

## SUCCESSFUL DUE DILIGENCE OF LARGE FLAKE GRAPHITE MINE

### HIGHLIGHTS

- Bass Metals successfully completes due diligence and moves forward with 100% acquisition of Graphmada
- Graphmada is an operating, large flake graphite mine capable of delivering into increased graphite demand
- Bass Metals to execute a low capital expansion plan to increase production and cash flow from existing operations

**Bass Metals Ltd. (“Bass” or the “Company”)** is pleased to announce it will move forward and acquire 100% of the Graphmada Large Flake Graphite Mine, operating in eastern Madagascar.

Bass having successfully completed its due diligence, including a site visit, can confirm Graphmada as an operating large flake graphite mine, with significant potential for low capital expansion and low cost production. The transaction will be completed through terms already agreed with Stratmin Global Resources Plc (“Stratmin”), as announced via the ASX on the 4th of April 2016.



Figure 1: Mining the Loharano deposit at the Graphmada Mine



**Figure 2: Graphite flotation at the Graphmada Processing Plant**

Bass is now preparing investor presentations in relation to Graphmada and plans to undertake investor briefings in June with the assistance of Bizzell Capital Partners and Patersons Securities, who have been retained by Bass to assist with the transaction.

Bass's Chairman, Rick Anthon, commented: *"The Board is delighted to conclude its due diligence and to continue to move forward to secure 100% ownership of the Graphmada large flake graphite mine. The opportunity will set Bass apart from its peers as the only ASX listed graphite mining company delivering cash flow."*

*The Company is now seeking to add an experienced CEO and management team to lead the business and implement Bass's low capital expansion plans."*

Final documentation relating to the 100% acquisition of Graphmada is now being prepared for execution. The ASX has confirmed that Bass will not require formal shareholder approval for the transaction, however Stratmin will require a shareholder vote to complete the transaction. It is expected that the transaction will be completed in late July with Bass assuming control immediately thereafter.

For more information, please contact the Company via:

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## ABOUT THE GRAPHMADA LARGE FLAKE GRAPHITE MINE

Madagascar has been a recognised producer and exporter of graphite since 1907 and sets the world standard due to its high proportion of high quality, large flake graphite. The Graphmada Large Flake Graphite Mine is situated in eastern Madagascar, approximately 100km, by sealed highway, from the export port of Tamatave.

The Graphmada Mine hosts four known deposits. Current mining is from the Loharano deposit, with the Mahefedok deposit undergoing trial mining. 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 surface to a depth of 6-8m. However, the graphite bearing regolith is known to go to depths of >30 metres, to the underlying hard rock mineralisation. All mineralisation is open along a strike length of ~1.5km and to depth.

The 130 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 drying and packaging facilities.

Bass Metals plans to improve and expand its production through a low capital expansion to easily leverage increasing market demand.

There are off-take agreements in place, with well-established markets and a solid customer base. Production from Graphmada totalled ~1500 product tonnes for 2015, with a high proportion being large flake graphite with >94% purity.

With consistency of sales and an establish Graphmada brand, Bass Metals is poised to establish a market leading position, with production delivering into increased graphite demand.

### CAUTIONARY STATEMENTS

#### Forward-looking statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled.

Bass Metals undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements).

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