

September 2020 Quarterly Activities Report

# Acquisition of Gippsland copper-gold project completed

**HIGHLIGHTS**

- **Battery Minerals completed acquisition of 100% of Gippsland Prospecting, the owner of a copper-gold project next to Stavelly in Victoria following the grant of EL006871**
- **Battery Minerals commences planning for exploration on EL006871**
- **Cash on hand of \$3.1M at 30 September 2020**

Battery Minerals Limited (ASX: BAT) (“Battery Minerals” or “the Company”) is pleased to report on its September 2020 Quarter, with the Company achieving the diversification of its asset base with completion of the acquisition of the highly prospective copper-gold tenure in Victoria subsequent to the end of the September 2020 Quarter.

**GIPPSLAND, VICTORIA****Completion of acquisition of 100% interest in Gippsland Prospecting**

Subsequent to the end of the September 2020 Quarter, Battery Minerals announced on 22 October 2020 that it had completed acquisition of 100% of Gippsland Prospecting Pty Ltd (“Gippsland Prospecting”), which owns the highly-prospective exploration licence EL006871 immediately adjacent to Stavelly Minerals (ASX:SVY) Thursday’s Gossan copper-gold project in Victoria.

The tenement covers 809sqkm and hosts the historic Moyston gold mine, which produced 75,000oz at 22g/t Au. The boundary of the exploration licence is also just 7km from the rich Stawell gold mine, which has produced 5Moz of gold. Battery Minerals paid the shareholders of Gippsland Prospecting \$500,000 in aggregate and issued them 439,363,850 shares for 100% of Gippsland Prospecting as approved by shareholders on 13 May 2020

EL006871 is considered highly prospective for shear zone-hosted Orogenic gold deposits such as Stawell, as well as volcanic-hosted base metals mineralisation and large-scale Cadia Ridgeway-type porphyry copper mineralisation, within the well-defined Stavelly volcanic belt.

The adjoining Stavelly tenement hosts the Thursday’s Gossan porphyry copper-gold discovery (see Stavelly ASX release “AGM Presentation release dated 29 November 2019 and Stavelly ASX release dated 25 February 2020). Stavelly has reported high-grade copper intersections and stated that the mineralisation remains open along strike and down dip.

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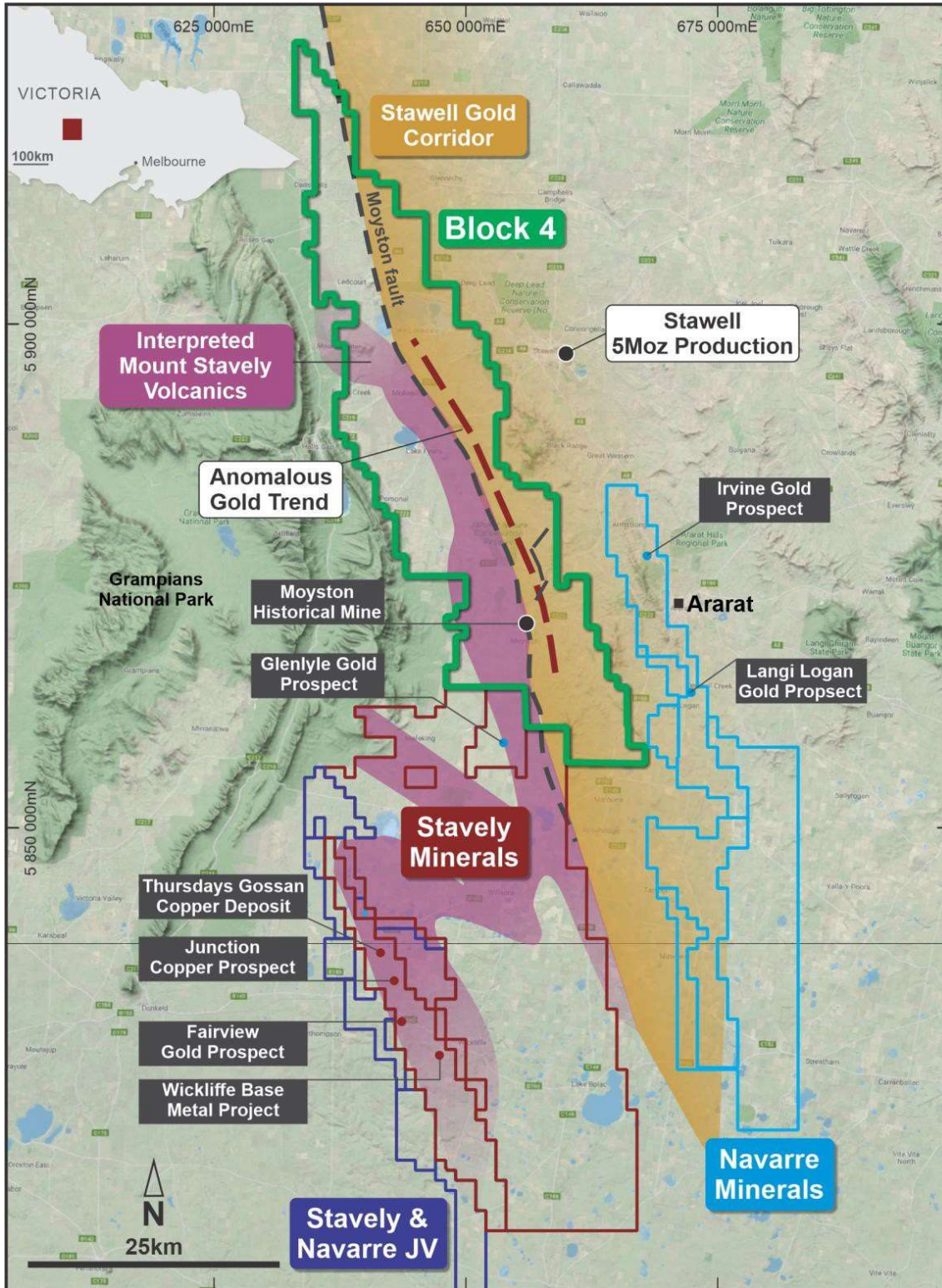


Figure 5 - Location of Block 4, EL6871, adjacent to Stawell historic mine and Stawely tenure showing locations of key regional prospects and deposits

For further information and competent person sign-offs, please see Battery Minerals announcements dated 2 March 2020 and 16 March 2020.



## **GRAPHITE PROJECTS, MOZAMBIQUE**

### **COVID 19 UPDATE**

The Company has implemented a range of measures to combat the risks associated with COVID-19. These measures are in addition to the travel restrictions and the requirement for 14-day isolation periods throughout our countries of interest.

#### **Montepuez Site**

Staffing of the Montepuez site continues to be at a reduced level, in line with the Mozambican Government's social distancing, isolation and travel restrictions.

As previously reported, in the interest of reducing the influx of foreign personnel into the project site in the district of Montepuez, the Company decided to reduce its expatriate staff presence on site. This effectively reduces risk to local populations from the import of COVID19 from South Africa and Australia. Furthermore, in compliance with the Australian Government's travel advisory, Battery Minerals personnel are not travelling to Mozambique for the purposes of work. The travel restrictions and reduced presence on site will not affect business continuity.

As previously reported, the Company will continue to monitor the situation and will make changes as required to align with national legislation and support the health and safety of the Company's staff and local communities.

### **MONTEPUEZ GRAPHITE PROJECT**

#### **Mining Agreement**

As previously reported, while the grant of a Mining Agreement is not a condition precedent to production, exports and cashflows, the execution of a Mining Agreement provides the Company with additional rights that enable investing companies like Battery Minerals to obtain absolute clarity around the application of the legal framework to the project. The Mining Agreement also formalises a project's fiscal stability rights into a contractually binding document and provides an agreed dispute resolution process.

During the September 2020 Quarter, Battery Minerals continued to progress government engagement in relation to the Mining Agreement. As previously advised, the Company does not expect a material variation in project economics to result from the Mining Agreement.

#### **Community Investment**

As previously advised, the Company works closely with local Government and community leaders on specific community initiatives including local employment and training, supporting medical and educational facilities and services such as schooling and clinic infrastructures and increasing access to safe water. During the September 2020 Quarter, the Company provided vital sanitation supplies to two district health facilities in support of the national COVID-19 response plan. The supplies will support the safe clinical treatment of children and vulnerable communities within the district. Once the Company achieves project finance for the Montepuez project and commences development and then production, it will further expand its planned long term locally supported and government endorsed community initiatives.

### **BALAMA CENTRAL GRAPHITE PROJECT - Mining Licence Submitted**

As previously reported, Battery Minerals' mining concession application for its Balama Central graphite project was submitted to Government in late June 2019 for its review and

consideration. The application reduced the footprint of the exploration license to minimise the impact on local communities. The license, reclassified as 10031C (formerly 4118L), is 1543 Ha. Approval is expected in the second half of 2020.

The environmental impact assessment (EIA) for 10031C has been completed and no significant environmental or social threats have been indicated. The application for the environmental license was submitted in December 2019.

## CORPORATE

During the September 2020 Quarter, ASX granted the Company a waiver from Listing Rule 14.7 subject to certain conditions (see ASX announcement dated 16 July 2020 for full details). This waiver enabled the Company to issue the consideration securities under the acquisition of Gippsland Prospecting Pty Ltd approved by shareholders at the Company's general meeting held on 13 May 2020 (Meeting), no later than 13 November 2020. L

On 22 October 2020, the Company issued the consideration securities to the vendors of Gippsland Prospecting Pty Ltd, being within five business days of the grant by the Victorian State Government of EL06871.

The funding process for the Montepuez graphite project, which is being led by ThirdWay Africa, is continuing. Key funding development activities, including site visits, have been postponed until after COVID-19 travel and isolation restrictions have been lifted.

As at 30 September 2020, the Company had cash and liquid assets of \$3.1M (see Quarterly Cashflow Report). The Company continues to reduce cash expenditure wherever possible to help ensure it maximises its ability to secure project finance for its Montepuez graphite project over the coming year and meet its funding obligations under the acquisition of Gippsland Prospecting.

## ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration & Evaluation Expenditure during the September 2020 Quarter was \$6,000. Full details of exploration activity during the quarter are in this report.
2. ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the quarter.
3. ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the September 2020 Quarter: \$28,000 - The Company advises that this relates to non-executive director's fees and executive directors' salaries only. Please see Remuneration Report in the Annual Report for further details on Directors' remuneration.

Authorised by the Board for release to ASX.

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### Investor Enquiries:

**David Flanagan**

Chairman, Battery Minerals Limited  
Tel: +61 8 6148 1000  
Email: [info@batteryminerals.com](mailto:info@batteryminerals.com)

### Media Enquiries:

**Paul Armstrong**

Read Corporate  
Tel: +61 8 9388 1474  
Email: [paul@readcorporate.com.au](mailto:paul@readcorporate.com.au)

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**Tony Walsh**

Company Secretary, Battery Minerals Limited  
Tel: +61 408 289 476

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**Contact Details (Australian Office):**

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Ground Floor, 10 Ord Street  
West Perth, WA 6005  
Australia  
Tel: +61 408 289 476

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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 16<sup>th</sup> 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.

**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.

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## Appendix 1: Tenement Summary - 30 September 2020 <sup>1</sup>

1. TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of Quarter	Interest at end of Quarter
<b>8770C</b>	Mozambique	Mining Licence Granted	100%	100%
<b>10031C</b>	Mozambique	Mining Concession in Application	100%	100%
<b>8555</b>	Mozambique	Exploration License Granted	100%	100%
<b>8609</b>	Mozambique	Exploration License Granted	100%	100%

**Note 1:** The Balama Central graphite project mining concession application was lodged with government in late June 2019. The application process is expected to conclude in 2020.

**Note 3:** With respect to tenement's 8555 & 8609, an agreement was reached in December 2018 to dispose of these tenements. The agreement reached between BAT, its subsidiaries and Nedeel LLC, was for \$50,000 in cash and a 1% royalty (which may be sold for US\$1m up to the date of 730 days after the grant of a Mining Concession on either or both of the tenements). The change of ownership of these tenements is currently subject to the approval of the Mozambican Government.

**2. MINING TENEMENTS  
DISPOSED: 5572 transfer  
approved by Government  
and completed**

**3. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT  
AGREEMENTS: Nil**

**4. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS  
ACQUIRED OR DISPOSED: Nil**

Subsequent to the end of the September 2020 Quarter, Battery Minerals announced on 22 October 2020 that it had completed acquisition of 100% of Gippsland Prospecting Pty Ltd ("Gippsland Prospecting"), which owns the highly-prospective exploration licence EL006871 in Victoria.

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