

ASX Announcement 30 September 2019

Bass signs Memorandum of Understanding with leading US Graphite Technology company to develop downstream products.

Bass Metals Limited (ASX:BSM) (**Bass** or the Company) is pleased to announce that it has signed a strategic Memorandum of Understanding (**MOU**) with leading downstream graphite processor Urbix Resources LLC (**Urbix**).

HIGHLIGHTS

- MOU executed with Urbix to work over the next 180 days to establish a Joint Venture for the processing of Bass high grade graphite into value added downstream products.
- Bass and Urbix will delineate terms for establishing a joint venture facility in Madagascar capable of producing a purified high value graphite product utilizing Urbix's propriety technology and Bass Graphmada large flake graphite.
- The proposed JV will combine Urbix's expertise in the development of advanced and sustainable downstream Graphite products combined with Bass' large flake graphite resources, producer status, technical knowledge, government relations and sales relationships.
- Urbix's proprietary advanced technology includes environmentally and cost-conscious purification methods that are not reliant on environmentally unsustainable Hydrofluoric acid treatments. Urbix holds significant intellectual property a wide range of graphite applications including proprietary Li-ion battery cells, electrolyte, graphene products, cement, and other composites and energy storage materials.

MEMORANDUM OF UNDERSTANDING

The production of value added or downstream products facilitated by strategic partnerships is a core objective of Bass. Downstream product markets in applications such as expandable graphite are characterized by strong margins and emerging potential imbalances of supply and demand. The

establishment of value accretive downstream production facilities with the financially and technically strong partners is viewed as a key step to realizing the full potential of the Graphmada mine

Bass is in a unique position as it offers existing production capable of expansion of a quality large flake product.

Bass is pleased to have reached an MOU with Urbix, a global leader in the production of downstream graphite products Urbix. Bass and Urbix will now work together over the next 180 days to identify the optimum Joint Venture structure and product mix with a view to then moving to establish a production facility in Madagascar. Bass' large flake dominated deposit is suitable for a broad range of downstream applications, as previous test work has illustrated

ABOUT URBIX RESOURCES

Urbix Resources LLC (<https://urbixresources.com>), headquartered in Mesa, Arizona, was founded in 2014. Urbix's advanced technology includes environmentally and cost-conscious purification methods and significant intellectual property developments in a wide range of applications including proprietary Li-ion battery cells, electrolyte, graphene products, cement, and other composites and energy storage materials.

Of specific interest to Bass is Urbix's proprietary technology for purifying graphite in an efficient and environmentally sustainable way without the use of hydrofluoric acid or high temperature ovens.

Urbix is currently engaged in building what will be one of the largest natural graphite purification facilities in North America. Upon completion, the 31,000 square foot facility at Falcon Airfield in Mesa, Arizona will have the capability of purifying up to 24,000 metric tonnes annually.

More recently, the award-winning company agreed to work with the Hanoi-based Vietnam Graphite Group to build a purification plant in Vietnam.

Urbix holds diverse intellectual property for graphene exfoliation and functionalization with yields as high as 95-99%. In collaboration with one of the world's largest producers of lightweight concrete, Urbix has designed a graphene-based material solution that offers performance improvements, but at a cost that is lower than current lightweight concrete additive alternatives.

Bass has long held the strategic view that the production of value-added materials provides further value to the Company given its progress to date and producer status. Bass sees Urbix as an ideal partner to

progress to JV with, given Urbix's demonstrated capacities in this field. Bass has enjoyed working with Urbix to date and looks forward to moving to a joint venture.

ADAM SMALL URBIX COO AND CO-FOUNDER:

"We are excited to begin this process with the Bass Metals team. The historic, high-quality large and jumbo flake graphite they are working with is integral to countless application markets. We anticipate that collaborating with Bass Metals will culminate in the best possible outcome for Madagascar-produced graphite."

TIM MCMANUS BASS CEO:

"Bass is pleased to have completed this initial step toward its long-stated goal of ultimately achieving production of downstream products via a strategic partnership. Bass can see considerable potential in working toward an ultimate Joint Venture agreement with a company of Urbix's achievements and capacities.

"Urbix is a highly advanced and developed company, whom can produce several downstream products in an environmentally responsible process - a key to operating in Madagascar or any jurisdiction for that matter. This, combined with Bass' in country presence, current production, current sales and developed sales relationships, positions both parties to develop a commercially viable JV relationship.

"We look forward to keeping the market informed as to our progress towards this."

For more information, please contact:

Tim McManus
Chief Executive Officer
Phone: (07) 3203 5894
Email: admin@bassmetals.com.au
www.bassmetals.com.au
 [@bassmetals](https://twitter.com/bassmetals)

Peter Wright
Executive Director
Phone: (07) 3203 5894
Email: admin@bassmetals.com.au

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, Exploration Targets 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 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.