

**ASX Announcement** 

# **December 2020 Quarterly Activities Report**

# Exploration at Stavely-Stawell copper-gold project progresses

#### **HIGHLIGHTS**

- In October 2020 Battery Minerals completed the acquisition of 100% of the Stavely-Stawell Project following the grant of EL006871
- Battery Minerals completes \$6.24M fund raising via placement and SPP
- Cash on hand of \$7.3M at 31 December 2020
- Exploration activity at the Stavely-Stawell copper-gold project underway

Battery Minerals Limited (ASX: BAT) ("Battery Minerals" or "the Company") is pleased to report on its December 2020 Quarter, with the Company completing the acquisition of the highly prospective Stavely-Stawell copper-gold project in Victoria in the December 2020 Quarter and a successful fund raising.

#### **BATTERY MINERALS DEVELOPMENT STRATEGY - SUMMARY**

In recent years across the world, there is widespread significant evidence of accelerated development of renewable energy generation, the application of electric vehicles from bikes to scooters, cars, trucks, ships as well as recreational and commercial scale drone use.

This is also delivering increased utilization of energy dense lithium-ion batteries in all manner of computing devices, robotics and industrial tooling. In addition, the importance of access to critical minerals is now understood as being important from a geopolitical perspective.

Nations recognize that their ability to participate in leading technologies for the benefit of their people as well as defense of existing industries is reliant on their access to critical minerals. Graphite is an important critical mineral, an essential component across the electronics industry and specifically in the production of anodes in lithium-ion batteries. Copper, nickel, lithium, cobalt and a range of rare earth elements like vanadium are also strategic or critical minerals.

In developing a highly advanced high grade graphite project with a complete and available logistics solution in place, in arguably the most important graphite province in the world, Battery Minerals has deposits which provide significant opportunity for a value catalyst for the benefit of shareholders. The world is accelerating in the application of battery technology and electronics generally.

The Montepuez Graphite project, has completed all environmental permitting, holds a national mining licence and Battery Minerals has already constructed a tailings dam, mining camp and mobilized a crusher to site. Battery Minerals is does not need to relocate any communities prior to the commencement of development.



Battery Minerals is aware that the market price of some grades of graphite, that could be produced by its two Mozambican graphite development projects, have increased recently. This and invigorated interest in the minerals needed for EV batteries has highlighted the quality of Battery Minerals' two graphite projects.

In addition to graphite, Battery Minerals has acquired 800 square kilometres of highly prospective ground in Victoria, the Stavely Stawell Project. From the late 1800's the area was explored predominantly for Gold up until the late 1990's. Battery Minerals is the first company to be able to secure the entire package and sustain systematic modern exploration for strategic commodities particularly base metals and gold. Since the ground was last explored in the 1990's explorers on adjacent tenements in similar geology have identified significant deposits and intercepts of copper, nickel and gold. In addition, the area has been subject to new highly credible detailed geological mapping by the Victorian Geological Survey, and they have identified large areas on our ground that they consider prospective for base metals.

#### **GIPPSLAND, VICTORIA**

#### Completion of acquisition of 100% interest in Gippsland Prospecting

During the December 2020 Quarter, Battery Minerals completed acquisition of 100% of Gippsland Prospecting Pty Ltd ("Gippsland Prospecting), which owns the highly-prospective Stavely-Stawell Project (exploration licence EL006871) immediately adjacent to Stavely 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.

The Stavely-Stawell Project 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 Stavely volcanic belt.

Subsequent to the end of the December 2020 Quarter, Battery Minerals announced that it had commenced acquisition of high-resolution LiDAR and multi-spectral data sets, as well as commissioning reprocessing of publicly available geophysical data to assist with high-priority target identification and ranking.

During the December 2020 Quarter, the Company commenced engagement with local landowners to enable access for exploration activities commencing in the March 2021 Quarter.



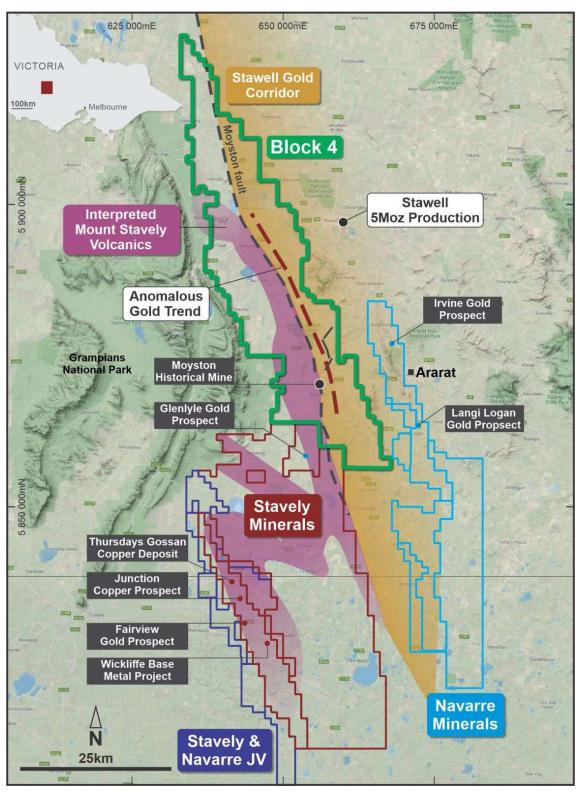


Figure 5 - Location of Block 4, EL6871, adjacent to Stawell historic mine and Stavely tenure showing locations of key regional prospects and deposits

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

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#### **GRAPHITE PROJECTS, MOZAMBIQUE**

As previously reported, 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 to 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 has halted all non-essential travel 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**

#### **Extension of the Environmental License**

In compliance with national regulations, the Company updated its Environmental Management Plan and its environmental analysis tools in support of the extension of the Environmental License, the validity of which is extended every two years. After an external audit of the site and the Environmental Management Program by a certified independent body, the Company was awarded the extension until 28/10/2022.

### **Development of an Elephant Management Plan**

In line with meeting the Equator Standards, the Company developed an Elephant Management Plan in response to the reported presence of elephants in the area. An assessment was carried out by an independent body to determine the possible threat of elephant encroachment into the project area. Given that the introduction of an artificial permanent water source (Water Storage Facility and TSF) could attract a greater number of elephants and encourage them to reside in the project area for longer periods of time than in previous years when there was an absence of a permanent water source, the study was deemed necessary. In collaboration with the independent body, a series of mitigation measures were developed and implemented successfully by the Company. To date, no human-elephant conflict has taken place on site or within neighboring communities.

# **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 December 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 December 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 2021.

As previously reported, 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 December 2020 Quarter, the Company completed a placement for \$5.5M and a well supported Share Purchase Plan for \$744,000. The funds raised will ensure the Company is well funded to complete its exploration commitments for the Stavely-Stawell Project in Victoria.

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. As previously advised, key funding development activities, including site visits, have had to be postponed until after COVID-19 travel and isolation restrictions have been lifted.

As at 31 December 2020, the Company had cash and liquid assets of \$7.3M (see Quarterly Cashflow Report). The Company continues to reduce cash expenditure wherever possible to help ensure it maximises its ability to meet its funding obligations for the Stavely-Stawell Project in Victoria and secure project finance for its Montepuez graphite project over the coming year.

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#### **ASX Additional Information**

- 1. ASX Listing Rule 5.3.1: Exploration & Evaluation Expenditure during the December 2020 Quarter was \$93,000. 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 December 2020 Quarter: \$29,000 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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#### **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<sub>vw.batteryminerals.com</sub>



#### **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.



# Appendix 1: Tenement Summary - 31 December 2020 1

1. TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of Quarter	Interest at end of Quarter
8770C	Mozambique	Mining Licence Granted	100%	100%
10031C	Mozambique	Mining Concession in Application	100%	100%
8555	Mozambique	Exploration License Granted	100%	100%
8609	Mozambique	Exploration License Granted	100%	100%
EL006871	Victoria, Australia	Exploration License Granted	0%	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 2021.

Note 2: During the December 2020 Quarter, Battery Minerals completed the acquisition of 100% of Gippsland Prospecting Pty Ltd ("Gippsland Prospecting), which owns the highly-prospective exploration licence EL006871 in Victoria.

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: NII