OUTSTANDING MAHEFEDOK HIGH GRADE CONCENTRATE RESULTS

Highlights

• 48% of the recovered concentrate from the adjacent Mahefedok deposit is high value large to super jumbo flake material, with an average grade of >96%.

• Test results confirm significant upside at the 1.8km long Mahefedok deposit, which is currently the target of a 2,500 m drilling program.

• The potential maiden resource at Mahefedok is a key component of value creation at the producing Graphmada Mine.

• Testing confirms Mahefedok high value concentrates can be produced from an optimised flowsheet and sold to existing customers in the United States, Europe and India.

Bass Metals Limited (ASX: “BSM”) (the “Company”) is pleased to announce high grade concentrate results from test work on the Mahefedok ore feed at the Graphmada Graphite Mine, located in eastern Madagascar.

Independent Metallurgical Operations (“IMO”) completed the testing and demonstrated of the total ore sample tested, 48% can be classified into the high value large to super jumbo flake category, at a Total Graphitic Carbon (TGC) grade of >96%. The testing confirms high value concentrates can be produced from Mahefedok through an optimised flowsheet and sold to existing customers in the United States, Europe and India.

The Mahefedok deposit contains soft, easily minable large flake mineralisation that incurs low mining costs, over an approximate strike length of 1.8 km. The material expansion of the resources at Mahefedok and Loharano is a core component of the company’s strategy to realise the considerable potential of the Graphmada Mine.

The company aims to estimate a Maiden JORC Resource1 for the Mahefedok deposit, based on approximately 2,500 meters of drilling and resource estimation works to be completed over the next 3-6 months.

1 There is uncertainty that these exploration and evaluation works will be able to be reported as mineral resources or ore reserves in accordance with the 2012 edition of the JORC Code.

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Bass sees post the optimisation of current operations the ability to consistently sell higher value concentrates from Graphmada as key to long term cash flow and value generation for shareholders, as high grade large to super jumbo flake graphite trades at significant market premiums.

Further drilling and metallurgical test work is expected to improve on the below results.

The final concentrate results from Mahefedok are shown in Table 1 below:

<table>
<thead>
<tr>
<th>Flake Size</th>
<th>Micron</th>
<th>Flake Size Distribution (%)</th>
<th>TGC (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Jumbo</td>
<td>&gt;500</td>
<td>1.2</td>
<td>96.4</td>
</tr>
<tr>
<td>Jumbo</td>
<td>&gt;300</td>
<td>15.4</td>
<td>96.4</td>
</tr>
<tr>
<td>Large</td>
<td>180 – 300</td>
<td>32.0</td>
<td>96.2</td>
</tr>
<tr>
<td>Medium</td>
<td>106 - 180</td>
<td>25.1</td>
<td>96.3</td>
</tr>
<tr>
<td>Small</td>
<td>75 – 106</td>
<td>7.5</td>
<td>95.8</td>
</tr>
<tr>
<td>Fine</td>
<td>&lt;75</td>
<td>18.9</td>
<td>94.7</td>
</tr>
</tbody>
</table>

Table 1: Mahefedok Final Concentrate Results

Bass Metals Director, Mr Jeff Marvin:

“These results are outstanding and key to the long-term ore feed at Graphmada, as the mine has 40-year mining permits in place. Combined with a strong community engagement program providing a long-term social operating licence and a committed management team at Graphmada, the Board is very pleased with the Company’s progress since obtaining operational control in August.

We are seeking the lowest capital intensity pathway to selling higher value concentrates and feel we have significantly progressed this strategy. I am personally very encouraged with our direction and I am looking forward to seeing the results of not only the drilling at Mahefedok, but also the continued positive results of our optimisation program.”

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The 1.8km long Mahefedok deposit and current drilling program is shown below:

Figure 1: The Mahefedok deposit and drill plan.
ABOUT THE GRAPHMADA LARGE FLAKE GRAPHITE MINE

Bass Metals Ltd. is one of only five publicly listed graphite producers in the world. The company 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 graphite since 1907 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 India, the United States and Europe.

Generating revenue through ongoing lowest quartile cost production, the mine is currently being optimised by an experienced management team to 6000 tonnes per annum with improved final graphite concentrate grades, in order to grow cash margins.

Graphmada also has significant potential for low capital intensity expansion. Bass plans to invest capital to expand production to greater than 20,000 tonnes per annum of graphite concentrate sales by late 2018.

The Company has also made the strategic decision, in parallel with the optimisation at Graphmada, to actively explore and develop deposits in the immediate proximity to the mine, with a view to materially expanding existing resource inventories.

The Loharano deposit has provided the bulk of the feed to the Graphmada processing plant and has total JORC compliant Indicated and Inferred resources of 5.7Mt @ 4.1% Grade with a 2% cut-off\(^2\). These resources are to a depth of only 6 meters, and mineralization is known to go to depth with increasing grade, and is open in all directions.

With the Company having a strong community engagement program and being well down the path in achieving its optimisation plans and growing its resource inventory, the team at Bass is confident of its plans for expansion and its future value creation for shareholders.

\(^2\) These estimates were prepared and first disclosed by Stratmin Global Resource PLC under the JORC Code 2004. The estimates have not been updated to JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Reference is made to the Company’s announcement of 2 September 2015 which provides further detail regarding this information.
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