

# UNAUDITED FINANCIAL REPORT

## 30 June 2020

(IN THE FORMAT OF ASX APPENDIX 4E – REFER NOTE 9)

### 1. Company details

Name of entity: **Bass Metals Ltd**  
 ABN: 31 109 933 995  
 Reporting period: **For the year ended 30 June 2020**  
 Previous period: For the year ended 30 June 2019

### 2. Results for Announcement to Market

\$ AUD		2020	2019
Revenues from ordinary activities	Up 7%	1,422,333	1,328,326
Loss from ordinary activities	Down 69%	11,645,461	6,897,099
Loss before interest and tax (EBIT) from ordinary activities	Down 77%	12,214,489	6,912,685
Loss from ordinary activities attributable to the owners of Bass Metals Limited	Down 56%	12,927,912	8,295,652
Loss for the year attributable to the owners of Bass Metals Limited	Down 56%	<b>12,927,912</b>	<b>8,295,652</b>

### 3. Net tangible assets

Cents	2020	2019
Net tangible assets per ordinary security	0.001	0.005

### 4. Control gained over entities

Not applicable.

### 5. Dividends

There were no dividends paid, recommended or declared during the reporting period or the previous period.

### 6. Dividend reinvestment plans

Not applicable.

### 7. Status of audit

This unaudited financial report is based on a financial report that is in the process of being audited.

### 8. Audit dispute or qualification

The audit of the financial reports is currently underway. The auditor has advised that it is likely that the audit opinion will contain an emphasis of matter in relation to the Company's ability to continue as a going concern, as it did in the prior year, and a qualification in relation to inventory quantities recorded due to COVID -19 restrictions preventing attendance at the stock take of the Company's inventory.

### 9. ASIC relief – Extended Reporting and Lodgment Deadlines

On 13 May 2020, ASIC announced that it would extend the deadline for both listed and unlisted entities to lodge financial reports under Chapters 2M and 7 of the Corporations Act by one month for certain balance dates. ASIC-CI 2020./451 applies to annual reports for a financial year that ends between 21 February 2020 and 7 July 2020 (both inclusive) and to half yearly reports for a half year that ends between 15 March 2020

and 7 July 2020 (both inclusive). Under that relief, the deadline for lodgment of full year financial reports, directors' reports and auditor's reports with ASIC is extended from three months to four months after year end.

On 16 June 2020, ASX issued a Class Waiver Decision – Extended Reporting and Lodgment Deadlines under listing rule 18.1 to give effect to the relief granted by ASIC noted above.

The Company is relying on the ASIC Relief to extend the lodgment date for its audited annual accounts and the other documents required to be lodged with ASIC under section 319 of the Corporations Act and the ASX Class Waiver Decision to lodge the same documents with ASX.

Under both categories of relief detailed above, the Company is required to release its audited financial statements at the earlier of: (i) when they are ready to be given to ASX; or (ii) when they must be given to ASIC under the ASIC Relief.

The Company will immediately make a further announcement to the market if there is a material difference between its unaudited annual accounts and its audited annual accounts.

## **10. Commentary on results**

### **Production**

During the year, the Company produced 1,836 wet tonnes of concentrate, at an average large flake distribution (>180 microns) of 42%. Bass produced a broad range of concentrates during the year ranging from 88% Fixed Carbon (FC) to 96% FC. During the year, the Company sold 2,359 tonnes of concentrate into China, Europe, the United States and India, with a 30% increase on 2019 sales.

Bass made the decision in December 2019, to pause mining and front-end processing at Graphmada at the end of December, given a forecast of above average anticipated rainfall over the monsoon season, of a similar quantum to Q1 2019. Drying, screening and packaging operations continued through to March 2020, at which time operations were then subsequently suspended given Madagascar closing its borders and the resultant logistical impacts due to the impacts of COVID-19 pandemic. The mine remains under care and maintenance.

### **Exploration and Development**

Bass continued its exploration and development initiatives during the year, delivering a material upgrade in JORC Code (2012) classification for the Mahefedok Mineral Resource and completing a maiden Mineral Resource at the Mahela Deposit of 4.4Mt at 3.8% TGC, an outstanding 44% increase in total Mineral Resources for Graphmada, which now stands at 14.3mt at 4% TGC.

The Company continues to explore and develop Graphmada for large-scale mining and processing operations. Bass is currently conducting an extensive appraisal of the Lohorano - Mahela trend with a view to establishing this strike as one continuous deposit. Results to date and released to ASX have been encouraging with the recent Mangabe discovery (red to ASX announcement dated 16 July 2020)

Along with production and exploration, the team at Bass commenced feasibility studies for the expansion of operations, with a key focus on reducing operating costs and growing production to meet market demand at the lowest possible capital intensity. Post year end, feasibility works continue in parallel with exploration efforts.

The concentrates produced by the Company have the two main constituent properties for application to most advanced materials, being a large flake and clean concentrates. Bass is currently continuing test work and discussions with potential Joint Venture (JV) partners with a view to producing a range of advanced materials using Bass Concentrates. In addition, Bass signed a Term Sheet with Urbix Resources, broadening the scope of the proposed alliance to encompass the supply of additional critical minerals for the US energy market and signed a Memorandum of Understanding with Swinburne University of Technology to advance carbon materials research and product development.

### **Other Assets**

The Company also completed the sale of its Hellyer base metal rights and Mt. Block permit in Tasmania for a total consideration of \$360,000 plus return of its \$114,000 security bond.

## Capital Raisings

In June 2019, the Company announced a capital raising by a tranching issue of Convertible Notes with a face value of \$0.008 each, with an interest rate of 15% per annum and a maturity date of 15 June 2021. Interest is payable half yearly in arrears and the interest may be paid at the Company's election by the issue of further convertible note. Each Convertible Note converts into one ordinary share in the Company and is secured over the Company's assets. In the 2019 year, \$1.41 million was received for subscriptions to Convertible Notes, with a further \$4.65 million received during the 2020 year.

In June 2020, the Company announced an equity raising by way of a \$2.35 million share placement plus a share purchase plan to conduct further exploration at the emerging Mahela and Mangabe deposits, continue progress on mine development, a definitive feasibility study, mine maintenance and for working capital. A total of \$1.68 million was received by the issue of 671.8 million shares, with \$1.0 million received from the placement and \$0.68 million from the SPP. Since year end, and following the approval of shareholders on 18 September 2020, a further 446 million shares have been issued at a price of \$0.0025 per share raising a further \$1.115 million, with the balance of approximately \$0.26 million expected to be received in October 2020.

## COVID-19

As noted above, a planned suspension of mining activities was undertaken in December 2019 due to forecast difficult monsoonal weather, with operations anticipated to resume in April 2020. Production activities, including drying and screening, continued into March 2020. On 25 March 2020, Bass announced the suspension of mining and production activities at the Graphmada Mining Complex for the foreseeable future with the onset of the COVID-19 pandemic, which resulted in a myriad of restrictions being put in place by the Madagascar and other governments, including the movement of people and cargo.

Some activities are continuing both in Madagascar and Australia in compliance with regulatory guidance including exploration drilling and related activities, progress on mine development and the definitive feasibility study and mine maintenance. Cost management actions have been taken including:

- 75% reduction in workforce
- 20-35% reduction in senior management and board remuneration
- Reduction in fuel costs (largest cost) by greater than 90% with mining suspended
- Sustaining capital has been suspended.

## Impairments

As noted above, the capacity to recommence production in the short term at Graphmada appears unlikely with the Company facing a multitude of logistical obstacles as a direct result of the COVID-19 pandemic and the ambiguity it is presenting all businesses. As a result of these factors and the uncertainty around timing of lifting of COVID-19 restrictions, and around the timing of re-commencement of production at Graphmada, the Company has taken the prudent step to take a non-cash impairment of \$5.3 million on the exploration and evaluation assets, mine properties and plant and equipment.

The Company remains firmly of the view that there is significant upside in the valuation of this project. The Company has produced clean concentrates bereft of penalty elements and to specification and, over the course of its initial 20 month production program achieved an unblemished sales record with zero rejections or penalties incurred, with sales into all major graphite end markets.

Work is continuing on the appraisal of the Mahela-Lohorano trend. To date, Bass has achieved outstanding results, including the recently announced Mangabe discovery which is located in the mid-point of the Mahela-Lohorano trend. Bass will continue with its drilling program with a view to increasing the resources along with progressing feasibility studies for a larger scale mining operation.

In addition, an impairment of \$0.7 million has been taken on the Millie's Reward lithium project with no expenditure having been incurred on the project in 2020 nor is any expenditure projected for 2021 given the current uncertainty. The Company still considers the project to have significant value and will reassess its carrying value in due course. An impairment has also been recorded against a trade and other receivable for \$0.3 million due to the period the receivable is outstanding, but the Company remains confident of recovery of this balance.

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020**

<b>\$ AUD</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		1,422,333	1,328,326
Cost of sales	4(a)	(3,083,616)	(3,340,010)
Other revenue	3	567,686	207,459
Administration expenses	4(b)	(4,558,269)	(5,562,452)
Finance costs		(569,028)	(15,586)
Foreign currency gain	4(c)	293,474	469,577
Impairment losses	4(d)	(6,287,069)	-
<b>Operating loss</b>		<b>(12,214,489)</b>	<b>(6,912,686)</b>
Income tax expense		-	-
Loss after tax from discontinued operations		(413,662)	(638,123)
<b>Total comprehensive loss</b>		<b>(12,628,151)</b>	<b>(7,550,809)</b>
Exchange differences on translating foreign operations		(299,761)	(744,844)
<b>Total comprehensive loss for the period, net of tax</b>		<b>(12,927,912)</b>	<b>(8,295,653)</b>
<b>Earnings per share</b>			
Basic and diluted loss per share from operations (cents)	5	(0.45)	(0.29)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# **UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

<b>\$ AUD</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,706,407	1,561,212
Trade and other receivables		335,670	789,163
Inventories		926,852	1,617,927
Other assets		76,171	109,841
<b>Total Current Assets</b>		<b>3,045,100</b>	<b>4,078,143</b>
<b>NON-CURRENT ASSETS</b>			
Restricted cash		10,801	10,801
Trade and other receivables		566,500	680,500
Plant and equipment	6	4,601,544	5,472,453
Right of use assets	7	102,572	-
Exploration and evaluation assets	8	-	1,786,942
Mine properties	9	2,234,157	5,700,438
<b>Total Non-Current Assets</b>		<b>7,515,574</b>	<b>13,651,134</b>
<b>TOTAL ASSETS</b>		<b>10,560,674</b>	<b>17,729,277</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,480,998	1,816,108
Borrowings	10	5,479,320	412,420
Lease liabilities		80,855	-
<b>Total Current Liabilities</b>		<b>7,041,173</b>	<b>2,228,528</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	10	-	1,122,160
Lease liabilities		26,793	-
Provisions		985,581	1,113,324
<b>Total Non-Current Liabilities</b>		<b>1,012,374</b>	<b>2,235,484</b>
<b>TOTAL LIABILITIES</b>		<b>8,053,547</b>	<b>4,464,012</b>
<b>NET ASSETS</b>		<b>2,507,127</b>	<b>13,265,265</b>
<b>EQUITY</b>			
Issued capital	11	93,931,109	92,709,574
Reserves		877,913	229,435
Accumulated losses		(92,301,895)	(79,673,744)
<b>TOTAL EQUITY</b>		<b>2,507,127</b>	<b>13,265,265</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# **UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

<b>\$AUD</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		1,665,799	1,199,603
Research and development grant		269,999	147,954
Australian Taxation Office cashflow boost		50,000	-
Payments to suppliers and employees		(6,874,389)	(8,659,682)
<b>Net cash used in operating activities</b>		<b>(4,888,591)</b>	<b>(7,312,125)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(535,205)	(801,560)
Payment for exploration and evaluation assets		(483,770)	(713,529)
Interest received		15,324	45,537
Proceeds from the sale of property, plant and equipment		13,575	-
<b>Net cash used in investing activities</b>		<b>(990,076)</b>	<b>(1,469,552)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		1,679,500	4,695,007
Transaction costs on issue of shares and convertible notes		(457,965)	(310,959)
Proceeds from issue of convertible notes		4,685,000	1,370,000
Payment / (refund) of oversubscriptions		116,500	-
Repayment of leases		(77,243)	-
Refund of security deposits		114,000	-
Interest paid		(35,930)	(15,586)
<b>Net cash from financing activities</b>		<b>6,023,862</b>	<b>5,738,462</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>145,195</b>	<b>(3,043,215)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,572,013</b>	<b>4,615,228</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>1,717,208</b>	<b>1,572,013</b>
Restricted cash		(10,801)	(10,801)
<b>Cash and cash equivalents at the end of the period</b>		<b>1,706,407</b>	<b>1,561,212</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# **UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020**

	Share Capital	Option Reserve	Other Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>92,709,574</b>	<b>918,983</b>	<b>287,840</b>	<b>(977,388)</b>	<b>(79,673,744)</b>	<b>13,265,265</b>
Loss for the period	-	-	-	-	(12,628,151)	(12,628,151)
Other comprehensive loss	-	-	-	(299,761)	-	(299,761)
<b>Total comprehensive loss for the year</b>	-	-	-	(299,761)	(12,628,151)	(12,927,912)
<b>Transactions with owners, recorded directly in equity</b>						
Shares issued during the period	1,679,500	-	-	-	-	1,679,500
Convertible notes	-	-	948,239	-	-	948,239
Cost of shares issued for placement	(457,965)	-	-	-	-	(457,965)
<b>Balance at 30 June 2020</b>	<b>93,931,109</b>	<b>918,983</b>	<b>1,236,079</b>	<b>(1,277,149)</b>	<b>(92,301,895)</b>	<b>2,507,127</b>

	Share Capital	Option Reserve	Other Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	<b>88,005,521</b>	<b>1,150,350</b>	<b>-</b>	<b>(232,544)</b>	<b>(72,170,304)</b>	<b>16,753,023</b>
Loss for the period	-	-	-	-	(7,550,809)	(7,550,809)
Other comprehensive loss	-	-	-	(744,844)	-	(744,844)
<b>Total comprehensive loss for the year</b>	-	-	-	(744,844)	(7,550,809)	(8,295,653)
<b>Transactions with owners, recorded directly in equity</b>						
Shares issued during the period	4,835,875	-	-	-	-	4,835,875
Options – value of options exercised	183,998	(183,998)	-	-	-	-
Options – value of options expired	-	(47,369)	-	-	47,369	-
Convertible notes	-	-	287,840	-	-	287,840
Cost of shares issued for placement	(315,820)	-	-	-	-	(315,820)
<b>Balance at 30 June 2019</b>	<b>92,709,574</b>	<b>918,983</b>	<b>287,840</b>	<b>(977,388)</b>	<b>(79,673,744)</b>	<b>13,265,265</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## **BASS METALS LTD**

### **Notes to the Consolidated Financial Statements**

#### **1. Summary of Significant Accounting Policies**

##### **Overall Considerations**

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

##### **(a) Basis of preparation**

The preliminary financial report has been prepared in accordance with ASX Listing Rule 4.3A, the disclosure requirements of ASX Appendix 4E, Australian Accounting Standards and the *Corporations Act 2001*.

The preliminary financial report complies with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and is in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The preliminary financial report does not include all the notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for Bass Metals Ltd for the financial year ended 30 June 2019, the 31 December 2019 half-year report and any public announcements made by Bass Metals Ltd and its controlled entities during the year ended 30 June 2020 in accordance with the continuous disclosure requirements of the ASX Listing Rules.

##### **(b) Basis of consolidation**

At reporting date, the Company has four subsidiaries, Graphmada Mauritius (registered in Mauritius), Graphmada SARL (registered in Madagascar), Limada SARL (registered in Madagascar) and Bass Metal Holdings Pty Ltd (registered in Australia).

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2020. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Two subsidiaries have a different reporting date other than 30 June, however they have provided financial information to allow the consolidated Group financial statements to be prepared based on a 30 June reporting date.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests. There are no non-controlling interests in the Group during the year.

##### **(c) AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).**

The Company has applied the new accounting standard AASB16 Leases from 1 July 2019. Under AASB16, the Company recognizes the right of use assets and liabilities.



The Company recognizes a right of use asset and a lease liability at the commencement of the lease. The right of use asset is initially measured at cost less any lease incentives. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The right of use asset is reviewed for any impairment.

The lease liability is initially measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rates as at 1 July 2019. The company excludes short term leases with less than 12 months tenure and leases relating to low value assets from the above recognition, these lease payments are recognized as an expense on a straight-line basis over the lease term. The new Standard has been applied using the modified retrospective approach. Prior periods have not been restated.

The adjustments to the Consolidated Statement of Financial Position are as follows:

<b>\$ AUD</b>	<b>2019</b>
Increase in Right of Use Assets - property	102,572
Increase in Lease Liabilities (Current)	(80,855)
Increase in Lease Liabilities (Non-current)	(26,793)

## 2. Segment Information

Segment information for the reporting period is as follows:

<b>2020</b>	<b>Graphite Mining</b>	<b>Exploration - Lithium</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
External customers	-	-	1,422,333	1,422,333
Interest income	-	-	15,324	15,324
Other income <sup>1</sup>	11,160	-	541,202	552,362
Inter- segment	1,422,333	-	(1,422,333)	-
<b>Segment revenues</b>	<b>1,433,493</b>	<b>-</b>	<b>556,526</b>	<b>1,990,019</b>
EBITDAIX*	(3,548,061)	(8,008)	(1,548,701)	(5,104,770)
Less depreciation & amortisation	(459,180)	(17,262)	(85,666)	(562,108)
Less interest	-	-	(554,016)	(554,016)
Less impairment	(5,570,647)	(716,422)	-	(6,287,069)
Less foreign currency gains/(losses)	(39,705)	(173)	333,352	293,474
<b>Segment loss before tax</b>	<b>(9,617,593)</b>	<b>(741,865)</b>	<b>(1,855,031)</b>	<b>(12,214,489)</b>
<b>Segment assets</b>	<b>8,022,611</b>	<b>-</b>	<b>2,538,063</b>	<b>10,560,674</b>
<b>2019</b>	<b>Graphite Mining</b>	<b>Exploration - Lithium</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
External customers	-	-	1,328,326	1,328,326
Interest income	-	-	45,537	45,537
Other income <sup>1</sup>	3,968	-	157,954	161,922
Inter- segment	1,330,246	-	(1,330,246)	-
<b>Segment revenues</b>	<b>1,334,214</b>	<b>-</b>	<b>201,571</b>	<b>1,535,785</b>
EBITDAIX <sup>2</sup>	(4,868,301)	(12,961)	(1,715,233)	(6,596,496)
Less depreciation & amortisation	(756,288)	(12,653)	(1,239)	(770,180)
Less interest	-	-	(15,586)	(15,586)
Less foreign currency gains/(losses)	(261,249)	(6,149)	736,975	469,577
<b>Segment loss before tax</b>	<b>(5,885,839)</b>	<b>(31,764)</b>	<b>(995,083)</b>	<b>(6,912,686)</b>
<b>Segment assets</b>	<b>14,616,331</b>	<b>780,442</b>	<b>2,332,504</b>	<b>17,729,277</b>

Note 1: Includes R&D refund of \$269,999, Australian Tax Office cashflow boost of \$50,000, sale of scrap metal of \$11,160 and services income of \$92,501.

Note 2: \*EBITAIX represents segment earnings before interest, taxes, depreciation, amortisation, impairment, and foreign currency gains/(losses).

No segment liabilities are disclosed because there is no measure of segment liabilities regularly reported to the chief operating decision maker.

### 3. Other income

	2020	2019
	\$	\$
ATO cashflow boost	50,000	-
Interest received	15,324	45,537
Services income	92,501	-
Research and development grant	269,999	147,954
Write back of rehabilitation provision	127,743	-
Other	12,119	13,968
<b>Total other income</b>	<b>567,686</b>	<b>207,459</b>

### 4. Expenses

Loss includes the following specific expenses:

#### 4 (a) Cost of sales

Direct mine operating expense	2,177,349	2,689,661
Depreciation expense	459,180	405,200
Inventory write down to net realisable value	447,087	245,149
<b>Total cost of sales</b>	<b>3,083,616</b>	<b>3,340,010</b>

#### 4 (b) Administration expenses

Mine administration expense:		
Depreciation	103,971	69,380
Amortisation	142,813	294,361
Employee benefits expense	911,975	877,549
Mine consultancy	25,256	235,345
Repairs and maintenance	70,932	229,399
Other administration expenses	943,129	1,268,857
<b>Total mine administration expenses</b>	<b>2,198,067</b>	<b>2,974,891</b>
Corporate administration:		
Employee benefits expense	1,075,711	1,253,499
Contracting & consulting expenses	193,334	119,301
Rental expenses	36,417	86,274
Legal expenses	36,063	21,450
Depreciation	135,909	1,239
Director fees	237,500	270,054
Travel expenses	123,933	312,094
Share registry, ASX	124,264	187,648
Other administration expenses	397,071	336,002
Total corporate administration expenses	2,360,202	2,587,561
<b>Total administration expenses</b>	<b>4,558,269</b>	<b>5,562,452</b>

#### 4 (c) Foreign currency (gain)/loss

Foreign currency loss/(gain) – realised	(17,859)	9,961
Foreign currency gain – unrealised	(275,615)	(479,538)
<b>Total foreign currency (gain)/loss</b>	<b>(293,474)</b>	<b>(469,577)</b>

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>4 (d) Impairment losses</b>		
Trade and other receivables	274,647	-
Property, plant and equipment	404,998	-
Exploration and evaluation assets	1,311,424	-
Mine properties	4,296,000	-
<b>Total impairment losses</b>	<b>6,287,069</b>	<b>-</b>

## 5. Loss per share

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Basic earnings per share:</b>		
Loss from continuing operations attributable to owners of Bass Metals Ltd used to calculate basic earnings per share	12,628,151	7,550,809

<b>(b) Diluted earnings per share:</b>		
Loss from continuing operations attributable to owners of Bass Metals Ltd used to calculate diluted earnings per share	12,628,151	7,550,809

<b>Number of shares</b>	<b>2020</b>	<b>2019</b>
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted earnings per share	2,809,874,584	2,638,056,957
Loss and diluted loss per share (cents per share)	(0.45)	(0.29)

Options being potential shares are not considered dilutive and have not been used to calculate diluted loss per share.

## 6. Property, Plant and Equipment

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cost	7,067,393	6,979,221
Accumulated depreciation	(2,060,851)	(1,506,768)
Impairment loss	(404,998)	-
<b>Balance at the end of the year</b>	<b>4,601,544</b>	<b>5,472,453</b>

<b>Movements</b>		
Balance at the beginning of the year	5,472,453	5,265,782
Additions	165,392	1,201,355
Reclassifications	(14,033)	(505,699)
Depreciation	(616,740)	(475,819)
Disposal	(530)	(13,166)
Impairment loss	(404,998)	-
<b>Balance at the end of the year</b>	<b>4,601,544</b>	<b>5,472,453</b>

	2020 \$	2019 \$
<b>7. Right-Of-Use Asset</b>		
Cost	184,891	-
Accumulated depreciation	(82,319)	-
<b>Balance at the end of the year</b>	<b>102,572</b>	<b>-</b>

**Movements**

Balance at the beginning of the year	-	-
Additions	184,891	-
Depreciation	(82,319)	-
<b>Balance at the end of the year</b>	<b>102,572</b>	<b>-</b>

**8. Exploration and Evaluation Assets**

Cost	1,311,424	1,786,942
Impairment loss	(1,311,424)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>1,786,942</b>

**Movements**

Balance at the beginning of the year	1,786,942	894,146
Additions	426,900	892,796
Transfer to mine properties	(902,418)	-
Impairment loss	(1,311,424)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>1,786,942</b>

**9. Mine Properties**

Cost	6,895,990	5,994,799
Accumulated amortisation	(365,833)	(294,631)
Impairment loss	(4,296,000)	-
<b>Balance at the end of the year</b>	<b>2,234,157</b>	<b>5,700,438</b>

**Movements**

Balance at the beginning of the year	5,700,438	5,489,100
Transfer from mine properties	902,418	-
Reclassification of deferred mining expenditure	-	505,699
Amortisation	(72,699)	(294,361)
Impairment loss	(4,296,000)	-
<b>Balance at the end of the year</b>	<b>2,234,157</b>	<b>5,700,438</b>

**10. Borrowings**

<b>Advances received</b>	<b>2020</b>	<b>2019</b>
<b>Current</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of the period <sup>1</sup>	10,801	18,300
Funds received in advance <sup>2</sup>	116,500	-
Repayment of oversubscribed shares	-	(7,499)
<b>Balance at the end of the year</b>	<b>127,301</b>	<b>10,801</b>

Note 1: Over subscription of capital raising funds received from investors during the reporting period, to be refunded.

Note 2: Funds received in advance represent funds received in advance of the conditional placement prior to 30 June 2020.

<b>Short term borrowings</b>	<b>2020</b>	<b>2019</b>
<b>Current</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of the period	401,619	-
Borrowings for mobile mining equipment	-	492,669
Repayments	(399,796)	(92,874)
Exchange rate movement	(1,823)	1,824
Convertible notes	5,352,019	-
<b>Total short term borrowings</b>	<b>5,352,019</b>	<b>401,619</b>
<b>Total current borrowings</b>	<b>5,479,320</b>	<b>412,420</b>

#### **Convertible notes**

<b>Non-Current</b>		
Balance at the beginning of the period	1,122,160	-
Convertible notes	4,229,859	1,122,160
Transfer to current borrowings	(5,352,019)	-
<b>Total non-current borrowings</b>	<b>-</b>	<b>1,122,160</b>

On 28 June 2019, the Group announced a capital raising of up to \$4 million (before issue costs) which was increased to \$6.5m via a tranchised issue of Convertible Notes to sophisticated and professional investors at an issue price of \$0.008 each, with an interest rate of 15% per annum and a maturity date of 15 June 2021. Interest is payable half yearly in arrears and the interest may be paid in at the Company's election by the issue of further Convertible Notes. Each Convertible Note converts into one ordinary share in the Company and is secured over the assets of the Company. During the year, the Company received subscriptions for \$4.6 million of the Convertible Notes which have been issued accordingly (being 580.6 million Convertible Notes at \$0.008).

#### **11. Issued Capital**

The movement in ordinary shares during the financial period are as follows:

	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>No. shares</b>	<b>No. shares</b>	<b>\$</b>	<b>\$</b>
<b>Balance at the beginning of the period</b>	<b>2,809,875,584</b>	<b>2,455,972,569</b>	<b>92,709,574</b>	<b>88,005,521</b>
<b>Issued during the period</b>				
Fair value of unlisted ESOP options exercised prior year		-		10,686
Listed Options exercised in Aug 2018 at \$0.025		2,400,000		60,000
Unlisted Options exercised in Sep 2018 at \$0.025		1,000,000		25,000
Listed Options exercised in Sep 2018 at \$0.025		10,875		272
Placement in Sep 2018 to two suppliers in lieu of payment at \$0.025		2,218,310		55,458
Listed Options exercised in Sep 2018 at \$0.025		20,400,000		510,000
Listed Options exercised in Nov 2018 at \$0.025		31,493,492		787,337
Unlisted Options exercised in Nov 2018 at \$0.01		900,000		9,000
Performance rights vested in Nov 2018 at nil (Fair value of \$173,312)		24,800,000		173,312
Placement to sophisticated investors in Dec 2018 at \$0.0125		214,771,284		2,684,641
Listed Options exercised in Dec 2018 at \$0.025		66,334		1,658
Placement to employees pursuant to the Bass Metals Incentive Scheme at nil (Fair value of \$95,550)		7,350,000		95,550
Listed Options exercised in Dec 2018 at \$0.025		64,000		1,600
Placement in Mar 2019 at \$0.0125		44,428,720		555,359
Placement to Directors at \$0.0125		4,000,000		50,000
Share placement plan at \$0.0025	671,800,151		1,679,500	
Capital raising costs			(457,965)	(315,820)
<b>Balance at the end of the period</b>	<b>3,481,675,735</b>	<b>2,809,875,584</b>	<b>93,931,109</b>	<b>92,709,574</b>

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

Angus Craig  
Company Secretary  
30 September 2020