
ASX Announcement 18 March 2019

Bass progresses expansion at Graphmada Large Flake Graphite Mine

Bass Metals Limited (ASX: "BSM") (the "Company") is pleased to provide an update on progress at its 100% wholly owned Graphmada Mine, located in Madagascar.

HIGHLIGHTS

- Consistent >94% Fixed Carbon recoveries are now being achieved across all concentrate classes
- Significant progress on expansion activities has been made to capitalise on established operations and infrastructure.
- Installation of Attritioning Cells has significantly improved the consistency of product and delivered greater certainty in sustaining premium Fixed Carbon grades, whilst still maintain the Company's market leading large flake distribution of final concentrates.
- See the latest production video via our website or the following link – <https://vimeo.com/323772623>

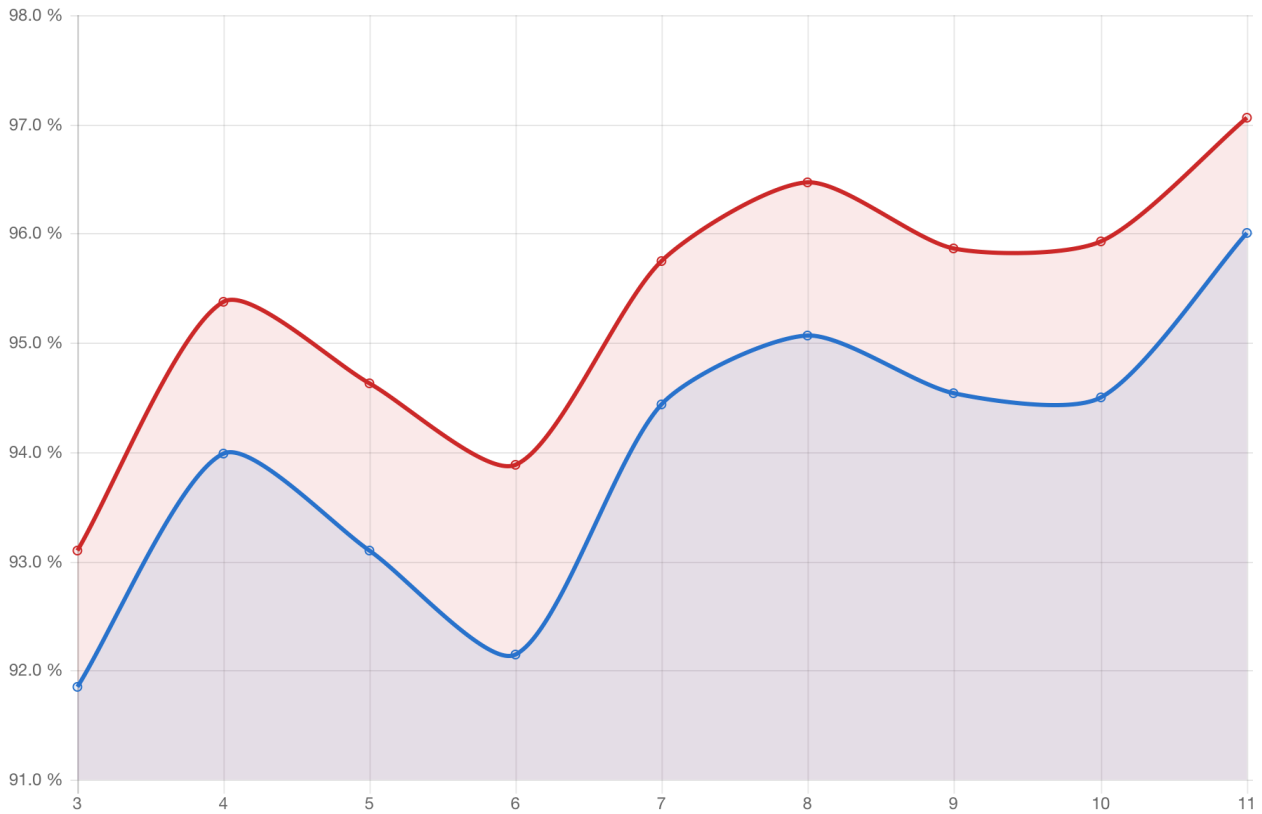
OPERATIONAL RESULTS

Bass' key production objectives has been the increase in the quality of concentrates produced to maximise revenue. In order to address the variability in Fixed Carbon grade observed in FY2019 Q2 results (91.9%FC), Bass made the strategic decision to fast track the previously planned installation of two of four Attritioning Cells over the course of January and February.

The results to date since the installation of these additional mills has been highly encouraging. with recoveries in excess of 96% Fixed Carbon, with a consistent recovery in excess of 94% Fixed Carbon. These outstanding results have been delivered with no material drop in large flake volumes produced.

The Attritioning Cells will also allow the plant to run at significantly higher feed rates while increasing the quality of the concentrates.

The installation of equipment to increase final concentrate quality has come at a short-term cost of lower production volumes than forecast for the quarter. However, the increased materially higher Fixed Carbon grades over the longer term are likely to generate higher sales prices and increased revenue in an undersupplied large flake graphite market.



Fixed Carbon % (blue) & Loss-on-Ignition % (red) by week in 2019.

As part of the capital raising completed in 2018, Bass made allowance for the progression of its expansion plans for the Graphmada Graphite Mine.

The ongoing expansion of operations at Graphmada is key to capitalising on the significant achievements of the Company with its completion of Stage 1, which established a strong operational and financial platform.

With the highly encouraging operational results to hand Bass is now continuing to rapidly advancing studies on the optimal strategy for the next stage of its expansion

For personal use only

MR TIM MCMANUS (CEO)

“The team at Bass is very happy with these results, especially as the increase in Fixed Carbon has not compromised the market leading large flake distribution of our concentrates, which along with high Fixed Carbon grades is key to achieving premium pricing.

While the installation of the Cells has delivered outstanding results, it has impaired the Company’s overall production figures for the quarter, compounded by the loss of 7 days production due to higher than expected seasonal rainfalls in January and some minor issues experienced with our power generators in March.

The installation and integration of the Attritioning Cells was critical to improving the quality coming from the plant and our ability to consistently produce above 94% Fixed Carbon across all concentrate classes. We’re very confident the early implementation of these Cells leaves the Company extremely well placed for subsequent quarters and long-term success. We still have two Attritioning Cells on site to bring into production in the coming months to further improve results.”

MR PETER WRIGHT (EXECUTIVE DIRECTOR)

“The long term opportunity at Bass has always been to capitalise on the platform delivered from Stage 1. With all infrastructure, permitting, staff and systems in place and the significant intellectual property and in-depth understanding of operations we have now developed, Stage 1 leaves us well placed to capitalise on a materially declining capital intensity of expansion.

We anticipate a strong FY2019 Q4 result and look forward to updating the market regarding further progress shortly.”

For more information, please contact:

Tim McManus
Chief Executive Officer
Phone: (07) 3203 5894
Email: admin@bassmetals.com.au

Peter Wright
Executive Director
Phone: (07) 3203 5894
Email: admin@bassmetals.com.au

www.bassmetals.com.au

 [@bassmetals](https://twitter.com/bassmetals)

For personal use only

Disclaimer

This document has been prepared by Bass Metals Limited (the "Company"). It should not be considered as an invitation or offer to subscribe for or purchase any securities in the Company or as an inducement to make an invitation or offer with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this document.

This document is provided on the basis that neither the Company nor its officers, shareholders, related bodies corporate, partners, affiliates, employees, representatives and advisers make any representation or warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the document and nothing contained in the document is, or may be relied upon as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law.

Forward Looking Statements

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology.

Any forecasts or other forward-looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material.

Bass Metals does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements. 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.

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

This document may not be distributed or released in the United States.

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.