
ASX Announcement 31 October 2019

INCREASE IN CAPITAL RAISING TO ACCELERATE EXPLORATION AND CONTINUING DEVELOPMENT OF GRAPHMADA GRAPHITE MINING COMPLEX.

Bass Metals Limited ("Bass" or "the Company", ASX Code: BSM) is pleased to announce that it has received the approval from existing Convertible Noteholders and the Note Trustee to increase the size of its Convertible Note issue by \$2.5 million, taking the total amount of Convertible Notes which may be issued to \$6.5 million.

HIGHLIGHTS

- Existing Convertible Noteholders have approved an increase in issue size to \$6.5 million
- An additional capital raising of up to \$2.5m (before costs) via a tranche issue of Convertible Notes.
- Bass has received commitments for subscriptions totaling \$1.5m.
- The additional funds will be primarily used for exploration.

DETAILS

Bass has received approval from existing Convertible Noteholders and the Note Trustee to increase the size of its Convertible Note issue by \$2.5 million, taking the total amount of Convertible Notes which may be issued to \$6.5 million.

Commitments have been received from sophisticated and professional investors totaling \$1.5 million and includes participation from a number of existing shareholders and Convertible Noteholders of the Company.

As announced on 28 June 2019, the proceeds of the offer will be used for:

- Additional exploration with an emphasis on drilling at the highly prospective Mahela deposit (ASX announcement 11th June 2019).
- Sustaining capital and continued development works aimed at large scale mining and processing.
- General working capital and costs of the offer.

PRINCIPAL TERMS

Issue Amount: Up to an additional \$2.5 million (\$6.5 million in total)

Issue Price: Face value of 0.8 cents per Convertible Note

Interest Rate: 15% per annum

Interest Payments: Interest paid half yearly in arrears and the interest may be paid in certain circumstances at Bass' election by the issue of further Convertible Notes.

Maturity Date: 15 June 2021

Conversion Terms: Convertible at any time at the Convertible Note holder's election into one ordinary share in Bass subject to usual adjustment mechanisms in certain circumstances

Security: The Convertible Notes will be secured over the assets of Bass.

Bizzell Capital Partners Pty Ltd and Morgans Corporate Ltd are Joint Lead Managers to the Offer.

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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.

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Competent Person Statement

The information in this document that relates to Exploration Results, Exploration Targets and Mineral Resources 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.