

UPDATE ON DIVESTMENT OF TASMAINIAN ASSETS

Bass Metals Limited (ASX: "BSM") (the "Company") wishes to advise it has, by mutual consent with NQ Minerals Plc ("NQM"), terminated its Term Sheet based agreement to dispose of all its tenements and mining related interests in Tasmania to NQM.

The Company, no longer subject to Exclusivity terms under the agreement, is currently in the process of appointing advisors to run a formal sale process with interested parties.

With zinc and other base metals reaching 10-year price highs in 2018 from supply deficits due to chronic exploration underinvestment, current price levels are generating sufficient capital investment interest to deliver new supply and meet demand.

Permitted projects like Fossey and Que River, with significant resources, provide a near-term supply response through potentially recommencing operations of a small open cut at Que River, and mining the remaining resources at Fossey.

The divestment also includes a large area of highly prospective exploration tenure in the prolific Mount Read Volcanics which hosts the world class Mt Lyell (Cu-Au), Rosebery (Zn-Pb-Cu-Au-Ag), Hellyer Rosebery (Zn-Pb-Cu-Au-Ag) and Henty (Au) mines.

BASS METALS CEO, MR TIM MCMANUS:

"The Company is encouraged by the interest it has received in these assets becoming available again at a time of such limited supply. We'll look to maximise the value for our shareholders with this divestment, and expedite the process in that regard."

For more information, please contact:

Tim McManus

Chief Executive Officer

Phone: (07) 3203 5894

Email: admin@bassmetals.com.au

Peter Wright

Executive Director

Phone: (07) 3203 5894

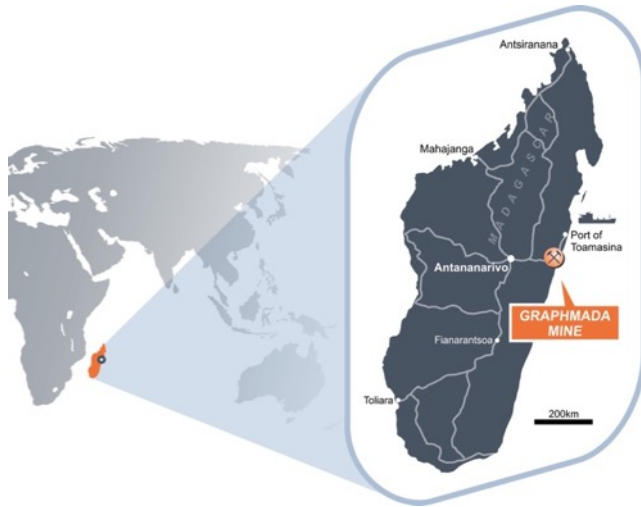
Email: admin@bassmetals.com.au

Please visit us at: www.bassmetals.com.au

Follow us on Twitter @bassmetals 

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 visible 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.



High purity Spodumene crystals discovered at Millie's Reward

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 scale, operated by the local miners working for gemstones.

DISCLAIMER, STATEMENTS & IMPORTANT INFORMATION

DISCLAIMER

This document has been prepared by Bass Metals Limited (the “Company”). It should not be considered as an invitation or offer to subscribe for or purchase any securities in the Company or as an inducement to make an invitation or offer with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this document. This document is provided on the basis that neither the Company nor its officers, shareholders, related bodies corporate, partners, affiliates, employees, representatives and advisers make any representation or warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the document and nothing contained in the document is, or may be relied upon as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law.

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.

IMPORTANT INFORMATION

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the ‘US Securities Act’), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

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.