

## AUGUR-DRILLING COMMENCES AT ANDAPA LARGE FLAKE GRAPHITE PROJECT

### Highlights

- Reconnaissance mapping and sampling has shown outcropping large flake graphite mineralisation at the recently discovered Andapa Project.
- Bass Metals intends to assess, through a comprehensive augur-drilling program, three separate targets of significant strike length, which are hosted in soft, easily mineable, saprolitic mineralisation.
- The main target, known as Unit 1, revealed Fixed Carbon (FC) grades over ~6% at surface.
- The augur-drilling program will consist of 202 drill holes for circa 2,000 meters.

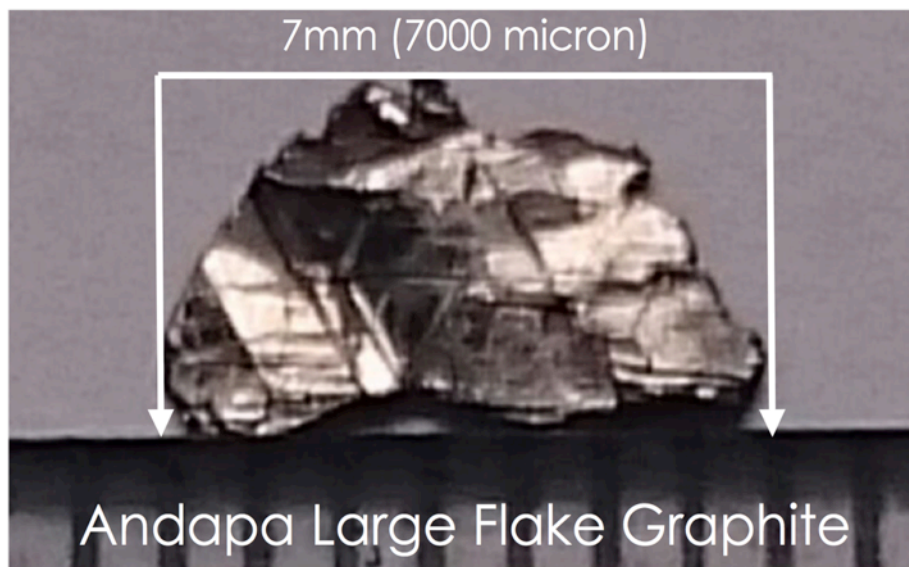


Figure 1: A large flake of graphite recovered from the Andapa Project.

Bass Metals Limited (ASX: "BSM") (the "Company") is pleased to inform its shareholders that it has commenced a maiden augur-drilling program in eastern Madagascar. The program, at the recently discovered Andapa Project (the "Project"), is aimed as a first step to providing a material increase in the Company's resource inventory from the Andapa discovery. This is a key component of Bass Metals' strategy to deliver value for shareholders from the Company's broader permit holding, while in parallel optimizing production from its 100% wholly-owned Graphmada Graphite Mine.



Figure 2: Location map of the Andapa Project.

Previous exploration by Bass at the Andapa Project has demonstrated that the area contains at least three lenticular bodies of large flake graphite within the weathered profile. The three parallel striking graphitic units strike approximately northwest southeast over strike distances varying between 1.3 km and 2.1 km. Sample analysis

returned values up to 6.26 %FC for graphite Unit 1, up to 7.74 %FC at graphite Unit 2 and at graphite Unit 3, values up to 3.95 %FC.

The program consists of 202 auger holes, each to a nominal depth of approximately 10 meters, for a total estimated program of circa 2,000 meters (Figure 3).

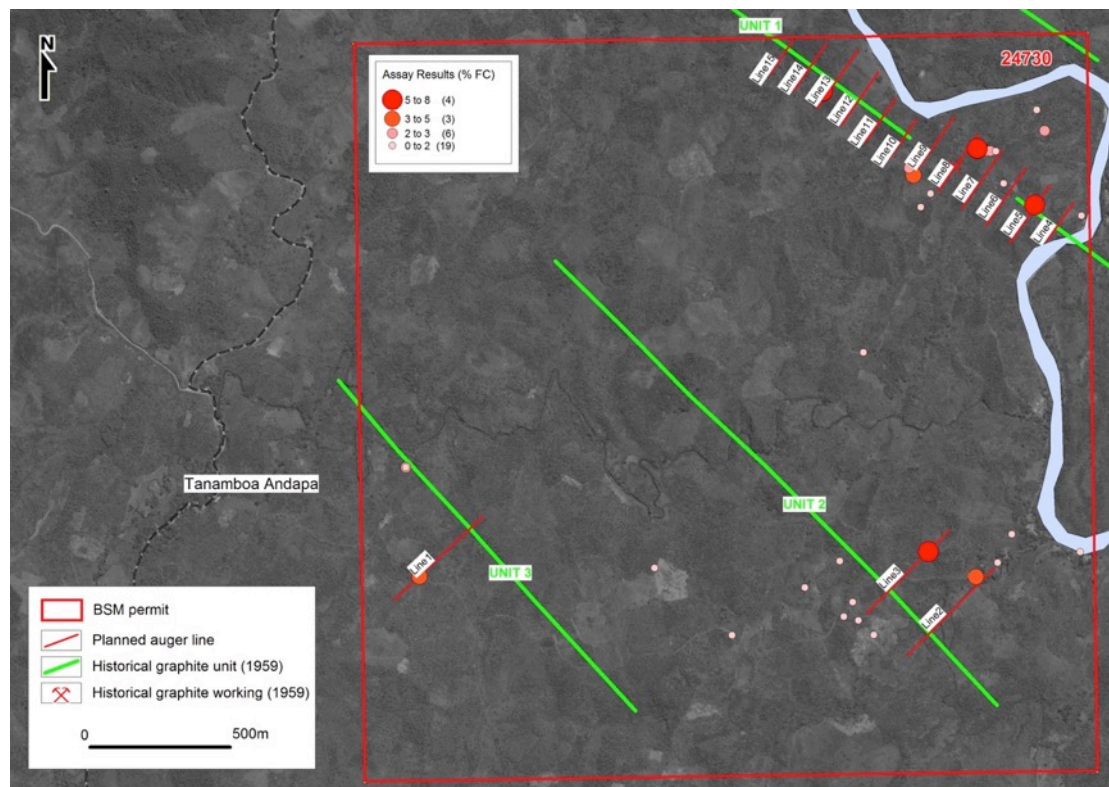


Figure 3: Map showing proposed auger-drilling lines at the Andapa Project.

The auger-drilling program will be predominantly focused on Unit 1 and will potentially also include a pitting and trenching program, with sampling. This program may be followed by a potential drilling and sampling program for grade estimation, flake size distribution and metallurgical testing with the aim of stating a Mineral Resource in accordance with the 2012 JORC Code.

Bass Metals CEO, Mr. Tim McManus:

“We are pleased to have commenced this material exploration program at the Andapa Project. We have recognized the Project has significant potential for development post the staged optimization and expansion of our flagship mine, the Graphmada Graphite Mine, located to the south.

With the Project located closer to port and a neighboring de-commissioned mine directly to the north of Andapa, along the strike of Unit 1, Bass has the potential to develop the Project with the knowledge that concentrates have been produced and sold internationally from this particular graphitic host.

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## ABOUT THE GRAPHMADA JUMBO FLAKE GRAPHITE MINE

Bass Metals Ltd is one of only three publicly listed graphite producers in the world. The Company 100% owns and operates the Graphmada large flake graphite mine, Bass' flagship project, located in eastern Madagascar. Madagascar has been a recognized producer and exporter of premium graphite for over 100 years and sets the world standard for product quality and flake size.



The Graphmada Mine has 40-year mining permits in place, containing four premium quality, large flake, graphite deposits hosted in weathered graphitic gneiss, a soft, easily minable rock that incurs low mining costs.

With all associated mining infrastructure and logistics in place, the mine currently produces and sells a range of graphite concentrates into multiple market segments, to customers in India, the United States and Europe.

With the aim of generating revenue through lowest quartile cost production, the mine is currently being optimized by an experienced management team to 6,000 tonnes per annum (Stage 1) with improved final graphite concentrate grades, in order to grow cash margins.

Graphmada also has significant potential for low capital intensity expansion. Bass plans to invest capital to expand production to greater than 20,000 tonnes per annum (Stage 2) of graphite concentrate sales by 2019.

In addition to exploring the greater mineralization potential of Madagascar, the Company has also made the strategic decision, in parallel with the optimization of Graphmada, to actively explore and develop deposits in the immediate proximity to the mine, to materially expand its resource inventories.



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### COMPETENT PERSON STATEMENT

The information in this announcement that relates to the in situ Mineral Resource Estimate for the Mahefedok Deposit and is based on information compiled by Mr. Grant Louw and Dr Andrew Scogings, who are both full-time employees of CSA Global Pty Ltd, as consultants to Bass Metals. The estimate was performed under the direction and supervision of Tim McManus, who takes overall responsibility for the report. Mr. McManus is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code 20121). Mr. McManus consents to the inclusion of such information in this announcement in the form and context in which it appears.