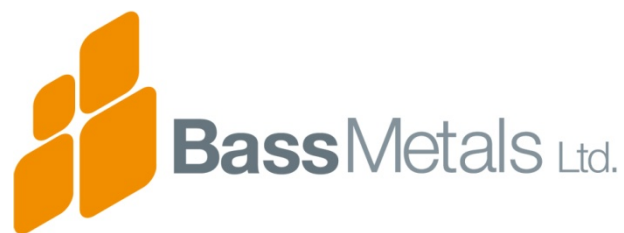


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ABN 31 109 933 995

Half-Year Report

For the period ended

31 December 2020

CORPORATE DIRECTORY

DIRECTORS

Rick Anthon - Non-Executive Chairman
Jeff Marvin – Non-Executive Director
Peter Wright – Executive Director

COMPANY SECRETARY

Angus Craig

CHIEF EXECUTIVE OFFICER

Tim McManus

REGISTERED OFFICE

Level 21, Matisse Tower
110 Mary Street
Brisbane, QLD, 4000
PO Box 15048
Brisbane, QLD, 4000

Telephone: (07) 3063 3233
Website: www.bassmetals.com.au
Email: admin@bassmetals.com.au

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 1, 200 Mary Street
Brisbane QLD 4000
Telephone: 1300 552 270

AUDITORS

Grant Thornton Audit Pty Ltd
Level 18
145 Ann Street
Brisbane City Qld 4000

STOCK EXCHANGE LISTING

ASX Ltd (ASX Code: BSM)

DIRECTORS' REPORT

The Directors of Bass Metals Ltd (the **Company** or **Bass**) present their report together with the financial statements of the consolidated entity, being the Company and its Controlled Entities (the **Group**) for the half-year ended 31 December 2020.

Directors

The following persons were Directors of the Company during or since the end of the financial half-year:

Richard Anthon - Non-Executive Chairman
Jeffrey Marvin - Non-Executive Director
Peter Wright – Executive Director

REVIEW OF OPERATIONS

COMPANY OVERVIEW

The Company is a critical minerals and advanced materials business developing its primary asset; the Graphmada Mining Complex in Eastern Madagascar. In addition, it is exploring for high-grade lithium mineralization at Millie's Reward, also in Madagascar. In parallel, the Company seeks to develop Expandable Graphite and Graphene specialty carbon products and other advanced materials.

The Company owns the Graphmada Mining Complex which has 40-year mining permits, 20-year landholder agreements and with all associated mining infrastructure and logistics in place. The mine produced and sold a range of graphite concentrates into multiple market segments during the 2020 financial year. Major markets for the Company included Europe, India, China and the United States.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year focused on further exploration and development of the Graphmada project. In addition, the Group continued with care and maintenance activities relating to its Tasmanian exploration and evaluation assets.

COVID-19

A planned suspension of mining activities was undertaken in December 2019 due to forecast difficult monsoonal weather. Operations were 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 Madagascan and other governments, including the movement of people and cargo.

Some activities are continuing both in Madagascar and Australia in compliance with regulatory guidance. These activities include 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.

Exploration and Development

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.

In addition, work is being undertaken in relation to 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 advanced materials, being a large flake and clean concentrates. Bass is currently continuing test work and discussions with potential Joint Venture partners with a view to producing a range of advanced materials using Bass concentrates. In addition, Bass signed a Memorandum of Understanding 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.

Capital Raisings

In June 2020, the Company completed the placement to institutional, professional and sophisticated investors, and share purchase plan to eligible shareholders, by issuing 671.8 million shares at \$0.0025 each raising \$1.68 million. During the period a further 540 million shares were issued at a price of \$0.0025 per share, raising a further \$1.35 million.

Result for the Period

Consolidated net loss after tax for the Group for the 6 months to 31 December 2020 was \$732,432 (2019: \$4,585,265 loss).

Dividends

No dividends have been paid during the period and no dividends have been recommended by the Directors (2019: nil).

Events arising since the end of the reporting period

On 15 March 2021, the Company's shareholders approved amendments to the terms of issue of the convertible notes on issue. Refer to Note 17. There were no other significant events subsequent to the end of the reporting period.

Auditors Independence Declaration

Section 307C of the Corporations Act 2001 requires the Company's auditors, Grant Thornton Audit Pty Ltd, to provide the directors with a written Independence Declaration in relation to the review of the half year report for the period ended 31 December 2020. This written Auditor's Independence Declaration is attached to the Auditor's Independent Audit Report to the members and forms part of this Directors' report.

Signed in accordance with a resolution of directors.



Rick Anthon
Chairman
Brisbane, Queensland
15 March 2021

Auditor's Independence Declaration

To the Directors of Bass Metals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Bass Metals Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



CDJ Smith
Partner – Audit & Assurance

Brisbane, 15 March 2021

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Note	6 months to 31 Dec 2020 \$	6 months to 31 Dec 2019 \$
Revenue from contracts with customers	5	19,143	806,569
Cost of sales	7a	(27,581)	(2,224,681)
Gross profit / (loss)		(8,438)	(1,418,112)
Other income	6	547,524	10,216
Administration expenses	7b	(539,006)	(2,619,212)
Finance costs	7c	(708,619)	(115,896)
Foreign currency gain / (loss)	7d	(7,165)	(121,517)
Loss before income tax from continuing operations		(715,704)	(4,264,521)
Income tax expense		-	-
Loss for the year from continuing operations		(715,704)	(4,264,521)
Loss after tax from discontinued operations	8	(16,728)	(320,744)
Loss for the year		(732,432)	(4,585,265)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(185,303)	44,774
Total comprehensive loss for the period, net of tax		(917,735)	(4,540,491)
Loss attributed to:			
Continuing operations		(901,007)	(4,219,747)
Discontinued operations		(16,728)	(320,744)
Total comprehensive loss attributed to:			
Equity holders of the parent entity		(917,735)	(4,540,491)
Earnings per share			
Basic and diluted loss per share from operations (cents)	9	(0.02)	(0.16)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 Dec 2020 \$	30 Jun 2020 \$
CURRENT ASSETS			
Cash and cash equivalents		1,321,983	1,706,407
Trade and other receivables	10	229,571	335,670
Inventories	11	783,362	926,852
Other assets		52,225	76,171
Total Current Assets		2,387,141	3,045,100
NON-CURRENT ASSETS			
Restricted cash		10,801	10,801
Trade and other receivables	10	542,500	566,500
Plant and equipment	12	4,219,624	4,601,544
Right of use assets	13	67,935	102,572
Exploration and evaluation assets	14	866,797	-
Mine properties	15	2,234,157	2,234,157
Total Non-Current Assets		7,941,814	7,515,574
TOTAL ASSETS		10,328,955	10,560,674
CURRENT LIABILITIES			
Trade and other payables	16	390,864	1,480,998
Borrowings	17	6,051,871	5,479,320
Lease liabilities	18	68,172	80,855
Liabilities directly associated with assets classified as held for sale	20	542,500	566,500
Total Current Liabilities		7,053,407	7,607,673
NON-CURRENT LIABILITIES			
Lease liabilities	18	4,870	26,793
Provisions	19	419,081	419,081
Total Non-Current Liabilities		423,951	445,874
TOTAL LIABILITIES		7,477,358	8,053,547
NET ASSETS		2,851,597	2,507,127
EQUITY			
Issued capital	21	95,193,314	93,931,109
Reserves	22	(226,373)	877,913
Accumulated losses		(92,115,344)	(92,301,895)
TOTAL EQUITY		2,851,597	2,507,127

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Share Capital	Option Reserve	Other Components of Equity	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	93,931,109	918,983	1,236,079	(1,277,149)	(92,301,895)	2,507,127
Loss for the period	-	-	-	-	(732,432)	(732,432)
Other comprehensive loss	-	-	-	(185,303)	-	(185,303)
Total comprehensive loss for the year	-	-	-	(185,303)	(732,432)	(917,735)
Transactions with owners, recorded directly in equity						
Shares issued during the period	1,350,000	-	-	-	-	1,350,000
Cost of shares issued for placement	(87,795)	-	-	-	-	(87,795)
Options – value of options expired	-	(918,983)	-	-	918,983	-
Balance at 31 December 2020	95,193,314	-	1,236,079	(1,462,452)	(92,115,344)	2,851,597

	Share Capital	Option Reserve	Other Components of Equity	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	92,709,574	918,983	287,840	(977,388)	(79,673,744)	13,265,265
Loss for the period	-	-	-	-	(12,628,151)	(12,628,151)
Other comprehensive loss	-	-	-	(299,761)	-	(299,761)
Total comprehensive loss for the year	-	-	-	(299,761)	(12,628,151)	(12,927,912)
Transactions with owners, recorded directly in equity						
Shares issued during the period	1,679,491	-	-	-	-	1,679,141
Convertible notes	-	-	948,239	-	-	948,239
Cost of shares issued for placement	(457,956)	-	-	-	-	(457,956)
Balance at 30 June 2020	93,931,109	918,983	1,236,079	(1,277,149)	(92,301,895)	2,507,127

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

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

	6 months to 31 Dec 2020	6 months to 31 Dec 2019
	\$	\$
Cash flows from operating activities		
Receipts from customers	234,953	943,435
Research and development grant	242,938	-
Government grants and subsidies	117,900	-
Payments to suppliers and employees	(1,353,116)	(4,396,739)
Net cash used in operating activities	(757,325)	(3,453,304)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(420,145)
Payment for exploration and evaluation assets	(585,752)	(396,850)
Payment for development activities	-	(56,163)
Interest received	563	2,131
Proceeds from the sale of property, plant and equipment	13,910	13,573
Net cash used in investing activities	(571,279)	(857,454)
Cash flows from financing activities		
Proceeds from issue of shares	1,063,398	-
Transaction costs on issue of shares and convertible notes	(96,575)	(316,380)
Proceeds from issue of convertible notes	-	3,935,000
Proceeds from loan funds	-	432,000
Repayment of leases	(46,482)	(22,679)
Refund of security deposits	25,834	-
Interest paid	(4,842)	(21,807)
Net cash from financing activities	941,333	4,006,134
Net increase / (decrease) in cash and cash equivalents	(387,271)	(304,624)
Cash and cash equivalents at the beginning of the period	1,717,208	1,572,013
Exchange differences on cash and cash equivalents	2,847	-
Cash and cash equivalents at the end of the period	1,332,784	1,267,389
Restricted cash	(10,801)	(10,801)
Cash and cash equivalents at the end of the period	1,321,983	1,256,588

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

Notes to the Consolidated Financial Statements

1. General information and statement of compliance

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2020 and are presented in Australian Dollars (\$AUD), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2020 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and Corporations Act 2001.

The interim financial statements have been approved by the Board of Directors on 15 March 2021.

The Consolidated general-purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2020. The only exception is the estimate of the provision for income taxes and revenue recognition policy which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

3. Significant events and transactions

During the six month period ending 31 December 2020, the Company has received \$1,350,000 from subscribers as part of the capital raising of up to \$2.85 million (before issue costs) via an issue of shares to sophisticated and professional investors at an issue price of \$0.0025 per share

The Capital Raising has provided the Company with additional working capital and also provide funding to allow the Company to continue to develop its expansion plans and further, invest in additional capital and plant and equipment that is required for further expansion.

4. Going Concern

The financial report for the half year ended 31 December 2020 has been prepared based on going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the period, the Group reported a loss after tax of \$732,432 (2019 loss: \$4,585,265). Net cash operating cash outflows were \$757,325 (2019 outflow: \$3,453,304). Prima facie these factors create a material uncertainty about the Group's ability to continue as a going concern.

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Group to raise sufficient additional capital in the future; and
- its ability to achieve a financial return from its subsidiary Graphmada Mauritius;

If the Group is unable to continue as a going concern, it may be required to realise its assets and or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

The Directors will continue to monitor the capital requirements of the Group and will seek to raise additional funding in future periods as required.

5. Segment reporting

Management currently identifies two service lines as the Group's operating segments, being Graphite mining and exploration – Lithium. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made based on adjusted segment operating results. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under the Accounting Standards are the same as those used in its financial statements, except expenses relating to discontinuing operations are not included in arriving at the operating loss of the operating segments. There have been no other changes from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group's revenue disaggregated by primary geographical markets is as follows:

Six months to 31 December 2020			
	Graphite Mining	Exploration – Lithium	Total
	\$	\$	\$
India	19,143	-	19,143
Total	19,143	-	19,143

Six months to 31 December 2019			
	Graphite Mining	Exploration – Lithium	Total
	\$	\$	\$
China	237,542	-	237,542
India	200,662	-	200,662
Germany	338,980	-	338,980
USA	29,385	-	29,385
Total	806,569	-	806,569

Six months to 31 December 2020			
	Graphite Mining	Exploration – Lithium	Total
	\$	\$	\$
Revenue at a point in time	19,143	-	19,143
Total	19,143	-	19,143

Six months to 31 December 2019			
	Graphite Mining	Exploration – Lithium	Total
	\$	\$	\$
Revenue at a point in time	806,569	-	806,569
Total	806,569	-	806,569

5. Segment reporting (continued)

The revenues and profit generated by each of the Group's operating segments and segment assets and liabilities are summarised as follows:

Six months to 31 December 2020			
	Graphite Mining	Exploration – Lithium	Total
	\$	\$	
Revenue			
From external customers	19,143	-	19,143
From other segments	-	-	-
Segment revenues	19,143	-	19,143
Segment operating profit	245,366	(745)	244,621
Segment assets	3,515,971	7,647	3,523,618

Six months to 31 December 2019			
	Graphite Mining	Exploration – Lithium	Total
	\$	\$	\$
Revenue			
From external customers	806,569	-	806,569
From other segments	8,085	-	8,085
Segment revenues	814,654	-	814,654
Segment operating profit	(2,887,530)	(9,346)	(2,896,876)
Segment assets	14,393,467	771,119	15,164,586

The Group's operating profit reconciles to the Group's profit before tax as presented in its financial statements as follows:

	6 months to	6 months to
	31 Dec 2020	31 Dec 2019
	\$	\$
Profit or Loss		
Total reportable segment operating profit	244,621	(2,896,876)
Other income not allocated	547,524	2,131
Other expenses not allocated	(1,507,849)	(1,369,776)
Discontinued operations, refer Note 8	(16,728)	(320,744)
Group operating loss	(732,432)	(4,585,265)
Group loss before tax	(732,432)	(4,585,265)

6. Other income

	6 months to 31 Dec 2020	6 months to 31 Dec 2019
	\$	\$
Government grants and subsidies	117,900	-
Interest received	563	2,131
Research and development grant	242,938	-
Tenement income	102,500	-
Sundry income	83,623	-
Sale of scrap metal	-	8,085
Total other income	547,524	10,216

7. Loss for the period

	6 months to 31 Dec 2020	6 months to 31 Dec 2019
	\$	\$

The loss for the period is stated after taking into account the following:

7 (a) Cost of sales

Direct mine operating expense	3,531	1,799,780
Depreciation expense	-	424,901
Inventory adjustment	24,050	-
Total cost of sales	27,581	2,224,681

7 (b) Administration expenses

Mine administration expense:

Depreciation	10,628	20,915
Amortisation	-	139,001
Employee benefits expense	-	474,621
Mine consultancy	-	24,747
Repairs and maintenance	-	60,373
Other administrative expenses	29,173	716,561

Total mine administration expenses

39,801	1,436,218
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Corporate administration:

Employee benefits expense	118,190	569,374
Contracting & consulting expenses	54,130	76,564
Rental expenses	-	30,425
Legal expenses	2,404	6,165
Depreciation	26,113	36,938
Director fees	105,000	122,500
Travel expenses	-	100,855
Share registry, ASX	87,627	92,617
Other administration expenses	105,741	147,556

Total corporate administration expenses

499,205	1,182,994
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Total administration expenses

539,006	2,619,212
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7 (c) Finance costs

Interest expense	2,851	16,118
Interest on lease liabilities	16,717	5,689
Interest on convertible notes	689,051	94,089
Total finance costs	708,619	115,896

7. Loss for the period (continued)

	6 months to 31 Dec 2020	6 months to 31 Dec 2019
	\$	\$
7 (d) Foreign currency (gain) / loss		
Foreign currency (gain) / loss - realised	9,716	16,439
Foreign currency (gain) - unrealised	(2,551)	105,078
Total foreign currency (gain) / loss	7,165	121,517

8. Loss attributable to discontinued operations

The Company continues to seek a buyer for its Tasmanian capitalised exploration assets. This disposal group was fully impaired during 2017 and is, therefore, carried at nil value having been recognised as *Capitalised Exploration and Evaluation Assets Held for Sale* in the Statement of Financial Position.

During the current and prior year, care and maintenance expenses relating to this disposal group have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item on the face of the statement of profit or loss and other comprehensive income (see *loss after tax from discontinued operations*).

Expenses

	6 months to 31 Dec 2020	6 months to 31 Dec 2019
	\$	\$
Que River – care & maintenance	16,728	320,744
Total expenses	16,728	320,744

9. Earnings Per Share

(Basic and diluted Earnings Per Share)	6 months to 31 Dec 2020	6 months to 31 Dec 2019
	\$	\$
Loss for the period	(732,432)	(4,585,265)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	4,021,675,735	2,796,599,821
Basic and diluted loss per share (cents)	(0.02)	(0.16)

There is no dilutive potential for ordinary shares as the exercise of options to ordinary shares would have the effect of decreasing the loss per ordinary share and would therefore be non-dilutive.

10. Trade and Other Receivables

	31 Dec 2020	30 Jun 2020
	\$	\$
Current		
Trade receivables	19,250	141,453
VAT receivable	295,812	274,647
Allowance for credit losses	(274,647)	(274,647)
Other receivables ¹	189,156	194,217
	229,571	335,670
Non-current		
Other security deposits ²	542,500	566,500
	542,500	566,500

Note 1: Other receivables includes approximately \$146,000 representing the funds held in trust by the BMOI Bank in Madagascar in Graphmada SARL's name.

Note 2: Security deposits and guarantees associated with the Tasmanian exploration assets held for sale.

All amounts are short-term and non-interest bearing. The net carrying value of trade receivables is considered a reasonable approximation of fair value. As at reporting date, there were no trade receivables that were past due, but not impaired.

In determining the recoverability of a trade or other receivable, the Group performs a risk analysis considering the type and age of the outstanding receivable and the creditworthiness of the counterparty.

11. Inventories

	31 Dec 2020	30 Jun 2020
	\$	\$
Equipment spares and consumables	705,944	709,537
Ore stockpiles	69,045	77,176
Graphite in circuit	3,652	29,593
Graphite concentrate	4,721	110,546
	783,362	926,852

Total inventories are carried at the lower of cost and net realisable value

12. Plant and Equipment

Details of the Group's property, plant and equipment and their carrying amount are as follows:

	Plant & equipment	Motor Vehicles	Capital work in progress	Buildings & Infrastructure	Total
	\$	\$	\$	\$	\$
Gross carrying amount					
Balance 1 July 2020	4,661,288	1,449,554	101,589	854,962	7,067,393
Additions	-	-	-	-	-
Reclassification at cost to inventory and spare parts	-	-	-	-	-
Reclassification at cost	-	-	-	-	-
Reclassification at cost to mine properties	-	-	-	-	-
Disposal	(199,172)	(119,554)	-	-	(318,726)
Balance 31 December 2020	4,462,116	1,330,000	101,589	854,962	6,748,667
Depreciation and impairment					
Balance 1 July 2020	(1,672,309)	(546,310)	-	(247,230)	(2,465,849)
Depreciation	(205,349)	(76,431)	-	(19,477)	(301,257)
Disposal	145,769	92,294	-	-	238,063
Balance 31 December 2020	(1,731,889)	(530,447)	-	(266,707)	(2,529,043)
Carrying amount 31 December 2020	2,730,227	799,553	101,589	588,255	4,219,624

12. Plant and Equipment (continued)

	Plant & equipment \$	Motor Vehicles \$	Capital work in progress \$	Buildings & Infrastructure \$	Total \$
Gross carrying amount					
Balance 1 July 2019	4,536,405	1,512,741	75,113	854,962	6,979,221
Additions	52,654	-	112,738	-	165,392
Reclassification at cost to inventory and spare parts	-	-	(790)	-	(790)
Reclassification at cost	72,229	-	(72,229)	-	-
Reclassification at cost to mine properties	-	-	(13,243)	-	(13,243)
Disposal	-	(63,187)	-	-	(63,187)
Balance 30 June 2020	4,661,288	1,449,554	101,589	854,962	7,067,393
Depreciation and impairment					
Balance 1 July 2019	(829,928)	(502,321)	-	(174,519)	(1,506,768)
Depreciation	(437,383)	(106,646)	-	(72,711)	(616,740)
Disposal	-	62,657	-	-	62,657
Impairment loss	(404,998)	-	-	-	(404,998)
Balance 30 June 2020	(1,672,309)	(546,310)	-	(247,230)	(2,465,849)
Carrying amount 30 June 2020	2,988,979	903,244	101,589	607,732	4,601,544

All depreciation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets. There were no Plant and Equipment impairment losses recognised during the current or prior reporting periods.

Property, plant and equipment pledged as security for liabilities

There is no fixed and floating charge over any of the assets in the Group.

13. Right-Of-Use Assets

	31 Dec 2020 \$	30 Jun 2020 \$
Gross carrying amount – office and warehouse rent leases		
Balance 1 July 2020	102,572	184,891
Additions	25,059	-
Disposals	(23,199)	-
Depreciation	(36,497)	(82,319)
Carrying amount 31 December 2020	67,935	102,572

The Group has leases for office space in Perth and warehouse storage in Madagascar. Each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment. Refer also to Note 18 for further details on leases.

14. Exploration and Evaluation Assets

	31 Dec 2020 \$	30 Jun 2020 \$
Exploration and evaluation expenditure consist of:		
Graphmada and Limada exploration	866,797	-
	866,797	-

15. Mine Properties

	31 Dec 2020	30 Jun 2020
	\$	\$
Acquisition of mining assets – Graphmada	5,070,019	5,070,019
Capitalised rehabilitation costs – Graphmada	419,081	419,081
Reclassification of deferred mining expenditure	504,472	504,472
Transfer from exploration and evaluation assets	902,418	902,418
Impairment loss	(4,296,000)	(4,296,000)
Accumulated amortisation	(365,833)	(365,833)
	2,234,157	2,234,157

16. Trade and Other Payables

	31 Dec 2020	30 Jun 2020
	\$	\$
Current		
<i>Unsecured liabilities:</i>		
Trade Payables	139,732	989,155
Other payables	251,132	491,843
	390,864	1,480,998

Other payables are recognised when the Group has identified a present obligation from the result of past events. These amounts include employee payment obligations, professional fees, and statutory obligations.

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value. Trade payables and other payables are non-interest-bearing and are normally settled on 30 to 60-day terms.

17. Borrowings

	31 Dec 2020	30 Jun 2020
	\$	\$
Current		
Oversubscription of investor funds to be refunded	10,801	10,801
Funds received in advance	-	116,500
Convertible notes	6,041,070	5,352,019
	6,051,871	5,479,320

The Group's convertible notes are treated as a compound financial instrument. A split accounting approach is adopted, where the debt component and the conversion option are accounted for separately. The debt component is initially recognised at its fair value. It is then amortised over its life using the effective interest method.

On 24 December 2020 the Company received the requisite approval of more than 75% of noteholders to amend the Terms of Issue of the convertible notes. The amendments are as follows:

1. Maturity Date: extended from 15 June 2021 to 30 June 2023.
2. Interest Rate: to be reduced from 15% per annum to 12 % per annum from 31 March 2021.
3. Interest Payments: amended to be paid at the Company's election in ordinary shares issued at a 30-day volume weighted average price of the Company's ordinary shares traded on ASX, rather than Convertible Notes at face value. The Company retains the ability to pay interest by way of cash payment rather than issue further shares.
4. Conversion Terms: amended to be convertible into 1.6 ordinary shares per Convertible Note converted (an effective conversion price of \$0.005) at any time at the Noteholder's election.

The amendments were approved by shareholders on 15 March 2021, and will be effected by 31 March 2021.

18. Lease liabilities

	31 Dec 2020	30 Jun 2020
	\$	\$
Current		
Office and warehouse leases	68,172	80,855
Non-Current		
Office and warehouse leases	4,870	26,793
	73,042	107,648

The Group has leases for office space in Perth as well as warehouse space in Madagascar. Each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The lease liabilities are unsecured.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the balance sheet.

Right-of-use asset	No of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Office building	2	1-2 years	2 years	2	0	2	0
Warehouse	2	1-2 years	1 year	2	0	2	0

Future minimum lease payments as at 31 December 2020 were as follows:

31 December 2020	Minimum lease payments due		
	Within 1 year	1-2 years	Total
	\$	\$	\$
Lease payments	72,710	4,440	77,150
Finance charges	(4,035)	(73)	(4,108)
Net present values	68,675	4,367	73,042

19. Provisions

	31 Dec 2020	30 Jun 2020
	\$	\$
Provision for rehabilitation	419,081	419,081
	419,081	419,081

20. Liabilities directly associated with assets classified as held for sale

	31 Dec 2020	30 Jun 2020
	\$	\$
Tasmanian exploration assets	542,500	566,500
	542,500	566,500

21. Issued Capital
Ordinary shares

	31 Dec 2020	30 Jun 2020
	\$	\$
4,021,675,735 (30 June 2020: 3,481,675,735) fully paid ordinary shares	95,193,314	93,931,109

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of fully paid ordinary shares. On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote. The Group has no authorised share capital and the shares have no par value.

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

	31 Dec 2020	31 Dec 2020	30 Jun 2020	30 Jun 2020
	Number of	\$	Number of	\$
	Shares		Shares	
Balance at the beginning of the period	3,481,675,735	93,931,109	2,809,875,584	92,709,584
Issued during the period				
Share placement plan at \$0.0025	540,000,000	1,350,000	671,800,151	1,679,500
Capital raising costs		(87,795)		(457,975)
Balance at the end of the period	4,021,675,735	95,193,314	3,481,675,735	93,931,109

Total Listed Options

	31 Dec 2020		30 Jun 2020	
	Number of	Weighted	Number of	Weighted
	Options	Average	Options	Average
		Exercise		Exercise
		Price \$		Price \$
Balance at the start of the year	302,226,884	0.050	302,226,884	0.050
Lapsed	(302,226,884)	0.050	-	-
Outstanding at the end of the period	-	-	302,226,884	0.050
Exercisable at the end of the period	-	-	302,226,884	0.050

The listed options expired on 31 December 2020.

22. Reserves

	Foreign Currency Translation Reserve \$	Other components of equity \$	Share Option Reserve \$	Total \$
Balance 1 July 2020	(1,277,149)	1,236,079	918,983	877,913
Convertible notes	-	-	-	-
Exchange differences on translating foreign operations	(185,303)	-	-	(185,303)
Value of options expired	-	-	(918,983)	(918,983)
Before tax	(185,303)	-	(918,983)	(1,104,286)
Tax benefit/(expense)	-	-	-	-
Net of tax	(185,303)	-	(918,983)	(1,104,286)
Balance 31 December 2020	(1,462,452)	1,236,079	-	(226,373)

	Foreign Currency Translation Reserve \$	Other components of equity \$	Share Option Reserve \$	Total \$
Balance 1 July 2019	(977,388)	287,840	918,983	229,435
Convertible notes	-	948,239	-	948,239
Exchange differences on translating foreign operations	(299,761)	-	-	(299,761)
Before tax	(299,761)	948,239	-	648,748
Tax benefit/(expense)	-	-	-	-
Net of tax	(299,761)	948,239	918,983	877,913
Balance 30 June 2020	(1,277,149)	1,236,079	918,983	877,913

Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

Convertible notes

Relates to the equity portion of convertible notes issued by the Company.

Share Option Reserve

The Share Option Reserve records the items recognised as expense on valuation of employee share options and performance rights.

23. Share-based Payments

The following share-based payment arrangements existed at 31 December 2020.

ESOP Unlisted Options	31 Dec 2020		30 Jun 2020	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at the beginning of the period	92,900,000	0.067	92,900,000	0.067
Lapsed	(92,900,000)	0.067	-	-
Outstanding at the end of the period	-	-	92,900,000	0.067
Exercisable at the end of the period	-	-	92,900,000	0.067

23. Share-based Payments (continued)

Total ESOP unlisted options expired on 31 December 2020.

ESOP listed Options	31 Dec 2020		30 Jun 2020	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at the beginning of the period	31,000,000	0.050	31,000,000	0.050
Lapsed	(31,000,000)	0.050		
Outstanding at the end of the period	-	-	31,000,000	0.050
Exercisable at the end of the period	-	-	31,000,000	0.050

Total ESOP listed options expired on 31 December 2020.

24. Contingencies
Contingent Liabilities

Millie's Reward Lithium Project:

During 2017, the Company entered into a binding Term Sheet with Ruby-Red Madagascar SARL (a Company incorporated in Madagascar) and acquired two contiguous mining permits and the lithium mining rights for a third mining permit in Madagascar, that are prospective for pegmatite-hosted lithium mineralisation.

The consideration payable by the Company includes certain cash payments (refer to the Directors Report) and the requirement to issue Bass Metals Ltd shares to Ruby Red, contingent on the Company achieving the following milestones on the project:

- \$US50,000 in shares on the acquisition of the mining permits and completion of the transaction;
- \$US50,000 worth of shares upon establishing a JORC compliant resource of >5 million tonnes at >1.5% Li2O;
- \$US50,000 worth of shares upon the tabling of a feasibility study for Millie's Reward;
- \$US50,000 worth of shares upon first sales of either Direct Shipping Ore (DSO) or Chemical Grade (>6% Li2O) lithium concentrates.

In addition, the Company is required to pay to Ruby Red a 0.25% concentrate sales royalty on any future lithium concentrate or DSO sales from Millie's Reward for a period of 12 years from first concentrate or DSO sales, up to US\$US2m.

Graphmada mine:

As part of the agreement to acquire the Graphmada mine, the Company is required to pay Tectonic Resources a 2.5% sales royalty. The agreement terminates on 1 January 2029 or upon total Royalty payments reaching \$5,000,000, whichever occurs first.

Contingent Assets

No contingent assets exist at reporting date.

25. Post-reporting Date Events

On 15 March 2021, the Company's shareholders approved amendments to the terms of issue of the convertible notes on issue. Refer to Note 17. There were no other significant events subsequent to the end of the reporting period.

DIRECTORS DECLARATION

In accordance with a resolution of the Directors of Bass Metals Limited, in the Directors' opinion:

The consolidated interim financial statements and notes set out on pages 10 to 21 are in accordance with the Corporations Act 2001, including:

1. Giving a true and fair view of Group's financial position as at 31 December 2020 and of its performance, for the half year period ended on that date;
2. Complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001; and
3. There are reasonable grounds to believe that Bass Metals Limited will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the directors:



Rick Anthon
Chairman

Brisbane, Queensland
15 March 2021

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Independent Auditor's Review Report

To the Members of Bass Metals Limited

Report on the review of the half-year-financial report

Conclusion

We have reviewed the accompanying half-year financial report of Bass Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Bass Metals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Bass Metals Limited's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 4 in the financial report, which indicates that the Group incurred a net loss of \$732,432 during the half year ended 31 December 2020 and, for the half year then ended, incurred net operating cash outflows of \$757,325. As stated in Note 4, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



CDJ Smith
Partner – Audit & Assurance

Brisbane, 15 March 2021