

BASS METALS TO COMMENCE DRILLING AT ADJACENT MAHEFEDOK LARGE FLAKE GRAPHITE DEPOSIT

Highlights

- Bass Metals to commence drilling at its Mahefedok large flake graphite deposit as part of its strategy to realise considerable value at its recently acquired Graphmada Large Flake Graphite Mine.
- Material expansion of resource inventory key component of value creation at producing Graphmada Mine.
- 2,500 meters of shallow drilling to be completed over a 1.8km strike and in direct proximity to current processing facilities.
- Drilling contractor engaged and mobilising to site.

Bass Metals Limited (ASX: "BSM") (the "Company") is pleased to announce its plans to commence drilling at the adjacent Mahefedok deposit at its Graphmada Graphite Mine, located in eastern Madagascar.

The Mahefedok deposit has been explored since 2014 and results obtained from works including geological mapping, ground geophysical surveys, pitting, trenching and sampling, provide evidence that the Mahefedok deposit may contain regolith-hosted flake graphite mineralisation over an approximate strike length of 1.8 km.

The material expansion of existing large to jumbo flake resources is a core component of the company's strategy to realise the considerable potential of the Graphmada Mine.

In parallel to achieving consistent baseline production targets, post budgeted plant refurbishment, Bass intends to establish a broader resource in proximity to the refurbished processing facilities. In addition, Bass intends to commence preliminary exploration of its highly prospective Andapa project.

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The company considers the expansion of resource and attainment of consistent production as key to bridging the considerable valuation gap between itself and its listed peers who are currently not in production.

Bass intends to materially add to its resource inventory both across its broader tenement package and in direct proximity to the Graphmada Mine. In contrast to the majority of its listed peers Bass can provide a direct pathway to market for its resource inventory.

The company plans to estimate a Maiden JORC Resource¹ for the Mahefedok deposit, based on approximately 2,500 meters of drilling and resource estimation works to be completed over the next 3-6 months.

Crofts Drilling Services (a local company) have been contracted to provide the drilling and have already passed safety and equipment inspections. They are currently mobilizing to site.

A summary of the drill plan is as follows:

- The initial drill program is 2,500 meters;
- The depth meters per hole is between 40m to 100m;
- The number of holes is approximately 50;
- The drill hole inclination is 90° and inclined approximately 45–50°;
- HQ core diameter; and
- The drill program duration is approximately 3 months, dependent on weather.

Bass Metals CEO, Mr Tim McManus:

“We are pleased to be commencing this program, as the Company will benefit from these brownfield works through developing a larger asset base for its expansion plans, as well as providing additional long-term ore feed for its current operations.”

“The team at Bass are excited to be undertaking a project of this significance and we look forward to updating the market with the results of our drilling and subsequent resource estimation works.”

For more information, please contact:

Tim McManus

Chief Executive Officer

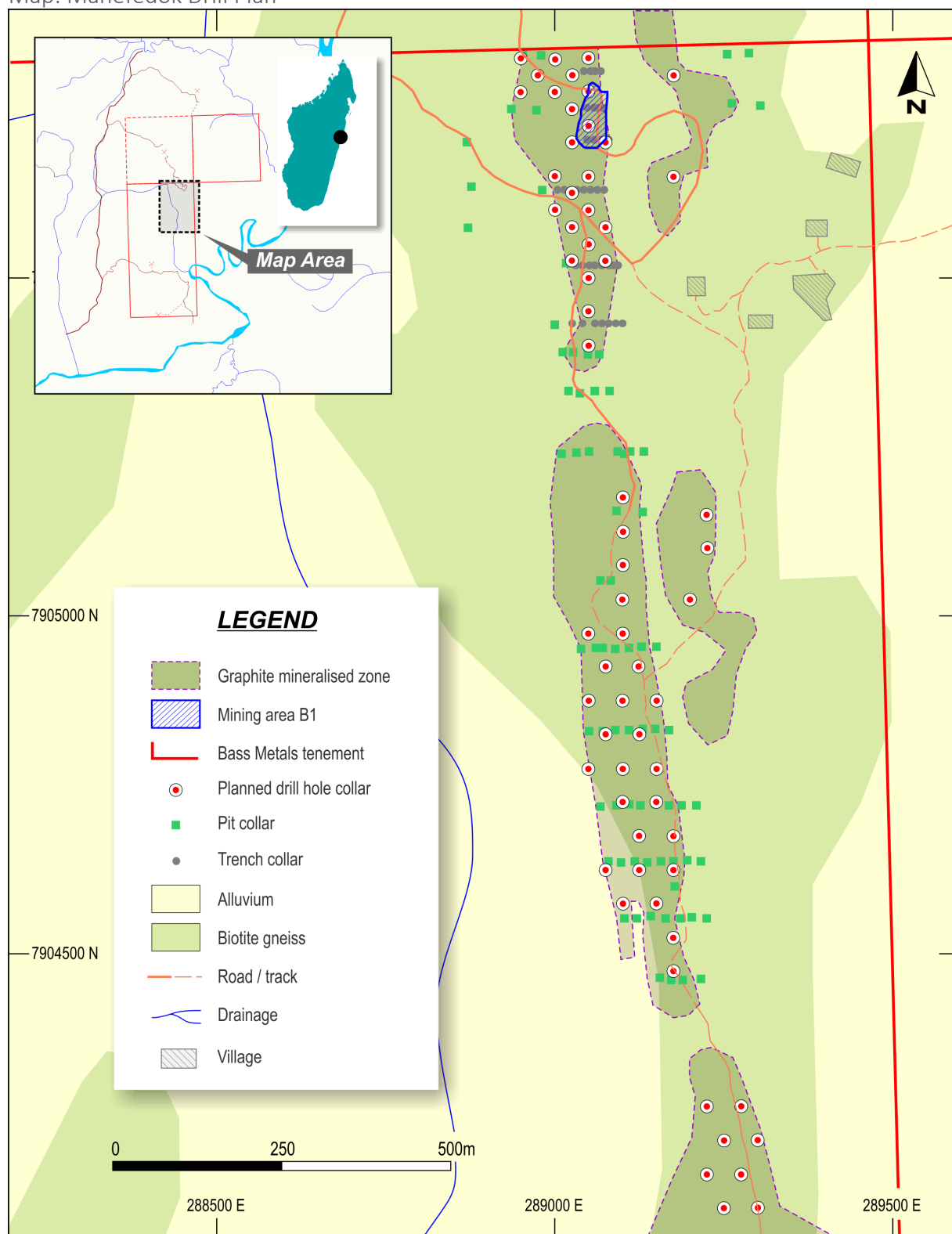
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¹ There is uncertainty that these exploration and evaluation works will be able to be reported as mineral resources or ore reserves in accordance with the 2012 edition of the JORC Code.

Map: Mahefedok Drill Plan



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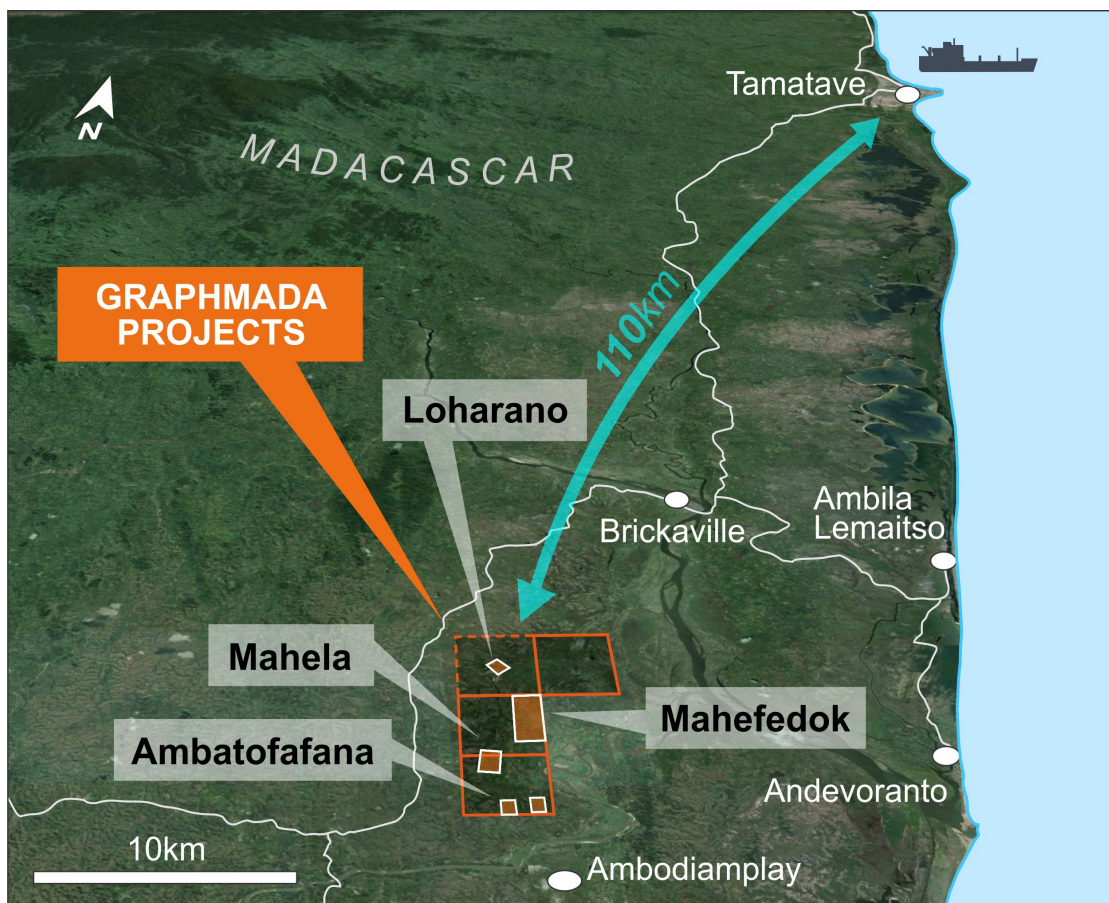
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Our Vision

To be a world leading graphite producer that can sustainably trade to market demand.

ABOUT THE GRAPHMADA LARGE FLAKE GRAPHITE MINE

Madagascar has been a recognised producer and exporter of graphite since 1907 and sets the world standard for product quality and flake size. The Graphmada Graphite Mine is situated in eastern Madagascar, approximately 100 km by sealed highway from the export port of Tamatave.



The Graphmada Mine hosts four known deposits. Recent mining activities have been focused on the Loharano deposit, while the Mahefedok deposit has also undergone trial mining as part of life-of-mine development studies. The Mahela and Ambatofafana deposits are still to be explored to their full potential.

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The graphite at Graphmada is hosted in both weathered regolith and underlying graphitic gneiss, with the grade of graphitic carbon increasing with depth. All mining to date has been very shallow and low cost, with the mining horizon from 1.5m below surface to a depth of 6-8m. However, the graphite bearing regolith is known to go to depths of more than 30 metres, to the underlying hard-rock mineralisation. Mineralisation at Mahefedok alone is open along a strike of approximately 1.8km and to depth.

The 140-strong workforce utilises modern facilities and infrastructure, with an on-site doctor, pharmacy, housing, offices, communications and an advanced analytical laboratory in place.

Also installed on site is a 6,000 product tonne per annum processing plant, with a drying and packaging facility, which the Company plans to improve and refurbish to reach nameplate capacity.

Graphmada sold approximately 1,500 product tonnes in the 2015 calendar year, with a proportion of the product being large flake graphite at 94% or greater purity. The Graphmada brand is synonymous with quality large flake graphite concentrate and is well established in traditional markets, as well as potential to push into new technology markets.

Bass Metals will add value by leveraging Graphmada's reputation for quality, improving operational efficiencies, and expanding graphite production through a low-capital and timely expansion into a high growth market.



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