

## **SUCCESSFUL COMPLETION OF RETAIL COMPONENT OF RIGHTS ISSUE AND CONDITIONAL PLACEMENT**

Bass Metals Limited (ASX: "BSM") (the "Company") is pleased to announce the successful completion of the retail component of its 1 for 1 pro-rata non-renounceable rights issue which closed on 26 August 2016 with strong support from its shareholders.

All shares to be allotted under the rights issue are being issued at \$0.012 per New Share with 1 free attaching New Option (which are to be listed, exercisable at \$0.025 on or before 31 December 2018) for every 2 New Shares subscribed. The New Shares will rank equally with the Company's existing ordinary shares on issue.

Under the retail component of the offer, valid applications were received from eligible shareholders totalling \$1,843,133. The shortfall of \$1,731,160 has been placed by the Joint Lead Managers and Underwriters to the issue, Bizzell Capital Partners Pty Ltd and Patersons Securities Limited in accordance with the underwriting agreement.

The issue of the New Shares and New Options is scheduled to occur on Friday 2 September 2016 with normal trading of the new securities expected to commence on Monday 5 September 2016.

The previously completed accelerated institutional component of the entitlement offer successfully raised a further \$1,946,045. In addition, the Joint Lead Managers and Underwriters have exercised their right to place additional New Shares (issued on the same terms as the rights issue) and have firm commitments to raise a further \$1,500,000. The additional placement securities are also intended to be issued on Friday, 2 September 2016 and commence normal trading on Monday, 5 September 2016.

The Rights Issue and additional placement have raised a total of \$7,020,338. The Company is now in a strong financial position as it undertakes a plant refurbishment program and expansion studies at the Company's recently acquired producing Graphmada large flake graphite mine in Madagascar.

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## Our Vision

To be a world leading graphite producer that can sustainably trade to market demand.

### ABOUT THE GRAPHMADA LARGE FLAKE GRAPHITE MINE

Madagascar has been a recognised producer and exporter of graphite since 1907 and sets the world standard for product quality and flake size. The Graphmada Graphite Mine is situated in eastern Madagascar, approximately 100 km by sealed highway from the export port of Tamatave.



The Graphmada Mine hosts four known deposits. Recent mining activities have been focused on the Loharano deposit, while the Mahefedok deposit has also undergone trial mining as part of life-of-mine development studies. The Mahela and Ambatofafana deposits are still to be explored to their full potential.

The graphite at Graphmada is hosted in both weathered regolith and underlying graphitic gneiss, with the grade of graphitic carbon increasing with depth. All mining to date has been very shallow and low cost, with the mining horizon from 1.5m below

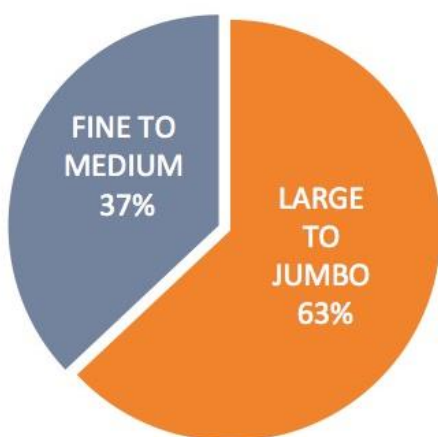
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surface to a depth of 6-8m. However, the graphite bearing regolith is known to go to depths of more than 30 metres, to the underlying hard-rock mineralisation. Mineralisation at Mahefedok alone is open along a strike of approximately 1.5km and to depth.

### Graphmada Product Sold in 2015



The 140-strong workforce utilises modern facilities and infrastructure, with an on-site doctor, pharmacy, housing, offices, communications and a state-of-the-art analytical laboratory in place.

Also installed on site is a 6,000 product tonne per annum processing plant, with a drying and packaging facility, which the Company plans to improve and refurbish to increase production.

Graphmada sold approximately 1,500 product tonnes in the 2015 calendar year, with a high proportion of the product being large flake graphite at 94% or greater purity. The Graphmada brand is synonymous with quality and is well established in traditional markets.

Bass Metals will add value by leveraging Graphmada's reputation for quality, improving operational efficiencies, and expanding graphite production through a low-capital and timely expansion into a high growth market.



## **DISCLAIMER & CAUTIONARY STATEMENTS**

### **Disclaimer**

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### **Forward-looking statements**

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