

ASX Announcement 18 May 2020

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Exploration Update

Bass Metals Limited (ASX:BSM) ("Bass" or the "Company") is pleased to provide an update on the continued exploration progress at the Graphmada Mining Complex.

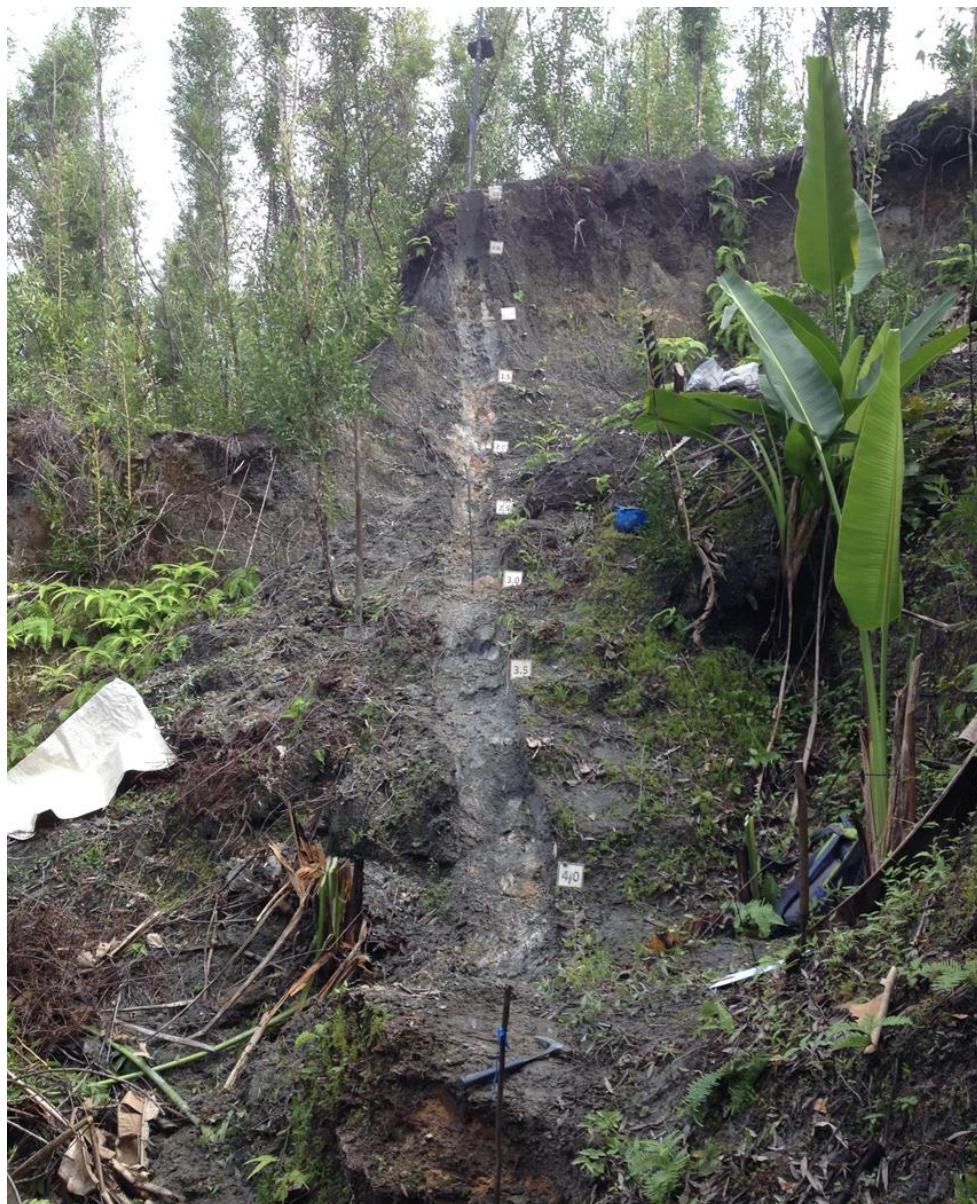
HIGHLIGHTS

- Bass recently completed an initial surface exploration program which identified mineralization of at least 4.5km in strike between the Mahela and Loharano large flake graphite deposits (the "Mineralized Trend") (ASX announcement 29th April 2020) and identified several high priority targets.
- The Company subsequently commenced an initial auger drilling program to an average depth of 10-12m (from surface) at the highly prospective Mangabe area located within this Mineralized Trend.
- Bass is pleased to announce that extensive and pervasive large flake graphite mineralization has been identified at the newly named Mangabe Project (the "Project").
- 14 of the 15 holes drilled to date have recorded regolith hosted, large flake graphite mineralization present¹.
- The Project is a near-mine mineralization zone located a short 2km haul to well-established large flake graphite mining and processing infrastructure (Graphmada).
- The Company plans for the results of this drilling, and follow up diamond drilling, to support materially expanding Graphmada's Mineral Resource.

¹ Important note: The Company is only reporting visual results that are yet to be assayed and analyzed and makes no comments about the grade or quality of the mineralization in the absence of any assay data.

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Mangabe Historic Graphite Mine (sample locations)



In addition to the drilling, samples were taken from an historic mining face, discovered when establishing the drill program in the area. The small historic graphite mine demonstrated up to 4.5m of large flake graphite mineralization from surface. Refer Table 4.

EXPLORATION STRATEGY

Bass has long been of the view that significant additional graphite mineralization exists in the broader Graphmada area, beyond the already substantial regolith hosted large flake graphite Mineral Resource² of 14.3 Mt @ at 4% Total Graphitic Carbon (TGC), estimated in accordance with the JORC Code (2012).

Table 1: The total Mineral Resources for Graphmada Mining Complex^{3,4}

Total	Tonnes	TGC	Contained Graphite
Measured	0.4 Mt	4.1%	16 Kt
Indicated	4.0 Mt	4.3%	172 Kt
Inferred	9.9 Mt	3.9%	386 Kt
Total	14.3 Mt	4.0%	574 Kt

In 2019, the Company, with an extensive data set of historical exploration, incorporating auger and diamond drilling results, outcropping mineralization, field mapping, rock chip sample results, along with mine operational data and product sales performance, announced a brownfields Exploration Target estimate, in accordance with the JORC Code (2012)⁵.

Bass subsequently initiated exploration activities between the known deposits of Mahela and Loharano to test if the orientation of these orebodies was indeed a larger trend of mineralization extending the 4.5km between the deposits.

The Company then commenced a drilling program to an average depth of 10-12m (from surface) at a highly prospective area located within this Mineralized Trend.

From this work, Bass is pleased to announce that extensive and pervasive large flake graphite mineralization has been identified at the newly named Mangabe Project (the “Project”).

² ASX Announcement “Bass increases Mahefedok North graphite resource by 54%” released 25 November 2019 and ASX Announcement “Bass delivers outstanding increase in Mineral Resources” released 4 December 2019.

³ Reported in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code 2012') See ASX Announcement 'Bass delivers outstanding increase in Mineral Resources' released on the 4/12/19.

⁴ The Loharano Mineral Resource that forms part of the Company's Mineral Resources herein was 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.

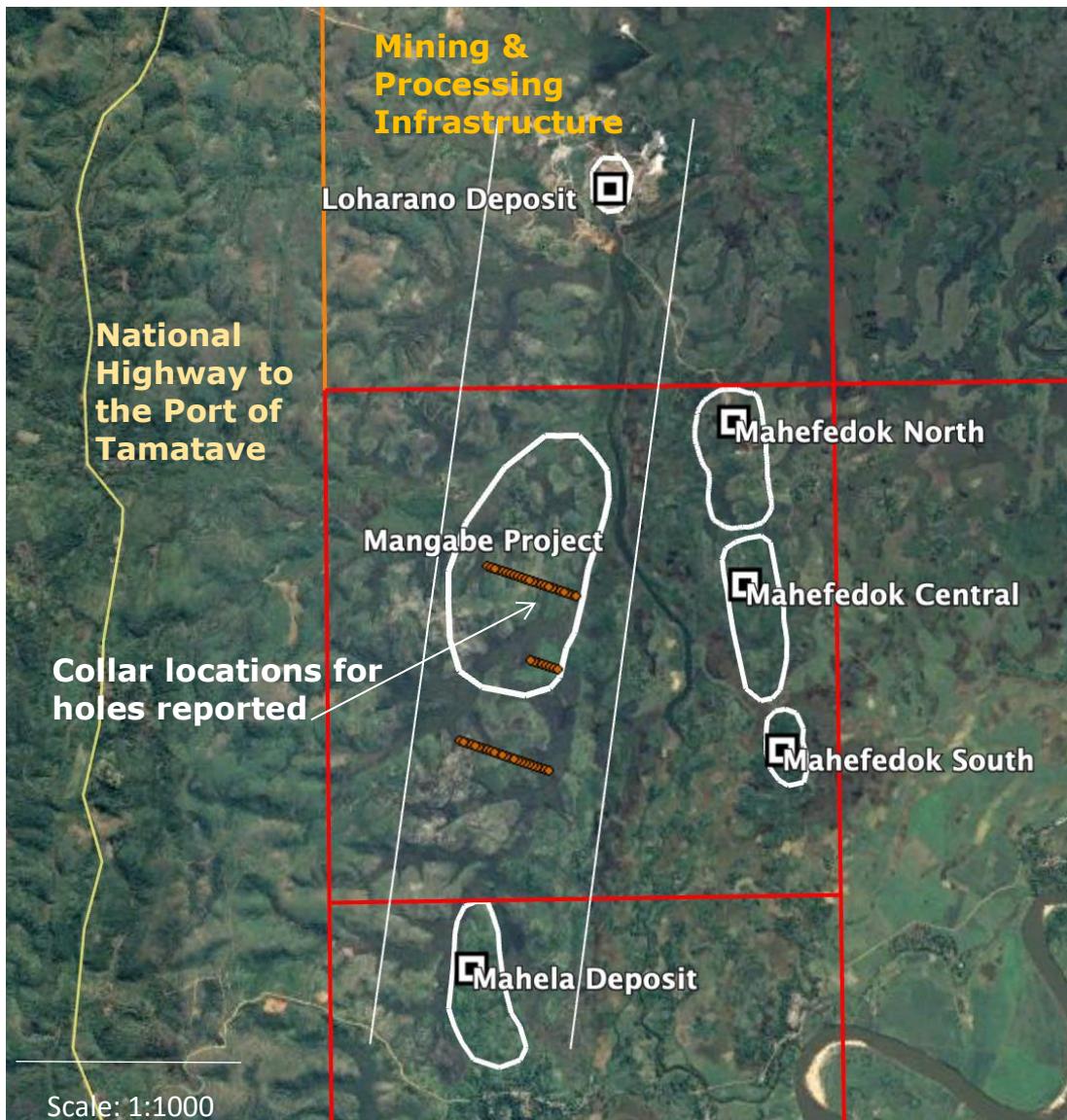
⁵ ASX Announcement "Significant Exploration Program to commence at Graphmada" released 3 June 2019.

Bass is of the view that there is significant value for shareholders in the expansion of this Mineral Resource given it has been commercially proven to produce concentrates that have been sold into all major markets.

Bass' produced concentrates provide several requisite properties for a spectrum of advanced applications, including a high proportion of large flake in concentrates and concentrates largely free of impurities as evidenced by an unblemished sales record of zero penalties or rejections to date.

Bass is advancing two separate Memorandums of Understanding (MOU) with a view to capitalizing on the rapidly emerging advanced materials market for Graphite based products.

EXPLORATION UPDATE



Location

The Mangabe Project is located approximately 2km from the Graphmada Mining and Processing infrastructure established at Loharano. The Project is immediately adjacent to the National highway giving excellent access to the Port of Tamatave, 110km to the north, and the location of Bass' warehouse and logistics center. The Project is fully permitted for exploration and mining for 40 years as part of the Graphmada Mining Complex.

Drilling

To date, the Company has drilled 15 drill holes aiming for an average depth of 10-12m. 14 of the 15 holes drilled reported significant intercepts of visible large flake graphite mineralization.

Table 2: Collar Locations

Collar ID	X	Y	Z	Azimuth	Inclination	Depth (m)
MGBA001	288227.239	7904923.457	4.758	0	-90	4
MGBA002	288205.824	7904927.91	3.803	0	-90	5.5
MGBA003	288187.069	7904934.592	5.423	0	-90	12
MGBA004	288168.024	7904940.013	8.793	0	-90	5.5
MGBA005	288147.767	7904946.598	12.639	0	-90	3.5
MGBA006	288133.233	7904953.858	12.932	0	-90	6
MGBA007	288110.139	7904959.172	9.093	0	-90	3.2
MGBA008	288091.411	7904965.331	4.943	0	-90	6.3
MGBA009	288074.237	7904972.146	8.231	0	-90	10
MGBA010	288053.126	7904977.436	14.351	0	-90	7.8
MGBA011	288033.871	7904985.076	17.057	0	-90	13.2
MGBA012	288015.495	7904990.702	17.861	0	-90	14
MGBA013	287996.454	7904995.981	18.652	0	-90	11.5
MGBA014	287977.139	7905001.939	17.295	0	-90	14
MGBA015	287756.848	7905007.136	13.943	0	-90	13

Table 3: Geological logging

Collar ID	From (m)	To (m)	Interval (m)	Lithology	Comments
MGBA001	0	0.1	0.1	Regolith	
MGBA001	0.1	1.5	1.4	Regolith	Visual graphite
MGBA001	1.5	2	0.5	Regolith	
MGBA001	2	4	2	Regolith	
MGBA002	0	0.3	0.3	Regolith	Visual graphite
MGBA002	0.3	4	3.7	Regolith	Visual graphite
MGBA002	4	5	1	Regolith	
MGBA003	0	0.3	0.3	Regolith	Visual graphite
MGBA003	0.3	3.5	3.2	Regolith	Visual graphite
MGBA003	3.5	6.5	3	Regolith	

MGBA003	6.5	7	0.5	Regolith	Visual graphite
MGBA003	7	7.5	0.5	Regolith	Visual graphite
MGBA003	7.5	8.5	1	Regolith	Visual graphite
MGBA003	8.5	9.5	1	Regolith	Visual graphite
MGBA003	9.5	12	2.5	Regolith	Visual graphite
MGBA004	0	0.3	0.3	Regolith	Visual graphite
MGBA004	0.3	1	0.7	Regolith	Visual graphite
MGBA004	1	2.5	1.5	Regolith	Visual graphite
MGBA004	2.5	5.5	3	Regolith	Visual graphite
MGBA005	0	0.5	0.5	Regolith	Visual graphite
MGBA005	0.5	2	1.5	Regolith	Visual graphite
MGBA005	2	3.5	1.5	Regolith	Visual graphite
MGBA006	0	0.4	0.4	Regolith	Visual graphite
MGBA006	0.4	1.5	1.1	Regolith	Visual graphite
MGBA006	1.5	6	4.5	Regolith	Visual graphite
MGBA007	0	0.5	0.5	Regolith	Visual graphite
MGBA007	0.5	3	2.5	Regolith	Visual graphite
MGBA007	3	3.2	0.2	Regolith	Visual graphite
MGBA008	0	2	2	Regolith	Visual graphite
MGBA008	2	3	1	Regolith	Visual graphite
MGBA008	3	6.3	3.3	Regolith	Visual graphite
MGBA009	0	0.5	0.5	Regolith	Visual graphite
MGBA009	0.5	1.5	1	Regolith	Visual graphite
MGBA009	1.5	3	1.5	Regolith	Visual graphite
MGBA009	3	10	7	Regolith	Visual graphite
MGBA010	0	0.5	0.5	Regolith	
MGBA010	0.5	1.5	1	Regolith	Visual graphite
MGBA010	1.5	3.3	1.8	Regolith	Visual graphite
MGBA010	3.3	6.5	3.2	Regolith	Visual graphite
MGBA010	6.5	7.8	1.3	Regolith	Visual graphite
MGBA011	0	0.5	0.5	Regolith	
MGBA011	0.5	2.7	2.2	Regolith	Visual graphite
MGBA011	2.7	3.5	0.8	Regolith	Visual graphite
MGBA011	3.5	4	0.5	Regolith	Visual graphite
MGBA011	4	4.7	0.7	Regolith	Visual graphite
MGBA011	4.7	6.5	1.8	Regolith	Visual graphite
MGBA011	6.5	9	2.5	Regolith	Visual graphite
MGBA011	9	12	3	Regolith	Visual graphite
MGBA011	12	13.2	1.2	Regolith	Visual graphite
MGBA012	0	0.5	0.5	Regolith	
MGBA012	0.5	1	0.5	Regolith	
MGBA012	1	4.5	3.5	Regolith	
MGBA012	4.5	6.5	2	Regolith	Visual graphite
MGBA012	6.5	8.5	2	Regolith	Visual graphite
MGBA012	8.5	9.5	1	Regolith	Visual graphite
MGBA012	9.5	12	2.5	Regolith	Visual graphite
MGBA012	12	14	2	Regolith	Visual graphite

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MGBA013	0	0.5	0.5	Regolith	
MGBA013	0.5	1.5	1	Regolith	
MGBA013	1.5	2.2	0.7	Regolith	
MGBA013	2.2	5	2.8	Regolith	
MGBA013	5	6	1	Regolith	
MGBA013	6	8.5	2.5	Regolith	
MGBA013	8.5	9.5	1	Regolith	
MGBA013	9.5	11.5	2	Regolith	
MGBA014	0	0.5	0.5	Regolith	
MGBA014	0.5	4	3.5	Regolith	
MGBA014	4	5	1	Regolith	
MGBA014	5	5.5	0.5	Regolith	
MGBA014	5.5	11.5	6	Regolith	Visual graphite
MGBA014	11.5	14	2.5	Regolith	Visual graphite
MGBA015	0	0.5	0.5	Regolith	
MGBA015	0.5	1.2	0.7	Regolith	
MGBA015	1.2	3.2	2	Regolith	
MGBA015	3.2	5	1.8	Regolith	
MGBA015	5	8.7	3.7	Regolith	Visual graphite
MGBA015	8.7	9.5	0.8	Regolith	
MGBA015	9.5	11	1.5	Regolith	
MGBA015	11	12.5	1.5	Regolith	
MGBA015	12.5	13	0.5	Regolith	

Historic graphite mine located within Project area

In addition to the drilling, samples were taken from an historic mining face, discovered when establishing the drill program in the area. The small historic graphite mine demonstrated up to 4.5m of large flake graphite mineralization from surface.

Table 4: Mangabe face samples

Trench ID	From (m)	To (m)	Int (m)	Lithology	Comments
MGBT001	0	0.5	0.5	Regolith	Visual Graphite
	0.5	2.5	2	Regolith	Visual Graphite
	2.5	4	1.5	Regolith	Visual Graphite
	4	4.5	0.5	Regolith	Visual Graphite

TIM McMANUS CEO

"Mangabe is an exciting prospect for the Company. We will continue to drill this Project with the aim to determine the true extent of the Project, as it remains open in all directions.

We look forward to updating the market in the near term of the assay results from these first holes drilled into Mangabe."

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This announcement has been approved by the Company's Disclosure Committee for release.

JORC CODE, 2012 EDITION – TABLE 1

Discussion and results within this appendix relate to Mahela-Loharano Trend.

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	Auger samples were collected and included composite samples of the graphite bearing host rocks. Visual estimation of graphite percentages and flake sizes have been used to define mineralisation prior to return of assays. The samples were solar dried, manually crushed, split twice through a 50/50 riffle splitter to obtain a representative sub-sample, weighing between 100-150g that was sent to the Bass Metals in-house laboratory for Fixed Carbon analysis.
Drilling techniques	Drilling was vertical (-90 °) with the aim to achieve an average depth of 10-12m.
Drill sample recovery	Not applicable
Logging	Samples were all geologically logged and photographed, and geological recording of relevant data was captured on Bass Metals logging templates. All data was codified to a set company codes system as per sampling and logging procedures which are in place. All logging included lithological features, estimates of graphite percentages and flake sizes which is quantitative and is recorded on the logging sheets. Photographs have been taken as a qualitative check on logging when the need arises.
Sub-sampling techniques and sample preparation	Samples were solar dried, crushed and split twice using a 50:50 riffle splitter. The crushing and splitting equipment were cleaned according to best practice procedures prior to every run. Each sample was manually crushed to nominal -2mm and approximately 100-150g sub-samples was collected and sent to the Bass Metals in-house laboratory in Madagascar. The in-house laboratory then pulverized such that 80% of the sample is -75 micron or less in size. consultant will conduct analysis on all blanks, standards and duplicates to maintain QAQC standards.
Quality of assay data and laboratory tests	Samples are currently being analysed at the Bass Metals in-house laboratory for a preliminary evaluation of the carbon grade. The Muffle Furnace method was used to determine Loss on Ignition (LoI), Volatile Matter (VM) and Fixed Carbon (FC). LoI Test: a crucible is placed on an electronic balance, primarily zeroed and the weight recorded. 1 gram +- 0.01 of the sample are added, the weight of crucible + sample are recorded. The crucible is placed in the Muffle Furnace at 950°C +-25°C for 8 hours continuously. After the crucible is removed and cooled, the ash + crucible is then weighed and recorded. The LoI % is calculated as follows: $\text{LoI \%} = \left(1 - \frac{\text{Weight of ash}}{\text{Weight of original sample}} \right) \times 100$ VM Test: a crucible is placed on an electronic balance, primarily zeroed and the weight recorded. 2 grams +- 0.01 of the sample are added, the weight of crucible + sample are recorded. The crucible is placed in the Muffle Furnace at 950°C +- 25°C for 7 minutes. After the crucible is removed and cooled, the ash + crucible is then weighed and recorded. The VM % is calculated as follows: $\text{VM \%} = \left(1 - \frac{\text{Weight of ash}}{\text{Weight of original sample}} \right) \times 100$ The FC % of the sample is calculated as follows: $\text{FC \%} = (\text{LoI \%} - \text{VM \%})$ Certified graphite standards (GC-09 and GC-10) and silica blanks (AMIS0439) were inserted with the samples. An external, independent
Verification of sampling and assaying	All work was completed by Bass Metals personnel. Significant mineralization intersections were verified by an external consultant and by internal peer review. No twinned holes were drilled as this was reconnaissance drilling. All data was collected initially on paper log sheets by Bass Metals personnel. This data was hand entered into spreadsheets and validated by an external consultant. All paper log sheets were scanned, and electronic spreadsheets stored together with the photographs of the geological features logged. The master collar and assay database with all photographs are backed-up via cloud storage. No adjustments were made to the data.
Location of data points	DGPS's were used to locate collar locations, and final location coordinates were completed with estimated positional errors between 15 and 30 centimetres. The

	WGS84 UTM Zone 39S projection system was used.
Data spacing and distribution	The purpose of the auger locations was to confirm the presence of graphitic units within the project area. The data collected is insufficient to determine a Mineral Resource and are considered preliminary exploration results only. Sample compositing has not been applied.
Orientation of data in relation to geological structure	Not applicable.
Sample security	Samples were stored in a secure storage area at the Bass Metals sample storage facility. Samples bags were sealed as soon as sampling was completed and stored securely until dispatch to the preparation laboratory in Antananarivo and after to the laboratory (SGS) in South Africa via courier.
Audits or reviews	The sampling techniques and data are reviewed by an external consultant and internally peer reviewed. It is considered by the Company that industry best practice methods have been implemented by the Company at all stages of exploration.

Section 2 Reporting of Exploration Results

Criteria listed in the preceding section also applies to this section.

Criteria	Commentary
Mineral tenement and land tenure status	Exploitation permit no PE 26670 is located in the Toamasina Province of Madagascar and held by the Malagasy company, Graphmada SARL which is a wholly owned subsidiary of the ASX listed company, Bass Metals Ltd. Permit no PE 26670 was granted on 21/01/2008 and is valid for 40 years. The permit is in good standing, and all statutory approvals are in place to conduct exploration and exploitation activities throughout this permit area, including mining.
Exploration done by other parties	Not applicable as the mineralization is a virgin discovery by Bass Metals and has had no previous work completed by other Parties.
Geology	Crystalline "hard rock" flake graphite deposits occur in graphitic gneisses within Neoproterozoic metasedimentary type rocks and include accessory minerals of biotite (\pm sillimanite / kyanite, \pm garnet). Due to the tropical climate and because graphite is comparatively inert, weathering of the "hard rock" graphitic gneiss units further concentrate the graphite to form residual regolith-hosted accumulations within the weathered profile. Regolith refers to weathered material that occurs above unweathered bedrock. Two primary subdivisions are the pedolith (PED) and the saprolith (SAP). Secondary subdivisions of the pedolith, from the surface downwards, include soil (SL), ferruginous zone (FZ), and the mottled zone (MZ). Secondary subdivisions of the saprolith, include saprolite (SP) and saprock (SR).
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of visually logged data is supplied in the above announcement.
Data aggregation methods	Samples are currently being assayed for in-situ Fixed Carbon (FC) grades by the in-house Graphmada laboratory. No Metal Equivalents have been stated.
Relationship between mineralisation widths and intercept lengths	The mineralization is hosted within a weathered regolith profile and the main mineralized lenses / horizons are suspected to dip towards the west at between 30° and 45°. The samples, taken vertically, are reported as true width and tables have been annotated in the above announcement.
Diagrams	This information has been accurately represented in the announcement and contains all relevant information required for the reader to understand the nature of the graphitic mineralization.
Balanced reporting	The summary table of all the auger sample results is contained within the announcement.
Other substantive exploration data	Not applicable.
Further work	A systematic exploration program will be planned, including further auger and pitting with sampling, to be followed by a potential drilling and sampling program for grade estimation, flake size distribution and metallurgical testing.

Disclaimer

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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.

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Competent Person Statement

The information in this document that relates to Exploration Results, Exploration Targets and 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 document in the form and context in which it appears.