

ASX Announcement 4 December 2018

BASS EXCEEDS FORECAST SALES VOLUMES OF GRAPHITE FROM GRAPHMADA OPERATIONS

Bass Metals Ltd (ASX: BSM) ("Bass or "Company") is pleased to announce that it has exceeded its forecast of sales by volume for the month of November 2018.

The achievement of monthly sales targets has been reached within months of completing ramp up of production of Stage 1 and is a result of a number of sales and sales agreements for the month of November 2018 of its high quality graphite concentrates.

During the month of November 2018, Bass sold 693mt of Graphite Concentrate on the following terms –

- The Sales and Sales Agreements cover a range of large and fine flake products from its Graphmada Operations for delivery to the USA and other markets in December to February 2019
- Bass is to be prepaid for a substantial value of the order on favourably negotiated terms
- Sales agreements reached with long term existing buyers
- All other terms of the agreements are confidential

As a result of the above sales and sales agreements, Bass has now sold the majority of its production from its ramp up phase in July and August 2018. Sales of production during the ramp up phase was also undertaken with buyers in Europe and India on terms that were acceptable to the Company

The sales agreements were made in the ordinary course of the company's operations, to existing buyers and on the usual commercial terms. None of the contracts are individually material to the Company.

Current Sales Outlook

Bass is delighted with the demand for its premium large and jumbo flake product with the vast majority of production of these products being sold with strong demand experienced. The Company expects this strong demand to continue and believes prices in the range of US\$1,150 - \$1,950 are likely to continue. This is within and potentially above Bass' sales forecasts.

Whilst the Company has experienced some minor delays in completing and meeting sales orders and was required to temporarily reduce some of the pricing of its fine flake product, Bass believes the short and medium term outlook for sales of its premium product is strong and retains forecast for an average basket price in 2019 of US\$900/mt.

Bass continues to put an enormous amount of work into broadening its sales channels for both Stage 1 concentrates and proposed Stage 2 concentrate sales.

Current Production Outlook

Following a number of months of ramp up production, the Company is now achieving substantial levels of production of large and jumbo flake production. The Company anticipates it will now continue to produce between 40 – 50% of its premium product in the large to jumbo flake at fixed carbon levels and the Company is very confident this will attract very strong buyer support.

Bass Executive Director, Peter Wright, commented " We're delighted to have completed our production ramp up phase We have now sold the vast majority of product produced during ramp up on good terms. We are excited to see that demand for our much higher priced large and jumbo flaked product is very strong as this positions the Company well to continue to experience strong sales growth in to 2019.

We're continuing to develop our markets in Asia and Europe and look forward to confirming further sales in to these markets in the forthcoming months".

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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.