SUCCESSFUL COMPLETION OF RETAIL ENTITLEMENT OFFER

Highlights

- Retail Entitlement Offer successfully closed, raising approximately $1.6 million.
- Company to proceed with deferred placement and a further conditional placement
- Retail Entitlement Offer fully underwritten by Bizzell Capital Partners Pty Ltd and Morgans Corporate Limited.

Bass Metals Limited (ASX: “BSM”) (the “Company”) is pleased to announce that it has successfully completed the second stage of the Company's $6 million Equity Raising announced on 20 September 2017.

The Retail Entitlement Offer closed at 5.00pm (AEST) on 11 October 2017 with valid applications for entitlements and applications under the Top Up Facility received for approximately $1.6 million, representing a take up of approximately 94%. The shortfall of approximately $0.1 million has been placed by the underwriters to the Entitlement Offer, Bizzell Capital Partners Pty Ltd and Morgans Corporate Limited.

As announced on 22 September, the Company has already raised:

- approximately $3.0 million from the placement to institutional, professional and sophisticated investors; and
- approximately $0.8 million from the accelerated institutional component of the Entitlement Offer.

The Company intends to proceed, after the completion of the Entitlement Offer, with the deferred placement to raise a further $0.5 million before costs also at an issue price of $0.011 per share, and for every 4 new shares subscribed shareholders will receive 1 free attaching listed option with an exercise price of $0.025 exercisable on or before 31 December 2018, tradable on the ASX under the code BSMOB.

This will complete the $6 million Equity Raising as previously announced.

Given the strong demand from investors and the opportunity to pre-fund potential further exploration and Stage 2 expansion studies, the Company has also decided to undertake a further placement to raise up to $1 million before costs on the same terms as the deferred placement, subject to the approval of shareholders at the upcoming Annual General Meeting in November 2017.

As noted in the Company's earlier announcements, the net proceeds from the Equity Raising are being used to fund the final payment to Stratmin for the acquisition of the Graphmada Mine, funding the remaining Graphmada Mine refurbishment capital expenditure, exploration of graphite and lithium prospects and for working capital.

The Retail Entitlement Offer was fully underwritten by the joint lead managers to the Equity Raising, Bizzell Capital Partners Pty Ltd and Morgans Corporate Limited.

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Forward Looking Statements

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Competent Person Statement

The information in this document that relates to Exploration Results 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 mineralisation 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.