

BASS COMPLETES ACQUISITION OF THE HIGHLY PROSPECTIVE MILLIE'S REWARD LITHIUM PROJECT

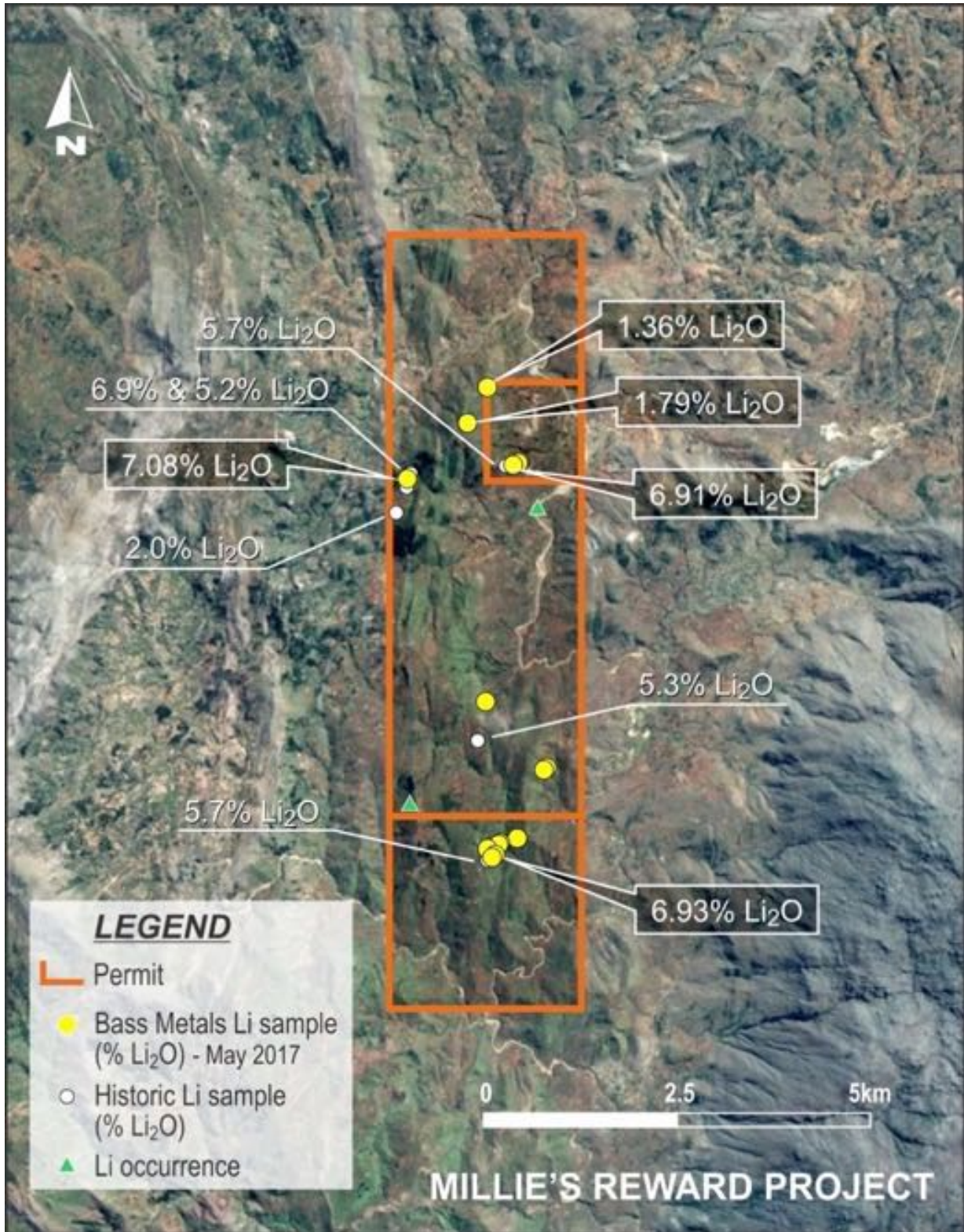
HIGHLIGHTS

- Bass Metals has finalized the acquisition of the highly prospective Millie's Reward project, a potential high grade, pegmatite hosted, lithium-in-spodumene project, located in Madagascar.
- The Transaction consists of the acquisition of two contiguous permits and a Mineral Rights Agreement for a third permit covering the exploration and mining of lithium and associated economic minerals.
- Bass is highly encouraged with fieldwork to date which has identified significant spodumene mineralization across an 8km strike length with up to 55 different pegmatite occurrences recorded, with consistent at surface mineralisation encountered with grades up to 7.08% Li₂O¹.
- Bass will immediately commence Phase 1 of a comprehensive exploration program with the objective of establishing priority drill targets.

¹ See ASX Announcement 'Exceptional lithium assay results up to 7%' released 29 May 20117.

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Millie's Reward Project Area.

Bass Metals Limited (ASX: “BSM”) (the “Company”) is pleased to announce it has completed a transaction for the acquisition of two permits and a Mineral Rights Agreement for a third permit, constituting the Millie’s Reward Project (the “Project”), located in Madagascar.

The Project is highly prospective for high-grade, shallow, lithium-in-spodumene mineralisation. The Board and Management of Bass are delighted with the outcome of negotiations to conclude this acquisition and see this as a key objective delivered for Bass’ corporate strategy.

The Project, a group of Permits with granted exploration rights, complements Bass’ presence in Madagascar and its aim to become a leading producer and supplier of industrial minerals concentrates.



Millie’s Reward Project Area – looking south.

Transaction terms

The Transaction terms² are as follows:

- a) \$US100,000 in cash and \$US50,000 in shares on the acquisition of the mining permits and completion of the transaction;
- b) \$US100,000 in cash and \$US50,000 worth of shares upon establishing a JORC compliant resource of >5 million tonnes at >1.5% Li₂O;

² See ASX Announcement ‘BASS METALS ENTERS BINDING AGREEMENT TO PURCHASE POTENTIALLY HIGH-GRADE LITHIUM PROJECT IN MADAGASCAR’ released 14 April 2017.

- c) \$US100,000 in cash and \$US50,000 worth of shares upon the tabling of a feasibility study for Millie's Reward;
- d) \$US100,000 in cash and \$US50,000 worth of shares upon first sales of either Direct Shipping Ore (DSO) or Chemical Grade (>6% Li₂O) lithium concentrates;
- e) Bass will pay to the Vendor a 0.25% concentrate sales royalty on any future lithium concentrate or DSO sales from Millie's Reward for a period of 12 years from first concentrate or DSO sales, up to US\$US2m.

In addition to the Project acquisition terms, the Projects vendors have agreed to provide technical and advisory services to Bass in order to fast track the proposed exploration program. Bass is pleased to be retaining the services of the vendor on a consultancy basis.

In addition, Bass has significant Lithium experience with Chairman Rick Anthon having held a long-term executive role with ASX listed Lithium producer Orocobre Limited (ORE) and Executive Director Peter Wright having had a long-term corporate advisory role with Altura Mining Ltd (ASX Code AJM). As well as Bass' CEO Mr Tim McManus, a geologist, having significant exploration and project development success across commodities.

To oversee the Project, the Company is also pleased to advise it has appointed Mr. Simon Rienstra to the position of General Manager (Limada). As the General Manager of Limada SARL, one of Bass' Madagascan subsidiary companies, Mr. Rienstra will be responsible for all activities at the Millie's Reward Project and other lithium prospects in Madagascar.

About the Millie's Reward Project

The Millie's Reward area hosts numerous pegmatitic dikes, veins, pods, and sills, with the highest geochemically evolved pegmatites hosted in dolomitic marbles and along the contact between marbles and schist.

Most of the pegmatites mined for gemstones, and most of the ones in which gemstones do not occur, contain variable quantities of Li-ore (spodumene), from a few points in percentage, up to 30% to 50% in volume of the rock.

This mineral is in general of milky white colour and, approaching to miarolitic cavities, changes to pale to deep pink, leading to the formation of transparent crystals of

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gemological interest (kunzite variety). For this reason, quiet significant quantities of opaque crystal fragments of this mineral are present in the dump material of several gemstones mines in the area.

The already recognized Li-bearing pegmatitic dikes and sills in the area are up to over 10 meters in thickness and up to several hundred meters in length. Most of the largest dikes have had no work undertaken, as all the mining activity performed in the past occurred at an artisanal scale, operated by the local miners working for gemstones.



Large Spodumene Crystals hosted in the Core of a Li-Bearing Pegmatite.

The Company can now implement an exploration strategy at Millie's Reward with the aim to define a large, high-grade JORC compliant Mineral Resource that can support a long-life mine plan and subsequent build-capital investment, within 3 years from acquisition.

Exploration Strategy

To achieve the Company's objectives, the exploration program will leverage off the significant competitive advantages Bass has developed in Madagascar. These include excellent government and supplier relationships, a producer status reputation, in-

country employees with technical capabilities and the positive reputation of the Company's comprehensive community program.

As a virgin discovery, exploration activities in support of reaching the above stated aims with the most efficient capital expenditure, are proposed to be completed in 5 Phases:

1. Field Assessment & Target Generation;
2. Maiden Exploration Drilling Program;
3. Maiden Resource Drilling & Estimation;
4. Technical Studies & Infill Drilling; and
5. Updated Resource Estimation & Definitive Feasibility Study.

The Phase 1 field assessment and target generation program, to begin immediately, will focus on regional exploration utilising geological mapping and sampling, and geophysical and geochemical surveys. The combination of this data will allow interpretation and modelling of the prospectivity of the area in order to define the highest priority economic drill targets, that will ultimately aim to support a Mineral Resource definition for the Project.

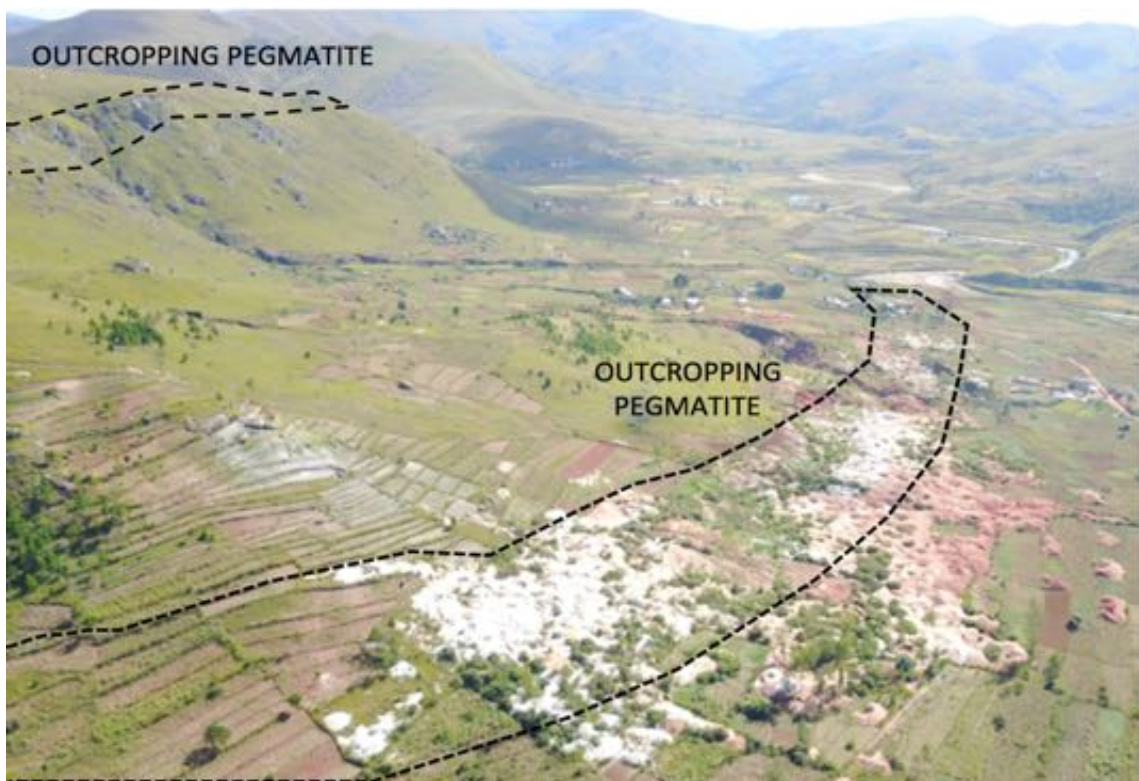


High-Grade Spodumene Sample from Millie's Reward.

Phase 1 is expected to take 6 months of intensive field activity. In support of these Project activities, a comprehensive community engagement program will be initiated to assist in practically demonstrating to the community the benefits of developing a project of significance in the region. The community program will be largely based on the very successful Graphmada Care Program run by the Graphmada Graphite Mine, 100% wholly owned by Bass Metals. The program was recently recognised as the leading community based program in Madagascar, highlighted for its significant advancements beyond that of the major miners in the country.

Phase 2, will be implemented at the end of Phase 1's intensive field exploration program, and consist of exploration drilling to prioritise the prospective targets, to undergo a significant Resource definition drilling program; Phase 3.

The Company aims to deliver the complete exploration and project development for Millie's Reward program over the course of the next 3 years and through this program deliver significant value to its shareholders.



Large Pegmatites outcropping at surface at Millie's Reward.

Base Metals CEO, Mr Tim McManus:

“The acquisition of Millie’s Reward is consistent with Bass’ strategy to leverage its in-country producer status in Madagascar to appraise further opportunities in this highly prospective and stable jurisdiction.

The team at Bass Metals is pleased to have finalized this transaction and plan to commencing Phase 1 exploration immediately, having already received Board approval. The team is truly excited to have the opportunity to explore such a remarkable virgin discovery.”



High purity Spodumene crystals (Kunzite) found in the Project area.

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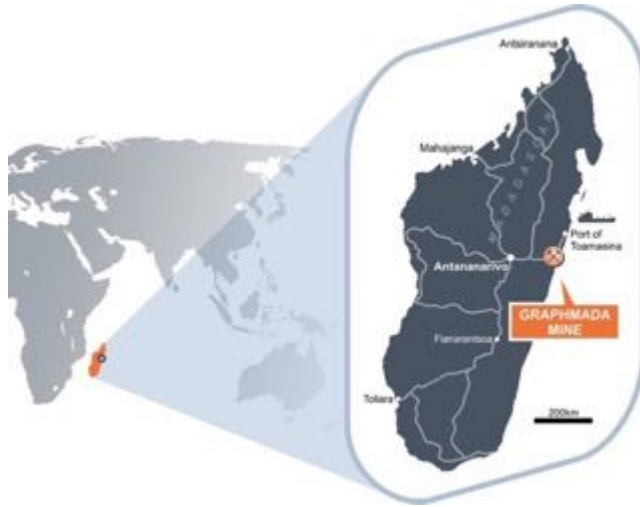
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ABOUT THE GRAPHMADA LARGE FLAKE GRAPHITE MINE

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, containing four premium quality, large flake, graphite deposits hosted in weathered graphitic gneiss, a soft, easily minable rock that incurs low mining costs. With all associated mining infrastructure and 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 Li₂O 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.



High purity Spodumene crystals discovered at Millie's Reward

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.

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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.

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