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ASX Announcement 16 March 2021

41% INCREASE IN GRAPHITE MINERAL RESOURCE TO ADVANCE PLANS FOR LARGE SCALE MINING AND PROCESSING OPERATIONS.

Bass Metals Limited (ASX:BSM) (the **Company** or **Bass**) is pleased to provide investors with an update on the significant increase in the Company's Mineral Resources at the Graphmada Mining Complex (Madagascar).

KEY POINTS

- The Mineral Resource for Graphmada has increased by 41% to 20.2 million tonnes (Mt) of >90% large flake graphite (>180 microns) at 4.0% Total Graphitic Carbon (TGC).
- The Mineral Resource increase was established from augur drilling at 0-10 metres depth. Deeper drilling to 10-50 metres depth will now be undertaken, aiming to increase the soft rock, easily mineable Mineral Resource.
- The Mineral Resource upgrade leads to a 42% increase in Contained Graphite to 815 kt at Graphmada.
- Measured and Indicated Mineral Resources have increased by 41% to 6.2 Mt at >90% large flake graphite at 4.3% TGC.
- Initial results from a preliminary drill program at Ambatofafana are highly encouraging, with graphite discovered outcropping at surface.

2021 MINERAL RESOURCE SUMMARY

Table 1: 2021 Mineral Resources for Graphmada (figures subject to rounding).

Total	Tonnes (Mt)	TGC%	Contained Graphite (kt)
Measured	2.9	4.2	121
Indicated	3.3	4.3	143
Inferred	14.0	3.9	550
Total	20.2	4.0	815

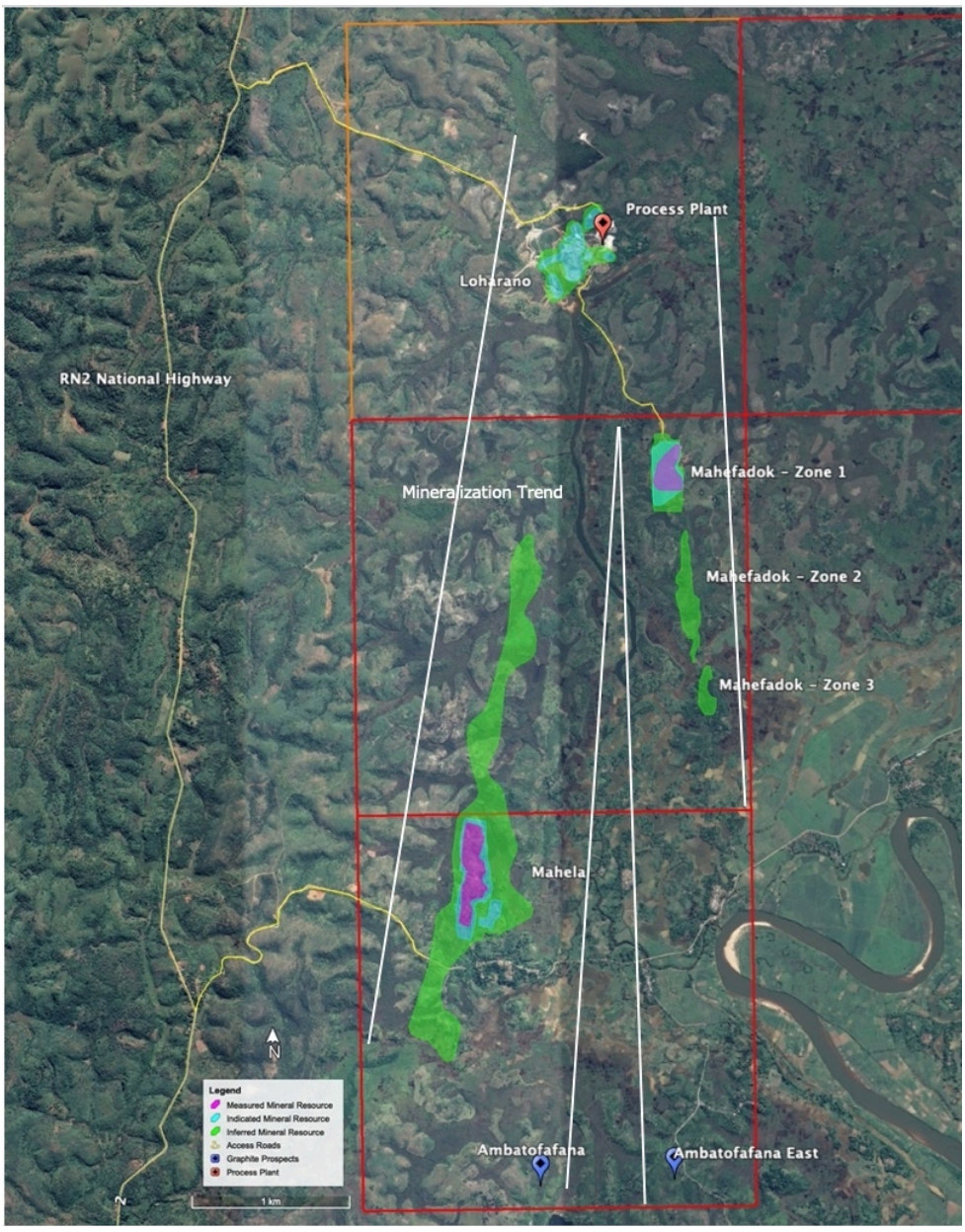

Figure 1: Plan view of the Graphmada Mineral Resource 2021.

2021 MINERAL RESOURCE STATEMENT

Overview

With this interim update for Mineral Resources at Graphmada, Bass has now quadrupled the original Mineral Resource of 5.7 Mt at Graphmada to over 20 Mt based on four low cost, shallow drilling programmes.

Bass has long held the view that there is substantial graphite mineralization at Graphmada, both laterally and at depth. The results of this latest exploration program support the assessment that the Graphmada mineralization is continuous from Mahela through to Lohorano, an approximate strike length of 4.5km. This is apart from the mineralization trend that hosts the Mahefedok Mineral Resources, a seperate trend that will be subject to further augering.

This latest Mineral Resource delivers Bass additonal tonnes to an ore body already commercially proven to produce on-specification concentrates. Bass remains one of only two companies listed on the ASX to have commercially produced graphite concentrates.

The additional Mineral Resource has an insitu large flake graphite content of >90%. This is in line with the existing Resource that has already delivered over 20 months of continuous production at an average of 43% large to super jumbo concentrates.

The 41% increase in Mineral Resources has been established from shallow augur drilling from 0-10 metres depth. Bass will now undertake deeper drilling to 10-50 metres depth with the aim to further increase the soft rock, easily mineable Mineral Resource at Graphmada.

Bass remains committed to its aim of establishing a large Mineral Resource at Graphmada to facilitate progress of large scale mining and processing studies currently being undertaken.

The significant increase in Mineral Resources at Graphmada place Bass in the position of being able to supply quality products into both the battery minerals and advanced materials markets.

Technical Summary (ASX LR 5.8.1)

The following summary presents a fair and balanced representation of the information contained within JORC Table 1 (sections 1-3) attached:

- The Company holds the Mineral Resources via 100% owned exploitation permit numbers 26670, 25600 and the Loharano renewal. The permit grants the exclusive rights for 40 years to explore and mine graphitic resources.
- The mineralization contains large flake graphite mineralized within both the weathered profile (regolith) and underlying crystalline graphitic gneisses (hard rock), broadly coinciding with regional graphite mineralization trends.
- Diamond and auger drilling have intersected the mineralization, which is distributed broadly within the known mineralization footprint. The mineralization broadly dips to the west at approximately 45° and consists of a broad mineralization profile that continues to depth.
- 16,619 samples from 1,503 auger holes (12,397 meters drilled) and 144 diamond holes (5,693 meters drilled) were prepared, split and analyzed at the in-house Graphmada laboratory, with a representative proportion analyzed by an SANAS accredited laboratory in South Africa for Fixed Carbon and Graphitic Carbon respectively, as well as further analysis for Sulphur.
- The estimate was classified as Measured, Indicated and Inferred on the basis of augering, surface mapping, drill hole sample assay results, drill hole logging, assigned density values based on core sample measurements, flake size distribution studies, and nearby mining and processing operations.
- Grade estimation was completed using the ordinary kriging estimation method and checked using inverse distance weighting to the power of two estimation.
- A nominal 3% cut-off is supported by statistical analysis of the grade population distribution of the total dataset.

Location and Permitting

Access to the Graphmada Mineral Resource is excellent, with a travel time to and from Antananarivo of approximately 5 hours along the Route National (RN2) highway. The RN2 highway passes near the western edge of Graphmada and is the highway that connects the main port located at Toamasina to the capital, Antananarivo. The Graphmada Mining Complex has general site offices, amenities and services able to support mining and processing operations. The Company holds the deposit via exploitation permit number 26670, which is 100% owned. The permit grants the exclusive right for 40 years to explore and mine graphite resources.

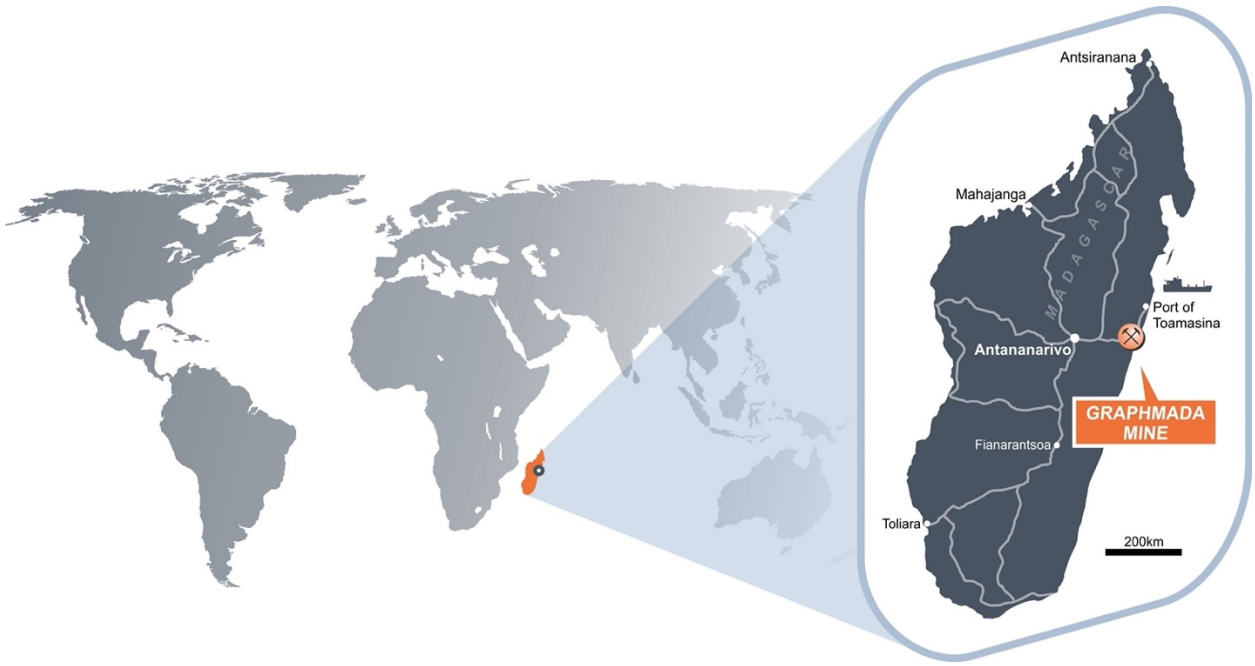

Figure 2: Location of the Graphmada Mine.

Previous Exploration and Mining

Systematic exploration activities have been conducted since 2013 and results obtained confirm that the area contains shallow, regolith-hosted large flake graphite mineralisation that is extensive in its morpohology, both laterally and by width.

These exploration activities include rock chip and outcrop sampling, augering, diamond drilling, topographic and geophysical surveys, geological and structural

modelling, statistical and elemental analysis and flake size characterisation, along with reconciled production over an extended period of time.

Geology

At Graphmada, the mineralization system is extensive, both laterally and in width, with economically viable graphite mineralization hosted within granite-gneisses and migmatites as disseminations and occasionally along with pegmatite and quartzo-feldspathic veins as enriched lumps. These graphite bearing gneisses and migmatites have been deeply weathered and are susceptible to regolith formation due to the tropical climatic conditions in the region.

Figure 3: Mining of soft, weathered, graphite rich regolith at the Graphmada Mine.

Classification and jorc code 2012 clause 49

The Company in adhering to the principals of JORC Code (2012) of transparency and materiality has updated the reporting of its Mineral Resources to provide additional information the Competent Person sees as relevant to investors for the purpose of making a reasoned and balanced judgement in the context of Natural Flake Graphite being an industrial mineral produced to customer specifications.

Specifically, Clause 49 of the JORC Code 2012 requires that: "*For minerals that are defined by a specification, the Mineral Resource or Ore Reserve estimation must be reported in terms of the mineral or minerals on which the project is to be based and must include the specification of those minerals.*"

Flake Size Distribution

The percentage of large flake concentrates produced is the main performance measure for any graphite producer. Large flake concentrates (>180 microns) demand a higher price in the market due to their scarcity of supply and unique properties.

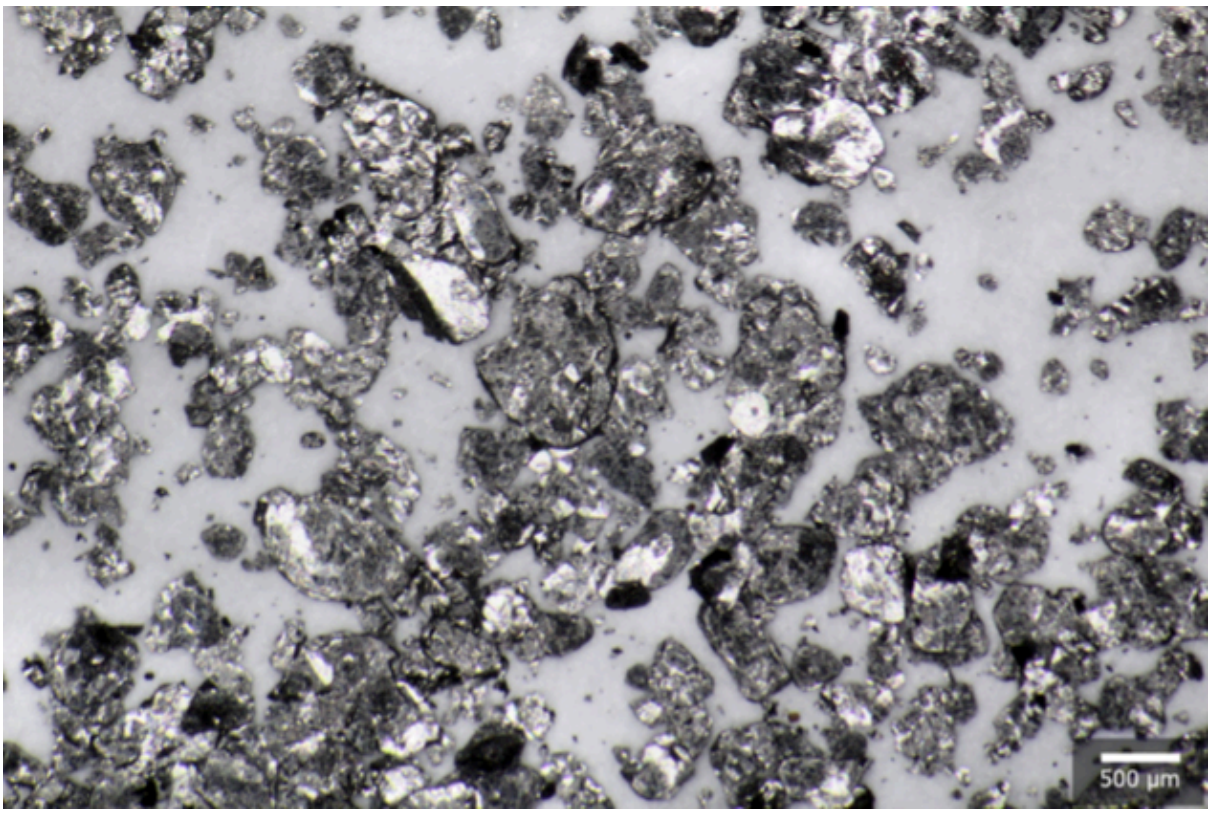

Figure 4: Large flake graphite from the Graphmada Mine.

Large flake graphite can only be produced from natural graphite ores and cannot be synthesized. Once large flakes are destroyed, they cannot be restored. Hence, the specialist nature of economically extracting large flake graphite and producing saleable concentrates from unique deposits of natural flake graphite.

Large flake graphite resources that contain a high percentage of large flake insitu are becoming increasingly scarce and hence being seen more and more as strategic assets within the Critical Minerals discussion. Therefore, being able

to consistently supply large flake concentrates at a reasonable cost increases the strategic value of any operating asset, and provides Bass and its shareholders, as one of only a handful of globally listed specialist large flake producers, a unique value proposition.

This is supported by the average prices received by Bass during 2019 production (Table 2), sold by Bass into Europe, Indian, China and the USA markets.

Table 2: The price per tonne increases as flake size increases:

	Flake Size	FOB Price	% Increase in Price
Large Flake	>500 microns (+35 mesh)	~US$1,738	↑ 20%
	500-300 microns (+50 mesh)	~US$1,448	↑ 76%
	300-180 microns (+80 mesh)	~US$820	↑ 45%
Fine Flake	180-150 microns (+100 mesh)	~US$565	↑ 55%
	150-75 microns (-100 mesh)	~US$363	↑ 37%
	<75 microns (-200 mesh)	~US$264	

Natural Flake Graphite mineralization, being able to yield products suitable for more than one specification, and subject to significantly varying prices, in the opinion of Bass' Competent Person, must be quantified as a percentage of the bulk deposit to adequately reflect the insitu value of the mineralization, especially when comparing value between deposits. In doing so, the investor is being provided relevant information for a reasoned and balanced judgement.

Carbon Content

Carbon may be present in rocks in various forms including organic carbon, carbonates or graphitic carbon. Carbon in rocks may be reported as total carbon (organic carbon + carbon in carbonate minerals + carbon as graphite) or as total graphitic carbon (total carbon – (organic + carbonate carbon). Therefore, when Total Graphitic Carbon (TGC) is to be reported, organic carbon and carbon in carbonate minerals such as calcite should be removed before analyzing for TGC.

Assaying for graphitic carbon quantifies the amount of graphite contained within a deposit, but does not indicate the amount, size distribution or purity of graphite that may be recoverable.

Therefore, the Company undertakes testing at its wholly-owned, on-site laboratory, which typically includes comminution and flotation tests to produce graphite concentrates (products). The Company also undertakes this work for further product performance tests and evaluation by potential customers. This work is usually reported as either Fixed Carbon % (FC%) or Loss On Ignition % (LOI%).

Figure 5: Flotation of large flake graphite for analysis.

To achieve a high carbon content for graphite concentrates, without the use of capital intensive, environmentally harmful methods such as the use of Hydrofluoric Acid or Caustic Roasting, the graphite ore must be processed through a grind and float circuit, the concentrate then needs to be dried, screened into its different size fractions and packaged.

The grinding in this process helps increase the carbon content of the concentrate produced by removing impurities from the surface of the graphite flake. However, over-grinding can reduce the size of flakes due to the breakage of the flake. Once a graphite flake is broken it is reduced in value by price received

but also in its value in use, as large flakes are highly sort after for their unique properties when compared to fine flake.

Bass' competitive advantage is in processing graphite to maintain large flake sizes without the use of environmentally sensitive acids and roasting, while gently ameliorating impurities to increase carbon content. This processing skill and knowledge is a key asset for the Company.

Figure 6: Stage 1 processing knowledge is a valuable asset for Bass Metals.

In 2020, graphite concentrates were priced, on average, by a 5% increase per 1% upgrade in carbon content. This is substantially less that the percentage increases seen for increasing flake size (refer Table 1), making flake size the dominant determinant of value. This means that the amount of large flake insitu is the single most important parameter in assessing a Mineral Resource and its value in terms of "reasonable prospects for eventual economic extraction" as required by the JORC Code (2012).

Thus, the higher percentage of large flake graphite insitu, the higher percentage of large flake processing operations begin with. This leads to a higher percentage of large flake concentrates produced and therefore higher revenue received. This understanding of value provides the foundations of the Company's view of the Graphmada asset being a strategically valuable asset. The amount of large flake graphite insitu at Graphmada is >90%, an excellent starting point for the processing and concentration of graphite concentrates.

Test work and historical production has provided the Competent Person with a basis to determine the likely percentage of 'Recoverable Large Flake' from the processing of the Mineral Resource.

In 2016, Independent Metallurgical Operations completed maiden test work and demonstrated of a regionally representative sample tested, that concentrates could be produced with overall grades >94% Fixed Carbon, with approximately 60% of the flakes larger than 150 microns. Recoveries ranged from approximately 75-92%[1].

Subsequently, regionally representative results were confirmed by Dorfner ANZAPLAN[2] of Germany after further analysis. The particle size distribution was concluded to be coarse, with approximately 70% of the concentrate sample larger than 180 microns (Large Flake). The main chemical impurities were Si, Al and Fe, which is consistent with benign quartz and clay, which were confirmed by XRD analysis. ANZAPLAN concluded that the concentrate benchmarked favorably for wide use in various carbon applications and market segments.

In addition, flake size distribution samples were taken from the remaining diamond drill core and assessed. Results demonstrated an average flake size distribution similar to results achieved since the commencement of operations at Graphmada, where concentrates have been produced and sold for more than 7 years.

Table 3: Average flake size distribution results.

Large Flake (61%)			Fine Flake (39%)	
>500 microns	>300 microns	>180 microns	>100 microns	<100 microns
20%	12%	29%	10%	29%

The Competent Person therefore estimates that a conservative 61% of large flake graphite can be recovered utilizing current processing and concentrating operations at Graphmada and has used this as the basis for stating the amount of large flake that is recoverable from the Mineral Resource.

1 ASX Announcement 15/11/2016 "Bass achieves excellent concentrate optimisation results."
2 ASX Announcement 23/05/2017 "Tests confirm Graphite Concentrates as Industry Benchmark

Estimation Methodology

The Mineral Resource Estimate (MRE) is based upon 16,619 samples from 1,503 auger holes (12,397 meters drilled) and 144 diamond holes (5,693 meters drilled) were prepared, split and analyzed at the in-house Graphmada laboratory, with a representative proportion analyzed by an SANAS accredited laboratory in South Africa for Fixed Carbon and Graphitic Carbon respectively, as well as further analysis for Sulphur.

The mineralization wireframes were modelled using a nominal lower cut-off grade of 3%.

The mineralization wireframes were modelled by first completing a global estimate of the deposit due to the wide and shallow morphology of the mineralization.

The estimate assisted in defining grade envelop boundaries which were then interpreted in section with string polygons based upon geological and production knowledge of the deposit, drill hole logs and drill sample analysis results.

A detailed topographic surface was updated with more accurate information obtained from Drone and DGPS surveys.

Weathering boundary surfaces, based on the drill logging, were used to define the regolith and hard rock zones.

Sensitivity analysis of the cut-off grade demonstrates that reducing the cut-off grade from 3% to 0.5% TGC potentially yields a large increase in tonnes with a moderate decrease in head grade to 34 Mt @ 3.5% TGC.

This indicates there is significant potential in further assessment of the cut-off grade within ongoing feasibility studies and any potential positive economic impacts from implementing ore sorting methodologies that maximize resource recovery.

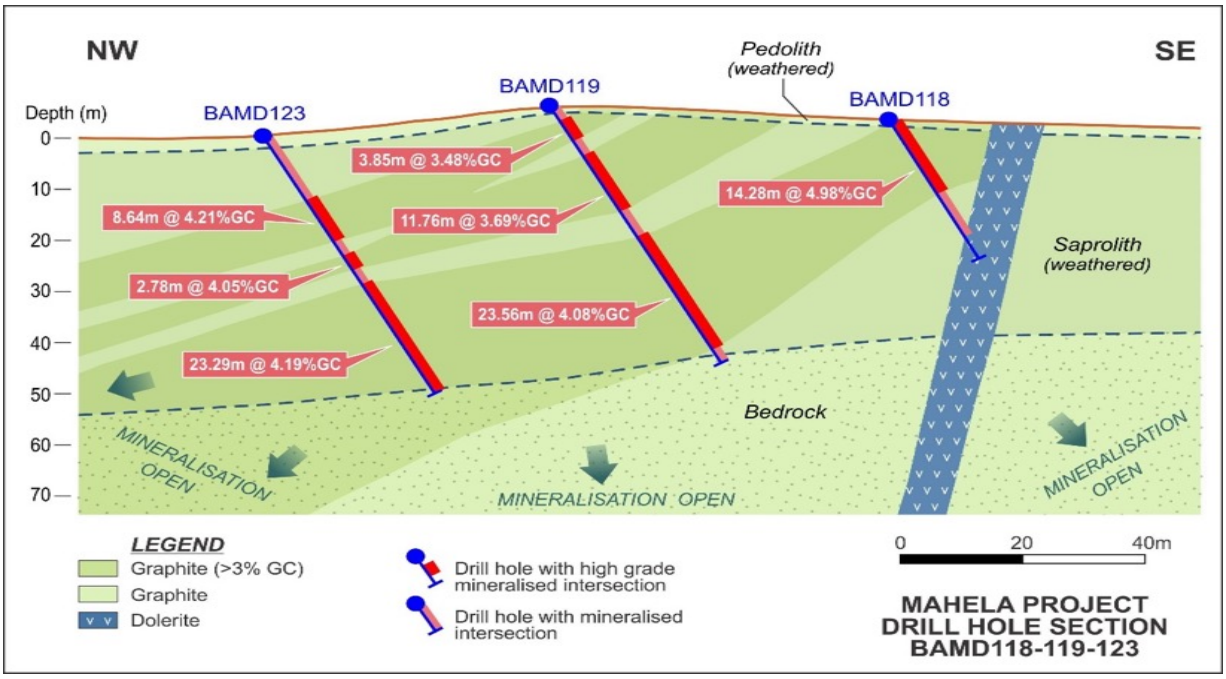

Figure 7: Cross-section of the Mahela zone.

A block model was constructed using Surpac software with a parent cell size of 10 m (E) by 25 m (N) by 3 m (RL). Drill hole sample assay results were subjected to detailed statistical and spatial (variography) analysis.

Composited sample grades for TGC were interpolated into the block model using Ordinary Kriging (OK) with an inverse distance weighting to the power two (IDW) check estimate completed for validation purposes.

Density values were assigned to the block model based on analysis of measurements taken in the various weathering state domains.

The model was validated visually, graphically and statistically, and reported from all classified estimated blocks within the interpreted mineralization domains under the guidelines of the JORC Code (2012).

The results of the MRE are presented in Table 1 above, and Table 5 below.

Mineral Resource Comparison

Table 4: 2020 Mineral Resources for Graphmada[3] [4] (figures subject to rounding).

Total	Tonnes (Mt)	TGC%	Contained Graphite (kt)
Measured	0.4	4.1	16 Kt
Indicated	4.0	4.3	172 Kt
Inferred	9.9	3.9	386 Kt
Total	14.3	4.0	574 Kt

Table 5: 2021 Mineral Resources for Graphmada[3] [4] (figures subject to rounding).

Total	**Tonnes (Mt)**	**TGC%**	**Contained Graphite (kt)**
Measured	**2.9**	**4.2**	**121**
Indicated	**3.3**	**4.3**	**143**
Inferred	**14.0**	**3.9**	**550**
Total	**20.2**	**4.0**	**815**

NEXT STEPS

This 2021 update of Graphmada's Mineral Resource estimate is another key milestone in the development of this commercially proven resource.

The team at Bass has long been of the view that there is significant value for shareholders in the expansion of the Graphmada Mineral Resource given it has been commercially proven to produce clean graphite concentrates that have been sold into all major markets, as well as emerging markets.

3 Reported in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code 2012') at a >3% cut-off and first released to the ASX 21/06/17 "Maiden Mineral Resource for Mahefedok Deposit" and further updated to the ASX 25/11/19 "Bass increases Mahefedok North graphite resource by 54%.

4 The Loharano Mineral Resource that forms part of the Company's Mineral Resources herein was reported in accordance with the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code 2004) at a >2% cut-off and first disclosed by Stratmin Global Resource PLC under the JORC Code 2004. Bass Metals notes that 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 should be made to the Company's announcement of 2/09/15, for further detail.

The Company will continue to explore and develop this asset to pursue our long-stated strategy of expanding Graphmada for large-scale mining and processing and in parallel the downstream development of advanced carbon products.

Currently, Bass continues to drill extensively across the resource and has commenced drilling at the Ambatofafana prospect, which has recorded outcropping graphite.

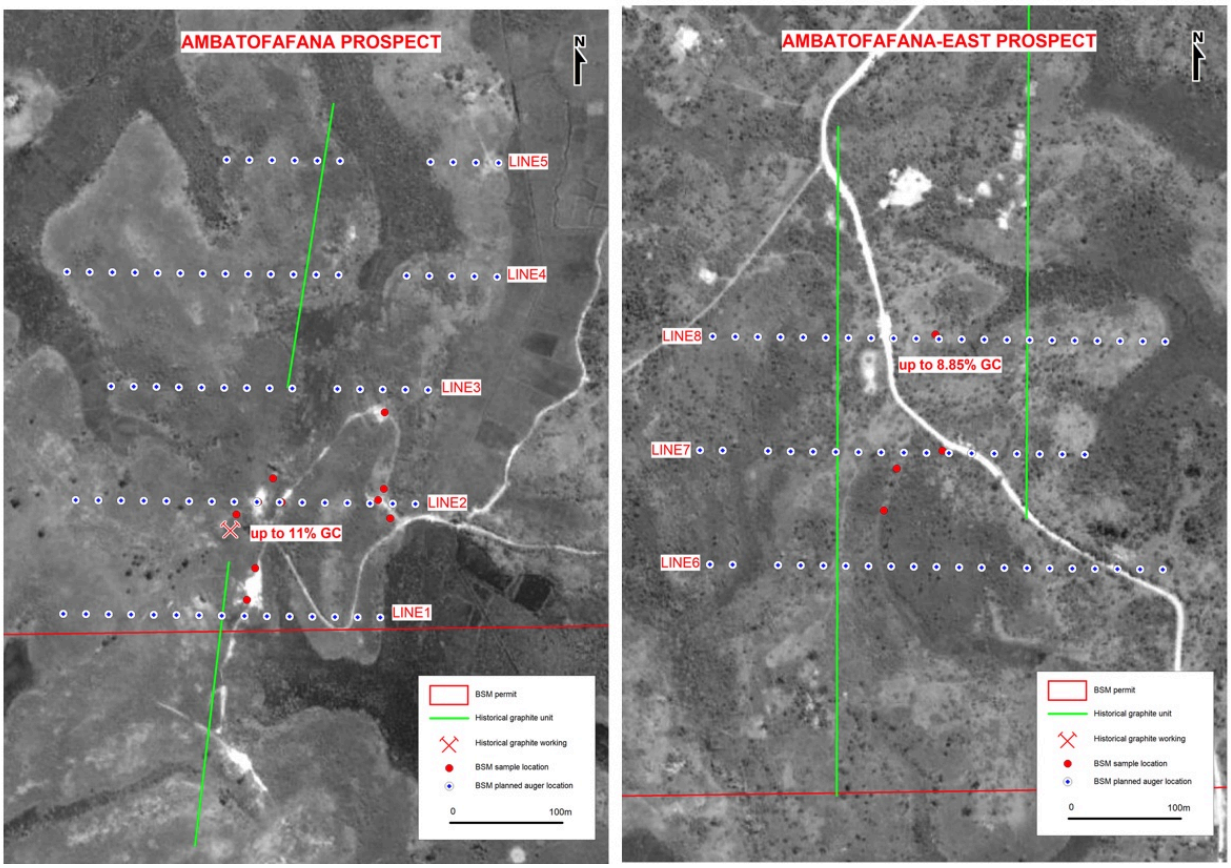

Figure 8: Planned drilling of the Ambatofafana prospect.

TIM MCMANUS CEO:

"Over the last four years, Bass has made significant progress towards its objective of developing large-scale mining and processing operations at Graphmada. During this period, Bass has met several key milestones, including:

- the total rebuild and recommissioning of the mine and supporting infrastructure;
- 20 months of continuous production

- the establishment of a consistent sales channels for Bass product
- an enviable record for the quality of its concentrates with no tonne being penalized or rejected
- establishing a large and growing regolith hosted resource
- gaining of detailed production experience
- and an excellent safety and community relations record.

This significant upgrade in the resource base of the Company is another key milestone in the development of this commercially proven resource and is another step closer to Bass' aim to establish the Company as a globally significant large flake graphite supplier, into both the specialty carbons and battery minerals markets."

This announcement has been authorised for release by the Company's Disclosure Committee.

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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.

JORC CODE, 2012 EDITION – TABLE 1

Discussion and results within this appendix relate to the Graphmada Mineral Resource.

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	16,619 samples from 1,503 auger holes (12,397 meters drilled) and 144 diamond holes (5,693 meters drilled) were prepared, split and analysed at the in-house Graphmada laboratory, with a representative proportion analysed by an SANAS accredited laboratory in South Africa for Fixed Carbon and Graphitic Carbon respectively, as well as further analysis for Sulphur. The samples were oven dried, crushed to -2mm, split twice through a 50/50 riffle splitter to obtain a representative sub-sample, weighing between 100-150g and then pulverized that 85% pass -75µm. The pulp samples were sent to the Bass Metals in-house laboratory for preliminary Fixed Carbon (FC) analysis and selected batches to a SANAS accredited laboratory (SGS) in South Africa for Graphitic Carbon (GC), Total Carbon (TC) and Sulphur (S) analysis. Whole core samples were removed for bulk density testing before splitting and sampling. Upon completion of bulk density measurements, the whole core samples were placed back. Samples were collected within lithological sub-divisions only and not across geological boundaries.
Drilling techniques	1,503 auger holes (12,397 meters drilled) and 144 diamond holes (5,693 meters drilled) were used to obtain data points. All diamond drilling was undertaken with an EP200 man portable drilling rig. The nominal core diameter was 56.2 mm (NTW). Coring was completed with appropriate diamond impregnated tungsten carbide drilling bits. Diamond drill holes were inclined at -60 °, direction 108 °. The core was not orientated as the material recovered was predominantly soft regolith material not conducive to orientation.
Drill sample recovery	For diamond drilling, at the completion of each drill run the steel splits containing the core were pumped out of the retrieved core tube. Core was then carefully transferred from the core barrel into plastic sleeves, which were transferred to core trays for recovery measurements and calculations recorded by both the driller and the Company geologist. Drilling, orientated perpendicular to the orebody, was conducted with specific drilling mud additives to aid drill hole wall integrity, along with slow drilling rates to maximize sample recovery and ensure representative nature of the samples. An overall core recovery of >90% was achieved for all sampled core. There is no known relationship that exists between sample recovery and grade at this time. Inconsequential sample bias would have occurred due to preferential loss/gain of fine/coarse material.
Logging	Drill core and auger samples were geologically logged, and the 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. This offers sufficient detail for the purposes of geological interpretation, further studies and resource estimation where continuity of the orebody needs to be proved and understood. All logging included lithological features, estimates of graphite percentages and flake sizes, which is quantitative and is recorded on the logging sheets. All drill core and augering intervals were photographed prior to geological logging and after sampling and images were digitally catalogued. Photographs have been taken as a qualitative check on logging when the need arises. All drill core intersections (100%) were logged by experienced, competent geoscientists are considered to be reliable and reproducible semi-quantitative estimates of the abundance of minerals present in samples when referenced to past drilling assay data and current mining operations undertaken by the Company in the same style of mineralisation.
Sub-sampling techniques and sample preparation	For diamond drilling, the core was manually hand split and where appropriate sawn to produce half core (50:50) samples. All equipment was cleaned according to best practise procedures prior to cutting and sampling. Appropriate and documented techniques were used to collect samples in 1-metre intervals. Samples were taken along the depth intervals and lithological sub-division mark-ups to gather representative samples. For auger drilling, samples were collected and included 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/oven dried, crushed to -2mm, split twice through a 50/50 riffle splitter to obtain a representative sub-sample, weighing between 100-150g and then pulverized that 85% pass -75µm. The pulp samples were sent to the Bass Metals in-house laboratory for preliminary Fixed Carbon (FC) analysis and to a SANAS accredited laboratory (SGS) in South Africa for Graphitic Carbon (GC), Total Carbon (TC) and Sulphur (S) analysis. Certified graphite standards (GC-09 and GC-11) and silica blanks (AMIS0484, AMIS0439 and AMIS0052) and duplicates (a second sample of the same interval) were inserted with the dispatch of the samples to the SANAS accredited laboratory (SGS) in South Africa. The insertion rate of standards/blanks were 1 in 20, and duplicates were 2 in 100. The SANAS Laboratory will insert check samples (blanks, standards and duplicates) to maintain QAQC standards.
Quality of assay data and laboratory tests	Samples were analysed at the Bass Metals in-house laboratory for a evaluation of the carbon grade. The Muffle Furnace method was used to determine Loss on Ignition (LoI), Volatile Matter (VM) and Fixed Carbon (FC). LoI Test: a crucible is placed on an electronic balance, primarily zeroed and the weight recorded. 1 gram +- 0.01 of the sample are added, the weight of crucible + sample are recorded. The crucible is placed in the Muffle Furnace at 950°C +-25°C for 8 hours continuously. After the crucible is removed and cooled, the ash + crucible is then weighed and recorded. The LoI % is calculated as follows: $\text{LOI \%} = \left(1 - \frac{\text{Weight of ash}}{\text{Weigh of original sample}}\right) \times 100$ VM Test: a crucible is placed on an electronic balance, primarily zeroed and the weight recorded. 2 grams +- 0.01 of the sample are added, the weight of crucible + sample are recorded. The crucible is placed in the Muffle Furnace at 950°C +- 25°C for 7 minutes. After the crucible is removed and cooled, the ash +

	crucible is then weighed and recorded. The VM % is calculated as follows: V M % = (1 - $\frac{\text{Weight of ash}}{\text{Weigh of original sample}}$) × 100 The FC % of the sample is calculated as follows: FC % = (LOI % - VM %) Analysis by the SANAS Accredited Laboratory (SGS) in South Africa may include 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 (2g), 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 0.2g 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. The reject pulp samples in Madagascar were re-sampled and another 100g pulp sample each were dispatch to SGS for analysis. The in-house and laboratory standards, blanks and duplicate results were reviewed. Performance of the laboratory across all assay batches were within acceptable tolerance levels.
Verification of sampling and assaying	All work was completed by Bass Metals personnel. Significant mineralization intersections were verified by an external consultant and by internal peer review. No twinned holes were drilled. 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, geotechnical, density, lithology and assay database with all photographs are backed-up and stored on an external hard drive. No adjustments were made to the data.
Location of data points	DGPS's were used to locate collar locations, and final location coordinates were completed with estimated positional errors between 15 and 30 centimetres. The WGS84 UTM Zone 39S projection system is used at Graphmada.
Data spacing and distribution	Diamond collars were spaced along a 50m x 40m grid, with drill hole inclination and strike aligned perpendicular to the orebody orientation, infilling previous augering on a 20m x 20m spacing, and in some instances 10m x 5m for grade control purposes. The data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation procedure(s) and classifications applied.
Orientation of data in relation to geological structure	Diamond drilling was approx. orientated perpendicular to the estimated dip and strike of the mineralization to limit bias. Drill holes were inclined at -60 °, direction 108 °. Subsequent samples are deemed to be unbiased in terms of known structures and the deposit type.
Sample security	Samples were stored in a secure storage area at the Bass Metals sample storage facility. Samples bags were sealed as soon as sampling was completed and stored securely until dispatch to the preparation laboratory in Antananarivo and after to the laboratory (SGS) in South Africa via courier.
Audits or reviews	The sampling techniques and data were reviewed by an external consultant and internally peer reviewed. It is considered by the Company that industry best practice methods have been implemented by the Company at all stages of exploration.

Section 2 Reporting of Exploration Results

Criteria listed in the preceding section also applies to this section.

Criteria	Commentary
Mineral tenement and land tenure status	The Company holds the Mineral Resources via exploitation permit number 26670, 25600 and the Loharano renewal, which are 100% owned. The permit grants the exclusive rights for 40 years to explore and mine graphitic resources.
Exploration done by other parties	No other systematic exploration activities were completed within this permit area until 2014 when previous project owners commenced preliminary outcrop sampling and trenching over the area. Bass built on this work by completing augering, diamond drilling, surface mapping, drill hole sample assay results, drill hole logging, assigned density values based on core sample measurements, flake size distribution studies, and 18 months of mining and processing operations.
Geology	At Graphmada, the mineralization system is extensive, both laterally and in width, with a shallow, regolith-hosted morphology and also hosted within the bedrock gneiss and are termed 'Regolith-Hosted' and 'Hard Rock' Natural Flake Graphite occurrences respectively. The crystalline 'Hard Rock' mineralization occurs 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 concentrates 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). Graphmada contains 5 known zones of flake graphite mineralization; Loharano, Mahefedok, Mahala, Mangabe and Ambatofafana. The mineralization strikes approx. northwest - southeast and is open ended in to the north and south.
Drill hole Information	No exploration results are being reported.

Data aggregation methods	Samples has been reported as in-situ Total Graphitic Carbon (TGC) grades. No Metal Equivalents have been stated.
Relationship between mineralisation widths and intercept lengths	The mineralization system is extensive, both laterally and in width, with a shallow, regolith-hosted morphology and also hosted within the bedrock gneiss. The mineral resource estimate is a global estimate and has no direct relationship with drill intercept lengths.
Diagrams	This information has been accurately represented in the announcement and contains all relevant information required for the reader to understand the nature of the graphitic mineralization.
Balanced reporting	The Company believes visual inspections of a fully complete drilling program by experienced, competent geoscientists are considered to be reliable and reproducible semi-quantitative estimates of the abundance of minerals present in samples when referenced to past drilling assay data and mining operations undertaken by the Company in the same style of mineralisation.
Other substantive exploration data	Previous exploration by the Company has demonstrated widespread mineralization at Graphmada. Please reference ASX releases.
Further work	Further auger drilling is underway at the Mangabe and Ambatofafana Zones.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database Integrity	Data provided for use in the Mineral Resource estimate (MRE) is stored in an electronic database by Bass Metals. Supporting data in the form of pdf format laboratory certificates, pdf format geological logging sheets and survey reports have also been provided. Bass has conducted random checks of the assay data against the pdf laboratory certificates and has found no import errors. Random comparisons of the geological data against the provided logging sheets also showed no errors. Validation of the data import included checks for overlapping intervals, missing survey data, missing assay data, missing lithological data, and missing collars. No significant issues were found in this process.
Site Visits	The Competent Person has frequently visited the project site and is familiar with the extents of the surface expression of the modelled mineralization.
Geological Interpretation	The geology and mineral distribution of the system appears to be reasonably consistent, nominally north-south striking, westward dipping, graphite mineralized lenses, separated by apparent structural breaks as shown by the diagrams in the body of this announcement. The mineralization has been intersected by diamond and auger drilling. Drill hole intercept logging and sample analysis results have formed the basis for the mineralization domain interpretation. Assumptions have been made on the depth and strike extent of the mineralization based on the available drill hole and geophysical data. The extents of the modelled zones are constrained by the available data. Alternative interpretations are unlikely to have a significant influence on the global MRE. An overburden layer of roughly one metre thickness of soil has been modelled based on drill logging and is depleted from the model. The base of the pedolith, base of saprolite, and top of fresh rock weathering boundary surfaces have been modelled based on the drill logging. The mineralization lens interpretation is based on a nominal 0.5% TGC lower cut-off grade. The graphite mineralization at this grade cut-off has been recognized by on site geological staff, with their visual grade range estimates of graphite content fairly well correlating with analysis results but incorporating a wholistic view of mineralisation (global estimation). Continuity of geology and grade can be identified and traced between drill holes by visual, geological and geochemical characteristics. Additional data is required to more accurately model the effect of any potential structural or other influences on the down dip and strike extents of the defined mineralized geological units. Confidence in the grade and geological continuity is reflected in the Mineral Resource classification.
Dimensions	There are 5 known mineralization zones at Graphmada. Loharano has a mineralization footprint of approximately 0.4 sq.km, Mahela 0.3 sq.km, Mangabe 1.8 sq.km, Mahefedok 0.8 sq.km and Ambatofafana 3.4 sq.km for a combined mineralization footprint of 6.7 sq.km.
Estimation and modelling techniques	The mineralization wireframes were modelled by first completing a global estimate of the deposit due to the broad nature of mineralization. The global estimate assisted in defining grade envelop boundaries which were then interpretation in section with string polygons based upon geological knowledge of the deposit, drill hole logs and drill sample analysis results. A detailed topographic surface was updated with more accurate information obtained from Drone and DGPS surveys. Weathering boundary surfaces, based on the drill logging, were used to define the regolith and bedrock zones. A block model was constructed using Surpac software with a parent cell size of 10 m (E) by 25 m (N) by 3 m (RL). Drill hole sample assay results were subjected to detailed statistical and spatial (variography) analysis. Composited sample grades for TGC were interpolated into the block model using Ordinary Kriging (OK) with an inverse distance weighting to the power two (IDW) check estimate completed for validation purposes. Density values were assigned to the block model based on analysis of measurements taken in the various weathering state domains. The model was validated visually, graphically and statistically, and reported from all classified estimated blocks within the interpreted mineralization domains under the guidelines of the JORC Code (2012). Drill hole samples were selected from within each lens and grouped appropriately for data analysis. Statistical analysis was completed for each lens or lens grouping to determine if any outlier grades required top-cutting. An inverse distance weighting to the power of two (IDW) grade estimate was completed concurrently with the OK estimate in a number of estimations with varying parameters. Block model results were compared against each other and the drill hole results to ensure an estimate that best honours the drill sample data is reported. No mining assumptions have been made in respect of the MRE, other than confirming the confidence in classification, having current mining and processing operations in the area. The mining pit volume is depleted from the model.

	No other elements have been estimated. In the grade estimate, soft boundaries have been employed in a global estimation manner. Validation checks included statistical comparison between drill sample grades, the OK estimate and the IDW estimate for each mineralization lens or lens grouping. Visual validation of grade trends along the drill sections was completed and trend plots comparing the drill sample grades and model grades for northings, eastings and elevation were completed. These checks show a reasonable correlation between estimated block grades for each estimation method and with the drill sample grades.
Moisture	Tonnages have been estimated on a dry, in-situ basis, due to the analysis being completed on dry samples. Density measurements have been completed by means of the caliper method with samples measured and weighed both wet and after drying. Based on a comparison of the mean wet versus dry density, the fully weathered materials contain roughly 15 weight percent moisture, with the transitional material containing roughly 10 and the fresh rock roughly less than 5 weight percent moisture.
Cut-off parameters	Statistical analysis of the raw un-domained sample analysis results showed a reasonable mineralization population cut-off grade interpretation of 3%. Based on analysis of the visual grade estimate logging by on site geologists, and visual analysis of the drill core photography, the statistically based mineralization threshold appears to be more sensible and practical from a potential future mining perspective, as mineralization is generally recognizable around and above this level. Reasonable strike and sectional continuity were found when defining the mineralization lenses at a 3% threshold. Test modelling at the 3% cut-off showed the grade estimates better honouring the drill data and geological interpretation of ide and shallow mineralization, and this was then selected as the most appropriate mineralization cut-off grade to complete the MRE.
Mining factors or assumptions	It has been assumed that these deposits will be amenable to the dredge mining method which is economic to exploit to the depths currently modelled. No assumptions regarding minimum mining widths and dilution have been made.
Metallurgical factors or assumptions	Flotation tests were carried out on samples. These tests confirmed that a range of concentrates with overall grades between approximately 83-96% Total Carbon, with approximately 50-60% of the flakes larger than 180 µm could be produced depending on process parameters. Recoveries ranged from approximately 75-92%. The flake size distribution and purity are considered by the Competent Person (industrial minerals) to be favourable for product marketability. Bass has mined and sold product produced from the region. The concentrates are sold into traditional and specialty carbon markets throughout Europe, China, India and USA.
Environmental factors or assumptions	No assumptions regarding waste and process residue disposal options have been made. It is assumed that such disposal will not present a significant hurdle to exploitation of the deposit and that any disposal and potential environmental impacts would be correctly managed as required under the regulatory permitting conditions and as per current operational methods.
Bulk Density	In situ dry bulk density values have been applied to the modelled mineralization based on the mean measured values for each of the weathering zones. Density measurements have been completed by means of the calliper method for each of the modelled weathering state domains and from within the mineralized material and surrounding waste. The mean density measurements, all in t/m3, for mineralization were: 1.8 in the saprolite, 2.0 in the saprock and 2.4 in the bedrock graphitic gneiss. It is assumed that use of the mean measured density for each of the different weathering zones is an appropriate method of representing the expected dry bulk density for the deposit.
Classification	Classification of the MRE was carried out taking into account the level of geological understanding of the deposit, quality of samples, density data and drill hole spacing and current mining operations. The MRE has been classified in accordance with the JORC Code, 2012 Edition using a qualitative approach. All factors that have been considered have been adequately communicated in Section 1 and Section 3 of this Table. Overall the mineralization trends are reasonably consistent over numerous drill sections. The MRE appropriately reflects the view of the Competent Person.
Audits or reviews	Internal audits were completed by experience geoscientists, which verified the technical inputs, methodology, parameters and results of the estimate. No external audits have been undertaken.
Discussion of relative accuracy / confidence	The relative accuracy of the MRE is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. The Mineral Resource statement relates to global estimates of in situ tonnes and grade.