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Bass Metals Ltd
Capital Raising Presentation

December 2018

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Exploration Results, as well as the Competent Persons' statements. All persons should consider seeking appropriate professional advice in reviewing the document and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of the document nor any information contained in the document or subsequently communicated to any person in connection with the document is, or should be taken as, constituting the giving of investment advice to any person.

Forward Looking Statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement. The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward looking statements will be or are likely to be fulfilled. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements). The information in this document does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this document constitutes investment, legal, tax or other advice.

Competent Person Statement

The information in this report that relates to 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 report in the form and context in which it appears.

Subsequent Public Reporting

The information for the JORC Mineral Resource Summary is extracted from the ASX Announcement "Strategic investment in producing graphite asset" released 2 September 2015, which is available to view on www.asx.com.au. Bass Metals Ltd. confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.



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Company Overview

Capital market summary

Share price (11-Dec-18)	\$0.014
Shares on issue (fully diluted)	2,539 million
Market capitalisation	\$35.5 million
Net cash and Receivables (30-Sep-18)	\$3.3 million
Enterprise value	\$32.2 million
Liquidity – 12 months (shares)	2.7 billion (108% of shares on issue)

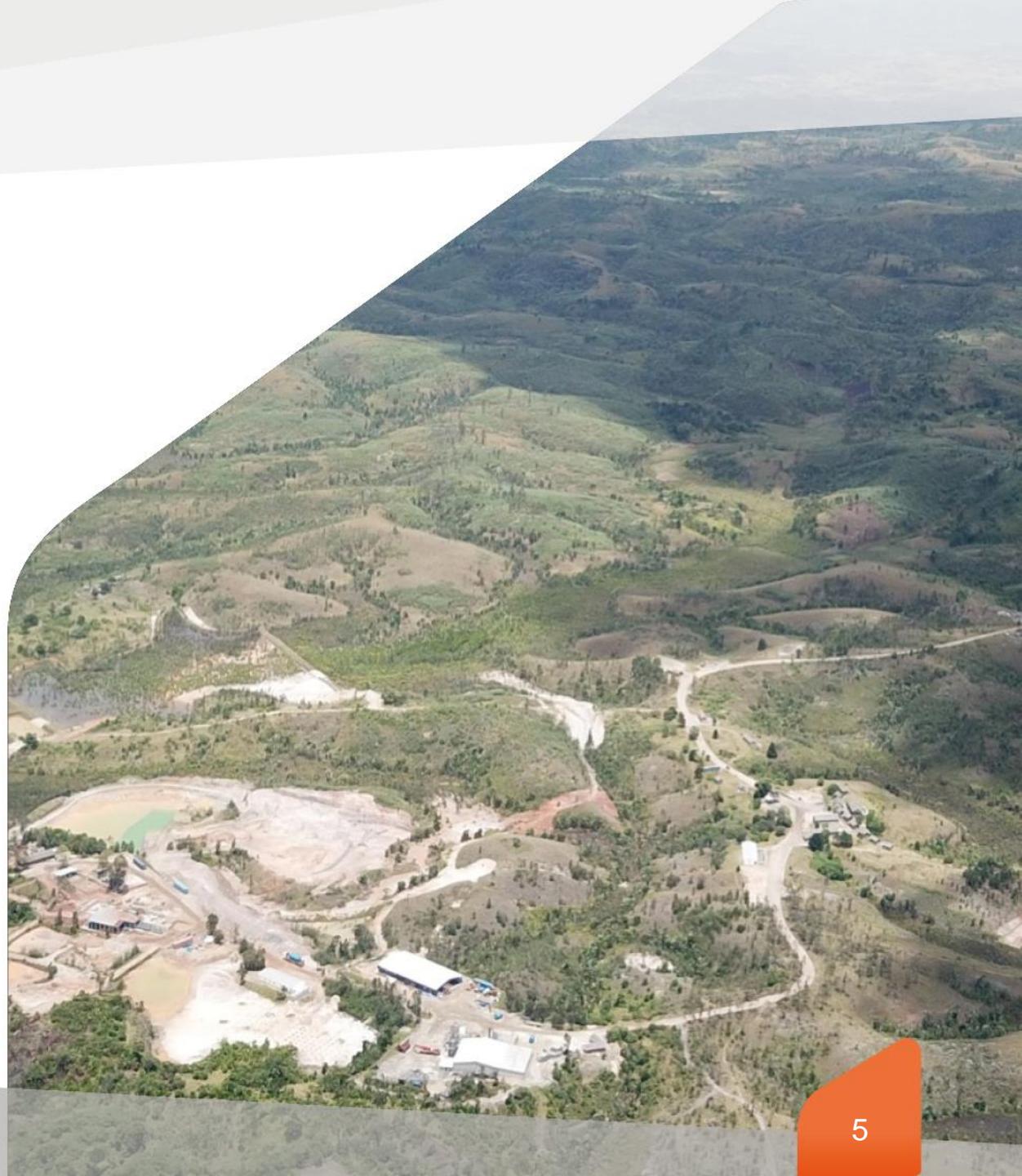
Share register

Rookharp Investments	6.5%
Board & Management	5.0%
Finn Air Holdings	5.0%
Choice Investments (Dubbo)	3.5%
Balance of register	80.0%



Asset Overview

	Graphmada Mine	Millie's Reward
Ownership (%)	100%	100%
Location	Madagascar	Madagascar
Key commodities	Large Flake Graphite / Expandable Graphite	Lithium-in-Spodumene
Mining method	Shallow Open Pit ~\$US5 per tonne of ore delivered	Exploration
Mineral Resources	9.2 Mt @ 4.2% Total Graphitic Carbon ^{1,2}	-
Cost of production	Low C1 operating costs	-
Target production	>20,000 tpa concentrates	-
Current Mine Life	17 years at 6,000 tpa	-

^{1,2} See Footnotes on page 30


Board & Management



RICK ANTHON Non-Executive Chairman

Mr. Anthon is a practicing lawyer with over 30 years' experience in both corporate and commercial law. With extensive experience in the resource sector, as a director of a number of resource companies and as legal adviser, Mr. Anthon is currently General Counsel and Joint Company Secretary at Orocobre Ltd, Australia's premier Lithium producer.



PETER WRIGHT Executive Director

Mr. Wright has 20 years experience advising on capital markets, investor relations, acquisitions and divestments, particularly in lithium, and industrial minerals & metals markets. Mr. Wright is also currently a Partner at Bizzell Capital Partners, a Brisbane based corporate advisory and funds management firm.



JEFFREY MARVIN Non-Executive Director

Mr. Marvin has 20 years global experience in mineral resource project origination, financing and development. Prior to joining Bass, Mr. Marvin was a founding executive director of an Australian energy technology company and has experience working across a range of projects including gold, coal, mineral sands and coal seam gas.



TIM MCMANUS Chief Executive Officer

Mr. McManus has 25 years as a mining professional with significant experience at senior management level across all facets of project assessment, development and operations. Previous roles include CEO of ASX listed Elementos Ltd, Chief Geologist for Xstrata, and Partner – Barclays Natural Resource Investments: Metallurgical Coal Management Team.



DAVID ROUND Chief Financial Officer

With over 25 years experience, Mr. Round is a qualified accountant with extensive resource sector experience at senior management level. As Chief Financial Officer and Company Secretary to a number of resource companies, he has been integral to the commercial success of a number of companies both in Australia and internationally.



MAMISON RANDRIANANATENAINA General Manager (Corporate)

As General Manager (Corporate) for Bass Metals, Mr. Randriananatenaina is responsible for government & community relations and all legal matters. Trained in Economics, and currently completing a Degree in Law, he has extensive experience in administration, logistics and management in the Madagascan mining sector.

Key Investment Highlights

Low cost graphite producer with robust balance sheet	<ul style="list-style-type: none">- High purity, large flake, premium quality graphite- Soft, easily minable, saprolite ore providing low operating and capital costs- 40-year mining permits and 20-year landholder agreements in place across four large flake graphite deposits- Stage 1 completed with 6,000tpa nameplate production established- Debt free, 100% owned asset, setting a robust platform for value growth
Stage 2 Mine Expansion to >20,000 tpa	<ul style="list-style-type: none">- With production and financial platform established, Bass intends to materially increase production and sales.- Stage 2 will see production established at >20,000 tpa- Considerable amount of Stage 2 capital already expensed in Stage 1- Stage 2 will deliver substantial free monthly cash flow to Bass
Stage 3 Downstream Expandable Graphite Production	<ul style="list-style-type: none">- Integrated downstream development of Expandable Graphite production (Stage 3)- Expandable graphite technologies market underpinned by outstanding long term fundamentals- Bass large flake concentrates highly suitable for Expandable Graphite feedstock
Exploration & Development	<ul style="list-style-type: none">- Bass intends to commit material funds to ongoing exploration- Bass intends to add to inventory in the immediate vicinity of the Graphmada graphite mine- Bass aims to continue to explore at the Millie's Reward Lithium project
Fundamentals in place	<ul style="list-style-type: none">- Stage 1 has established a robust operational and financial platform for the Company- Bass has commenced sales of its high quality graphite concentrates- Bass intends to use this platform to grow the Company via increased production and downstream integration- Bass intends to commit material expenditure on exploration to grow its resource inventory

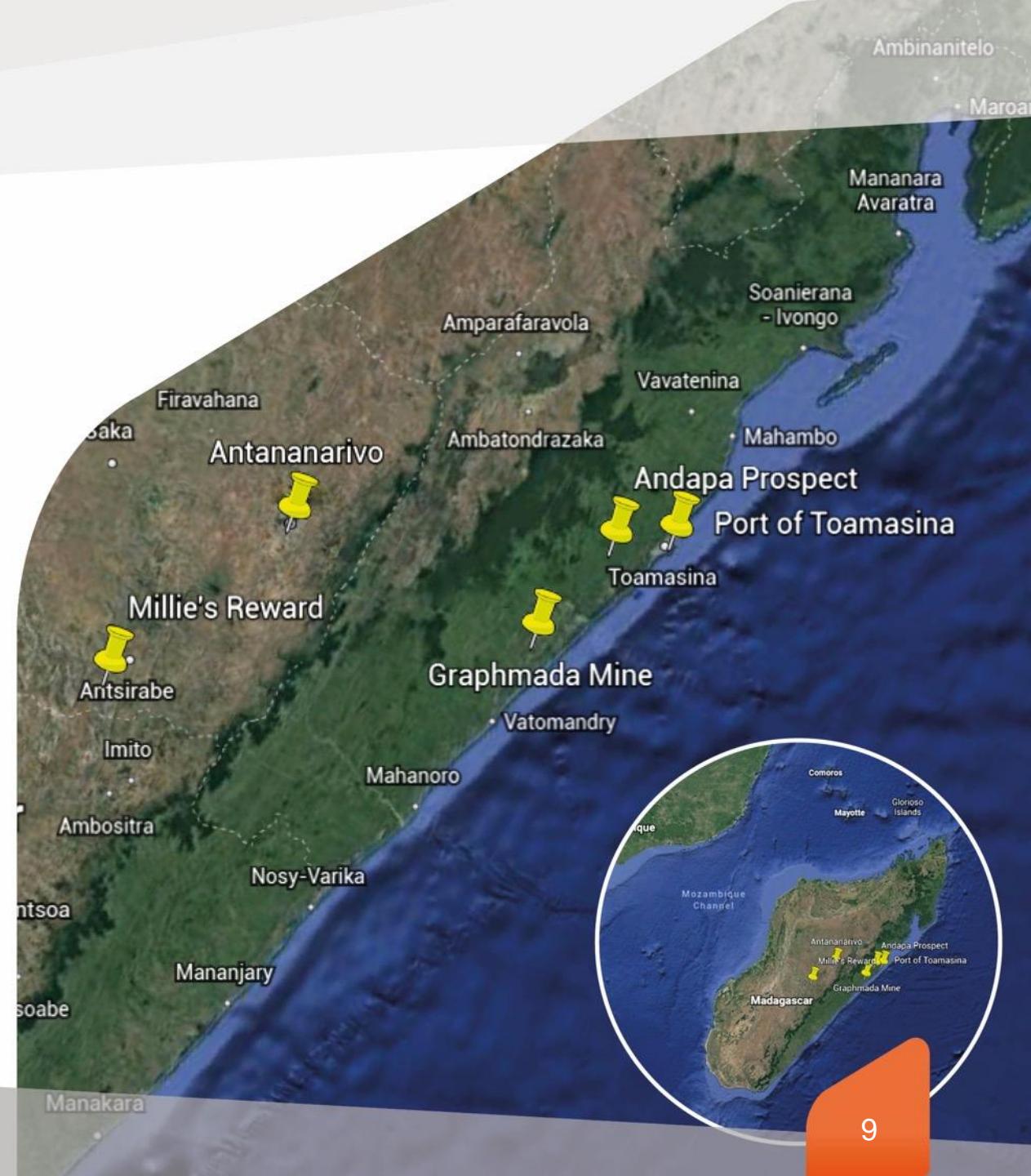


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Asset Highlights

Madagascar Overview

- The 100% owned and debt free Graphmada Large-Flake Graphite Mine is located in eastern Madagascar
 - A democratic island country in the Indian Ocean, which is governed under a French legal system
- Supportive laws for mining investment
 - Low Corporate Tax rate of 20%
 - Low 2% Mining Royalty
- Stable government
- Fast growing economy
 - The Malagasy economy has been steadily improving, growing at a CAGR of 4%.
 - Forecast GDP growth rates are projected at 5% in the medium term.
- The country has produced benchmark quality graphite for over 100 years due to the high purity, large flake graphite mineralized in soft, easily mineable, saprolitic rock



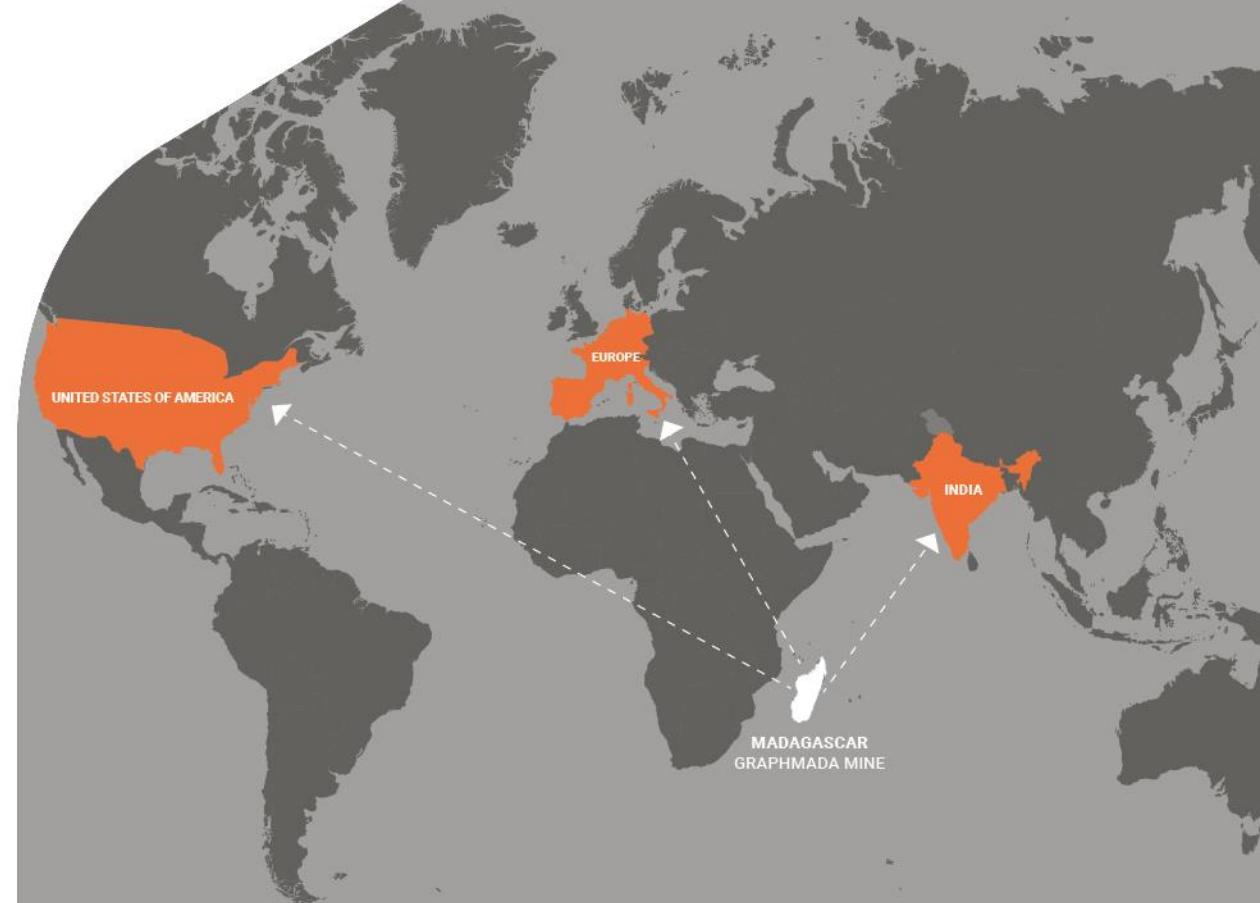
Strategic Assets

Strategic large flake resources

- 382kt of contained graphite estimated in accordance with JORC
- Primary Deposit (Mahefedok) 3.5 Mt @ 4.2%TGC¹
- Secondary Deposit (Loharano) 5.7 Mt @ 4.1%TGC²
- Mahela & Ambatofafana deposits and the Andapa discovery³
- Bass to drill extensively, with the aim to materially grow resource inventory

Strategic location with established logistics

- The Mine offers excellent logistics to reach established graphite concentrate markets
 - Adjacent to the main National Highway
 - Only 110 km to Madagascar's main export port at Tamatave
- Port of Tamatave currently being upgraded via a US\$640m investment from the Madagascan and Japanese Governments
- Sales to Europe (under an Offtake Agreement), India and the USA. Further sales to Japan and China anticipated



^{1,2,3} See Footnotes on page 30

Simple Mining & Processing

Mining & Infrastructure

- Easily mineable saprolite-hosted graphite mineralization
- New mining fleet and equipment
- Fully tooled and skilled maintenance workshop
- Low mining costs ~\$US5 per tonne of ore delivered

Processing & Drying

- Nameplate production of 6,000 tonnes per annum of graphite concentrate supply for the global market
- Consistently operating above design (exceeding nameplate capacities)
- 45-50% of production are high value, large flake (≥ 180 micron) concentrates
- Can consistently produce final concentrate grades of $\geq 94\text{-}95\%$ Fixed Carbon ($\geq 96\text{-}97\%$ Loss on Ignition)
- Able to produce a range of concentrates for different end-market uses



Supportive Economics with Competitive Cost Position

Key Financial Metrics (Q1 FY2019 Results⁴)

Processing Plant

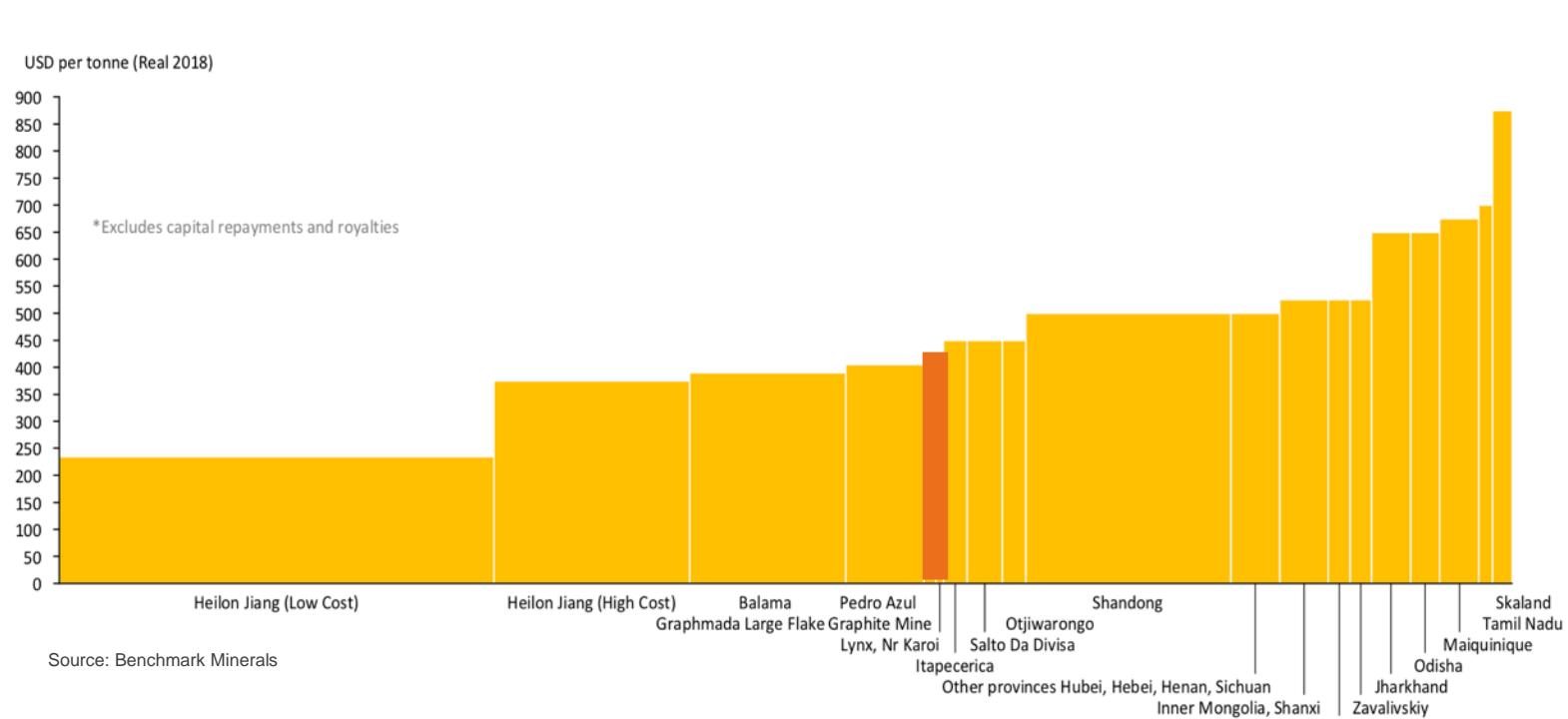
Feed Tonnes (Ore Processed)	37,195
Average Head Grade	4.7%
Average Recovery	82%
Wet Tonnes of Concentrate	1,230
Average Fixed Carbon Content	94%

Drying & Screening Plant

Wet Feed Tonnes	1,566
Average Wet Feed Rate (tphr)	1.2
Total Tonnes Dried	1,095

Costs Per Tonne (\$USD per Tonne)

July	1,437
August	804
September	630
Forecast steady state C1	550



⁴ See Footnotes on page 30



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End Market Applications

Saleable across all major market segments

Refractory and Crucible Applications⁵

Graphmada can consistently supply high quality concentrates for refractory and crucible applications due to the exceptional qualities of its concentrates:

- ✓ Exceptional flake size distribution
- ✓ A high resistance against oxidation
- ✓ A low Loss on Ignition at 420°C
- ✓ No carbonates such as calcite and dolomite, along with no other fluxes
- ✓ A very low Sulphur (SO₃) content at 0.02 wt.%
- ✓ Exhibiting favorable flake ash melting temperatures



Expandable Applications⁶

Expandability tests across all flake sizes delivered excellent results, with the maximum expansion volume of 510 cm³/g achieved with extremely large flakes (> 400 microns)

Size Fraction (micron)	800°C (cm ³ /g)	1000°C (cm ³ /g)
> 400	500	510
300 – 500	420	430
180 – 300	380	390
106 – 180	270	310
75 – 106	-	200
< 75	-	85



Battery Anode Applications⁷

Highly suitable for lithium-ion battery applications with a very high purity of 99.99 wt.% carbon achieved. All analyzed parameters including bulk density, tap density and surface area (BET) are similar or exceed typical spherical graphite products in the market.

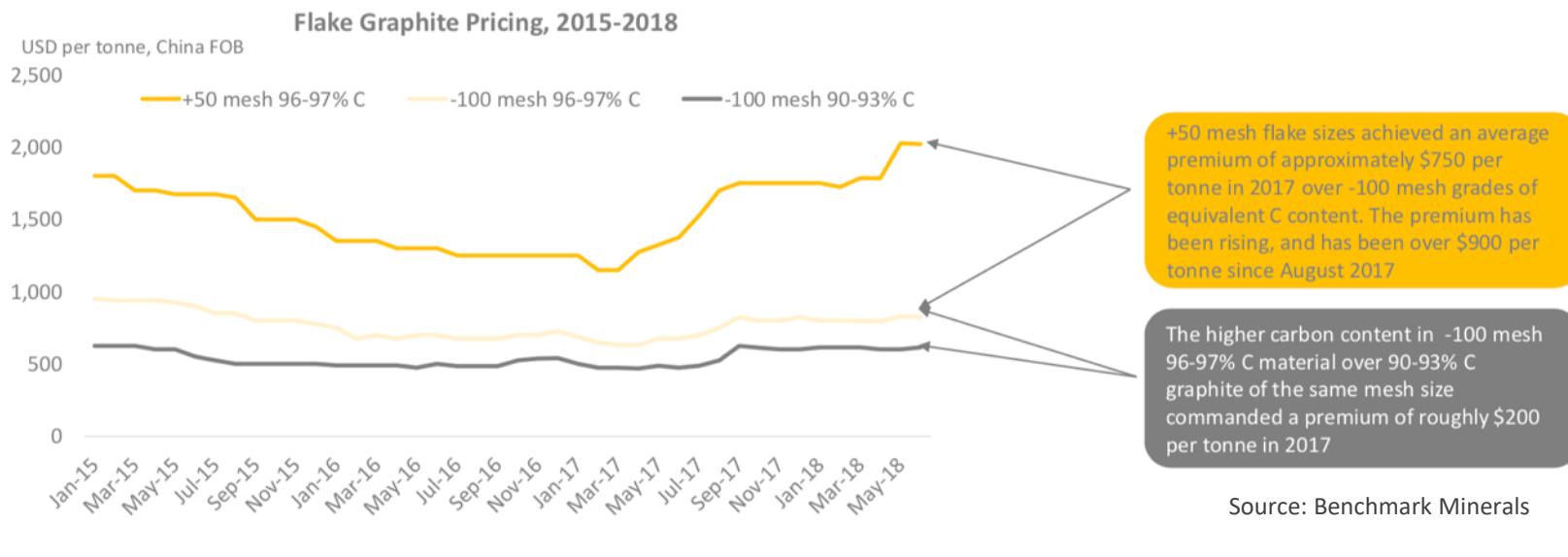
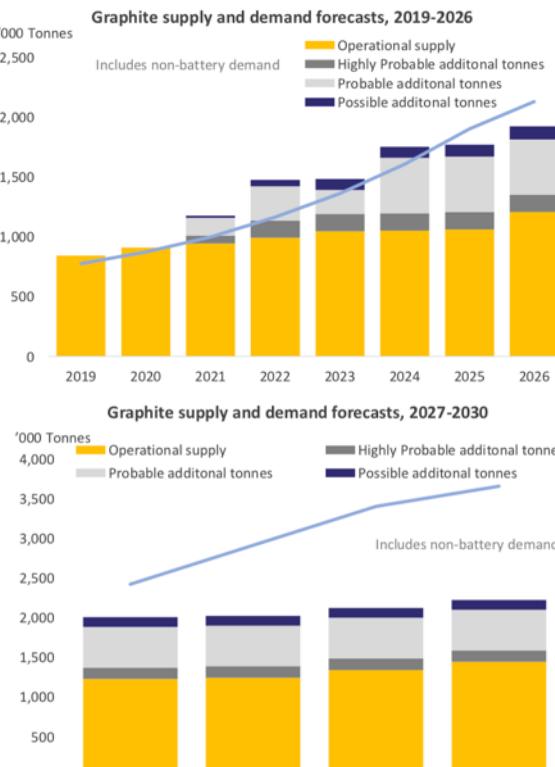
Parameter	Result	Desired
Tap Density	0.94 g/cm ³	>0.9 g/cm ³
D50	14.7 micron	10 - 25 micron
Ratio D90/D10	2.6	2.6 - 2.8
BET	6.7 m ² /g	3 - 8 m ² /g
Yield Test	47 wt.%	>30wt%
Silicon dioxide SiO ₂	27 ppm	<45 ppm
Aluminium oxide Al ₂ O ₃	11 ppm	<15 ppm
Iron oxide Fe ₂ O ₃	24 ppm	<35 ppm
Titanium dioxide TiO ₂	<10 ppm	<10 ppm
Potassium oxide K ₂ O	<10 ppm	<10 ppm
Sodium oxide Na ₂ O	<10 ppm	<10 ppm
Magnesium oxide MgO	<10 ppm	<10 ppm
Calcium oxide CaO	<10 ppm	<10 ppm
Phosphorous oxide P ₂ O ₅	<10 ppm	<10 ppm
Barium oxide BaO	<10 ppm	<10 ppm
Lead oxide PbO	<10 ppm	<10 ppm
Zirconium oxide ZrO ₂	<10 ppm	<10 ppm
Manganese oxide MnO	<10 ppm	<10 ppm
Sulfur oxide SO ₃	<0.01 wt.%	<0.01 wt.%
Loss on ignition LOI	99.99 wt.%	>99.96% wt.%
Ash content	0.01 wt.%	<0.04 wt. %

Graphmada spherical graphite test results



^{5, 6, 7} See Footnotes on page 30

Pricing



- There are two key determinants of achieved prices for flake graphite:
 - Flake Size – with larger flake sizes dictating a premium over small flake sizes
 - Carbon content – with higher carbon content at a premium to lower grades
- Bass Metals Ltd, through its production at Graphmada, has one of the highest large flake production profiles in operation today, with approximately 45-50% of its production being high value large flake concentrates.
- In conjunction with this market leading Flake Size Distribution, Bass is also achieving 94-95% Fixed Carbon final concentrate grades.

Expandable Graphite Market

Product Definition

- Expandable graphite is a compound of graphite which expands or exfoliates when heated
- The expandable graphite is produced by immersing natural flake graphite concentrates (usually at a grade of 95% to 99% total graphitic carbon, in a bath of acid and oxidizing agent (intercalation), which forces apart the graphene layers, thus expanding or increasing the surface area of the flake graphite. The material is then heated from temperatures ranging between 150 degrees to 950 degrees based on application, which results in rapid expansion

Supply

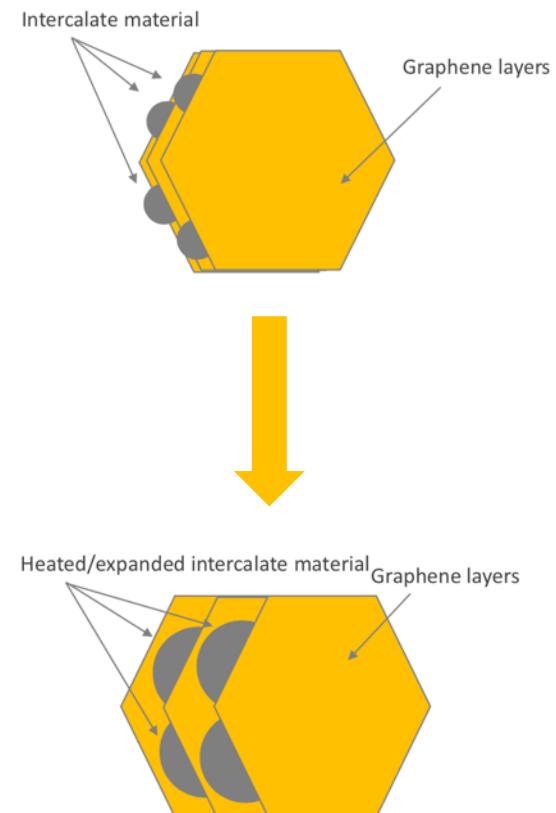
- The limited supply of expandable graphite is a major restraint for the market and a key price driver
- China is a major producer of expandable graphite, however recently there has been a decline in production due to environmental regulations imposed by the government on graphite mining
- The government of China has closed several graphite mines due to poor management of acid treatment water, reducing available supply
- Europe accounted for the second largest share of the market in 2017/18

Demand

- The foundry market segment dominated global demand in 2017/18, with the segment likely to maintain a significant influence going forward
- However, the construction market segment, most notably the use of expandable graphite in the manufacture of fire retardants is anticipated to grow at a significant pace in the immediate future
- The use of expandable graphite in the manufacture of chemical process equipment and gaskets, along with the growing market of fuel cell and flow batteries are also expected to contribute to considerable demand

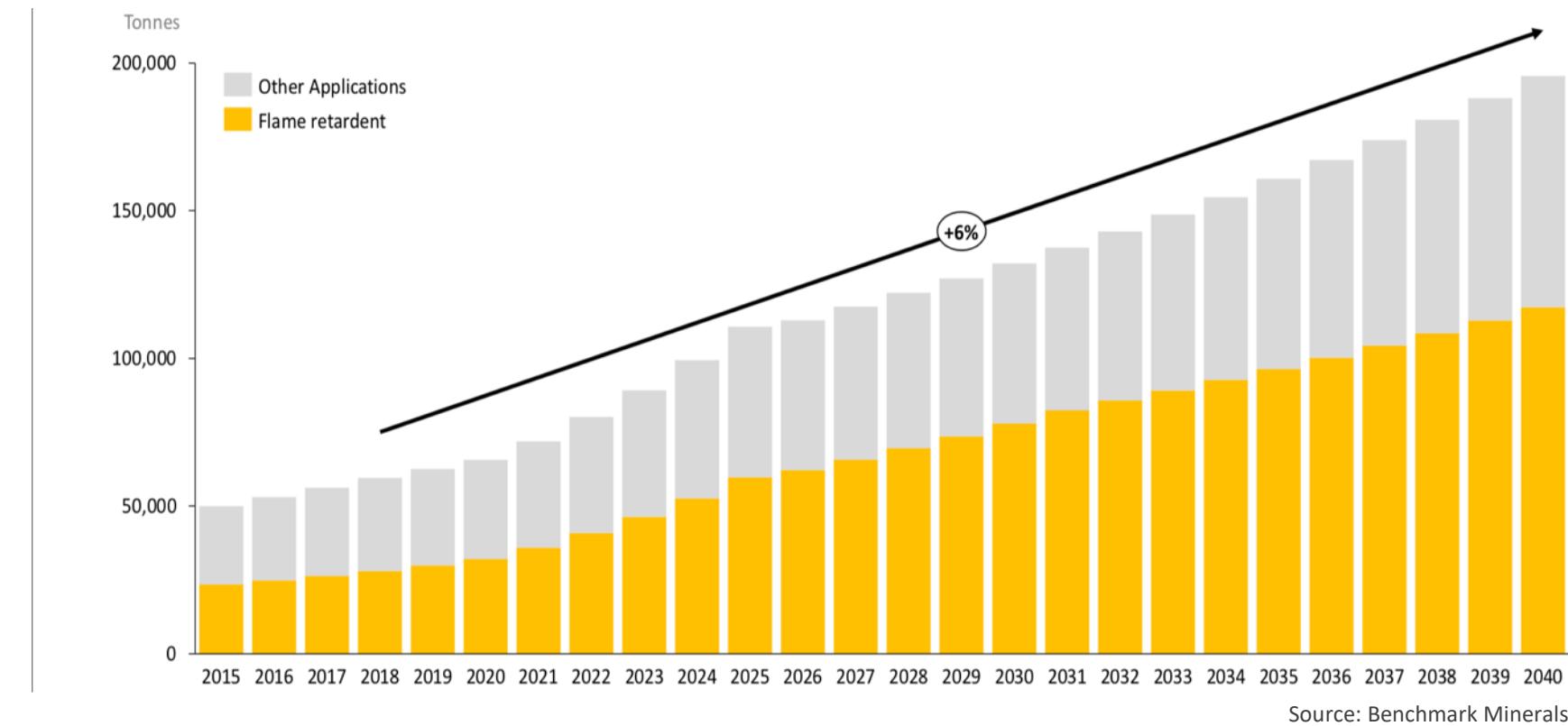
Pricing

- Prices of expanded graphite have increased by nearly 20% in the last few years due to supply disruption in China
- An increase in fire accidents across the globe has forced governments and regulatory authorities to mandate the use of fire resistant building materials for construction of residential and non-residential buildings
- Expandable graphite is an essential component for manufacturing of fire resistant building materials due to its high heat resistant properties
- These supply/demand fundamentals of limited supply and growing demand is expected to propel expandable graphite pricing to new levels consistently over the next decade



Expandable graphite demand forecast 2015-2040

- Bass views downstream Expandable Graphite production as a logical integration with the expansion of its current operations.
- Expandable Products require large flake concentrate feedstock of which Bass is a significant producer.
- Expandable market has potential to outstrip lithium ion battery market growth due to the demand for Expandable Products as non-carcinogenic fire retardants.
- Bass will be of high strategic value as currently no ASX listed Expandable Graphite producers.



Bass Metals set to become a globally significant supplier

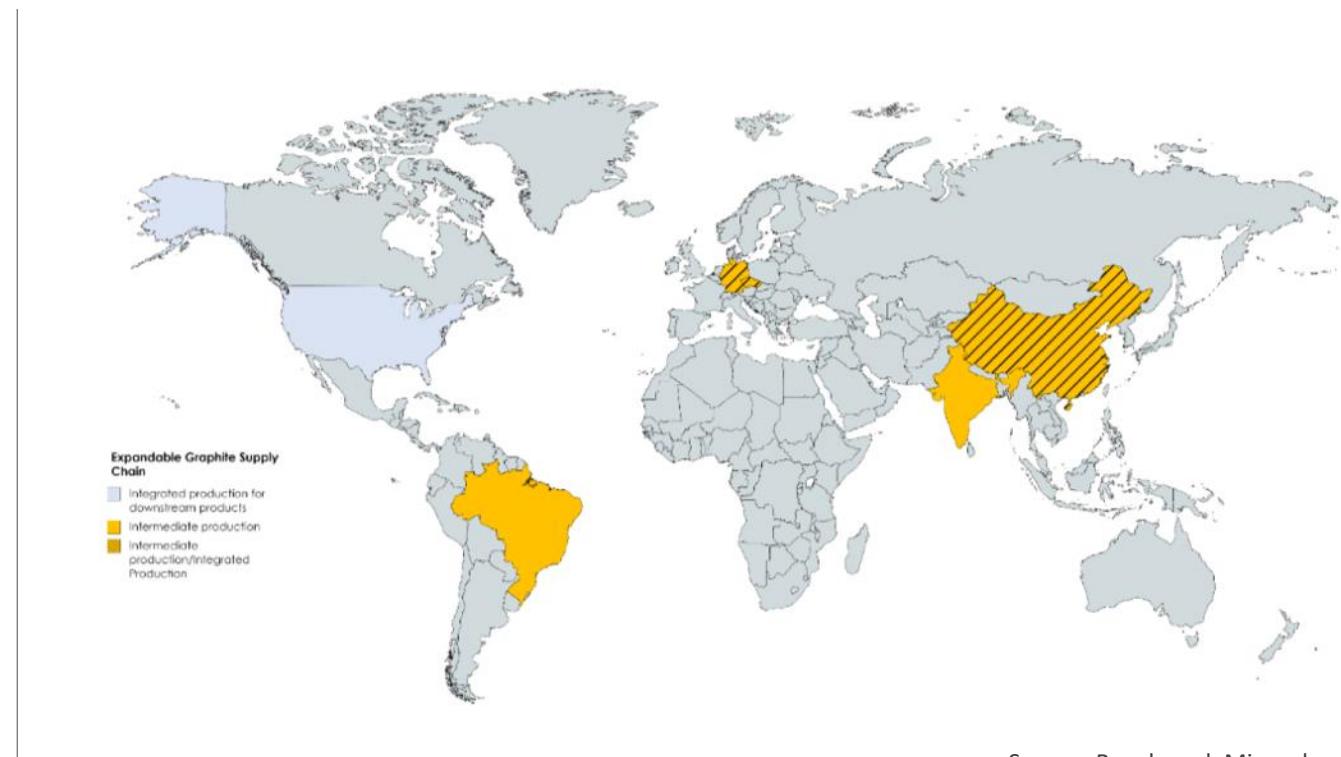
Chinese Expandable Production Capacity

Province	No. Producers	Capacity
Heilongjiang	4	12,000
Liaoning	1	1,000
Shandong	8	10,000
Hebei	1	1,000
Inner Mongolia	4	11,000
Shanxi	1	1,000
Jiangsu	1	3,000
Henan	2	2,000
Hubei	1	6,000
Hunan	2	2,000

Source: Benchmark Minerals

Bass Metals proposed Expandable Production

Graphmada	1	6,000
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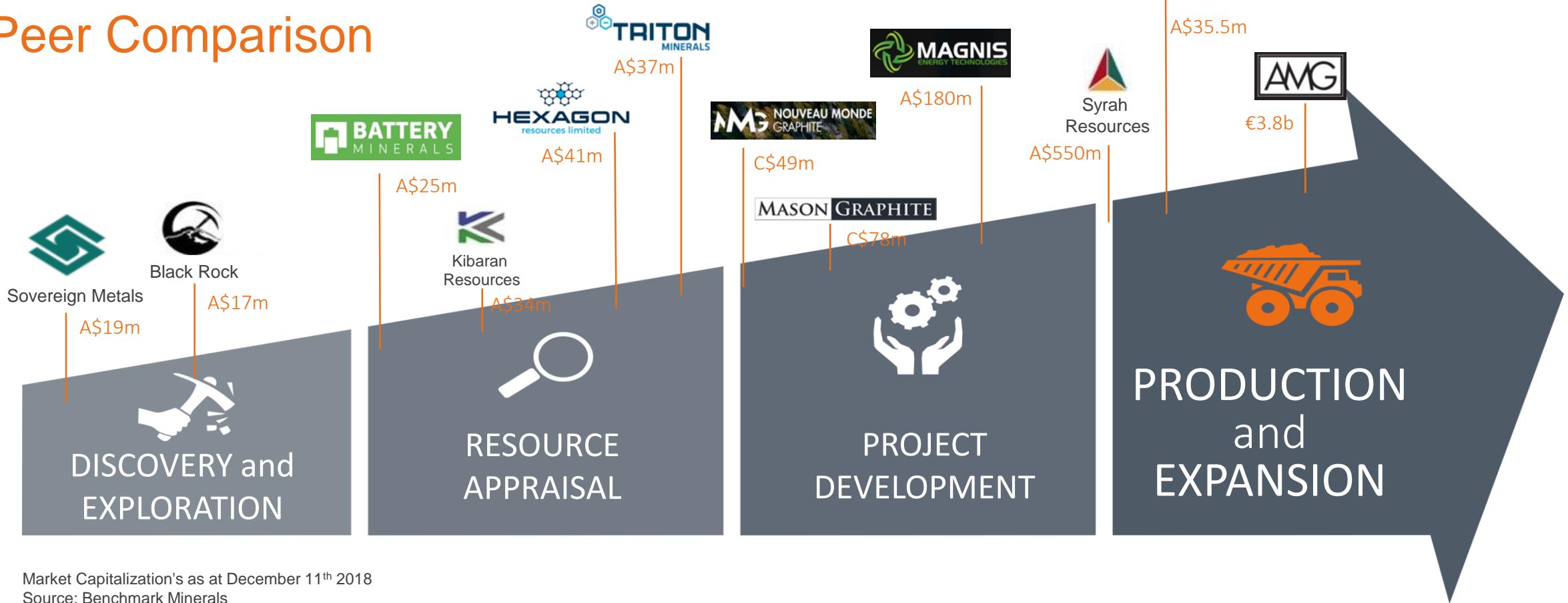




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Investment Case and Milestones

Peer Comparison





- Robust Balance Sheet – debt free and poised for material production expansion



- Experienced and seasoned management team. Invaluable experience gained in house over the course of Stage 1 delivery.



- Low operating costs and favorable production metrics. Bass now selling concentrates.



- Current production capacity of 6,000 tpa and an intention to expand to >20,000 tpa by 2020



- Favourable terms and conditions on 40 year mining permits and 20 year landholder agreements



- Established sales channels – of critical importance for Stage 2. Strong Growth forecast for all graphite end markets.



- Established infrastructure with straightforward logistics, exporting to major markets in Europe, USA and India.



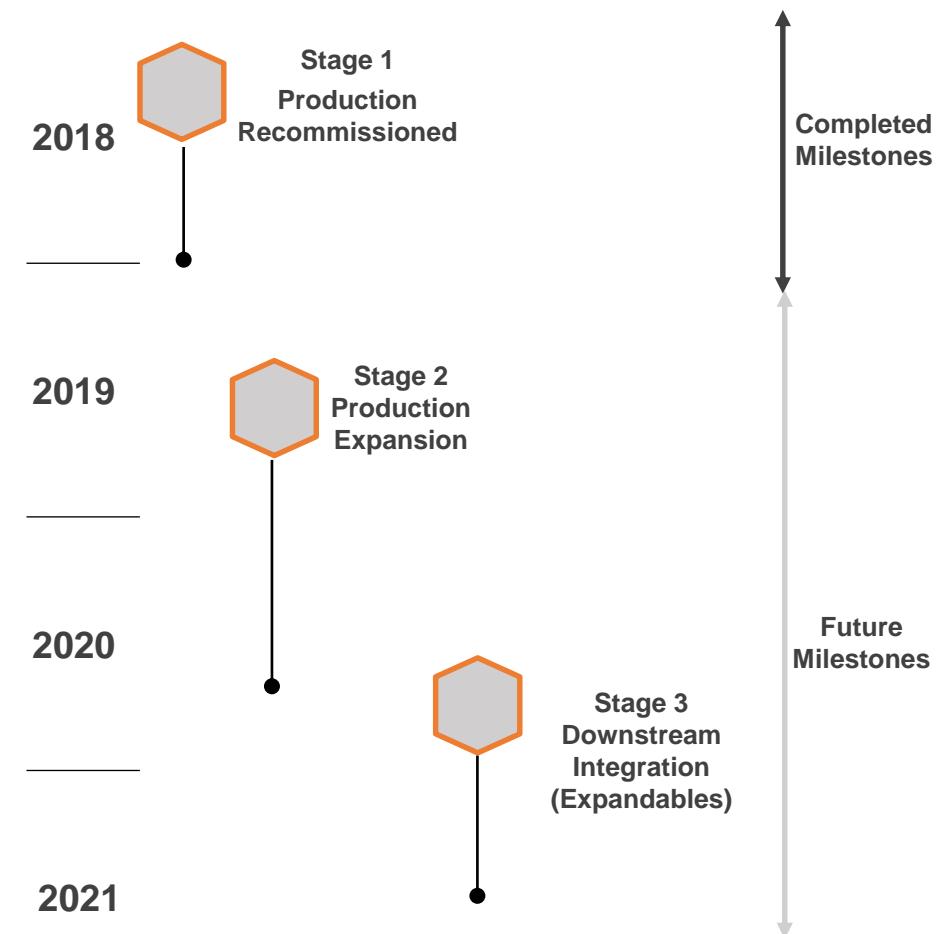
- Significant potential upside on lithium project with minimal spending on exploration

Reasons to Invest in Bass Metals

Catalysts & Forward Looking Milestones

Stage 1 Production Recommissioned (Completed)	<ul style="list-style-type: none"> ✓ Production recommissioned in May 2018, without any material unbudgeted capital expenditure ✓ 500,000 hours worked with no Lost Time Injury ✓ Process Plant production ramping up with 1,230t last Quarter ✓ Drying and packaging production ramping up with 1,095t last Quarter ✓ Bass is now selling concentrates across continents and specs
Stage 2 Production Expansion	<ul style="list-style-type: none"> ▪ Progress offtake arrangements for Stage 2 production expansion ▪ Completion of Studies for expansion ▪ Resource inventory drilling and analytical results ▪ Construction and commissioning of expansion ▪ Stage 2 production target of >20,000 tonnes per annum by 2020
Stage 3 Expandable Technologies and Products	<ul style="list-style-type: none"> ▪ Prefeasibility Study for downstream integration into production of Expandable Graphite, a high growth market ▪ Completion of Studies for development ▪ Construction and commissioning ▪ Stage 3 production target of >5,000 tonnes per annum by 2021

Indicative Medium Term Timeline



Summary

- Bass has established a robust operational and financial platform with the commissioning of Stage 1 production objectives at the Graphmada Mine and is approaching positive cash flow from operations as sales ramp up. Stage 1 is the first objective of a broader overall strategy to establish Bass as material producer of industrial mineral concentrates.
- Bass intends to take this established platform and materially grow the value of the Company via executing its Stage 2 objectives over 2019, with a view to expanding production to >20,000 tpa (Stage 2), while designing and constructing the integrated downstream development of Expandable Graphite technologies and products.
- With the capital already expended in Stage 1 in preparation for brownfields expansion, Stage 2 is a low capital intensity development leveraging existing infrastructure, workforce and production knowledge, providing scale to lower and protect unit costs.
- In parallel Bass intends to undertake considerable exploration both in the immediate vicinity to Graphmada and its infrastructure as well as across its broader tenement package, including the Millie's Reward Lithium project.
- Bass is well positioned to execute its broader strategy with production and sales now occurring following successful execution of Stage 1. Bass has the operational experience and established infrastructure to add considerable value to the Company via its long stated strategy of brownfields expansion and downstream integration, incurring relatively modest capital investment.



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Capital Raising

Capital Raising Details

Offer Details

Bass Metals Ltd is undertaking a placement to raise a minimum of A\$1.5m and up to A\$3.3m (before costs).

Joint Lead Managers to the placement are Baillieu, Bizzell Capital Partners and Morgans

The placement will consist of:

- Up to 264 million fully paid ordinary shares (New Shares) at an issue price of \$A0.0125 per share
- 1 free attaching option for each 2 New Shares issued with an exercise price of \$0.05 and expiring 31 December 2020 (the Company intends to apply for ASX quotation of this options series).

The issue price represents a:

- 17% discount to the 5-day VWAP *
- 20% discount to the 10-day VWAP
- 28% discount to the 30-day VWAP
- 35% discount to the 45-day VWAP

* VWAP - Volume Weighted Average Price

Sources of Funds

Cash and Receivables (as at 30th September 2018)	\$3.3m
New Funds Raised*	<u>\$3.3m</u>
Total Cash and Receivables	<u>\$6.6m</u>

Uses of Funds (to May 2019)

Exploration	\$0.75m
Stage 2 Capital Equipment Costs	\$1.0m
Working Capital*	\$4.55m
Costs of Offer	<u>\$0.3m</u>
Total Use of Funds	<u>\$6.6m</u>

Pre Issue

Market Capitalization (share price = 1.4cps)	\$35.5m
Ordinary Shares Pre-Issue	2.54b
Listed Options Pre-Issue (ex 2.5c Dec 2018)	425m
Unlisted Options (ex 5.0c Dec 2020)	136m
Total Cash and Receivables	\$3.3m

Post Capital Raising

Market Cap (share price = 1.4cps)	\$39.2m
Ordinary Shares Post-Issue	2.78b
Listed Options (ex 2.5c Dec 2018)	425m
Unlisted Options (ex 5.0c Dec 2018)	268m
Debt	\$0
Total Cash and Receivable	\$6.6m

* Assumes maximum raising. If less than maximum raised, working capital allocation will be reduced

Key Risks

Bass Metals Limited (Bass) is subject to a number of risk factors both specific to its business and of a general nature. Bass's business, financial condition and the results of its operations could be materially and adversely affected by the occurrence of any of the risks associated with the business. As a result, the traded price of Bass's shares could decline and shareholders could lose all or part of their investment. The risks outlined should not be considered exhaustive of the risks faced by Bass and its investors but these and other risks could have a material impact on the financial performance of Bass and the value of Bass shares.

Operating and Development Risks

There are significant risks associated with the operating and expansion of a mine. The ability of Bass to meet operating and capital expenditure estimates or achieve production targets as planned cannot be assured. For example, development and expansion projects may require approvals, permits or licenses (including environmental licenses) that may not be received on a timely basis, on acceptable terms or at all. There is no guarantee that Bass will be able to comply with all conditions imposed on those approvals and licenses in a cost- effective manner. Decisions regarding development and expansion projects may be subject to the successful outcome of operational reviews, test work, studies and trial mining.

There is a risk that the Company will not be able to economically mine current or future mineral reserves discovered in order to produce a satisfactory commercial return.

The assets of Bass (as with others in the sector) are subject to uncertainty inherent with resource estimation, development and production, grade, recovery, ground conditions, operational environment, funding for development, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, storms, floods, bushfires or other natural disasters. If faced by Bass, these circumstances could result in Bass not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on Bass's financial and operational performance.

Key Risks

Resource Estimation and Exploration Risks

The Mineral Resources for Bass's assets are estimates only and no assurance can be given that any particular recovery level of graphite will in fact be realized. Bass's estimates comply with the JORC Code, however Mineral Resources and Ore Reserves are expressions of judgment based on knowledge, experience and industry practice, and may require revision based on actual production experience. Estimates by nature are imprecise and involve assumptions. Additionally, even estimates that are valid when made may change significantly when new information or new techniques become available.

Exploration activities are speculative by nature and therefore are often unsuccessful. Such activities also require substantial expenditure and can take several years before it is known whether they will result in additional mines being developed. Accordingly, if the exploration activities undertaken by Bass do not result in additional reserves, this may have an adverse effect on the Company's financial performance.

Tenure

Interests in a project's tenements are governed by laws and regulations and are granted for a certain period of time. The grant and ongoing validity of each license, lease and permit is subject to the holder complying with expenditure, reporting and other conditions. In this regard, Bass has permits granted and pending. While Bass believes pending permits will be granted once it fulfills the final conditions (which it intends to), there is no guarantee this will occur in a timely fashion or at all.

Land Access and Native Title Rights

The tenements in which Bass has an interest may be subject to landowner and/or native title claims or other access restrictions. Bass may need to resolve such access arrangements, prior to entering on land to carry out activities, through the provision of monetary compensation, compensation for damage to land and commitments to restore the land. In particular, the permits for Bass's Graphmada mine are subject to negotiated access arrangements with landowners. While Bass expects the agreements to be upheld, there is no guarantee that all necessary parties will maintain these arrangements, that Bass has these.

Key Risks

Risks to Achieving Production (including increased production)

Whilst Bass considers there to be a reasonable basis for the production forecasts at its projects, the forecasts are subject to a number of factors, many of which cannot be foreseen and are beyond the control of Bass. These factors may cause the production forecasts not to be achieved or to be achieved later than expected.

Environmental Risk

The operations of Bass are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, Bass's activities are expected to have an impact on the environment, particularly in relation to mining and production. It is Bass's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Share Market, Commodity Price Volatility and Foreign Exchange Rate Risk

Bass has significant commodity and energy requirements and it relies on being able to fulfill those requirements at a cost which does not negatively impact on its cash flows. A number of factors (such as rising oil prices, macro-economic factors such as inflationary expectations, interest rates, currency exchange rates (particularly the strength of the US dollar), as well as general global economic conditions and political trends) may lead to an increase in commodity and energy costs which may materially adversely affect the earnings of Bass. Similarly, substantially all of Bass's revenues and cash flows are related to commodity markets. Therefore, the financial performance of Bass is exposed to fluctuations in commodity markets. Bass's commodity end market prices may be influenced by numerous factors and events which are beyond the control of Bass. Bass is an Australian business that reports in Australian dollars. Revenue is derived from the sale of products in US dollars, therefore movements in the US\$/A\$ exchange rate or the Malagasy Ariary/A\$ may adversely or beneficially affect Bass's cash flows. Share market conditions may adversely affect listed securities regardless of the operating performance of a particular company. The trading price of Bass's securities may rise or fall depending on numerous factors impacting on market conditions and investor attitudes including the general economic outlook nationally and globally, interest rates, inflation, capital supply and other matters outside of Bass's control.

Key Risks

Funding Risks

In the ordinary course of operations and development, Bass is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements. Bass's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position. Subject to successful completion of the capital raising, it is expected that Bass will have sufficient funding to support its operations. However, Bass will require additional funding to progress its projects beyond the planned development and other work programs outlined to date. There is no assurance that Bass will be able to access future funding on favourable terms or at all. Additionally, to the extent there is any liability which crystallises in respect of the Company's Tasmanian metal assets, the Company may apply the proceeds of the exercise of options on issue and the Offer proceeds (including by reallocating working capital) to satisfy the liability if required.

Sovereign and Political Risk

Possible sovereign risks associated with operating in Madagascar include, without limitation, changes in the terms of mining legislation, changes in the foreign ownership requirements in Madagascar, changes to royalty arrangements, changes to taxation rates and concessions, expropriation by the government or private entities and changes in the ability to enforce legal rights. Government policies are subject to review and changes from time to time. Such changes are likely to be beyond the control of and may affect industry profitability as well as Bass's capacity to explore and mine. At present, Bass is not aware of any reviews or changes that would affect its tenements. However, changes in community attitudes on matters such as taxation, competition policy, environment and lands right issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect Bass's plans or its rights and obligations in respect of its tenements. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by Bass. Any of these factors may, in the future, adversely affect the financial performance of Bass and the market price of its shares. No assurance can be given regarding future stability in Madagascar or any other country in which Bass may, in the future, have an interest.

Footnotes

1. Reported in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code 2012') at a >3% cut-off and first released to the ASX on 21/06/17 "Maiden Mineral Resource for Mahefedor Deposit".
2. Reported in accordance with the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code 2004') at a >2% cut-off and first disclosed by Stratmin Global Resource PLC under the JORC Code 2004. Bass Metals notes that 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 should be made to the Company's announcement of 2/09/15, for further detail.
3. See ASX Announcement 'Outstanding assay results confirmed for Andapa discovery' released on the 2/03/17.
4. See ASX Announcement 'Quarterly Activities Report & Quarterly Cashflow Report' released on the 30/10/18.
5. See ASX Announcement 'Tests confirm Graphite Concentrates as Industry Benchmark' released on the 23/05/17.
6. See ASX Announcement 'Tests confirm Industry Leading Expandability for Graphmada' released on the 24/05/17.
7. See ASX Announcement 'Excellent Lithium-ion battery feedstock test results' released on the 29/05/17.
8. See ASX Announcement 'Exceptional lithium assay results up to 7%' released on the 29/5/17.





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