

24 December 2015

The Manager Companies
Company Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Successful Placement and Completion of Investment in Graphmada, Mauritius – Tranche 1

The Directors of Bass Metals Ltd (“the Company”) are delighted to announce that they have completed a placement of shares to sophisticated investors.

The placement was secured at an issue price of \$0.01 per share and 54,000,000 shares shall be issued in the short term to the subscribers. Further details about the placement terms will be released shortly.

The placement was highly sought after and the Company is delighted by the positive response to this transaction.

The placement was managed by Bizzell Capital Partners as Lead Managers.

Following this, the Company will now pay the balance of the Tranche 1 investment (£223,115) to Stratmin Global Resources Plc (“Stratmin”) in order to secure 6.25% of Graphmada Mauritius (“Graphmada”). The total paid to Stratmin is now £500,000.

In addition to this, and as announced to the market on 2 September 2015 and 4 December 2015, the Company now intends to work toward completing Tranche 2 of its investment in Graphmada which will then result in the Company holding 25% of Graphmada’s issued shares. In order to complete Tranche 2, the Company is required to pay an additional £1,500,000 to Stratmin by 31 March 2016.

Furthermore, the Company holds an option to increase its stake in Graphmada to 40%.

About Graphmada Mauritius (“Graphmada”)

Graphmada operates the Loharano natural flake graphite mine situated in the central east of Madagascar, Africa, approximately 100 kilometres from Tamatave, the primary shipping port servicing Madagascar.

Access to the mine is along the main highway to the capital city with a short two-kilometre haul road from the highway to the mine and processing plant.



Location of Loharano Mining Operations

The Graphmada owned projects offer the Company an investment into an operating mine that is now generating cash flow and has a sustainable offtake agreement in place with a US based partner.

Further technical detail about the merits of this project shall be published in the near future.

Summary

The Board of the Company is committed to its investment in Graphmada and is actively working with existing and new investors to complete its Tranche 2 investment within the defined timeframe.

The Company has also recently engaged a leading research house to commission a report about the Graphmada projects and the Board looks forward to publishing this report, and other relevant news, in due course.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Rick Anthon'.

Rick Anthon
Chairman

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