
ASX ANNOUNCEMENT 8 AUGUST 2018

BASS METALS ACHIEVES SIGNIFICANT MILESTONE WITH NAMEPLATE PRODUCTION AT THE GRAPHMADA LARGE FLAKE GRAPHITE MINE

Bass Metals Limited (ASX: BSM) (**Bass** or the **Company**) is pleased to announce that the 100% owned, debt free, Graphmada Large Flake Graphite Mine has reached nameplate production. This is a significant milestone in the Company's progression to becoming a material producer of industrial concentrates.

The Process Plant has reached and sustained 25 tonnes per hour feed rate at an average head grade of 4.5% Total Graphitic Carbon (TGC), an effective run-rate of 500 tonnes per month Process Plant production. The concentrates produced are at materially higher saleable grades than historic production, with a majority of production at or above 94% Fixed Carbon.

The Company reaching this significant milestone now provides the pathway to achieving positive cash flow from operations in 2018. The Company is currently negotiating the sale of this production with several international groups, including its off-take partner, setting the platform both operationally and financially for Bass to progress its growth strategy both at Graphmada with Stage 2 and Millie's Reward.

Bass Metals Non-Executive Chairman, Mr Rick Anthon:

"We are very pleased to reach this significant milestone for the Company. We look forward to working even harder to realise further value from our operations. Our focus has always been to establish positive cash flow and achieving the desired run-rate gives us a clear path to this goal. I'd like to thank our shareholders, management and the hard working team at Graphmada, who's efforts in achieving this milestone have been tremendous".

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About Bass Metals Ltd.

Bass Metals Ltd. is a producer of industrial mineral concentrates post the successful Stage 1 commercial ramp up of production at its 100% owned and debt free Graphmada Large Flake Graphite Mine.

The Graphmada Mine is located in eastern Madagascar, a democratic island country in the Indian Ocean, off the coast of Southeast Africa, which is governed under a French legal system with a low Corporate Tax rate of 20% and a low 2% Mining Royalty.

The country has produced benchmark quality graphite for over 100 years due to the high proportion of high purity, large flake, premium quality graphite in soft, easily minable, saprolitic ore. Therefore, deposits, like those at Graphmada, have low operating costs and extremely low capital costs when compared to other African or Western deposits. The well-developed export infrastructure is also a significant aspect that makes working in Madagascar attractive.

The Graphmada Mine has 40-year mining permits and 20-year landholder agreements in place, with four premium quality, large flake, graphite deposits. 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 under an offtake agreement, and on order to customers in India, China and the United States.

Producing premium large flake concentrates at a time of rising prices, Bass as one of only two ASX listed producers, and one of only four publicly listed graphite producers globally, is working to expand production from 6,000 tonnes per annum (tpa) to beyond 20,000 tpa (Stage 2) and in addition, pursue a strategy to develop downstream Expandable Graphite production and technologies (Stage 3) for which our graphite concentrates are highly suitable.

With an established and growing production platform, complimented with the Company's prudent capital management, strong cash position, zero debt and sustainable cash flow, Bass is on a robust operational and financial platform to pursue and realise the considerable potential of exploring Madagascar and developing the Company's assets, such as the 100% owned highly prospective Millie's Reward lithium project which is being fast tracked via an extensive drilling program.

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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.