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ASX Announcement 11 June 2019

## Diamond drilling commences at Mahela prospect and the completion of drilling at Mahefedok North.

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

### HIGHLIGHTS

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- The Company has completed ~1,000m diamond drilling without incident at Mahefedok North with the key aim of providing further confidence in existing Mineral Resources.
- Extensions of mineralization were discovered outside of the Mahefedok North Pit area, which may lead to an expansion of the existing pit.
- Bass has now commenced a ~2,000m diamond drilling program at the highly prospective Mahela Prospect aiming to delineate a maiden Mineral Resource in the second half of this calendar year.
- Bass is continuing to aggressively explore its Permits within the region, to develop a resource base capable of underpinning the future development of large-scale mining and processing operations and to deliver on Graphmada's true potential as a world-class large flake graphite producer.

## MAHEFEDOK

Current mining operations at Mahefedok target three zones of mineralization that constitute the existing Mineral Resource of 3.5mt at 4.2% TGC<sup>1</sup> (Total Graphitic Carbon).

Bass completed 1,092m of drilling around the operating Mahefedok North Pit with the aim to upgrade in confidence the previously stated Mineral Resource, estimated in accordance with the JORC Code 2012.

The information gathered will be combined with the Company's existing geological model for an update of the Company's Mineral Resources, due in the 2019 December quarter.

Additional mineralization was also intercepted, outside of the area of the current Mineral Resource estimate during the course of drilling. This additional information will also be incorporated into the update of the Company's Mineral Resources. These possible extensions of mineralization may lead to an expansion of the Mahefedok North Pit.

### Existing Mineral Resources

Deposit	JORC Code	Classification	Tonnes (Mt)	Total Graphitic Carbon	Contained Graphite (kT)
Mahefedok	2012 <sup>2</sup>	Indicated	0.8	4.2%	33
		Inferred	2.7	4.2%	114
		<b>Total</b>	<b>3.5</b>	<b>4.2%</b>	<b>146</b>

<sup>1,2</sup> Reported in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code 2012') at a >3% cut-off and first released to the ASX on 21/06/17 "Maiden Mineral Resource for Mahefedok Deposit".



Figure 1: Recently completed drill holes (red) and the historical drill holes (blue) at Mahefedok North Pit.



Figure 2: Diamond core for BSMD066 from Mahefedok North.

## MAHELA

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The Mahela Prospect is located 3.5 kilometres south of the recently refurbished Graphmada Process Plant and associated infrastructure. The mineralized footprint is two to three times that of the Loharano Deposit and is now thought to be an adjacent mineralization horizon and of equal strike length to the Mahefedok Deposit, the Company's primary graphite production asset.

The prospect has undergone extensive exploration with a large amount of historical mapping of outcropping graphite lenses which has delineated three distinct mineralization zones. These zones, western, central and eastern have approximate strike lengths of 600m, 1,200m and 1,200m respectively, for a cumulative strike length of approximately 3,000m. Each zone consists of individual lenses that vary between an estimated 40m and 60m in cumulative thickness.

The exploration team recently completed 44 auger holes for a total of 411m drilled, to an average depth of 9m. Sample results returned weighted averages up to 6.8% FC (fixed carbon) over 11.3m, including 8.4% FC over 8m<sup>3</sup>.

The current diamond drilling is expanding on this work, intending to define a significant mineralization footprint. To date, results have been very encouraging, with substantial zones of graphite mineralization intersected, with some zones up to 30m in thickness from the surface.

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<sup>3</sup> ASX Announcement 9 April 2019 "Bass progresses exploration at Graphmada Graphite Mine."



Figure 3: Diamond core for BSMD106 of the Mahela Prospect showing significant sapolitic graphite mineralization.



Figure 4: Map showing the Mahela drill plan with weighted auger FC results.

## MR TIM MCMANUS (CEO)

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“We’re pleased to progress our exploration of the extensive graphite mineralization in the region. To have significant large flake graphite potential in direct proximity to our fully developed infrastructure is of considerable strategic importance. As we expand our current operations and sales, in combination with growing the underlying Resource, the risk in the development of large-scale mining and processing operations decreases significantly for our shareholders.

With the operational issues encountered in the March quarter now fundamentally resolved, we’ve seen a marked improvement in our production metrics for this quarter. This operational improvement is in addition to experiencing strong demand for our superior quality concentrates, and subsequent sales growth sees Bass in a solid position to continue its development.

Our strategy to become the world’s principal large-flake graphite producer with downstream development into expandable graphite and battery anode markets sees the Company well placed to grow in significant value, at a much lower risk profile to that of its peers.”

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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.