

BASS METALS WELL PLACED AS IT ENTERS TRANSFORMATIONAL YEAR WITH RECOMMISSIONING OF GRAPHMADA GRAPHITE MINE

HIGHLIGHTS

- Bass Metals is well placed for a transformational year in 2018, with the near-term aim of delivering its key strategic objective of profitable production for its valued shareholders.
- Stage 1 recommissioning is now well-advanced following the successful commissioning of Drying and Packaging operations.
- The Process Plant now enters its recommissioning phase, with the mine scheduled to be fully operational by March 2018.
- Graphmada, at completion of Stage 1 delivers shareholders a 100% owned mine free of any debt, producing premium large flake concentrates, with offtake agreements in place, at a time of rising prices for graphite concentrates.
- In parallel, exploration has commenced at the highly prospective Millie's Reward lithium project, with an intensive field program planned in February, and a maiden drilling program scheduled for the second half of 2018.

Bass Metals Limited (ASX: “BSM”) (the “Company”) is pleased to announce that it has successfully completed a major component of the recommissioning process at the Graphmada Large Flake Graphite Mine, and provide an update on its exploration activities in Madagascar.

OPERATIONS

Graphmada is nearing completion of Stage 1, delivering shareholders a 100% owned mine free of any serviceable debt. With offtake agreements in place, producing premium large flake concentrates at a time of rising prices, the mine is expected to be fully operational by March 2018. The completion of Stage 1 will establish Bass as one of only two ASX listed producers, and one of only four publically listed graphite producers globally.

Bass has recently successfully completed a major component of the recommissioning process with first production achieved from the recommencement of Drying and Packaging operations from stockpiled wet product.



First concentrate from the recently commissioned Drying and Packaging system.

With the Drying and Packaging System fully operational, the mine now enters the final phase of its optimisation and refurbishment through the commencement of recommissioning activities at the Process Plant.



Process plant components ready for recommissioning.

However, due to cyclone activity in the southern Indian Ocean in January, which was outside of the Company's control, shipping of the final electrical components and mining equipment were delayed. With a subsequent delay in completing the recommissioning of the Process Plant estimated at approximately four to six weeks.



Water piping and manifold installation nears completion.

The team will utilise the additional time to perform a more thorough recommissioning process, allowing for each Process Plant component to be recommissioned individually in order to test that all components are fully functional, before recommissioning the Process Plant in its entirety in March, bringing the mine back into full time production.

Post recommissioning, the Company will ramp up production over consecutive months with the aim to reach 500 tonnes per month of high-value graphite concentrates by May 2018.



Feeding ramp safety-wall started.

EXPLORATION

The Company is also pleased to update shareholders of its progress at the Millie's Reward lithium-in-spodumene project, also in Madagascar. A significant amount of preparation and analysis has been undertaken in the last month to identify and prioritise field investigation targets. An intensive field program is expected to begin in February, with the aim to begin a maiden drilling program in the second half of the calendar year.

Exploration auguring at the Andapa graphite project has confirmed that the area contains at least three lenticular bodies of large flake graphite within the weathered profile. The three-parallel striking graphitic units strike approximately northwest-

southeast over strike distances varying between 1.3 km and 2.1 km. The final assay results have been received by the Company and are now being collated and validated for announcement to the ASX.

BASS METALS CEO, MR TIM MCMANUS:

“The team is very pleased to have achieved a major milestone in the successful commissioning of Drying and Packaging operations, with its performance exceeding our expectations.

The team continues to be proactive during the final phases of recommissioning, with recent cyclonic conditions outside of our control, we have used the delays to improve our recommissioning process and further reduce risks associated with production ramp up.

In addition to near-term cash flow from operations, with significant prospectivity at Andapa and being weeks away from beginning our field program at Millie’s Reward, the Company is poised to deliver on long held key strategic objectives to create significant shareholder value in 2018.

The Board and Management would like to thank shareholders and local stakeholders for their support to date. Bass looks forward to 2018 and delivery of Stage 1 and immediately thereafter commence activities to achieve its next key strategic objective of installing Stage 2 production capacity of ~20,000 tonnes per annum of premium large flake graphite concentrates.

For more information, please contact:

Tim McManus

Chief Executive Officer

Phone: (07) 3203 5894

Email: admin@bassmetals.com.au

Peter Wright

Executive Director

Phone: (07) 3203 5894

Email: admin@bassmetals.com.au

Please visit us at:

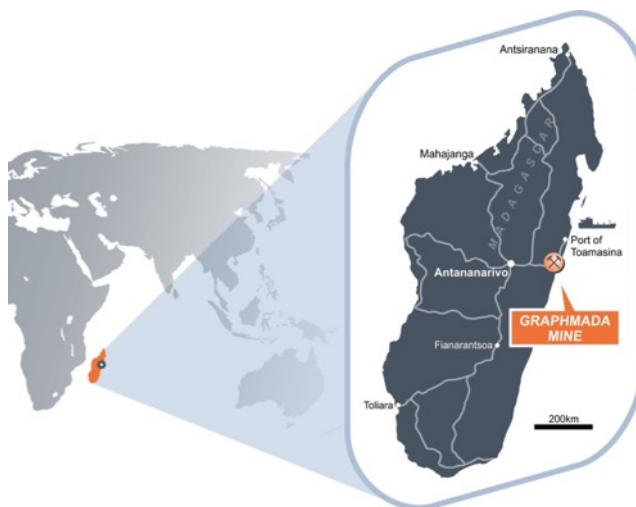
www.bassmetals.com.au

Follow us on Twitter [@bassmetals](https://twitter.com/bassmetals) 

ABOUT THE GRAPHMADA LARGE FLAKE GRAPHITE MINE

Bass Metals Ltd. is one of a few publicly listed large flake 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 Europe and the United States.



ABOUT THE MILLIE'S REWARD PROJECT

Millie's Reward is a highly prospective conventional spodumene hosted Li₂O deposit located in Madagascar. A majority of the visible pegmatitic dykes and sills within the permits are over 10 metres in thickness, with swells in areas of up to 40 metres in thickness, while being up to several hundred metres in length.

Adjacent to the project area is the Holcim Talc Mine, which has a sealed road for product transport and grid power installed. In addition to the potential access of this infrastructure, Millie's Reward has extensive water supplies, accommodation and an available local workforce.

The Project area has been subjected to very little modern geological assessment, as all the activity performed in the past occurred at an artisanal mining scale, operated by the local miners working for gemstones.



High purity Spodumene crystals discovered at Millie's Reward

DISCLAIMER, STATEMENTS & IMPORTANT INFORMATION

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 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. 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.

IMPORTANT INFORMATION

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

This document may not be distributed or released in the United States.

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 mineralization 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.