

## BASS METALS PROGRESSES SUCCESSFUL COMMERCIAL RAMP UP OF PRODUCTION AT THE GRAPHMADA GRAPHITE MINE

### HIGHLIGHTS

- Successful commencement of ramp up of high value graphite concentrate production.
- First month of production delivers a significant improvement in operational performance on historic production with Initial Fixed Carbon (FC) Concentrate Grades exceeding 94% (FC)

Bass Metals Limited (ASX: "BSM") (the "Company") is pleased to provide this operational update as it continues its successful commercial ramp up of production at the Graphmada Large Flake Graphite Mine, located in eastern Madagascar.

### OPERATIONS

The Stage 1 refurbishment of operations at Graphmada is now fully operational, with commercial ramp up well advanced. The completion of Stage 1 established Bass as one of only two ASX listed producers of graphite, and one of only four publically listed graphite producers globally.

Production of premium graphite concentrates has now been successfully achieved, with large flake graphite concentrates produced consistently above 94% Fixed Carbon with Recoveries above 75%. The Company is on track to reach name plate production of 500 tonnes of premium large flake graphite concentrate production per month.



Figure 1: Production at Graphmada Large Flake Graphite Mine.

With the 100% owned mine free of any debt in excess of \$6m in cash and receivables and in immediate proximity to positive cash flow from its flagship asset Bass is ideally placed to execute its broader growth objectives and deliver additional value to shareholders.



Figure 2: Wet concentrates produced from Graphmada's refurbished Process Plant.

## EXPLORATION

### MAHELA DEPOSIT

Exploration activities at the Mahela Graphite Deposit, located in direct proximity to the Graphmada Mine, has confirmed that the area contains large flake graphite mineralisation within the weathered profile.

Auguring continues at Mahela with samples being prepared at the Graphmada Laboratory. Samples will be analysed, secondary in priority to the samples from the recently recommissioned Graphmada Process Plant, where the ramp up in production is the absolute priority of the Company.



Figure 3: Auguring at the Mahela Deposit.



MILLIES' REWARD DEPOSIT

Phase 1 (Field Assessment & Prospect Generation) of the initial exploration programme at Millies reward is now well advanced and progressing to plan.

The Phase 1 program focuses on exploration utilising geological sampling & mapping and geophysical & geochemical surveys. The combination of this data will allow interpretation and modelling of the prospectivity of the area in order to define high priority drill prospects.

To date Phase 1 has identified 8 high priority prospects which are undergoing field prospecting and mapping; rock-chip sampling; soil geochemical sampling; and pitting and trenching. These 8 prospects, plus potential new prospects will be ranked and prioritised for drilling in the second half of 2018.



Figure 4: Rock-chip sample from Millie's Reward.

## HEALTH, SAFETY AND ENVIRONMENT

The Company is pleased to report that Graphmada continues to operate with no Lost Time Injuries and no significant injuries reported since Bass assumed operational management in August 2016.

The Graphmada team has also commenced environmental rehabilitation of historic mining areas, working towards international standards for environmental management.

### BASS METALS CEO, MR TIM MCMANUS:

“As a team, from Board to Plant Operator, we are focused on reaching our key corporate objective of positive cash flow from the sale of high value graphite concentrates from Graphmada.

Achieving high Fixed Carbon concentrate grades with improving recoveries lays the foundation to rapidly achieving our production target of 500 saleable concentrate tonnes per month.

We also continue to develop our plans for a Stage 2 expansion to 20,000 tonnes per annum and the Stage 3 downstream production of expandable graphite products, with particularly emphasis on supplying the rapidly growing fire retardants market, where concentrates alone can command over US\$4,000 per tonne.”

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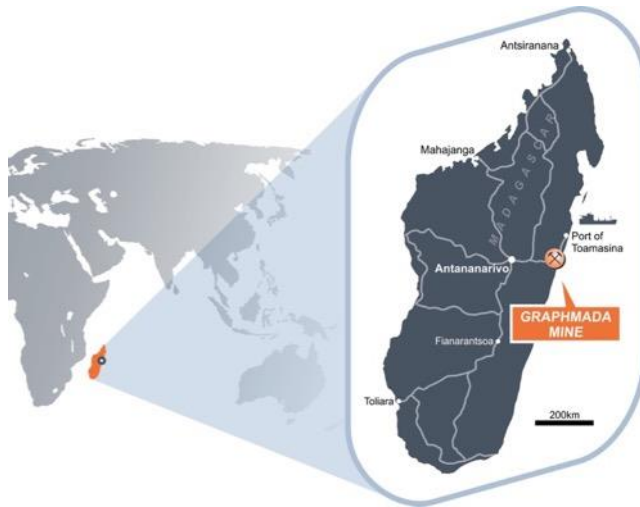
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## ABOUT THE GRAPHMADA LARGE FLAKE GRAPHITE MINE

Bass Metals Ltd. is one of a few publicly listed large flake graphite producers in the world. The Company 100% owns and operates the Graphmada large flake graphite mine, Bass' flagship project, located in eastern Madagascar. Madagascar has been a recognized producer and exporter of premium graphite for over 100 years and sets the world standard for product quality and flake size.

The Graphmada mine has 40-year mining permits in place, 20-year landholder agreements, and contains premium quality, large flake, graphite deposits hosted in weathered graphitic gneiss, a soft, easily minable rock that incurs low mining costs. With all infrastructure and straightforward logistics in place, the mine currently produces and sells a range of graphite concentrates into multiple market segments, to customers in Europe and the United States.



## ABOUT THE MILLIE'S REWARD PROJECT

Millie's Reward is a highly prospective conventional spodumene hosted  $\text{Li}_2\text{O}$  deposit located in Madagascar. A majority of the visible pegmatitic dykes and sills within the permits are over 10 metres in thickness, with swells in areas of up to 40 metres in thickness, while being up to several hundred metres in length.

Adjacent to the project area is the Holcim

Talc Mine, which has a sealed road for product transport and grid power installed.

In addition to the potential access of this infrastructure, Millie's Reward has extensive water supplies, accommodation and an available local workforce.

The Project area has been subjected to very little modern geological assessment, as all the activity performed in the past occurred at an artisanal mining scale, operated by the local miners working for gemstones. The Company is currently conducting field activities with the view to drilling in the near term.



High purity Spodumene crystals discovered at Millie's Reward

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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.