
ASX Announcement 4 September 2019

Bass accelerates production at Graphmada

Bass Metals Limited (ASX:BSM) (**Bass** or the **Company**) is pleased to provide the following production update to 31 August from its 100% owned Graphmada Graphite Mine.

HIGHLIGHTS

- 745 wet tonnes (wt) produced to the end of August, with 301wt produced in July (inclusive of 5 day schedule maintenance shutdown) and 444wt produced in August.
- Dry tonne (dt) production of 587dt to 31 August, with a strong month anticipated for September following accelerated wet tonne production in August.
- A new daily record achieved of 29 wet tonnes at 61% large flake and 92.3% Fixed Carbon (FC) during the month of August – a record result for the combination of tonnes, large flake and FC produced in a 24-hour period.
- Increase in large flake production to 42% for the September quarter to date, exceeding the 32% large flake production achieved for the June quarter.
- Mining on track for a record quarter, with 36,821 ore tonnes mined and 124,596 tonnes of total material movement at a reduced strip ratio of 2:1 for the September quarter to date.

GRAPHITE PRODUCTION UPDATE

Graphmada is on track to achieve record mining metrics in the September quarter.

36,821 ore tonnes have been mined and 124,596 tonnes of total material movement to date, at a significantly reduced strip ratio of 2:1, down from an already low ratio of 5:1 for the June quarter. The improved strip ratio will lower operating costs.

Processing at Graphmada is also exceeding expectations, with 24,745 tonnes processed for the quarter to date and 745 wet tonnes produced.

On August 29 a new daily record was achieved of 29 wet tonnes at 61% large flake at 92.3% FC. This is the highest combination achieved for tonnes, large flake and FC produced over a 24-hour period.

The July production figure of 301 wet tonnes was expected as a scheduled maintenance shutdown of 5 days was implemented at the start of the quarter.

The team at Bass continues to optimize wet tonnes produced at 94% FC while increasing the volume of large flake produced. While 94% FC is recognized as the industry benchmark for premium graphite concentrates, the balancing of production for flake size is also a critical element to maximizing revenue.

Concentrates at >180 microns (large flake) demand significantly higher prices than finer flake graphite concentrates (<180 microns). Consistently producing significant volumes of large flake concentrates at 94% FC in an environmentally sensitive manner is Bass' ultimate goal with its current processing facilities.

In the June quarter, an average of 33% of production from Graphmada was >180 microns, with periods over 45% achieved. In the current September quarter, large flake production has increased materially to 42%, equating to a 10% increase in large flake production, with periods over 60% achieved.

TIM MCMANUS CEO:

"As substantial shareholders, management and the team at Bass continue to work extremely hard to build on what was an outstanding June quarter and deliver further improvement in the September quarter, as results to date suggest.

On a number of fronts, the Company is growing its capabilities and technical expertise. The intellectual property gained from optimizing operations, along with its aim to materially increase its Mineral Resources will be applied to expanding the Graphmada Mining Complex for large scale mining and downstream integration, delivering significant value for Bass' shareholders in the process."

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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.