

Montepuez – Balama Central Graphite Projects

Battery Minerals completes acquisition of major interest in emerging graphite producer

- Battery Minerals receives \$500k cash and 12,065,500 shares in Tirupati Graphite plc (LSE:TGR) (\$6.5m current value¹) with completion of its sale of the Montepuez and Balama Central graphite projects
- BAT becomes a major shareholder in TGR, an emerging producer of flake graphite having recently achieved 30,000tpa production capacity, guidance of 84,000tpa by the end of 2024 and a longer-term goal of producing circa 8% of the global flake graphite market or 400,000tpa by 2030 (LSE TGR 23 September 2022)
- Completion allows BAT to execute its gold discovery strategy, testing high-quality drill ready gold targets at Stawell, including Cox's Find, a discrete strong IP chargeability anomaly beneath disseminated sulphide-associated gold anomalism, up to 430g/t Au in rockchips (ASX BAT 21 November 2022)

Battery Minerals Limited (ASX:BAT) ("Battery Minerals" or "the Company") advises that it has completed the transaction with Tirupati Graphite plc (LSE:TGR) for the sale of its Mozambican graphite projects (ASX BAT 17 August 2021).

Battery Minerals has received total consideration of \$500k in cash and 12,065,500 ordinary shares in TGR (\$6.5m current value ¹) (Appendix 1).

The major shareholding provides ongoing exposure to the development of the world class Mozambican projects with significant upside to TGR's rapidly expanding graphite production across existing operations in Madagascar, where production capacity recently reached 30,000tpa, guidance of 84,000tpa by the end of 2024 and a target of 400,000tpa by 2030 (LSE TGR 20 February 2023).

Managing Director, Peter Duerden said with regards to completion:

"Completion of this deal crystallises the Company's investment in Tirupati as they rapidly expand graphite production across two existing operations and develop the world class Mozambican assets. The investment provides exposure to an exciting graphite development story whilst we also look to add value via discovery by testing high-quality, drill ready gold targets at Stawell"

¹ 12,065,500 TGR Ordinary shares at spot price, £0.27, AUD/GBP 0.5420

The material terms of the Acquisition Agreement were summarized in the Company's notice of meeting dated 25 August 2021 and were updated in subsequent announcements (ASX BAT 30 September 2022, ASX BAT 5 December 2022). On 31 March 2023, a final variation was agreed enabling the payment of the remaining consideration to be settled out of an issue of TGR shares, to the value of \$994,571.86 calculated based on an issue price equal to the volume weighted average price for the 5 trading days prior to the Completion Date (Appendix 1).

Full details of variations are included in Appendix 1 which tracks the changes to the original agreements.

TRANSACTION RATIONALE

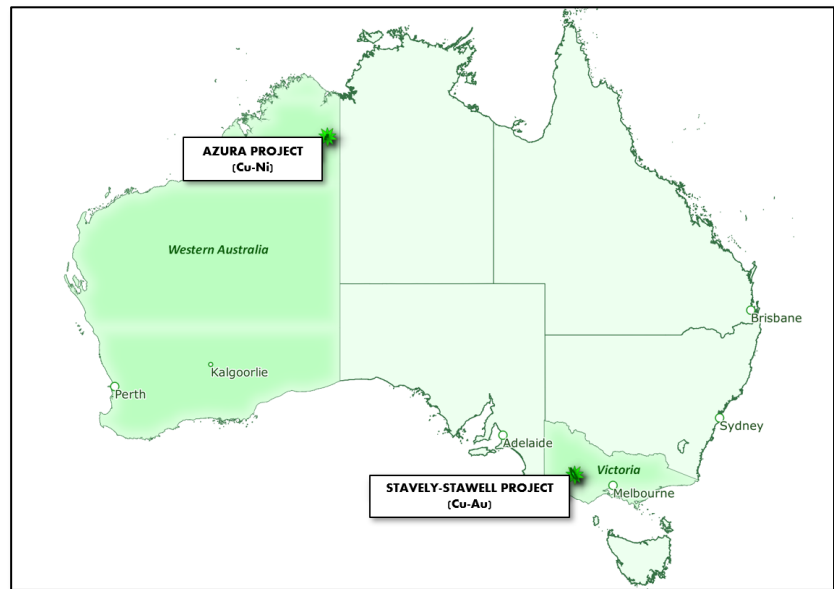
- Battery Minerals will receive TGR ordinary shares and cash, currently valued at \$6.5m (12,065,500 TGR shares at spot price) and cash of \$500k (Appendix 1);
- BAT will maintain a free carried exposure to the two Mozambican graphite projects and add exposure to TGR's other production and development assets;
- TGR is:
 - rapidly increasing graphite production across two mining operations at Sahamamy and Vatomina in Madagascar, where production capacity recently reached 30,000tpa with guidance of 84,000tpa by the end of 2024 and targeting 400,000tpa by 2030 (LSE TGR 20 February 2023);
 - active and experienced in Africa and in project execution being the only graphite producer listed on the LSE;
 - listed on the standard segment of the LSE main board with a market capitalization of ~AUD\$50m;
 - a natural owner of projects like the two Mozambican graphite projects;
 - a company with a strong history and are specialists in graphite having developed market leading and proven design, engineering, development and marketing capabilities in the graphite industry over the last 40 years;
 - a globally cost competitive fully integrated graphite producer with operations in Madagascar and India;
 - operations include primary mining and processing in Madagascar, hi-tech processing to produce specialty graphite, graphene and other value added products at the 'Tirupati Graphene and Mintech Research Centre' in India
- The transaction is good for Mozambique and the local communities as TGR is focused on developing the two projects and bringing them into production as soon as practicable

ABOUT BATTERY MINERALS (ASX:BAT)

Battery Minerals is an ASX listed public company (BAT:ASX) focused on the exploration and development of high value mineral resources in Australia. In addition, the Company retains exposure to the graphite market via its major interest in emerging graphite producer Tirupati Graphite (TGR: LSE).

STAVELY-STAWELL PROJECT (Cu-Au)

Comprises a single exploration licence (EL6871) covering a 65km strike of the Stawell Gold Corridor and northern extents of the Stavely-Dryden Belt in western Victoria. This large project is considered highly prospective for gold, as evidenced by the nearby multimillion ounce Stawell Gold Mine (Stawell Gold Mines Pty Ltd). Recent target definition work has identified high-quality drill ready gold targets at Stawell, including Coxs Find, a discrete strong IP chargeability anomaly beneath disseminated sulphide-associated rockchip gold anomalism, up to 430g/t Au (ASX BAT 2 May 2022).



AZURA PROJECT (Cu-Ni-Co-PGE)

Comprises three exploration licences (E80/4944, E80/5347, E80/5348) covering 258km² of the Halls Creek Mobile Zone within the East Kimberley region of WA. The area includes widespread zones of strong surface copper anomalism, up to 29.9% Cu in rock chips, with several VTEM conductors also defining drill targets.

MOZAMBIQUE (GRAPHITE)

Battery Minerals holds a company investment and major interest in Tirupati Graphite (TGR:LSE), an emerging producer of flake graphite having recently achieved 30,000tpa production capacity, guidance of 84,000tpa by the end of 2024 and a longer-term goal of producing circa 8% of the global flake graphite market or 400,000tpa by 2030 (LSE TGR 23 September 2022).

Authorised by the Board for release to ASX.

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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 Battery Minerals 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 Battery Minerals assumes no obligation to update such information.

Appendix 1 –
Deed of Variation: Changes to Material Terms and Conditions of August 2021 Acquisition Agreement

August 2021 Agreement	September 2022 Deed of Variation	December 2022 Deed of Variation	March 2023 Deed of Variation
<p><u>Sale:</u> Battery Minerals sale of its Mozambique graphite assets to Tirupati Graphite through:</p> <ul style="list-style-type: none"> an acquisition agreement for the sale of 100% of the shares in Suni Resources SA (a subsidiary of Battery Minerals) ("Suni Resources") held by Rovuma, which holds the Montepuez and Balama Graphite Projects in Mozambique to Tirupati Graphite; a novation of related party debts owed by Suni Resources from the Battery Minerals group to Tirupati Graphite pursuant to a deed of novation; and an intellectual property assignment deed for the assignment of certain technical information relating to the Mozambique graphite assets owned by Battery Minerals to Tirupati Graphite, (collectively, the Transaction). 	No change to the Transaction or assets being sold to Tirupati	No change to the Transaction or assets being sold to Tirupati	No change to the Transaction or assets being sold to Tirupati
<p><u>Cash Consideration:</u> A\$1,500,000.</p>	No change	No change	A\$500,000 cash consideration (" IP Completion Payment ")
<p><u>Share Consideration:</u> Valued at A\$11,000,000 in Tirupati Graphite ordinary shares ("Tirupati Shares") made up of:</p> <ul style="list-style-type: none"> 2,833,644 Tirupati Shares will be issued at Completion (T1); and 2,833,644 Tirupati Shares will be issued 8 months after Completion (T2). 	<p>No change to value of Share Consideration: Valued at A\$11,000,000 in Tirupati Shares, but will now made up of:</p> <ul style="list-style-type: none"> A minimum of 2,833,644 Tirupati Shares and maximum of 5,667,288 Tirupati Shares to be issued at Completion (T1); and A minimum of 2,833,644 Tirupati Shares and maximum of 5,667,288 Tirupati Shares to be issued 8 	<p>Changed to be valued at A\$9,750,000 in Tirupati Shares, made up of:</p> <ul style="list-style-type: none"> A minimum of 2,511,639 Tirupati Shares and maximum of 5,023,278 Tirupati Shares to be issued at Completion (T1); and A minimum of 2,511,639 Tirupati Shares and maximum of 5,023,278 Tirupati Shares to be issued 8 	<p>12,065,500 Tirupati ordinary shares issued, currently valued at A\$6m, based on:</p> <ul style="list-style-type: none"> A minimum of 2,511,639 Tirupati Shares and maximum of 5,023,278 Tirupati Shares to be issued at Completion (T1); and; A minimum of 2,511,639 Tirupati Shares and maximum of 5,023,278 Tirupati Shares to be issued 8

August 2021 Agreement	September 2022 Deed of Variation	December 2022 Deed of Variation	March 2023 Deed of Variation
	months after Completion (T2)	months after Completion (T2)	months after Completion (T2) and; <ul style="list-style-type: none"> A\$994,571.86 worth of TGR Shares (n=2,018,944 @ £0.267), based on an issue price equal to the volume weighted average price of the shares for the 5 trading days prior to the Completion Date (“IP Consideration Shares”)
Issue price of £1.03 per Tirupati Share	Issue price per Tirupati Share equal to 110% of the VWAP of Tirupati Shares for the five trading days prior to the Completion Date	Issue price per Tirupati Share equal to 110% of the VWAP of Tirupati Shares for the five trading days prior to the Completion Date	T1/T2 - Issue price per Tirupati Share equal to 110% of the VWAP of Tirupati Shares for the five trading days prior to the Completion Date IP Consideration Shares - Issue price per Tirupati Share equal to the VWAP of Tirupati Shares for the 5 trading days prior to the Completion Date
<u>Additional Clauses re CGT</u>			
		<u>CGT Payment</u> Tirupati agrees to fund the payment by Battery Minerals of the capital gains tax Battery Minerals is required to pay to the Mozambique Tax Authority in connection with the transfer of Shares in Suni Resources up to a maximum of AUD\$2,500,000 (the “CGT”) and to procure payment of the CGT to the applicable Mozambique Tax Authority when due following Completion	No Change
		<u>CGT Compensation Shares</u> If Tirupati fails to procure the payment of the CGT to the applicable Mozambique Tax Authority when due following Completion	No Change

August 2021 Agreement	September 2022 Deed of Variation	December 2022 Deed of Variation	March 2023 Deed of Variation
		("CGT Due Date"), Tirupati will on the CGT Due Date allot and issue credited as fully paid to Battery Minerals (or its nominee) AUD\$1,250,000 worth of fully paid ordinary shares at the Issue Price in the capital of Tirupati (" CGT Compensation Shares ") as compensation for Suni Resources' failure to comply with its obligation to pay the CGT and shall be released from its obligation to pay the CGT	
		<p><u>CGT Refunds</u> If at any time prior to 31 March 2023, Tirupati receives a refund of any part of the CGT from any applicable Mozambique Tax Authority ("CGT Refund"), Battery Minerals shall be entitled to 50% of such CGT Refund received by Tirupati and Tirupati must transfer to the Seller's nominated bank account 50% of the CGT Refund within 10 Business Days of receiving the CGT Refund.</p> <p>If at any time prior to 31 March 2023, Battery Minerals receives a CGT Refund, Battery Minerals shall be entitled to 50% of such CGT Refund received by Battery Minerals and Battery Minerals must transfer to Tirupati's nominated bank account 50% of the CGT Refund within 10 Business Days of receiving the CGT Refund.</p>	No Change
<u>Escrow</u>	<u>Escrow</u>		
T1– Escrow of 8 months following Completion	T1 – Escrow of 6 months following Completion	No Change	No Change
T2 – Escrow of 20 months following Completion	T2 – Escrow of 14 months following Completion	No Change	No Change

August 2021 Agreement	September 2022 Deed of Variation	December 2022 Deed of Variation	March 2023 Deed of Variation
			"IP Consideration Shares" - No escrow
<u>VAT Refunds:</u> Battery Minerals will receive VAT refunds claimed in Mozambique up to Completion.	No change	The VAT Refunds are for the benefit of the Purchaser	No change
<u>Conditions Precedent:</u>			
Mozambique government approvals for transaction	No change	No change	No change
<u>Long Stop Date</u>			
Previously extended to 30 September 2022 by mutual agreement to facilitate getting all necessary Mozambique government approvals for the transaction	Extended to 31 December 2022 to facilitate getting all necessary Mozambique government approvals for the transaction. The parties have agreed to consent to four further three-month extensions to the Longstop Date if requested in writing by Tirupati to enable the conditions to Completion to be satisfied	No Change	The parties agreed to extend to 10 April 2023, allowing the deal to complete on the 1 April 2023
<u>Bank Guarantee - Balama Central mining concession</u>			
The conditional grant of the Balama Central mining concession had not been received at time of August 2021 acquisition agreement	Tirupati Graphite to put in place the bank guarantee to facilitate the grant and orderly transfer of the Balama Central mining concession	No change	No change

Note: The material terms of the Acquisition Agreement were summarized in the notice of meeting issued by Battery Minerals dated 25 August 2021