

ASX Announcement

16 March 2020

Battery Minerals to acquire remaining 33% of copper-gold project next to Stavely in Victoria

Battery will now own 100% of the Gippsland Project, which hosts +40km of the highly prospective Stavely Volcanics and the historic high-grade Moyston gold mine

Battery Minerals Limited (ASX: BAT) is pleased to advise that, further to its announcement on 2 March 2020, it has signed a binding agreement to acquire the remaining 33% of Gippsland Prospecting Pty Ltd (Gippsland Prospecting) from Gippsland Prospecting shareholder, Aleksandra Bukacheva (Second Sale Agreement).

This means that, subject to shareholder approval, Battery Minerals will acquire 100% of Gippsland Prospecting, which has the sole right to apply for a highly-prospective exploration licence immediately adjacent to Stavely Minerals' (ASX: SVY) Thursday's Gossan copper-gold project in Victoria.

As a result, Battery Minerals will pay the shareholders of Gippsland Prospecting an aggregate of \$500,000 and issue them 439,363,850 shares in return for 100% of Gippsland Prospecting. Block 4 will be renamed E67801 on grant of the exploration licence (see announcement date 2 March 2020 for full details).

The acquisition is subject to the approval of Battery Minerals shareholders and the grant of the exploration licence. As previously advised on 2 March 2020, under the terms of the agreement, Gippsland Directors Kent Balas and Darryl Clark, who are both exploration geologists, will become Directors of Battery Minerals.

Battery Minerals Chairman David Flanagan said this latest agreement would increase the Company's exposure to the highly promising project and simplify the ownership structure.

"This makes great sense for all parties," Mr Flanagan said. "Battery Minerals shareholders will have increased exposure to what is a highly prospective project with outstanding geological merit while the simplified ownership structure will assist with implementing an aggressive and flexible exploration program."

Material terms

The material terms of the Second Sale Agreement are as follows:

- **Consideration:** The total consideration payable by the Company under the Sale Agreement is a cash payment of A\$165,000; and the issue of 144,990,070 Shares (Bukacheva Consideration Shares).
- **Conditions Precedent:** Completion of the acquisition pursuant to the Sale Agreement announced to the market on 2 March 2020 is conditional upon the satisfaction (or waiver) of the Company completing confirmatory due diligence on Gippsland Prospecting, the Company obtaining all requisite shareholder and regulatory approvals and Gippsland Prospecting receiving written confirmation from the Victorian State Government that the Tenement has been granted.
- **Completion of the Second Sale Agreement** is subject to and conditional upon completion of the Sale Agreement announced to the market on 2 March 2020. For the avoidance of

doubt, investors should note that the Company will not proceed with the acquisition under the Second Sale Agreement unless the acquisition under the Sale Agreement announced to the market on 2 March 2020 completes.

Following completion of the two sale agreements, Battery Minerals will own 100% of the shares in Gippsland Prospecting Pty Ltd, the owner of 100% of Block 4.

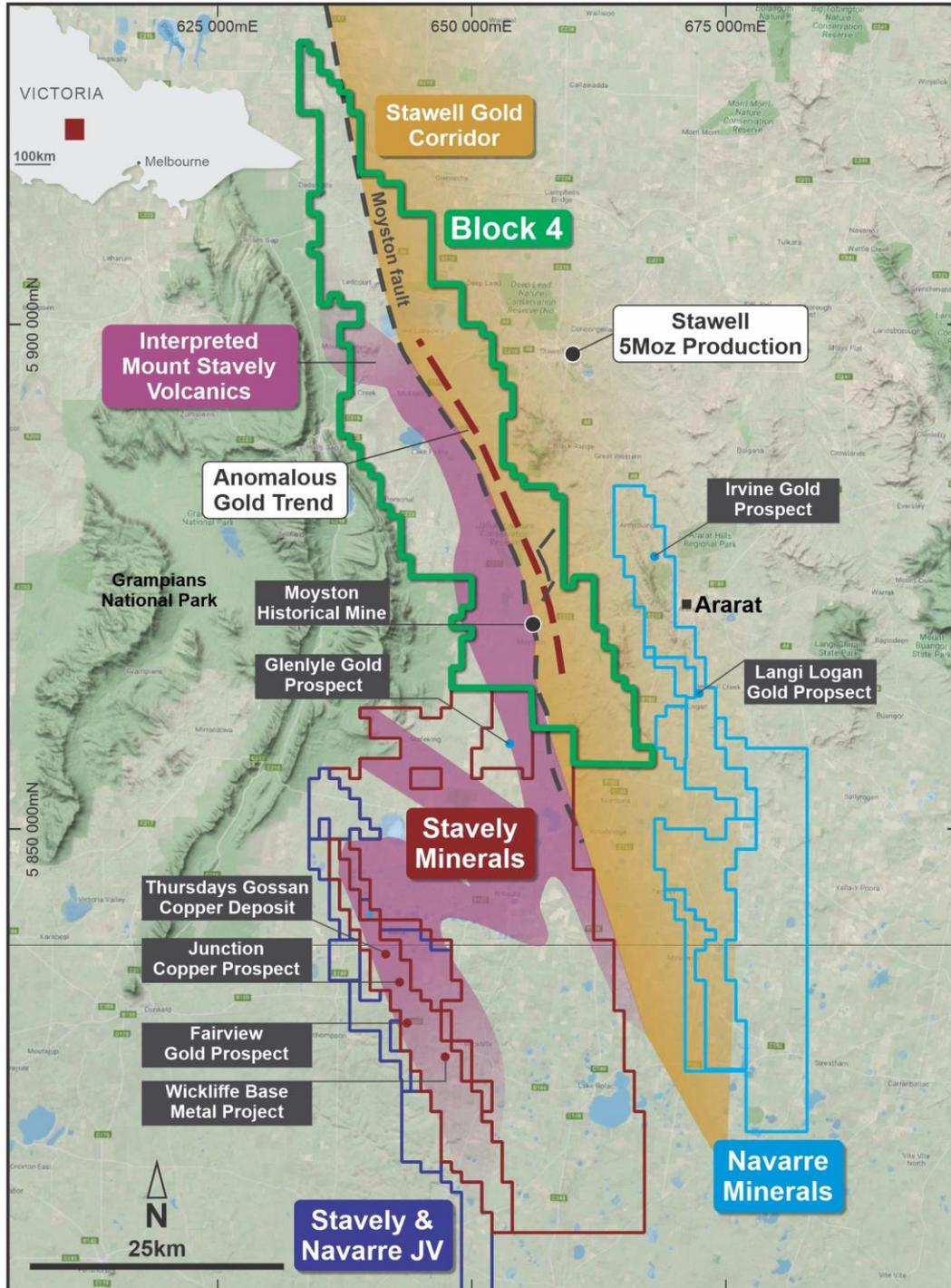


Figure 1: Location of Block 4 adjacent to Stawell historic mine and Stavelly tenure showing locations of key regional prospects and deposits

Cash position

The Company's cash at bank and on hand as at 11 March 2020 (based on exchange rates as 11 March 2020) is ~AUD\$4.9 million¹.

Background Information on Battery Minerals

In addition to the above acquisition, Battery Minerals Limited ("Battery Minerals") is an ASX listed Australian company with two world-class graphite deposits in Mozambique, being Montepuez and Balama Central. Battery Minerals has produced high quality graphite flake concentrate at multiple laboratories. Subject to completing project financing, Battery Minerals intends to commence graphite flake concentrate production from its Montepuez Graphite Project at a rate of 50,000tpa at an average flake concentrate grade of 96% TGC. The company has previously disclosed the combined Mozambique Graphite projects have potential to produce in excess of 150,000tpa of high-quality flake graphite.

While continuing to pursue cost effective financing options for the graphite projects, the Company has identified the complimentary battery mineral exploration project at Gippsland in Western Victoria. The Gippsland Project is host to significant strike length of the Stavely Volcanics, the Moyston shear and the Miga Arc all considered prospective for base metals and gold in the region. Battery Minerals will continue to actively pursue discoveries in these areas.

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Battery Minerals' Competent Person's Statement

Battery Minerals confirms that all the material assumptions underpinning the production targets for its Montepuez and Balama Central graphite projects and any of the forecast financial information derived from these production targets, in the 4 and 12 December 2018 ASX announcements, on these projects continue to apply at the date of release of this presentation and have not materially changed. Battery Minerals confirms that it is not aware of any new information or data that all material assumptions and technical parameters underpinning the estimates in the 4 and 12 December 2018 announcements continue to apply and have not materially changed.

Any references to Ore Reserve and Mineral Resource estimates should be read in conjunction with the competent person statements included in the ASX announcements referenced in this report as well as Battery Minerals' other periodic and continuous disclosure announcements lodged with the ASX, which are available on the Battery Minerals' website. For Mineral Resources - See announcement dated 16th July and 18th October 2018 for full details and Competent Persons sign-off. For Ore Reserves - See announcements dated 4 and 12 December 2018 for full details and Competent Persons sign-off.

The information in this report that relates to Battery Minerals' Mineral Resources or Ore Reserves is a compilation of previously published data for which Competent Persons consents were obtained. Their consents remain in place for subsequent releases by Battery Minerals of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The information in this Report that relates to Montepuez Mineral Resources is extracted from the ASX Announcement titled 'Group Resource Update' dated 18 October 2018, where the Statement of Estimates of Mineral Resources was compiled by Mr.

Shaun Searle who is a Member of the AIG. Mr. Searle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code (2012). Mr Searle consented to the inclusion in that report of the matters based on his information in the form and context in which it appears.

Important Notice

This ASX Announcement does not constitute an offer to acquire or sell or a solicitation of an offer to sell or purchase any securities in any jurisdiction. In particular, this ASX Announcement does not constitute an offer, solicitation or sale to any U.S. person or in the United States or any state or jurisdiction in which such an offer, tender offer, solicitation or sale would be unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and neither such securities nor any interest or participation therein may not be offered, or sold, pledged or otherwise transferred, directly or indirectly, in the United States or to any U.S. person absent registration or an available exemption from, or a transaction not subject to, registration under the United States Securities Act of 1933.

Forward Looking Statements

Statements and material contained in this document, particularly those regarding possible or assumed future performance, resources or potential growth of Battery Minerals Limited, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Such forecasts and information are not a guarantee of future performance and involve unknown risk and uncertainties, as well as other factors, many of which are beyond the control of Battery Minerals Limited. Information in this presentation has already been reported to the ASX.

All references to future production and production & shipping targets and port access made in relation to Battery Minerals are subject to the completion of all necessary feasibility studies, permit applications, construction, financing arrangements, port access and execution of infrastructure-related agreements. Where such a reference is made, it should be read subject to this paragraph and in conjunction with further information about the Mineral Resources and Ore Reserves, as well as the relevant competent persons' statements.

Competent Person Declaration Gippsland Prospecting Pty Ltd

The information in this release that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Alan Marlow, who is a Member of The Australasian Institute of Mining and Metallurgy and is currently a director of Gippsland Prospecting Pty Ltd. Dr. Marlow has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, 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'. Dr Marlow consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Dr Marlow confirms that the historical exploration results set out in this announcement are an accurate representation of the available data and studies for the project owned by Gippsland Prospecting Pty Ltd.

Forward-Looking Statements

This announcement contains "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Gippsland Prospecting and any of its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Exploration potential is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Readers are cautioned not to place undue reliance on forward-looking statements and Gippsland Prospecting assumes no obligation to update such information.

Note 1: The mining performance bond for stage one of the Company's Montepuez Graphite has been revised to US\$1.04 million on 11 March 2020 (classified as "Other receivables"). This has made available an additional US\$1.26 million (~AUD \$1.86 million) to the Company's cash at bank and on hand.