OUTSTANDING ASSAY RESULTS CONFIRMED FOR ANDAPA DISCOVERY

Highlights

- Accredited laboratory results provide further confirmation of discovery of three premium large flake graphite targets at Andapa.
- The targets, from 1.3 km to 2.1 km in extent, are hosted in soft, easily mineable, weathered mineralisation, which indicates significant potential for low cost mining.
- The main target, known as Unit 2, revealed Graphitic Carbon (GC) grades up to 7.7% at surface.

Bass Metals Limited (ASX: "BSM") (the "Company") is pleased to inform its shareholders that it has received confirming assay results for its material exploration success, the Andapa discovery, in eastern Madagascar.

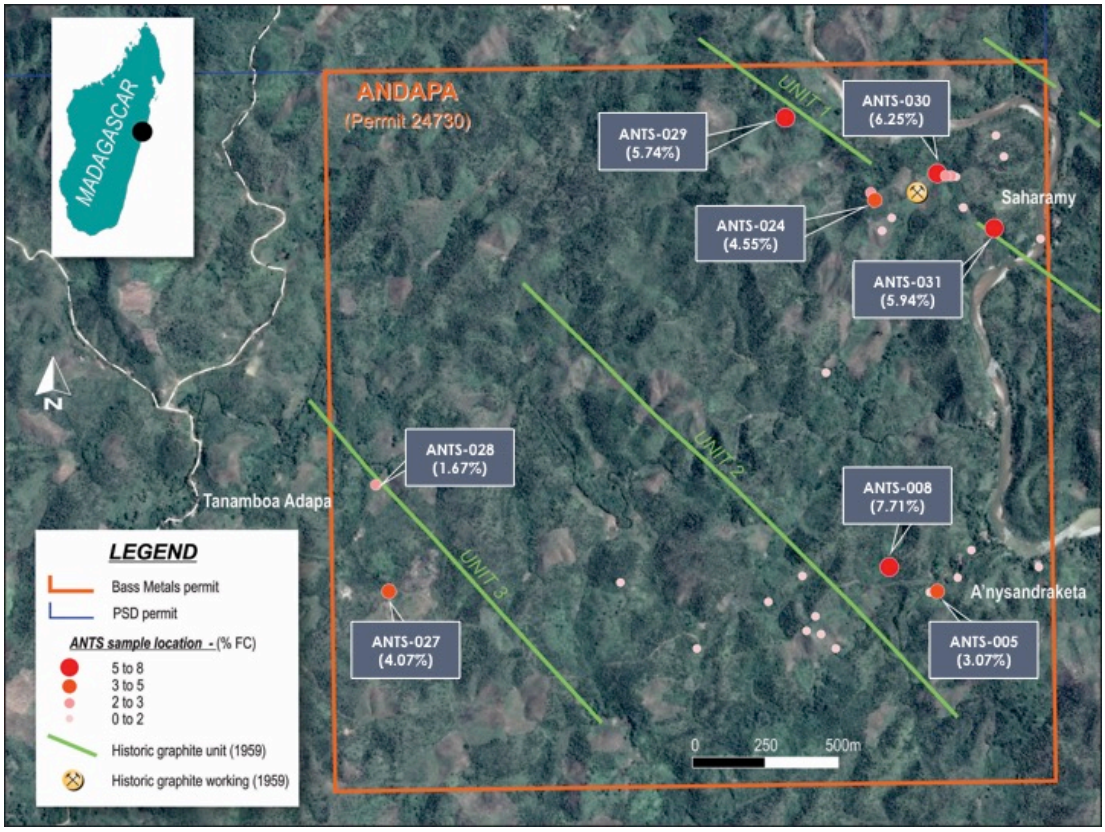

Figure 1: Map showing selected Graphitic Carbon (GC) sample results at the Andapa Project.

The SANAS[1] accredited Bureau Veritas laboratory results, in conjunction with exploration works completed by Bass, demonstrate the Andapa discovery 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.

31 in-situ graphite samples for the Andapa Project were analysed for Graphitic Carbon (GC), Total Carbon (TC) and Sulphur (S) grades. The results, detailed below in Table 1, returned values up to 6.25 %GC for graphite Unit 1, up to 7.71 %GC at graphite Unit 2 and at graphite Unit 3, values up to 4.07 %GC (Figure 1).

As previously announced, a systematic exploration program will be planned over the three graphitic units, including an auger and pitting program with sampling. To be followed by a potential drilling and sampling program for grade estimation, flake size distribution and metallurgical testing.

Figure 2: Location map of the Andapa Project.

[1] South African National Accreditation System (SANAS)

Table 1: Final Assay Results

Sample ID	Utm39sX	Utm39sY	From (m)	To (m)	Interval (m)	Lithology	FC* (%)	TC** (%)	GC** (%)	TS** (%)
ANTS_001	301,918	7,974,258	0.00	0.00	0.00	SAPROLITH	0.91	1.61	1.00	0.01
ANTS_002	302,324	7,974,350	0.00	0.00	0.00	SAPROLITH	2.25	1.05	0.54	0.01
ANTS_003	301,507	7,974,142	0.00	1.00	1.00	PEDOLITH	1.69	2.07	1.69	0.10
ANTS_004	301,888	7,974,208	0.00	1.20	1.20	PEDOLITH	0.51	1.37	0.93	0.05
ANTS_005	302,337	7,974,348	0.00	1.00	1.00	PEDOLITH	3.03	3.35	3.07	0.01
ANTS_006	302,411	7,974,397	0.00	1.50	1.50	SAPROLITH	0.93	1.32	0.85	0.01
ANTS_007	302,458	7,974,494	0.00	1.00	1.00	PEDOLITH	1.09	1.45	1.35	0.09
ANTS_008	302,174	7,974,432	0.00	0.90	0.90	PEDOLITH	7.74	8.20	7.71	0.05
ANTS_009	301,991	7,974,147	0.00	1.10	1.10	PEDOLITH	0.20	1.25	0.79	0.04
ANTS_010	301,938	7,974,196	0.00	1.50	1.50	SAPROLITH	0.91	1.30	0.84	0.03
ANTS_011	301,872	7,974,397	0.00	1.00	1.00	PEDOLITH	1.46	2.07	1.66	0.01
ANTS_012	301,240	7,974,367	0.00	1.00	1.00	PEDOLITH	0.82	1.06	0.47	0.03
ANTS_013	301,754	7,974,305	0.00	1.00	1.00	PEDOLITH	1.52	1.82	1.42	0.01
ANTS_014	302,692	7,974,436	0.00	0.70	0.70	PEDOLITH	1.50	2.23	1.53	0.01
ANTS_015	302,685	7,975,575	0.00	0.50	0.50	PEDOLITH	1.92	2.58	1.98	0.01
ANTS_016	302,418	7,975,681	0.00	0.90	0.90	PEDOLITH	1.28	1.43	0.88	0.01
ANTS_017	302,360	7,975,791	0.00	1.20	1.20	PEDOLITH	2.50	2.23	1.82	0.03
ANTS_018	302,370	7,975,791	0.00	1.00	1.00	PEDOLITH	2.26	2.60	2.23	0.03
ANTS_019	302,390	7,975,790	0.00	1.20	1.20	PEDOLITH	1.75	2.29	1.86	0.01
ANTS_020	302,556	7,975,861	0.00	1.00	1.00	PEDOLITH	2.69	2.96	2.31	0.03
ANTS_021	302,528	7,975,932	0.00	1.00	1.00	PEDOLITH	1.87	2.22	1.79	0.02
ANTS_022	302,169	7,975,645	0.00	1.10	1.10	PEDOLITH	0.91	1.43	0.78	0.01
ANTS_023	302,136	7,975,598	0.00	1.10	1.10	PEDOLITH	1.19	1.96	1.45	0.03
ANTS_024	302,110	7,975,706	0.00	1.00	1.00	PEDOLITH	4.31	4.86	4.55	0.01
ANTS_025	302,095	7,975,730	0.00	1.00	1.00	PEDOLITH	2.88	3.25	2.94	0.01
ANTS_026	301,945	7,975,104	0.00	0.80	0.80	PEDOLITH	1.02	1.09	0.60	0.03
ANTS_027	300,438	7,974,330	0.00	1.20	1.20	PEDOLITH	3.95	4.19	4.07	0.06
ANTS_028	300,388	7,974,699	0.00	1.40	1.40	PEDOLITH	2.14	2.14	1.67	0.22
ANTS_029	301,797	7,975,988	0.00	0.00	0.00	SAPROLITH	5.65	6.23	5.74	0.01
ANTS_030	302,326	7,975,799	0.00	0.00	0.00	SAPROLITH	6.26	6.36	6.25	0.01
ANTS_031	302,524	7,975,610	0.00	0.00	0.00	SAPROLITH	6.16	6.22	5.94	0.01

Table 1: Table showing graphite sample results at the Andapa Project.
*Graphmada in-house laboratory, **Bureau Veritas (SA) laboratory.
GC – Graphitic Carbon, TC – Total Carbon, TS – Total Sulphur.

Bass Metals CEO, Mr Tim McManus:

"With further confirmation of this discovery, Bass will begin planning further exploration and develop a project plan for the area. We are pleased not only to confirm our initial results but also learn that our in-house laboratory is able to produce very similar results at a preliminary level, which gives us great confidence in any future testing we conduct in-house, especially our grade control activities."

"For our team at Bass, these results reinforce the fact that we are operating in a globally significant graphite region, with great potential in and around Graphmada. We'll seek to leverage off our production expertise and market knowledge to look further afield in the region for other mineralisation in which to materially grow our resource base."

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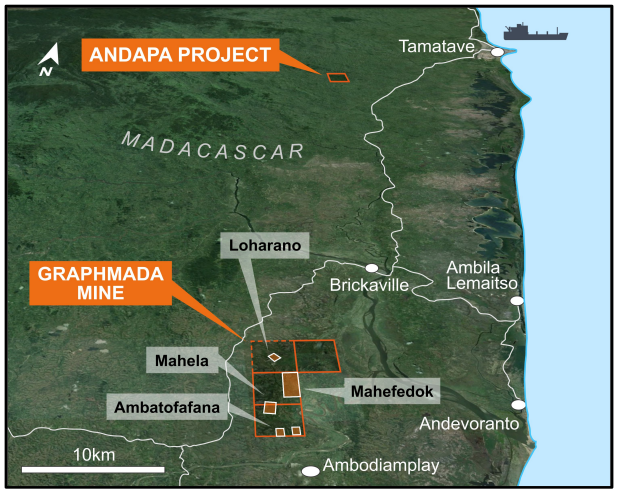
ABOUT THE GRAPHMADA LARGE FLAKE GRAPHITE MINE

Bass Metals Ltd. is one of only five publicly listed graphite producers in the world. The company 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 graphite since 1907 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.

Generating revenue through ongoing lowest quartile cost production, the mine is currently being optimised by an experienced management team to 6000 tonnes per annum 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 of graphite concentrate sales by late 2018.

The Company has also made the strategic decision, in parallel with the optimisation at Graphmada, to actively explore and develop deposits in the immediate proximity to the mine, with a view to materially expanding existing resource inventories.

The Loharano deposit has provided the bulk of the feed to the Graphmada processing plant and has total JORC compliant Indicated and Inferred resources of 5.7Mt @ 4.1% Grade with a 2% cut-off[2]. These resources are to a depth of only 6 meters, and mineralization is known to go to depth with increasing grade, and is open in all directions.

With the Company having a strong community engagement program and being well down the path in achieving its optimisation plans and growing its resource inventory, the team at Bass is confident of its plans for expansion and its future value creation for shareholders.

[2] These estimates were prepared and first disclosed by Stratmin Global Resource PLC under the JORC Code 2004. The estimates have not been updated to JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Reference is made to the Company's announcement of 2 September 2015, which provides further detail regarding this information.

DISCLAIMER & CAUTIONARY STATEMENTS

Disclaimer

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This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement. The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward looking statements will be or are likely to be fulfilled. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements). 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.

Competent Person Statement

The information in this document that relates to Exploration Results and Mineral Resources 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.

Subsequent Public Reporting

The information for the JORC Mineral Resource Summary is extracted from the ASX Announcement "Strategic investment in producing graphite asset" released 2 September 2015, which is available to view on www.asx.com.au. Bass Metals Ltd. confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

JORC Code, 2012 Edition – Table 1

Discussion and results within this appendix relate to the Bass Metals Ltd – Andapa Project, Madagascar

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sounds, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	• Outcrop and regolith samples were collected on surface and included in-situ composite samples of the graphite bearing host rocks. Visual estimation of graphite percentages and flake sizes have been used to define mineralisation prior to return of assays. The samples were solar dried, manually crushed, split twice through a 50/50 riffle splitter to obtain a representative sub-sample, weighing between 100-150g that was sent to the Bass Metals in-house laboratory for preliminary Fixed Carbon analysis. The reject pulp samples will also be sent to a SANAS accredited laboratory (Bureau Veritas) in South Africa for Graphitic Carbon (GC), Total Carbon (TC) and Sulphur (S) grades.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	• Not Applicable
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples.	• Not Applicable

Criteria	JORC Code explanation	Commentary
	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged.	• Outcrop and regolith samples were all geologically logged and photographed, and geological recording of relevant data was captured on Bass Metals logging templates. All data was codified to a set company codes system as per sampling and logging procedures which are in place. • All logging included lithological features, estimates of graphite percentages and flake sizes which is quantitative and is recorded on the logging sheets. Photographs have been taken as a qualitative check on logging when the need arises.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Outcrop and regolith samples were solar dried, crushed and split twice using a 50:50 riffle splitter. The crushing and splitting equipment was cleaned according to best practice procedures prior to every run. • Each sample was manually crushed to nominal -2mm and approximately 100-150g sub-samples were collected and send to the Bass Metals in-house laboratory in Madagascar. The in-house laboratory then pulverized such that 80% of the sample is -75 micron or less in size. • Reject pulp samples were sent to a SANAS accredited laboratory (Bureau Veritas) in South Africa for further analysis. • Certified graphite standards (GC-09 and GC-10) and silica blanks (AMIS0439) were inserted with the dispatch of the samples to the SANAS accredited laboratory (Bureau Veritas) in South Africa. • Bureau Veritas Laboratory inserted check samples (blanks, standards and duplicates) to maintain QAQC standards.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	• The nature, quality and appropriateness of the assay techniques employed by Bureau Veritas were to recognised industry standards for graphite analysis and industry best practice.

Criteria	JORC Code explanation	Commentary
	• For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• Analysis by the SANAS Accredited Laboratory (Bureau Veritas) in South Africa included sub-sample preparation included sorting and pulverizing such that 80% of the sample is -75 micron or less in size. • A split of the sub-sample will be analysed using a LECO Analyser to determine Total Carbon (TC), Sulphur (S) and Graphitic Carbon (GC) contents (these are considered both partial and total digestion analyses). • For TC and S, a stream of oxygen passes through a prepared sample (0.05 to 0.6g), it is heated in a furnace to approximately 1350°C and the sulphur dioxide and carbon dioxide released from the sample are measured with infrared detection. • For GC, a 0.1g sample is leached with dilute hydrochloric acid to remove inorganic carbon. After filtering, washing and drying, the remaining sample residue is roasted at 425°C to remove organic carbon. The roasted residue is analysed for Carbon - High temperature LECO furnace with infra-red detection. • Internal Laboratory check samples (blanks, standards and duplicates) are also analysed as per normal laboratory practice.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• All data was collected initially on paper log sheets by Bass Metals personnel. This data was hand entered into spreadsheets and validated by an external consultant. All paper log sheets were scanned, and electronic spreadsheets stored together with the photographs of the geological features logged. • The master collar, lithology and assay database with all photographs are backed-up and stored on an external hard drive. • No adjustments were made to the assay data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	• Hand-held Garmin GPS's were used to locate surface locations, and final location coordinates were completed taking average readings up to 5 minutes and with estimated positional errors between 1 and 3 meters. • The WGS84 UTM Zone 39S projection system is used at the Andapa Project.

Criteria	JORC Code explanation	Commentary
	• Specification of the grid system used. • Quality and adequacy of topographic control.	
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Outcrop and regolith samples were collected along 3 historical mapped graphitic units. The purpose of the sample locations was to confirm the presence of the historical mapped graphitic units within the project area. • The data collected is insufficient to determine a Mineral Resource and are considered preliminary exploration results only. • Sample compositing has not been applied.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Not Applicable
Sample security	• The measures taken to ensure sample security.	• Samples were stored in a secure storage area at the Bass Metals sample storage facility. • Samples bags were sealed as soon as sub-sampling was completed, and stored securely until dispatch to the laboratory in South Africa via courier.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Not Applicable

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• Exploitation permit no PE 24730 is located in the Toamasina Province of Madagascar and held by the Malagasy company, Graph-Mada SARL which is a wholly owned subsidiary of the ASX listed company, Bass Metals Ltd. Permit no PE 24730 was granted on 18/01/2007 and is valid for 40 years. • The permit is in good standing, and all statuary approvals are in place to conduct exploration and exploitation activities throughout this permit area, including mining.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Not applicable as no previous exploration has been carried out.
Geology	• Deposit type, geological setting and style of mineralisation.	• Crystalline “hard rock” flake graphite deposits occur in graphitic gneisses within Neoproterozoic metasedimentary type rocks and include accessory minerals of biotite (± sillimanite / kyanite, ± garnet). • Due to the tropical climate and because graphite is comparatively inert, weathering of the “hard rock” graphitic gneiss units further concentrate the graphite to form residual regolith-hosted accumulations within the weathered profile. • Regolith refers to weathered material that occurs above unweathered bedrock. Two primary subdivisions are the pedolith (PED) and the saprolith (SAP). Secondary subdivisions of the pedolith, from the surface downwards, include soil (SL), ferruginous zone (FZ), and the mottled zone (MZ). Secondary subdivisions of the saprolith, include saprolite (SP) and saprock (SR). • The Andapa Project contains at least 3 lenticular bodies of flake graphite within the weathered profile described above. The 3 parallel striking graphitic units strike approx. northwest - southeast over strike

Criteria	JORC Code explanation	Commentary
		distances varying between 1.3 km and 2.1 km.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o Drillhole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Not Applicable
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Outcrop and regolith samples from surface have been reported as in-situ Fixed Carbon grades as analysed by the Bass Metals in-house laboratory. • No Metal Equivalents have been stated.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results.	• Not Applicable

Criteria	JORC Code explanation	Commentary
	• If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. • These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• This information has been accurately represented in the announcement and contains all relevant information required for the reader to understand the scale, orientation and nature of the 3 graphitic units and sample locations.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• The summary table of all the outcrop and regolith samples are contained within the announcement.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Not Applicable
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• A systematic exploration program will be planned over the 3 graphitic units, including an auger and pitting program with sampling, to be followed by a potential drilling and sampling program for grade estimation, flake size distribution and metallurgical testing.