

ASX Announcement

29 April 2021

**March 2021 Quarterly Activities Report**

## **Final preparations underway for drilling at Stavelly-Stawell copper-gold project**

### **HIGHLIGHTS**

- **Strong progress on several fronts as part of the exploration campaign at the 100 per cent-owned Stavelly-Stawell Project in Victoria**
- **Preparations for drilling include extensive dataset compilation, target generation and land access agreements**
- **The data includes cutting-edge satellite images which confirm existing drill targets, identify new ones and highlight priority areas for soil geochemistry**
- **Drill rig expected to mobilise to site in May 2021**
- **Montepuez Graphite Project Pilot Plant Study underway**
- **Cash on hand of \$6.1M at 31 March 2021**

Battery Minerals Limited (ASX: BAT) ("Battery Minerals" or "the Company") is pleased to report on the strong progress it made on several fronts in the March 2021 Quarter.

The key achievements include advanced preparations for the start of an 8,000m drilling campaign at the Company's Stavelly-Stawell Copper-Gold Project in Victoria.

The drilling will test some of the highly prospective targets the Company has identified using a combination of leading-edge satellite imagery, historical drilling results, mapping and soil geochemistry.

Wallis Drilling Pty Ltd has been contracted to conduct the program and is expected to mobilise to site in May 2021. A programme of some 8,000m will be completed across 4 prospects.

In compiling this data and planning exploration activity for the next two years, the Company submitted its work programme to the Victorian mines department as part of accessing \$500,000 in an exploration grant for the area.

Subsequent to the end of the March 2021 Quarter, the Company advanced plans for a pilot plant study on its Montepuez Graphite Project.

This involved progressing its strategy to access a US-based, African-focused grant for a scalable pilot plant that could feed a similar-scale downstream processing facility operated by Urbix Resources in Arizona.

In-country personnel are complying with COVID-19 related work protocols. Travel guidelines published by the Australian Government (DFAT) currently prevent travel to and from Mozambique.

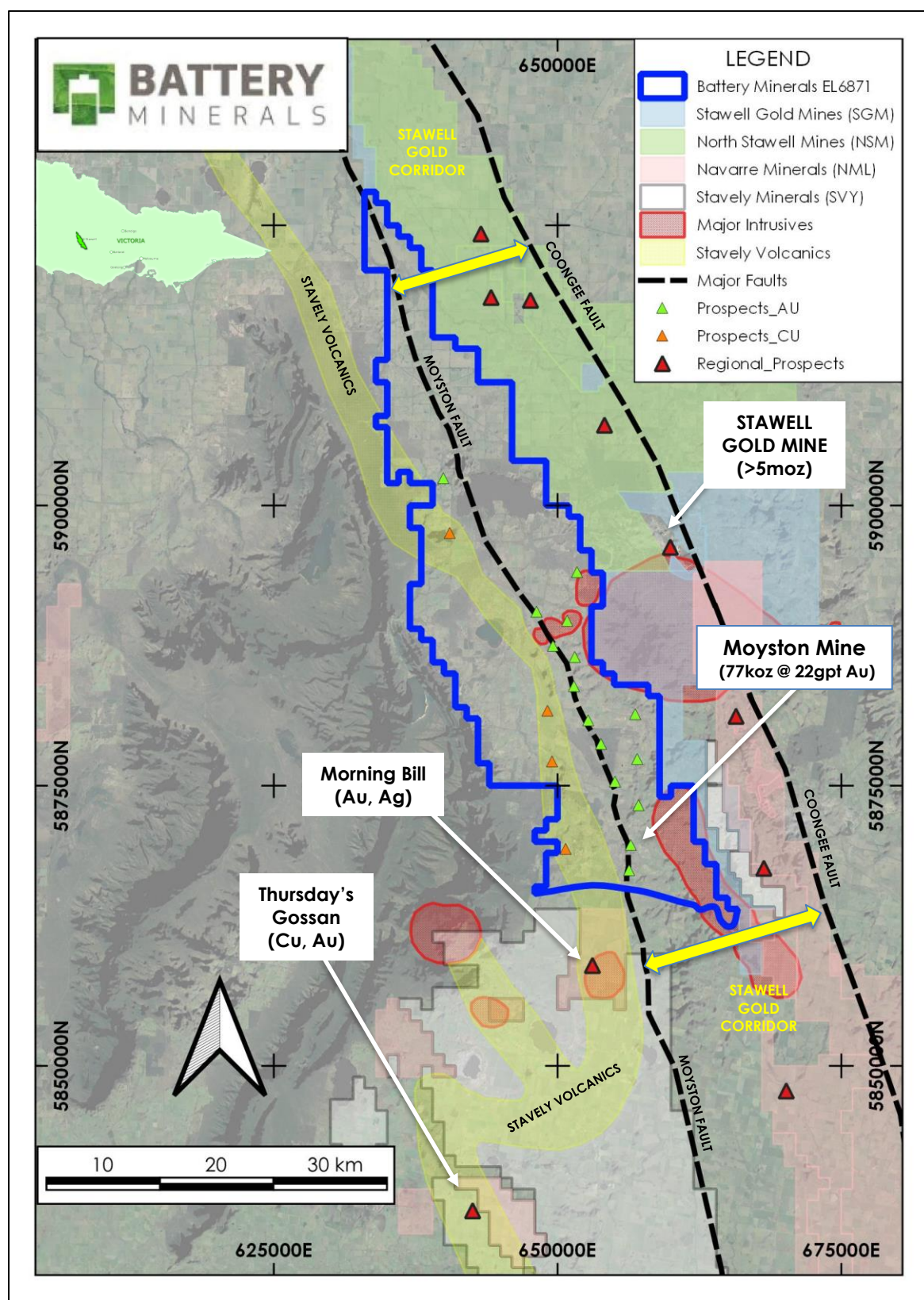


Figure 1: Battery Minerals – Western Victoria Regional Holdings



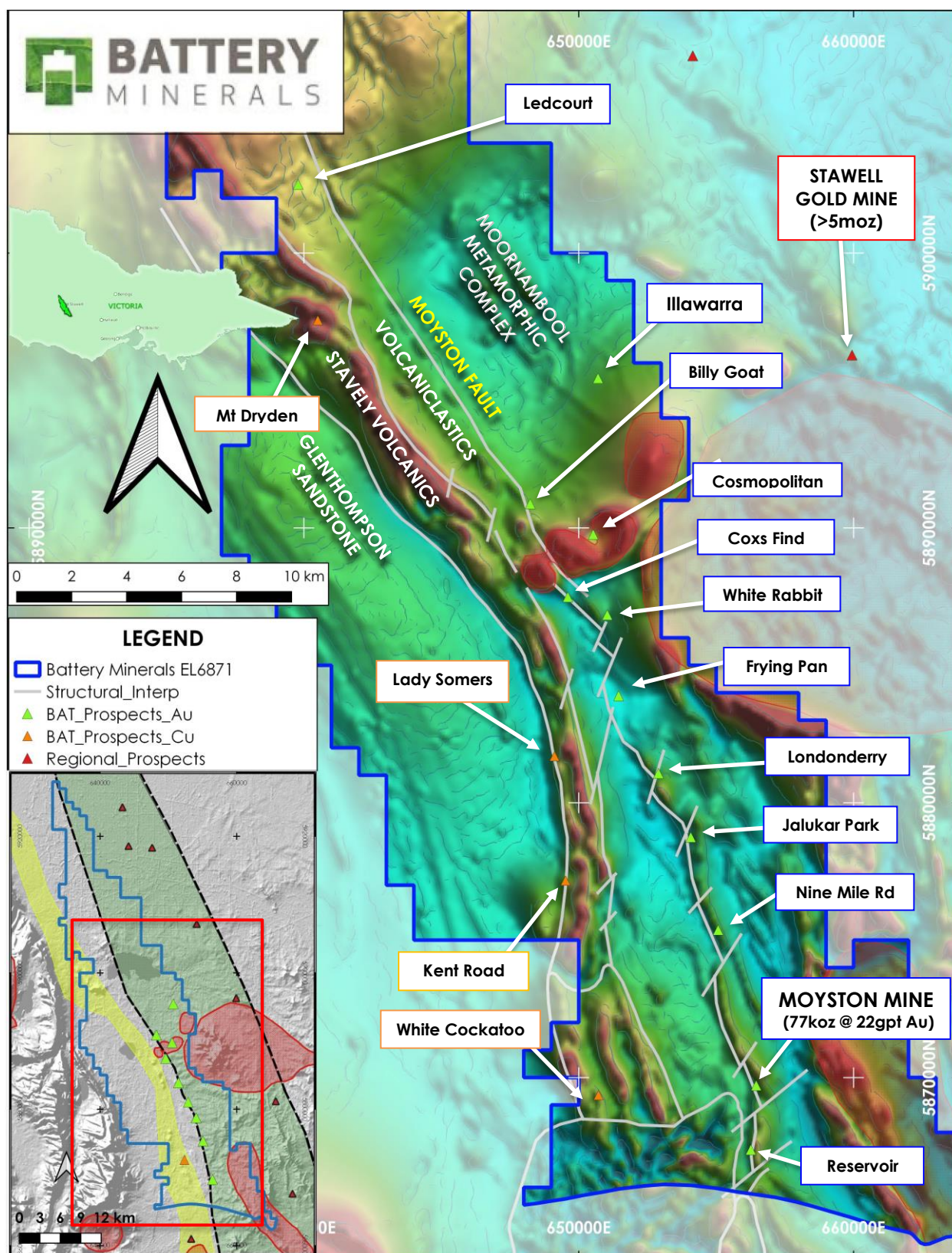


Figure 2: Magnetics TMI, Structural Interpretation and Current Prospects

## **GIPPSLAND, VICTORIA**

### **Background on Stavely-Stawell Project**

In the December 2020 Quarter, Battery Minerals completed the acquisition of the highly-prospective Stavely-Stawell Project (exploration licence EL6871) immediately adjacent to Stavely Minerals (ASX:SVY) Thursday's Gossan copper-gold project in Victoria (figure 1).

The tenement covers 721sqkm 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 (VHMS) and large-scale Cadia Ridgeway-type porphyry copper mineralisation, within the well-defined Stavely volcanic belt.

During the March 2021 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.

The Company also employed an experienced Victorian-based Exploration Manager, Mr Owen Greenberger, and continued engagement with local landowners to enable access for exploration activities which commenced in the March 2021 Quarter.

### **Exploration at the Stavely-Stawell Project**

The Company's exploration strategy has been evolving as new foundation data sets (reprocessed geophysics, LiDAR etc) have been collected and integrated with historic geochemical and drilling data to generate targets for field reconnaissance and drill testing.

To date, 21 targets have been identified, including 16 targets located within the Stawell Gold Corridor, and 5 within the Stavely Volcanics (figure 2).

### **Phase 1 Regional Drilling Program**

Approximately 8,000 metres of drilling has been designed on 100 metre spaced vertical holes and 250 metre spaced lines (figure 5) and, subject to completion of relevant land access agreements, drilling is expected to commence in May 2021. The phase 1 drilling campaign is due for completion in June 2021.

The objective is to identify areas of extensive gold mineralisation, map the basement stratigraphy where geophysics datasets are indicating structural complexity of the primary Moyston fault and accompanying secondary structures that may represent potential splay mineralisation.

Assaying will include low-detection gold and a broad suit of multi-elements for identifying gold pathfinders, alteration and lithologies.



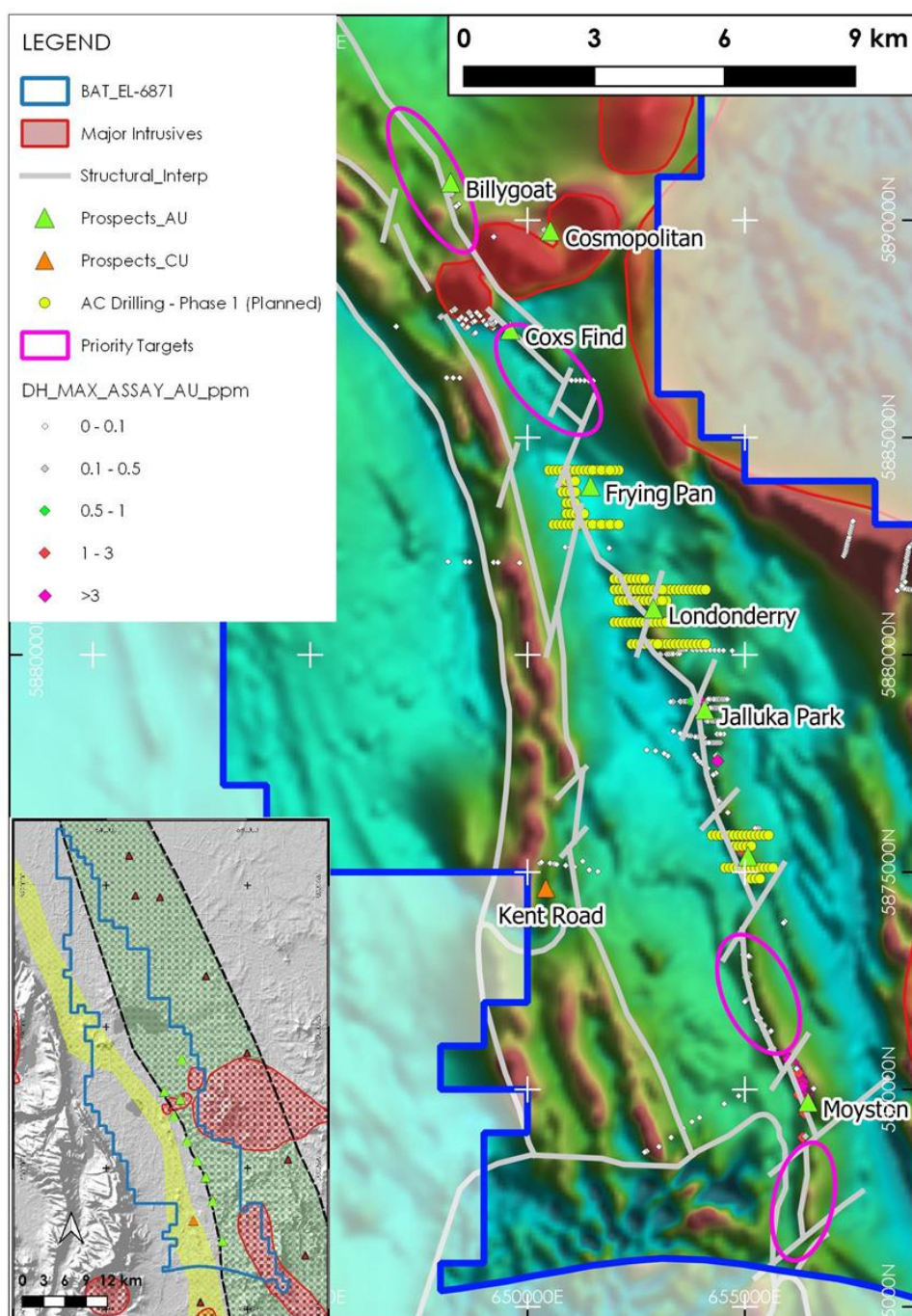


Figure 3: Phase 1 Regional Aircore Program and Key Target Areas

Additionally, the WorldView Satellite Imagery dataset was delivered in April (ASX announcement 9 April 2021), and the Company commissioned the planning phase of an extensive Aero Electromagnetic (AEM) survey for the tenement.

Ongoing field reconnaissance of access areas continue to assist with refining targets for subsequent drilling campaigns, with over 100 sample assays outstanding.

## **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 has been reduced, 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**

### **Pilot Plant Study**

Subsequent to the end of the March 2021 Quarter, the Company has engaged engineering consultants, ADP Marine & Modular in Cape Town, South Africa to complete a study on building a Pilot Plant at the Company's Montepuez Graphite Project that could produce anode quality graphite concentrate for selected potential customers and offtake partners. This in turn will enable these customers and offtake partners to fully assess the quality of the produce anode quality graphite concentrate from Battery Minerals' Montepuez Graphite Project.

This study on building a Pilot Plant at the Company's Montepuez Graphite Project is an important step in building customer confidence in the product from Montepuez, as well as being an essential step forward for some project financiers and potential offtake financiers.

### **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 March 2021 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 March 2021 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**

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**

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 March 2021, the Company had cash and liquid assets of \$6.1M (see Quarterly Cashflow Report). The Company continues to reduce cash expenditure and personnel needs 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. Cash expenditure during the March 2021 Quarter included once-off redundancy costs in Mozambique.

### **ASX Additional Information**

1. ASX Listing Rule 5.3.1: Exploration & Evaluation Expenditure during the March 2021 Quarter was \$378,000. 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 March 2021 Quarter. Development Expenditure during the March 2021 Quarter was \$342,000, with the majority of this being once-off redundancy costs in Mozambique and costs related to keeping the Company's graphite projects in Mozambique in good standing.
3. ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the March 2021 Quarter: \$74,000 - 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**

The information in this report that relates to Exploration Targets, Exploration Results or Mineral Resources is based on information compiled by Nicholas Jolly, who is a Member of The Australasian Institute of Mining and Metallurgy and is currently General Manager Exploration for Battery Minerals Limited. Mr Jolly 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'. Mr Jolly consents to the inclusion in the 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**

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 March 2021 <sup>1</sup>

<b>1. TENEMENTS HELD</b>				
<b>Tenement Reference</b>	<b>Location</b>	<b>Nature of interest</b>	<b>Interest at beginning of Quarter</b>	<b>Interest at end of Quarter</b>
<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%
<b>EL6871</b>	Victoria, Australia	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 2021.

Note 2: 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**