
ASX Announcement 1 April 2019

Bass continues growth in sales and exports of Graphite concentrate

Bass Metals Limited (ASX: “BSM”) (the “Company”) is pleased to provide an update on its sales activities at its 100% wholly owned Graphmada Large Flake Graphite Mine, located in Madagascar.

HIGHLIGHTS

- In March 2019 Bass completed a major sale for the supply of 362mt of concentrates to an existing customer at an average sale price of US\$658/mt (\$A 940/mt) for predominantly sub 94% Fixed Carbon (FC) concentrates.
- Bass has now sold the majority of its existing inventory with only approximately 400mt of current inventory remaining unsold as at 29th March 2019.
- For the March 2019 Quarter Bass sold and shipped 734mt (up from 119mt last quarter) and is on target to significantly increase sales in the next quarter
- At the end of March 2019, Bass has presold over 730mt of concentrate already with the majority of stock produced and ready to be exported in April 2019
- During the quarter, Bass secured a forward sale for its Jumbo Flake Concentrate Product with an initial shipment sold for US\$1700/mt FOB.
- Bass continues to experience strong demand for its higher priced, superior large and jumbo flake concentrates.

Sales and Exports

For recent sales, Bass is particularly pleased at the price given that there were material amounts of below 94% Fixed Carbon (FC) products. A majority of the tonnes were from production for December Quarter 2018 which delivered an average of 91.9% (FC) (ASX Quarterly Activities report 30th January 2019).

Additionally, Bass in its ongoing establishment of Graphmada products, has recently received an initial order from a new customer for its super jumbo concentrates, following extensive testing and consultation, at a sale price of US\$1700/mt. The Company is very confident that its premium product will, in the future, be sold at the recent sale prices.

Exports for the quarter were consistent and increased. Bass expects to export all existing orders within the next 30 – 45 days and also conclude further sales to ensure strong sales and exports for the months of May and June 2019.

The Company is pleased to report that it continues to receive extensive global interest and demand for its premium product. Senior management are actively engaging with new and potential buyers worldwide.

Additionally, the Company has recently hosted a delegation at site with a view to advancing offtake discussions. This is one of several initiatives Bass is progressing not only for stage 1 volumes but also for product targeted from the expansion of the existing production.

MR DAVID ROUND CFO/HEAD OF MARKETING AND SALES:

“The Company is delighted with the level of demand and engagement with our continually expanding supply channels for our graphite concentrates.

The extensive investment made by the Company and the positive changes made by our technical team to production are now starting to bear fruit and I am confident that we will continue to substantially and gradually increase sales whilst carefully preserving our price targets.

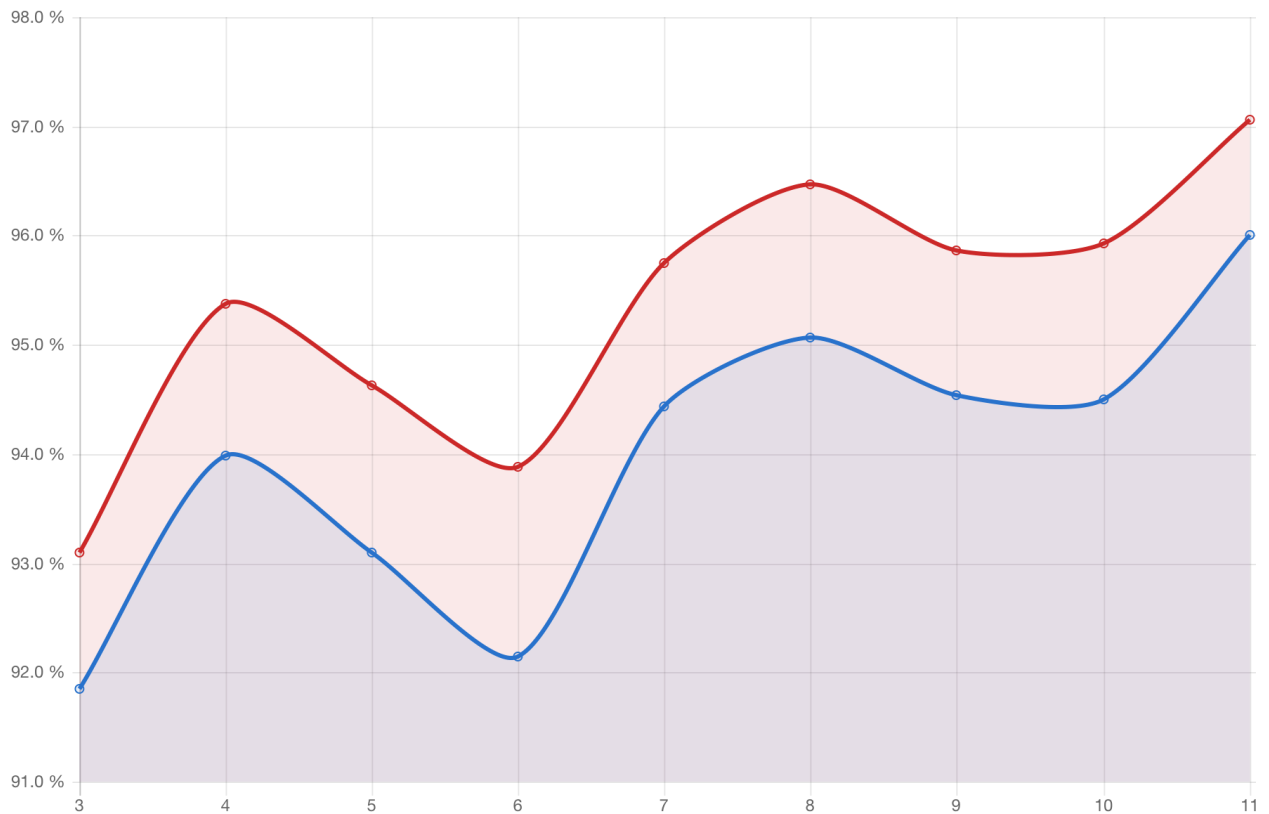
Given we aim to achieve around 40% of production as large and jumbo flake, it is reassuring to see the level of demand for this product. To achieve initial sales of product of US\$1,700 is unprecedented for the Company and positions us very well for the future. Future Staged expansion developments for Bass certainly make strong economic sense.”

Production Developments

As outlined in our ASX announcement 19th of March 2019, Bass brought forward expenditure on Stage 2 expansion to address the lower FC from the December 2018 Quarter. The Company is pleased with the outcome delivered with FC results achieved to date for March 2019 being 93.5% FC. The bulk of tonnes sold in the first quarter have been from Q4 production.

The result of improved and increased average FC results will translate into higher average sale prices and volumes as the Company continues to receive strong demand for its premium products.

Expansion and improvement of this key production metric is outlined below: -



Fixed Carbon % (blue) and Loss-on-Ignition % (red) by week in 2019.

MR TIM MCMANUS CEO

“We are very pleased with the recently received sales order, both in terms of volume demand and pricing, particularly for our predominantly sub 94% FC concentrates. We are anticipating a strong quarter for April to June with increased sales complimented by nameplate production rates being maintained and stronger Fixed Carbon percentages being achieved .”

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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.