

## BASS METALS COMPLETES PROCESS DRY COMMISSIONING AT ITS 100% OWNED GRAPHMADA LARGE FLAKE GRAPHITE MINE

### HIGHLIGHTS

- Bass Metals has successfully completed dry commissioning of its fully refurbished Process Plant at the Graphmada Graphite Mine in Madagascar.
- This critical milestone is important to the Company achieving its long-stated Stage 1 strategy of generating positive cash flow from refurbished operations at Graphmada.
- Completion of Stage 1 will deliver shareholders a 100% owned mine free of debt with an offtake agreement in place. Post the delivery of Stage 1, Bass will immediately begin work on the Stage 2 expansion of operations to 20,000tpa.

Bass Metals Limited (ASX: "BSM") (the "Company") is pleased to announce that it has completed dry commissioning of the newly refurbished Process Plant at the Graphmada Large Flake Graphite Mine. This critical milestone, proves the electricals and equipment in the plant, having been fully tested, are ready for wet commissioning and subsequently the recommencement of production.

The Graphmada team is now focused on the final phase of Stage 1, the wet commissioning of the Process Plant, which involves loading the plant's mills with grinding media and initiating water flow into key componentry such as the flotation circuit. Once the plant is loaded, further testing will take place to assist in

synchronising and optimising the graphite recovery process, prior to the recommencement of production in the coming days.

Completion of Stage 1, post ramp up to 6,000 tpa run-rate, will provide positive cash flow from Graphmada and allow the Company to continue with its long-stated strategy of expanding production to 20,000 tpa (Stage 2), while aggressively drilling, in the back half of 2018, the highly prospective Millie's Reward lithium project, which has encountered surface samples of up to 7.0% Li<sub>2</sub>O.

Completion of Stage 1 will also deliver the Company's valued shareholders a 100% owned mine free of debt, with an offtake agreement in place, producing premium large flake graphite concentrates at a time of rising prices, and establishing Bass as one of only two ASX listed producers, and one of only four publicly listed graphite producers globally.

Bass has also begun assessing the downstream development of Expandable Graphite products at Graphmada (Stage 3). This value-added product pathway is based on test work confirming Graphmada's large flake mineral resources have industry leading expandability characteristics (ASX announcement 15 November 2016).



Dry commissioning of process equipment, nearing completion of Stage 1.

Bass Metals CEO, Mr Tim McManus:

“The Company is nearing completion of the first stage of its long-stated strategy of refurbishing and expanding production at Graphmada, establishing positive cash flow for the Company.

However, the team will not rest but rather immediately look to Stage 2, the expansion to 20,000 tonnes per annum and begin studies into Stage 3, the production of Expandable Graphite, for which our graphite concentrates are highly suitable. Entry into this valuable market sector will provide significant benefit for our shareholders, as it is a sector which is out pacing growth in other natural flake graphite sectors, including lithium-ion batteries.

We look forward to informing the market of our success in the coming days and would like to thank all stakeholders, including our shareholders, for their highly valued support.”

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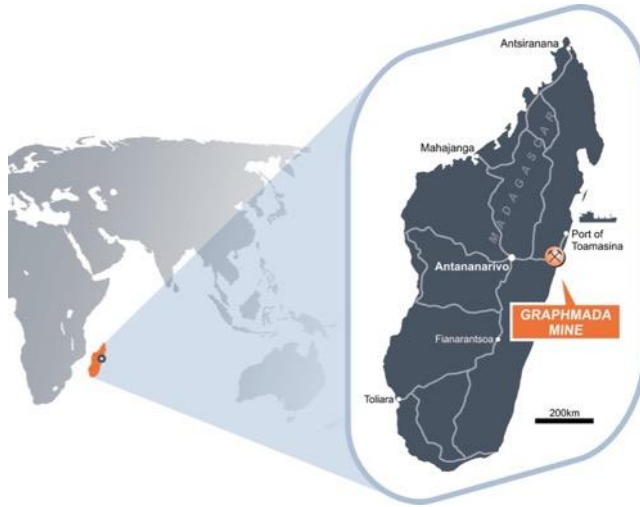
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## ABOUT THE GRAPHMADA LARGE FLAKE GRAPHITE MINE

Bass Metals Ltd. is one of a few publicly listed large flake graphite producers in the world, operating the 100% owned, debt free Graphmada large flake graphite mine, 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 produces and sells a range of graphite concentrates into multiple market segments across Europe and the United States. The Company is aiming to expand production at Graphmada from 6,000 tonnes per annum to 20,000 tonnes per annum by 2020 (Stage 2) and subsequently install an Expandable Graphite Plant (Stage 3) to provide further value to its loyal shareholders.

## ABOUT THE MILLIE'S REWARD PROJECT

Millie's Reward is a highly prospective conventional spodumene hosted Li<sub>2</sub>O 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 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.



High purity Spodumene crystals discovered at Millie's Reward

The Project area has been subjected to no 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.

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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.