UPDATE ON DIVESTMENT OF TASMANIAN ASSETS

Bass Metals Limited (ASX: "BSM") (the "Company") is pleased to advise it has extended the Exclusivity Period, under a conditional Term Sheet whereby Bass shall dispose of all its tenements and mining related interests in Tasmania to NQ Minerals Plc ("NQM" - a company listed on the London AIM Exchange).

With Condition Precedents having been met by NQM, the extension through to May 2018, allows time for further financing of NQM's strategic plans, having recently received approval of its Environmental Management Plan for the commencement of operations at the immediately adjacent Hellyer Polymetallic Mine.

With Bass Metals now having a direct line of site to positive cash flow from its 100% wholly owned Graphmada Graphite Mine, this extension provides Bass a continuance of zero expenditure on these assets, which are subject to ongoing care and maintenance works, as well as tenement retention expenditures.

These benefits are in addition to those as part of the sale to NQM, which are:

1. NQM shall pay to Bass a 1% Net Smelter Return on any future sales from the tenements for a period of 20 years from completion;
2. Bass shall be relieved of all future liabilities associated with all of the tenements and existing agreements; and
3. Bass shall receive bonds and other refunds in relation to the tenements for approximately $650,000.

For further detail on the divestment of these assets please refer to the Company's ASX announcement 'Divestment of Tasmanian Assets' dated 1 May 2017.

For more information, please contact:

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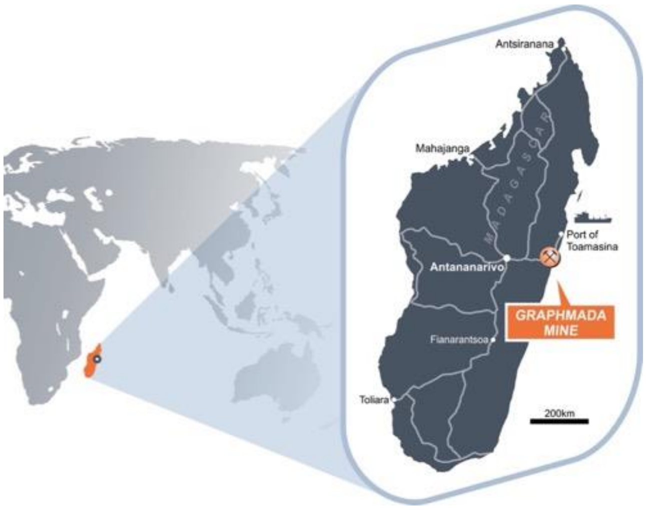
ABOUT THE GRAPHMADA LARGE FLAKE GRAPHITE MINE

Bass Metals Ltd. is one of a few publicly listed large flake 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 Europe and the United States.

ABOUT THE MILLIE'S REWARD PROJECT

Millie's Reward is a highly prospective conventional spodumene hosted Li_2O deposit located in Madagascar. A majority of the visable pegmatitic dykes and sills within the permits are over 10 metres in thickness, with swells in areas of up to 40 metres in thickness, while being up to several hundred metres in length.

Adjacent to the project area is the Holcim Talc Mine, which has a sealed road for product transport and grid power installed. In addition to the potential access of this infrastructure, Millie's Reward has extensive water supplies, accommodation and an available local workforce.

The Project area has been subjected to very little modern geological assessment, as all the activity performed in the past occurred at an artisanal mining stage, operated by the local miners working for gemstones.

High purity Scolecite crystals discovered at Millie's Reward

DISCLAIMER, STATEMENTS & IMPORTANT INFORMATION

DISCLAIMER

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FORWARD LOOKING STATEMENTS

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward-looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Bass Metals does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements. The information in this document does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this document constitutes investment, legal, tax or other advice.

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This document may not be distributed or released in the United States.

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 mineralization 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.