursday, 21 September 2017
Announce results of Placement and Institutional Entitlement Offer Release Retail Offer Booklet to ASX Trading halt lifted and trading resumes on ex-basis	Friday, 22 September 2017
Record date to determine Entitlements of Eligible Retail Shareholders to participate in the Retail Entitlement Offer	Friday, 22 September 2017
Retail Entitlement Offer Opening Date Despatch of Retail Offer Booklet and Entitlement and Acceptance Forms	Wednesday, 27 September 2017
Settlement of Placement & Institutional Entitlement Offer	Thursday, 28 September 2017
Allotment and quotation of Placement & Institutional Entitlement Offer Shares	Friday, 29 September 2017
Retail Entitlement Offer Closing Date	Wednesday, 11 October 2017
Announce results of Retail Entitlement Offer	Monday, 16 October 2017
Settlement of New Shares under the Retail Offer	Tuesday, 17 October 2017
Allotment of New Securities under the Retail Offer	Wednesday, 18 October 2017
Normal ASX trading for New Shares issued under the Entitlement Offer commences	Thursday, 19 October 2017
Despatch of holding statements for New Shares issued under the Entitlement Offer	Friday, 20 October 2017

All dates are indicative only and are subject to change. Bass Metals reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer, including extending the Entitlement Offer or accepting late applications and to withdraw or vary the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of new Shares under the Entitlement Offer. All times above are to the time in Brisbane, Queensland.

More information

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders may take up all, part or none of their Entitlement, however shareholders who do not take up all or part of their Entitlements will not receive any value for those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value for the Entitlements they would have received had they been eligible.

Bass Metals will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. Eligible shareholders will receive an information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

Further information in relation to the Entitlement Offer, including the terms and conditions, will be outlined in the information booklet, expected to be lodged with the ASX and distributed to Eligible Shareholders on 27 September 2017.

Further information in relation to the Equity Raising and the matters set out above, including important notices and key risks, are set out in the investor presentation to be lodged with ASX subsequent to this announcement.

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This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Bass Metals does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.