September 2017 Quarterly Activities Report

31 October 2017

Battery Minerals generates exceptional results from Montepuez Value Engineering Study

QUARTER HIGHLIGHTS:

Montepuez Graphite Project

- **Value Engineering Study results received**
- **Mining Licence Application progressing well**
- **Montepuez Timeline to production and ramp up is 14 months**
- **Environmental Impact Assessment completed and submitted**
- **Infill grade control drilling to start in November 2017**

Balama Central Graphite Project

- **Battery moves to DFS following positive concept study**
- **Diamond drilling to start in December 2017 Quarter**

Product Marketing Strategy

- **Battery Minerals signs MoU with leading Japanese flake and spherical graphite trader and producer MEIWA Corporation**
- **MoU with Chinese integrated graphite producer Qingdao Guangxing Electronic Materials Co. Ltd**

Graphite-development company Battery Minerals Limited (ASX: BAT) is pleased to report on the strong progress it has made in the September 2017 Quarter towards bringing its Montepuez Graphite Project in Mozambique into development with the publication on 18 October 2017 of the results of the Value Engineering Study work, that occurred during the Quarter.

The Mining Licence Application for the Montepuez Graphite Project is progressing well following presentations to government during the September 2017 Quarter. Battery has also completed the Environmental Impact Assessment for Montepuez and submitted this to authorities.

In addition, during the September 2017 Quarter the Company worked on completing a Concept Study on its Balama Central Graphite Project. Subsequent to the end of the September 2017 Quarter, the results of the Concept Study work were reported on to ASX on 26 October 2017. Battery Minerals has decided to proceed with a Definitive Feasibility Study (DFS) on the Balama Central Graphite Project.

As at the end of September 2017, the Company maintained a cash position of $4.1M.

Subsequent to the end of the September 2017 Quarter, Battery Minerals announced the signing of two MoUs, one with leading Japanese flake and spherical graphite trader and

producer MEIWA Corporation and another with Chinese integrated graphite producer Qingdao Guangxing Electronic Materials Co. Ltd.

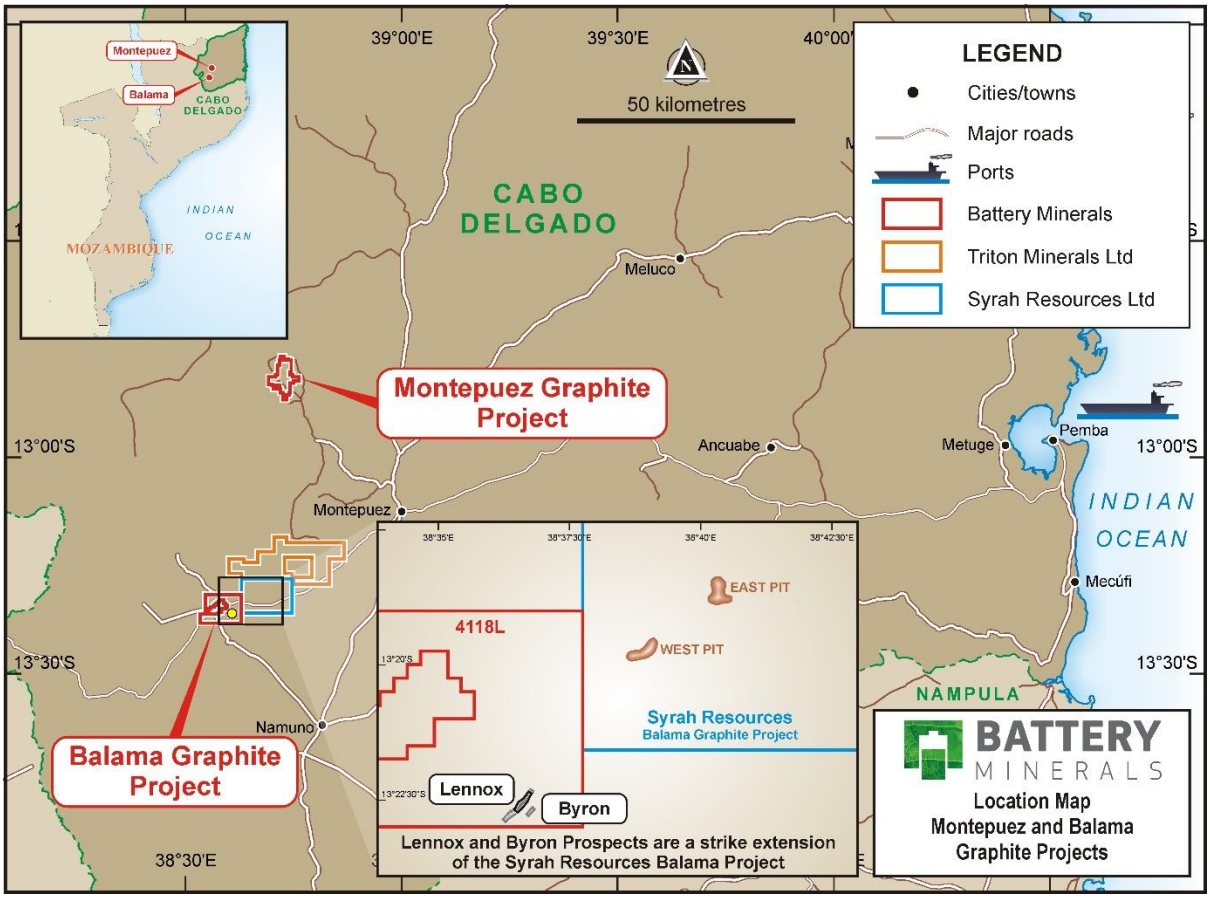

Figure 1. Location map of Battery Minerals graphite projects in the Cabo Delgado Province of Mozambique. The Montepuez Graphite Project is located 60km northwest of Montepuez township and the Balama Graphite Project located southeast of Balama township adjacent to Syrah Resources Balama Graphite Project.

Background

Battery Minerals has further developed its significant position in the Lithium Ion Battery (LiB) market and is continuing to capitalize on its early-mover advantage to embed the Company as an important global supplier of ethically-produced graphite.

The LiB is a significant driver of an energy revolution in the development of electric vehicles and energy storage technologies across the world. Due to its high conductivity and safety performance metrics, Graphite is an essential component in the anodes of LiBs.

Battery Minerals has discovered and defined in excess of 100 million tonnes of high grade graphite resources in the east African country of Mozambique (See ASX release dated 15 February 2017 for further details). Mozambique has the largest and highest grade graphite endowment of any country in the world and it is currently undergoing a significant period of exploration, mining and infrastructure investment.

Montepuez Graphite Project Value Engineering Study

Following extensive study work during the September 2017 Quarter, on 18 October 2017, Battery advised the market that a Value Engineering Study (VES) had been completed on its Montepuez Graphite Project in Mozambique which is expected to result in the project

generating outstanding financial returns. The VES questioned every key financial and operational assumption contained in the Montepuez DFS, which was released in February 2017 (see ASX release dated February 15, 2017).

The VES, which was commissioned in May 2017, found the Montepuez Graphite Project would enjoy extremely strong economics if a series of key operating changes were adopted. The VES found that the project's capital cost could be slashed from US$126M to just US$42.3M and operating costs could be cut from US$422/t to US$337/t.

With CAPEX now down to US$42.3M and OPEX per tonne of concentrate of US$337/t based on processing ~500,000t of ore at a grade of 12%TGC, it is expected that Montepuez will initially produce 45,000 - 50,000t pa of graphite flake concentrate at up to 97% TGC.

These substantial cost reductions would stem from a combination of increasing the mined grade from 8.8% TGC to 12% TGC over the first 10 years of mine life, having a smaller infrastructure footprint, adopting an owner-operator mining strategy, lower water consumption and increased recoveries supported by additional metallurgical and processing test work. The Montepuez Graphite Project still maintains a 20-year mine life with significant extension potential.

A summary of the key Montepuez Graphite Project VES findings (compared to the February 2017 DFS findings) are shown below:

	October 2017 VES	February 2017 DFS
LoM years	10[(1)] (Initial)	30
Annual concentrate production tonnes	45,000 - 50,000t pa	100,000t pa
Project payback period years	<2 years	4.75 years
Grade of graphite mined (TGC %)	12%	8.8%
OPEX [(2)]	US$337/t	US$422/t
CAPEX estimate (pre-production)	US$42.3 million	US$126 million
Average annual EBITDA [(3)]	>US$20 million	US$27 million
Ave Grade of graphite concentrate shipped (TGC %)	96.7%	96%

Notes to table

1. Based on the Ore Reserve released by the Company to ASX on 15 February 2017 – First 10+ years at 12% TGC and then next 10+ years at 7-8% TGC
2. Total cash costs FOB Pemba – all site costs plus transport, excluding royalties
3. The Company used US $798/t as a long-term basket price for its concentrate in the Feb 2017 DFS. Current Independent market commentators supported by our detailed market analysis indicates long term basket price in a range US $847-950/t. The Company continues to use conservative long-term pricing assumptions while pursuing operating costs in the lower quartile of global operations.

Battery Minerals' Montepuez Graphite Project VES targeted key development capital and operating cost elements defined in the DFS. The objective of the Montepuez Graphite Project VES was to significantly improve financial returns by optimizing the processing plant through modularization, refining the mine plan to produce a higher head grade, adopting an owner operator mining and accommodation model to remove the use of contractors, reducing the size of the initial tailings dam and water supply facility and increasing concentrate recoveries through a series of successful metallurgical and processing test work.

Montepuez Graphite Project Exploration

An infill grade control (pre-production) drilling program is planned for the Montepuez Graphite Project in December 2017 Quarter to define sufficient tonnage of weathered oxidised graphite grade at 12% TGC in preparation for mine start-up scheduling and short-term mine planning.

Laboratory results from the December 2016 Buffalo drill program have returned an outstanding graphite mineralised intersection west of the Buffalo mine design wall (note: these holes are additional to 15 February 2017 Mineral Resource and Ore Reserves announcement).

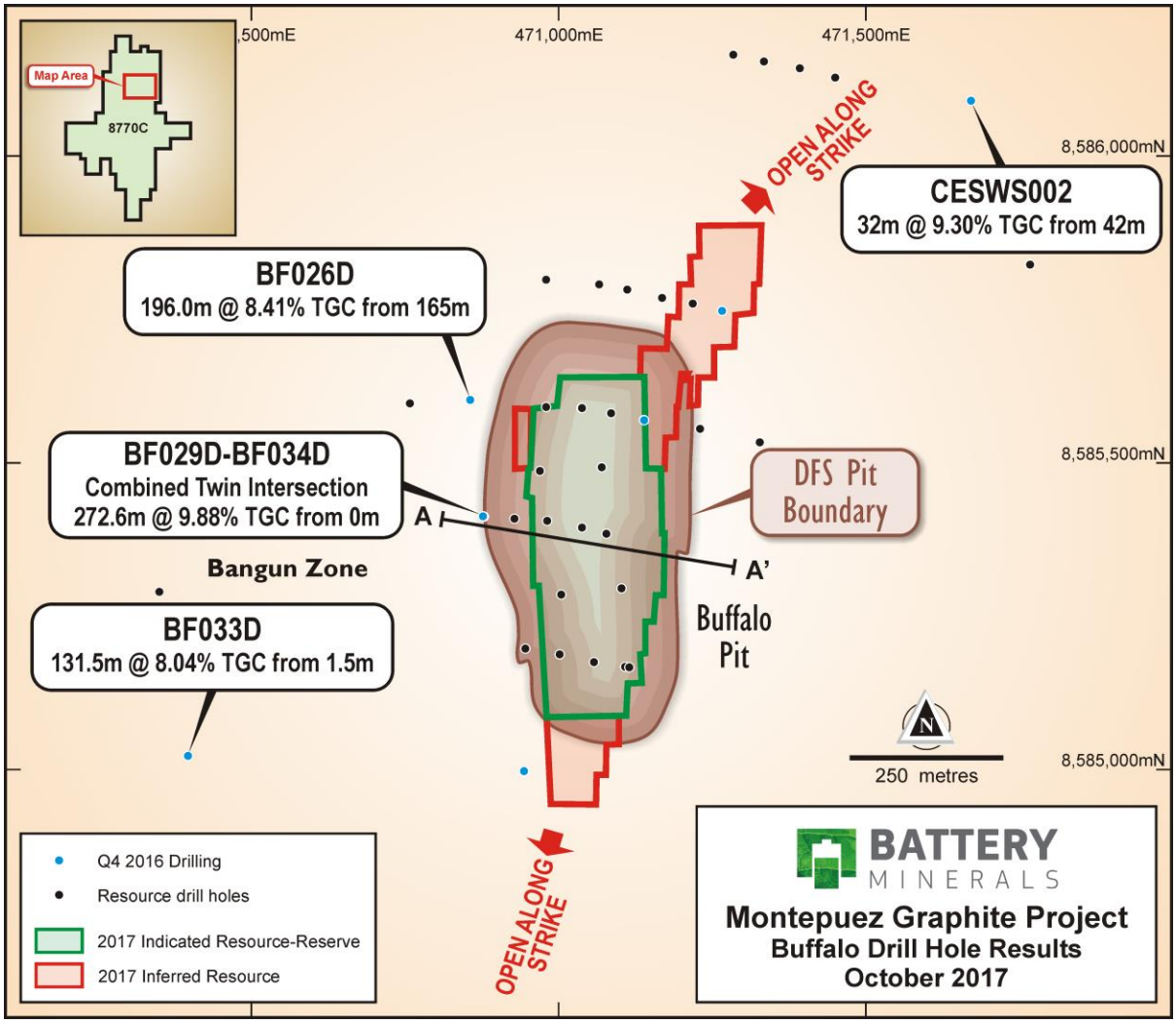

Figure 2. Location plan of Buffalo Pit mine design showing February 2017 resource drill holes in black and those holes not included in the 2017 Mineral Resource classification shown in blue with recently received drill hole results for holes BF029D-BF034D (twin), BF026D (re drill of MN0014D), CESWS002 and BF033D. February 2017 Indicated and Inferred Mineral Resource boundaries are provided.

Diamond twin hole BF029D with BF034D returned a combined intersection of **272.6 metres at 9.88% TGC from surface**, this is the largest high-grade intersection drilled to date at Montepuez (see Appendix 3 and 4 for Table 1 of JORC Code and detailed drill results).

The Montepuez Graphite Project's Buffalo deposit recent drill intersection result summary;

- **Twin hole BF034D (with BF029D) returned a combined intersection of 272.60 metres at 9.88% TGC from surface for hole BF029-34D**
- **Hole BF026D returned 196 metres at 8.41% TGC from 165 metres including**
  - **18.2 metres at 18.11% TGC from 238.8 metres, and**
  - **42m at 13.47% TGC from 295 metres**
- **Hole BF033D returned 131.50 metres at 8.04% TGC from 1.5 metres**

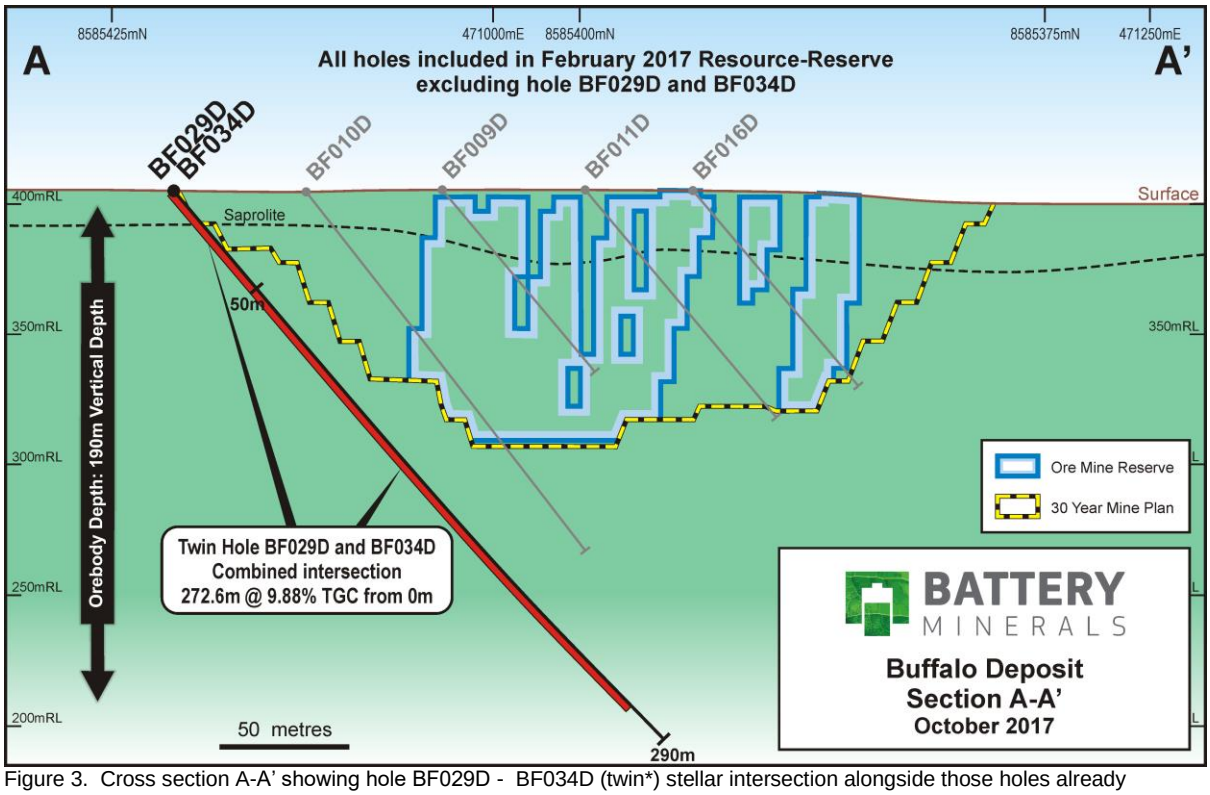

Figure 3. Cross section A-A' showing hole BF029D - BF034D (twin*) stellar intersection alongside those holes already included in the February 2017 Mineral Resource. The orebody remains open along strike and down dip. Mine Reserve boundary is shown for this section as well as the DFS Final Pit Design.
*the first 50m of hole BF029D the core was believed to have been potentially contaminated due to core drilling process and was re drilled in hole BF034D 0-50m.

Excellent exploration potential remains on the Montepuez Mine Application License (8770C) where all deposits remain open along strike and at depth for Buffalo and Elephant deposits. Less than 15-20% of the defined VTEM™ (Versatile Time Domain Electromagnetic) conductor model has been drill tested as shown in figure 4. The VTEM™ conductor is interpreted by Battery Minerals geologists as an encouraging indicator of graphite schist, the host rock of the Montepuez Graphite Project Mineral Resources.

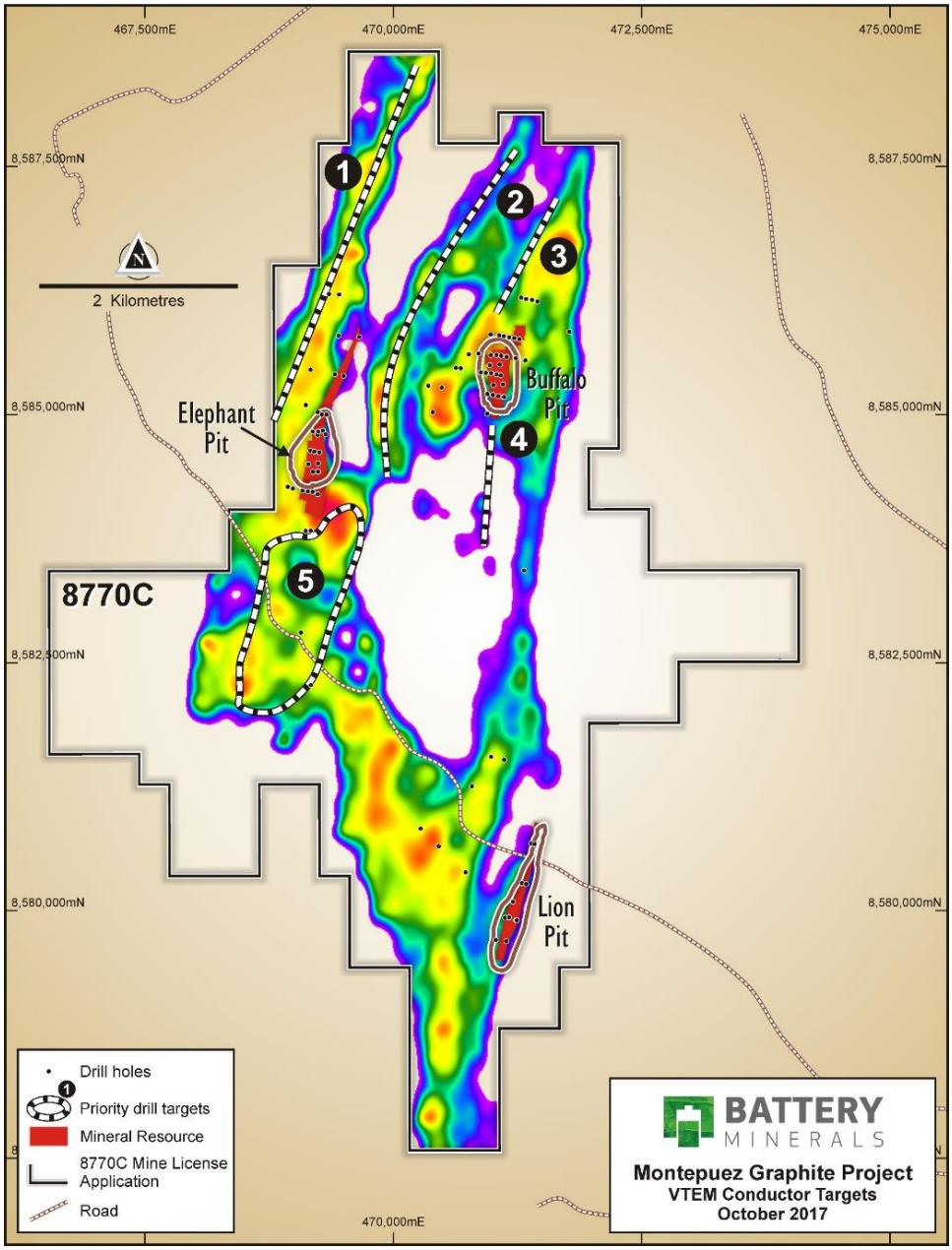

Figure 4. MGP Mine License Application (8770C) showing the Buffalo, Elephant and Lion resources relative to the VTEM™ conductive units (red-yellow). Drill holes are shown with black dots. Exploration targets 1 to 5 which remain untested by exploration drilling indicate the excellent potential for additional graphite resources on this license.

Balama Central Graphite Project

On 26 October 2017 Battery was pleased to announce that a Concept Study, including preliminary metallurgical testwork, had highlighted the outstanding potential of its Balama Central Graphite Project in Mozambique (Balama). Balama is Battery Minerals' second graphite project in Mozambique.

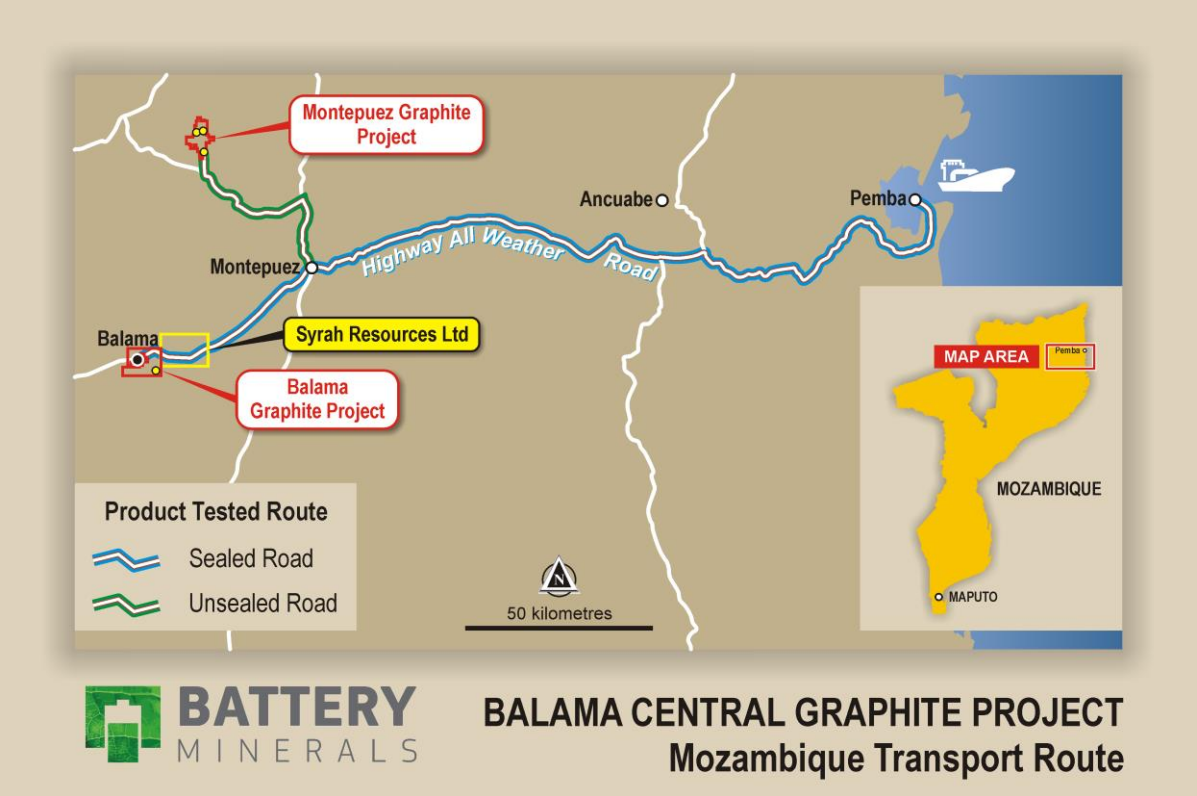

Figure 5. Infrastructure map showing the Balama Graphite Project relative to Montepurz and the nearest deep-water port of Pemba

The following summarises the material aspects of the outcomes from the Balama Concept Study

- The Balama Concept study demonstrates the outstanding potential of Balama,
- Preliminary metallurgical testwork highlights Balama's ability to produce high-quality graphite flake
- Preliminary testwork indicates very coarse flake sizes, returning on average 54% of higher-value large and jumbo graphite flake (Table 2)
- In light of these strong results, Battery Minerals will start a DFS immediately targeting completion by mid-2018
- Environmental approvals process and diamond drilling to start in December 2017 Quarter
- Balama's Mineral Resource stands at 16.3Mt at 10.4% TGC for 1.7Mt of contained graphite[1]
- Exploration target indicates significant exploration upside remains [1]

1. See 21 March 2016 ASX announcement entitled "Maiden JORC Graphite Resource at Balama Central Project - Mozambique" for full details

Battery also conducted additional flake size assessment on Balama ore sample using ALS Metallurgy Laboratory in Perth, Australia to process a 500 kilogram sample. The test work indicated a significant proportion of coarse flake sizes; returning on average 54% for Large (180-300um) and Jumbo (>300um) flakes within the weathered ore zones. This work further supports previous indicative work by MLA and Actlabs Geometallurgy of Ontario Canada with 30 samples submitted from the Lennox Deposit located within the Balama Central License.

Product size and specification

Balama Central Flake Graphite Concentrate Sizing				
Flake size	**Flake size (mesh)**	**Flake size (micron)**	**% of concentrate**	**TGC grade**
Fine	-100 Mesh	0 - 150	37%	97%
Medium	+100 Mesh	+150 -180	9%	97%
Large	+80 Mesh	+180 -300	25%	96%
Jumbo	+50 Mesh	+300	29%	96%

Table 2 Balama Central Project product sizing and concentrate grades

The results of this preliminary test work indicate that Balama has the potential to produce higher-value jumbo and large flake 96% TGC and 97% TGC concentrates. This approach has been discussed with market participants and consistent feedback has been that the proposed 97% premium fines product will be sought after and provide a point of differentiation against some other products in the market

Balama Central Graphite Project Exploration

Battery Minerals published its Maiden Mineral Resource Estimation for the Balama Graphite Graphite Project (Balama) with 16.3Mt @ 10.4% TGC for 1.7Mt of contained graphite (refer ASX announcement published 21 March 2016 in prior company name Metals of Africa).

The Battery Minerals technical team have recently assessed Balama and defined a number of VTEM™ anomalies which require further exploration drill testing both along strike of the Lennox and Byron deposits and west of Lennox (refer figure 5). A diamond drilling program is planned for the Balama Graphite Project in the December 2017 Quarter.

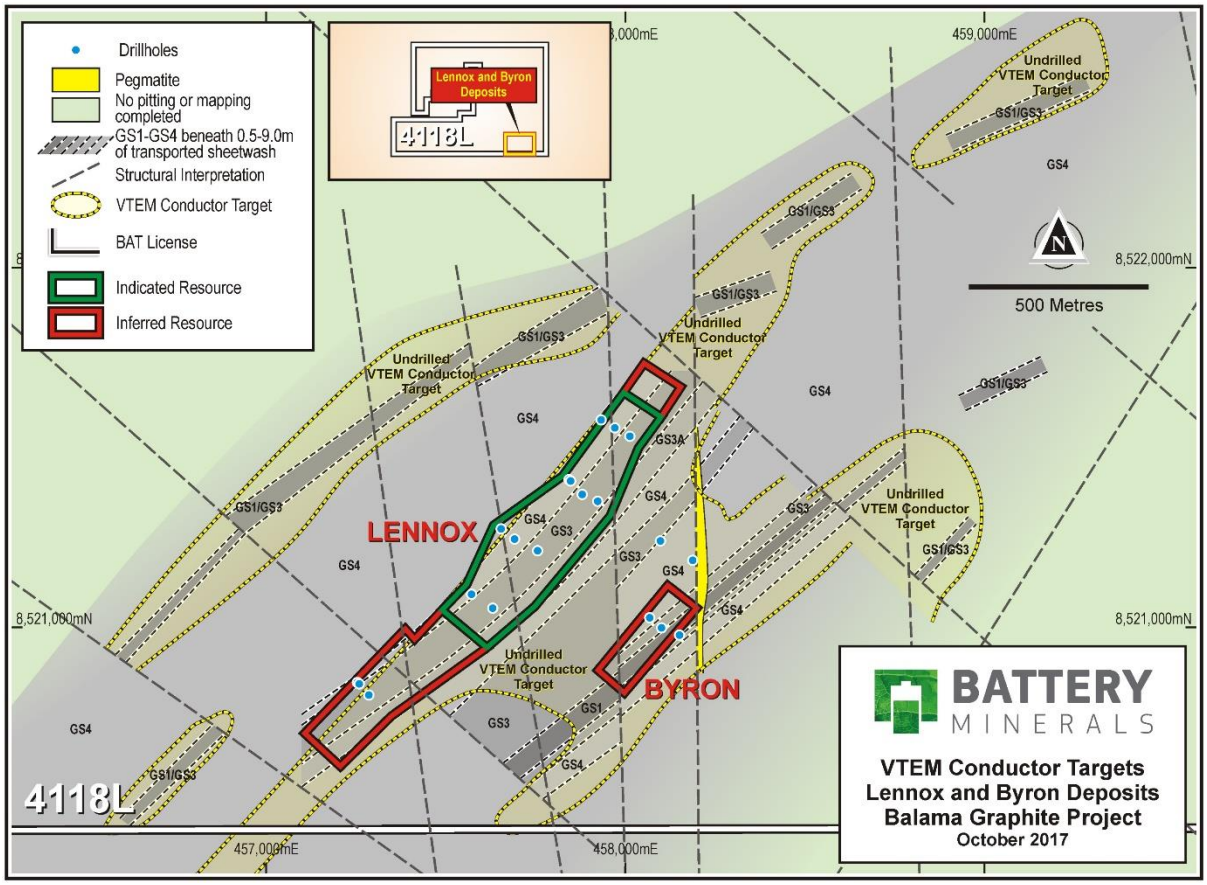

Figure 6. Plan depicting Balama Graphite Project Lennox and Byron deposit Mineral Resource boundaries relative to untested VTEM™ conductor exploration targets.

Marketing and Customer Contracts

The Company advanced discussions and technical due diligence with potential customers for flake and spherical graphite during the period, and negotiations are ongoing. The Company is currently undergoing product qualification and due diligence processes with a number of parties including battery manufacturers and reputable commodity trading houses.

Battery Minerals signs MoU with MEIWA Corporation

Subsequent to the Quarter end, on 31 October 2017, Battery Minerals announced that it has signed a non-binding Memorandum of Understanding ("MoU") with Meiwa Corporation, a Tokyo Stock Exchange listed Japanese public corporation with extensive expertise in marketing graphite flake concentrate and purified spherical graphite across Asia.

The MOU with Meiwa corporation is an important milestone in the Company's strategy to produce and market graphite into the lithium-ion battery market, and highlights the quality of our flagship Montepuez Graphite Project, which we expect to commission in December 2018.

From an operating perspective Meiwa Corporation's capacity as a trader and producer, and Battery Minerals' ability as an emerging supplier of battery materials are complimentary. The parties agree to negotiate in good faith to complete commercial sales agreements for the benefit of both parties.

The non-binding and non-exclusive MoU establishes a framework for cooperation in the following areas:

- Developing and executing a product marketing strategy in which Battery Minerals will supply Meiwa with graphite flake concentrate.
- The parties will engage in good faith commercial negotiations in relation to graphite sales, including off-take and other sales arrangements.
- the terms of cooperation include the provision of samples, technical data and the establishment of a technical understanding of Meiwa's customer's product requirements.

MoU with Chinese graphite producer Qingdao Guangxing Electronic Materials Co. Ltd

Subsequent to the Quarter end, on 31 October 2017, Battery announced it had signed a non-binding Memorandum of Understanding ("MoU") with Qingdao Guangxing Electronic Materials Co. Ltd ("GEM") a privately owned company based in Shandong in China with extensive expertise in mining, production, downstream processing and marketing of graphite.

The MOU with a GEM is another significant step forward in Battery Minerals' plans to produce and sell high grade, high quality graphite from its flagship Montepuez Graphite Project, which its expect to commission in December 2018.

GEM is enhancing its existing spheronization and expandable graphite capability, and both parties will work together to market the products to sell to the international market. Ongoing market development will include optimising development of a spherical graphite for use as anode material in lithium-ion batteries as part of an international marketing strategy

The MoU establishes a framework for cooperation for the purposes of developing and executing a product marketing strategy in which Battery Minerals will supply GEM with graphite flake concentrate on commercial terms. The MoU is non-binding and non-exclusive.

Infrastructure and Logistics

During the September 2017 Quarter, the Company secured an allocation of port capacity with the National Rail and Port authority of Mozambique – Portos e Caminhos de Ferro de Moçambique (CFM).

The firm and binding allocation, which is at the Port of Pemba being the closest port to the Montepuez and Balama Graphite Projects, is sufficient to underpin the Company's proposed graphite production and export of up to 100,000 tonnes per annum from the Company's projects in the Cabo Delgado province of Mozambique.

As part of this written commitment to Battery Minerals, CFM has also undertaken to work with the Company to ensure that sufficient stockpile and warehouse capacity is available to facilitate the proposed exports.

CORPORATE

The Company now anticipates approvals and granting of mining tenure to underpin construction commencing in the June Quarter 2018. The Company remains completely focused on developing this operation in a timely, cost effective and safe manner in close consultation with the community and all key stakeholders.

In order to achieve wet commissioning and ramp up of the Montepuez Graphite Project from December 2018, in a little over 14 months, the Company will be focused on this exclusively. This will however cause some delays in completing the Definitive Feasibility Studies (DFS) on the Company's downstream research and development focus on spheronisation for anode production. While the results of this test work continues to exceed all expectations, the board has resolved to successfully commission the Montepuez Graphite Project mining and

processing operation before it re-commences investment in and construction of a spherical plant.

Gabon: Kroussou Project JV

During the September 2017 Quarter, Trek Metals advised Battery Minerals that it had elected to exercise its option to enter into a joint venture agreement and paid Battery Minerals US$240,000 in cash to secure the right to earn 30% of the Kroussou Project through the expenditure of US$1M within 12 months of the exercise date.

In 2017, Trek Metals completed drilling at the Dikaki prospect which indicated excellent potential for an open pit mine scenario with high grade zinc and lead mineralisation intersected at surface (Refer Trek Metals announcement dated 11 May 2017). Compilation of soil sample work was completed for the central license priority target areas in September 2017 Quarter with results under evaluation. These results are expected to be followed up with a ground geophysical program in December 2017 Quarter. Results of the soil sampling and geophysical surveys are expected to be evaluated for further drill targeting in the March 2018 Quarter (Refer: Trek Metals announcement dated 19 October 2017).

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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.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Ms. Cherie Leeden, who is Managing Director and who holds shares and options in the Company. Ms. Leeden is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms. Leeden consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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.

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.

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 and Ore Reserves is extracted from the ASX Announcement titled 'Montepuez Graphite Project Mineral Resource and Ore Reserve Estimate' dated 15 February 2017 and DFS and PFS information is extracted from the ASX announcement entitled 'Lithium Ion Battery anode PFS and Montepuez Graphite DFS confirm robust economics' dated 15 February 2017, both of which are available at Battery Minerals website at http://www.batteryminerals.com.au in the ASX announcements page.

Any references to Mineral Resource estimates on the Balama Central Project should be read in conjunction with the competent person statements included in the ASX announcements referenced in this report (see 21 March 2016 ASX announcement entitled "Maiden JORC Graphite Resource at Balama Central Project - Mozambique") as well as Battery Minerals' other periodic and continuous disclosure announcements lodged with the ASX, which are available on the Battery Minerals' website.

The information in this announcement that relates to Balama Central Mineral Resources and Exploration Target is extracted from the ASX Announcement titled 'Maiden JORC Graphite Resource at Balama Central Project - Mozambique' dated 21 March 2016 which is available at Battery Minerals website at http://www.batteryminerals.com.au in the ASX announcements page.

Battery Minerals confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. Battery Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Appendix 1: Montepuez Graphite Project - Value Engineering Study

Montepuez Graphite Project - Product size and specification

Flake Graphite Concentrate Sizing

Flake size	Flake size (mesh)	Flake size (micron)	% of concentrate	TGC grade
Fine	-100 Mesh	0 - 150	71.9%	97%
Medium	+100 Mesh	+150 -180	10.2%	96%
Large	+80 Mesh	+180 -300	13.5%	96%
Jumbo	+50 Mesh	+300	4.4%	96%

Market feedback indicates that a product of a minimum of 94% TGC grade is typically the minimum required concentrate grade produced. Based on test-work, Battery Minerals has chosen to produce 96% TGC and 97% TGC concentrates. This approach has been discussed with the market and the feedback has been that the proposed 97% premium fines product to be produced by Battery Minerals will be sought after and provide a point of differentiation against other products currently in the market. This is currently attracting a significant premium to normal 94% TGC product.

Montepuez Graphite Project - Project Delivery Schedule

The Project Delivery Schedule for the Montepuez Mine & Concentrator is as follows:

	2017	2018				2019			
Activity	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Montepuez Graphite Mine									
Value Engineering Study completed									
Project Approvals									
Design									
Procurement									
Construction									
Commissioning									
Ramp Up									
Steady State Production and Shipping									

Appendix 2: Tenement Summary – 30 September 2017

1. MINING TENEMENTS HELD				
Tenement Reference	**Location**	**Nature of interest**	**Interest at beginning of Quarter**	**Interest at end of Quarter**
8770C	Mozambique	Mining Licence Application	100%	100%
Kroussou G4-569 & G4-588	Gabon JV	Granted	100%	100%[1]
4118	Mozambique	Granted	100%	100%
8555	Mozambique	Granted	100%	100%
8609	Mozambique	Granted	100%	100%

1. Trek Minerals have an option to earn 30% of the Gabon Kroussou Project through the expenditure of US$1M within 12 months of the option exercise date. Option agreement contemplates Trek earning up to 70% via additional expenditure.

2. MINING TENEMENTS DISPOSED NIL

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

Note: As advised in the March 2017 Quarterly Report, the Company has agreed to dispose of its interest in the tenement numbered 5572 in Mozambique in exchange for a royalty interest. The transfer for the divestment of this tenement is currently being processed in Mozambique and is expected to be concluded in due course

Appendix 3: Tenement
JORC Code, 2012 Edition – Table 1 to Quarterly Report: Montepuez Graphite Project 8770C

The Montepuez Graphite Project (MGP) Maiden Mineral Resource was released to the ASX 16th November 2015 for the Buffalo, Elephant and Lion deposits. An updated Mineral Resource and Reserve was released to the ASX 15 February 2017 with results of the MGP Definitive Feasibility Study (DFS). This report pertains diamond drill hole results received after the last Mineral Resource and Reserve announcement (15 February 2017) and are essentially Exploration Results located outside and in addition to the Mineral Resource published on 15 February 2017.

Ms. Cherie Leeden, Executive Director of BAT compiled the information in Section 1 and Section 2 of the following JORC Table 1 and is the Competent Person for the sections.

Refer the 15 February 2017 ASX announcement JORC tables for further Resource & Reserve details.

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**BAT Commentary**
Sampling techniques	· *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* · *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* · *Aspects of the determination of mineralisation that are Material to the Public Report.* · *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	* Drill hole analysis included in this report were diamond core samples and each sample was 2m or less of core. * Hole CESWS002 was a hydro geological water borehole and the sample submitted to the laboratory was percussion chip per 2m downhole interval. * Standard industry electric core saw was used to cut the core.
Drilling techniques	· *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type,*	· Core holes were drilled between November-December 2016 by drilling contractors. · Diamond core holes were drilled with a combination of HQ and NQ3 sized core. Holes were nominally collared with HQ3 (63.5mm) core diameter and drilled while the core was competent, typically <25mdh and the holes were then drilled with NQ3

Section 1 Sampling Techniques and Data		
	whether core is oriented and if so, by what method, etc.).	(47.6mm) to EOH depth. Triple drill tube was used for the core drilling to obtain the best recoverable core sample for geotechnical and analytical analysis. · Hole BF034D was drilled as a 49m twin to hole BF034D as the top 49m of the core sample was contaminiated during the drilling process in the primary hole BF029D and later re-entered to drill tail BF034D. The intersection for hole BF029D was 223.6m @ 9.7% TGC from 49m and intersection for BF034D was 49m @ 10.7% TGC from 0m. · Hole BF026D was a complete re-drill of a previous campaign hole MN0014D as the primary hole was closed and could not be re-entered.
Drill sample recovery	· *Method of recording and assessing core and chip sample recoveries and results assessed.* · *Measures taken to maximise sample recovery and ensure representative nature of the samples.* · *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	· Diamond core was reconstructed into continuous runs on an iron angle cradle for orientation marking by trained field-technicians, sample core recovery was measured for each core run. · Downhole depths were validated against core blocks and drillers run sheets. · Average core recovery returned was 95% and there was no significant relationship identified with core recovery and graphite grade and no sample bias observed.
Logging	· *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* · *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* · *The total length and percentage of the relevant intersections logged.* ·	· Drill holes were logged by trained and experienced geologists at the level of detail that supports the exploration report and any future inclusion in a resource estimation. · Geological logging of all drill core included; weathering zone, lithology, colour, mineralogy, mineralisation and visual graphite estimates. · Core was oriented with alpha and beta measurements converted to strike and dip for planar features such as bedding and structural measurements and projected onto cross sections and stereonets. · Geotechnical logging was conducted on all drill core, verifying core % recovery and capture of RQD and fracture frequency on all core run intervals. · All data was initially captured on paper logging sheets, and transferred to locked excel format tables for validation and was then loaded into the parent access database. · All diamond drill core has been photographed and archived, firstly after mark-up and secondly after sampling and when necessary re-sampling. · The logging and reporting of visual graphite percentages on preliminary logs is semi-quantitative and not absolute. Visual graphite was used to select samples sent for laboratory analysis.

Section 1 Sampling Techniques and Data		
Sub-sampling techniques and sample preparation	· *If core, whether cut or sawn and whether quarter, half or all core taken.* · *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* · *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* · *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* · *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* · *Whether sample sizes are appropriate to the grain size of the material being sampled.*	· Core samples were cut using an industry standard core saw, with HQ3 and NQ3 samples initially cut to ½ cored size and ¼ core. · Hydrogeological hole CESWS002 samples were split in the field during the drilling process using standard industry splitters.
Quality of assay data and laboratory tests	· *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* · *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* · *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	· Samples were submitted to ALS Johannesburg (South Africa) for sample preparation and geochemical analysis was completed by ALS in Brisbane (Australia). · Samples were sorted, oven dried at 105°C, crushed to -2-3mm and a 300g subsample taken for pulverising in an LM5 with 85% passing -75um. · Loss on Ignition (LOI) has been determined between 105° and 1050° C. Results are reported on a dry sample basis. · Analysis includes Total Carbon Total Sulphur analysis by LECO, LOI TGA and ICP-AES. · The detection limits and precision for the Total Graphitic Carbon (TGC) and Total Sulphur (TS) analysis are considered adequate for resource estimation. · QAQC protocols include the use of; a coarse blank to monitor contamination during the preparation process, Certified Reference Material (CRM) at an insertion ratio of 1:20 and post drill program duplicate ¼ core sampling was conducted in 2015 without issues identified. · All laboratory batch QC measures are checked for bias before final entry in the database, no bias has been identified in the results received. Duplicate samples returned good repeatability. · The CRM TGC values range between 4-24%. The blank samples comprised 1-2kg

Section 1 Sampling Techniques and Data		
		sample of dolomitic marble quarried from a location 50km east of the project. · Four CRM (GGC001, GGC004, GGC005 and GGC010) are used to monitor analysis of laboratory for graphitic carbon, carbon and sulphur. · One base metal CRM (AMIS 346) was utilised to monitor vanadium.
Verification of sampling and assaying	· *The verification of significant intersections by either independent or alternative company personnel.* · *The use of twinned holes.* · *Documentation of primary data, data entry procedures, data verification.* · *Discuss any adjustment to assay data.*	· Field work was managed on site by the project Exploration Manager. · No twinned drill holes are believed necessary due to drill core sampling triple tube method. Hole BF034D which was drilled as a 49m twin to hole BF029D as the top 49m of the core sample was contaminiated during the drilling process in the primary hole BF029D. · Data entry procedures are described in the Logging section.
Location of data points	· *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* · *Specification of the grid system used.* · *Quality and adequacy of topographic control.*	· All spatial data was collected in WGS84 UTM Zone 37 South datum. · Planned drill holes were surveyed using Garmin 62s GPS devices which typically have a ±5m error in the project area. · Final collar locations were picked up by GEOSURVEY utilising a differential GPS system with 0.02cm accuracy. · Reflex ACTII orientation survey tools were used to orientate the drill core and Reflex Ezy shot tools were used to survey the diamond core holes.
Data spacing and distribution	· *Data spacing for reporting of Exploration Results.* · *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* · *Whether sample compositing has been applied.*	· Diamond drill holes were drilled at shallow angles (nominally 50°-60° towards 110-120° UTM grid east) in an attempt to drill across stratigraphy, however mineralised intercepts are not perpendicular to strike however are as close as could be obtained. · The drill hole details are tabulated in Appendix 4.
Orientation of data in relation to geological structure	· *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* · *If the relationship between the drilling orientation and the orientation of key mineralised*	· The drill holes were planned to test VTEM conductors west of the Buffalo pit DFS mine design and to test mineralisation at depth. The VTEM conductor has a north to north-easterly strike.

Section 1 Sampling Techniques and Data		
	structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
Sample security	· *The measures taken to ensure sample security.*	· The samples are stored in the Company's field base until laboratory dispatch, at which point the samples were transport to Pemba and air freighted by courier to ALS – Johannesburg, South Africa for sample preparation and then pulp couriered to ALS Brisbane Australia for geochemical analysis. · Any visible signs of tampering are reported by the laboratory and none have been reported to date.
Audits or reviews	· *The results of any audits or reviews of sampling techniques and data.*	· Mr. Mark Burnett, Snowden Principal Consultant visited site in July 2016 and Shaun Searle of RungePincockMinarco (representative of Robert Dennis, CP) visited in June to July 2015 as part of their Competent Person field procedure assessment for the 15 February 2017 Mineral Resource. No issues with the field procedures or geological data gathering was identified by both Resource CP's during their respective visits.

Criteria in this section applies to the Buffalo December 2016 and Elephant January 2017 Resource estimations and classifications.

Section 2 Reporting of Exploration Results		
Criteria	**JORC Code explanation**	**Commentary**
Mineral tenement and land tenure status	· *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* · *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	· The Montepuez Graphite Project 8770C Mine License Application comprises an area covering 3,667Ha and is held 100% by Battery Minerals Limited via a locally owned subsidiary Suni Resources SA. The license application has been applied for graphite and vanadium extraction. The prior Exploration License was 6216L. · The mine license application was submitted 9 May 2017 and Battery Minerals is anticipating a response from the Mozambique government in Q4 2017. · The Montepuez Project contains the Elephant, Buffalo and Lion deposits however resource and reserve estimations were limited to Elephant and Buffalo during the DFS released 15 February 2017. · Statutory approvals for mine development are progressing and on schedule and include the Environmental License submission, Resettlement Action Plan and DUAT (land access). · BAT has established a good working relationship with the government departments of Mozambique and continues to build its relationship with the local community. · The Company is not aware of any impediments relating to the licenses or area.
Exploration done by other parties	· *Acknowledgment and appraisal of exploration by other parties.*	· There is no record of past direct exploration activities on the license that BAT has knowledge of. · BAT has conducted all the exploration work on the Mine License Application 8770C including, VTEM airborne survey, mapping & rock chip sampling, trenching and resource-reserve drilling.
Geology	· *Deposit type, geological setting and style of mineralisation.*	· The deposits were discovered after drill testing a series of coincident VTEM conductors and prospective stratigraphy with mapped graphitic outcrop occurrences. · The 6216 license occurs on the Xixano Complex and traverse the tectonic contacts between the Nairoto, Xixano and Montepuez Complexes. The Xixano Complex includes a variety of metasupracrustal rocks enveloping predominantly mafic igneous rocks and granulites that form the core of a regional north-northeast to south-southwest-trending synform. The paragneisses include mica gneiss and schist, quartzfeldspar gneiss, metasandstone, quartzite and marble. · The metamorphic grade in the paragneiss is dominantly amphibolite facies, although granulite facies rocks occur locally in the region. The oldest dated rock in the Xixano Complex is a weakly deformed meta-rhyolite which is interlayed in the meta-supracrustal rocks and which gives a reliable extrusion age of 818 +/- 10 Ma. · Graphite-bearing mica schist and gneiss are found in different tectonic complexes in the Cabo Delgado Province of Mozambique. · Local geology comprises dolerite, meta-sediments, amphibolites, psammite with graphitic metasediments and graphitic schists.

Section 2 Reporting of Exploration Results		
		· At Buffalo the deformation strained zone of GSQF, psammite and amphibolite exhibits brittle and brittle-ductile structures that intersect each other, the deformation zone is where graphite mineralisation is located and is part of a regional metamorphic and deformation event. · At the nearby Elephant deposit, the metamorphic banding and foliation strike about 005° and the GSQF dips moderately steep west. · The Montepuez deposits are disseminated with graphite dispersed within gneiss. The graphite forms as a result of high grade metamorphism of organic carbonaceous matter, the protolith in which the graphite has formed may have been globular carbon, composite flakes, homogenous flakes or crystalline graphite. · Parasitic folds in the drill core indicate the mineralization is complexly folded and steeply dipping faults and sheers have been observed.

Drill hole Information	· *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  · *easting and northing of the drillhole collar,*
	  · *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar,*
	  · *dip and azimuth of the hole,*
	  · *down hole length and interception depth,*
	  · *hole length.*
	· *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		· Exploration results can be found in this report and include a surface plan and cross-section. A summary table of drill hole details with drill plan are listed in Appendix 4.
		· Graphite samples selected for laboratory analyses were from core with visual graphite identified, non-mineralised intervals were not assayed.

Data aggregation methods	· *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* · *Where aggregate intercepts incorporate short lengths of high grade results and longer*	· Exploration results are reported with sample intervals not exceeding 2m. Industry standard length weighted average %TGC have been calculated and reported. · No chemical conversions or metal equivalent values have been applied.

Section 2 Reporting of Exploration Results		
	lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. · *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	· *These relationships are particularly important in the reporting of Exploration Results.* · *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* · *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	· The drill holes were drilled to test VTEM conductor targets west of the Buffalo pit and to test down-dip extensions beneath the DFS pit design. · The geology at the Buffalo deposit is relatively well constrained with Indicated and Inferred Mineral Resources and Probable Ore Reserve Classifications. · The dip of the orebody is steeply west and holes have been drilled eastward -50-60° to intersect the graphite mineralisation at the highest angle possible. A northerly plunge was observed during the resource evaluation process. · –The geology of the nearby Elephant deposit is less structurally complex than Buffalo and comprises a moderately steep westerly graphitic schist package bound by amphibolite and notable psammite in the southern portion of the orebody.
Diagrams	· *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations.*	· A drill hole plan and cross-section is provided in Appendix 4.
Balanced reporting	· *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to*	· The report is believed to include all representative and relevant information pertaining the Exploration drill hole results for holes drilled west of Buffalo deposit.
Other substantive exploration data	· *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	· The drill holes were drilled to test VTEM conductor targets west of the Buffalo pit area and also to test the down-dip potential asthe Resources is open at depth.

Section 2 Reporting of Exploration Results		
Further work	· *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* · *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	· The Montepuez Graphite Project is in a post DFS Mine Development phase and a Value Engineering Study has recently been completed to optimize the DFS results. · Further work for this project will focus on mine infrastructure development including grade control drilling.

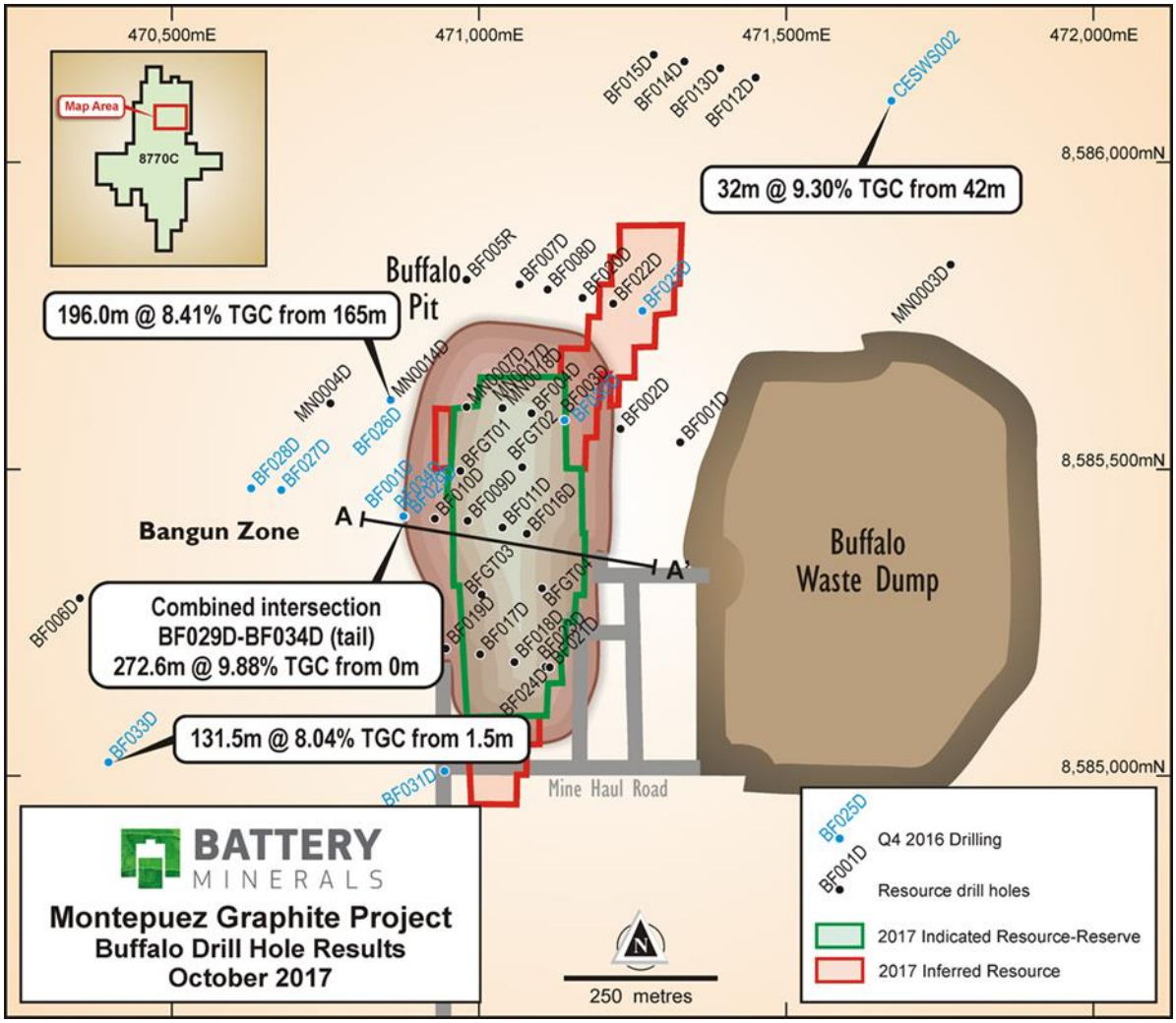
Appendix 4 – Drill results referred to in Appendix 3

Montepuez Q4 2016 Drill Hole Program Summary Table

Hole ID	Deposit	Lease_ID	UTM_Grid_ID	UTM East	UTM North	Elevation	Hole Type	Hole diameter	Hole Depth	Avg Hole Dip	Avg Hole UTM Azimuth
BF025D	Buffalo	8770C	WGS84_37S	471266.00	8585758.00	400.00	DD	HQ3	89.55	-50	107
BF026D	Buffalo	8770C	WGS84_37S	470855.84	8585612.89	405.36	DD	HQ3	362.55	-56.5	120
BF027D	Buffalo	8770C	WGS84_37S	470677.69	8585466.16	404.26	DD	HQ3	110.55	-45.8	113
BF028D	Buffalo	8770C	WGS84_37S	470628.67	8585469.05	402.88	DD	HQ3	122.55	-48	115
BF029D	Buffalo	8770C	WGS84_37S	470878.51	8585423.03	404.90	DD	HQ3	289.69	-46.5	115
BF030D	Buffalo	8770C	WGS84_37S	471140.21	8585581.11	402.45	DD	HQ3	149.55	-60	106
BF031D	Buffalo	8770C	WGS84_37S	470943.36	8585008.41	401.57	DD	HQ3	104.45	-50	106
BF032D	Buffalo	8770C	WGS84_37S	470484.18	8585271.97	400.15	DD	HQ3	200.05	-50	113
BF033D	Buffalo	8770C	WGS84_37S	470396.40	8585022.56	394.12	DD	HQ3	194.55	-47	119
BF034D**	Buffalo	8770C	WGS84_37S	470876.56	8585423.53	404.87	DD	HQ3	54.65	-50	110
CESWS002*	Hydro hole	8770C	WGS84_37S	471671.29	8586100.23	393.11	RC WBH	HQ3	120.00	-90	NA
EL024D	Elephant	8770C	WGS84_37S	469239.00	8584196.39	387.23	DD	HQ3	164.55	-50	115
EL025D	Elephant	8770C	WGS84_37S	469168.601	8583830.469	385.938	DD	HQ3	45.55	-50	113
EL026D	Elephant	8770C	WGS84_37S	469117.203	8583829.614	385.077	DD	HQ3	21.6	-50	113

* hydrogeological purpose drill hole
** hole BF034D 0-49m is a twin hole of BF029D drilled due to sample contamination in original hole BF029D

Note 1: All Q4 2016 Drillholes have been included in the Drill Hole Program Summary Tabls
Note 2: Diamond twin hole BF029D with BF034D returned a combined intersection of 272.6 metres at 9.88% TGC from surface, this is the largest high-grade intersection drilled to date at Montepuez. Note: primary hole BF029D incurred sample contamination in the top 49m of core sample and the hole was twinned with BF034D for the top 49m section of core only.



Location plan of Buffalo Pit mine design showing February 2017 resource drill holes in black and those holes not included in the 2017 Mineral Resource classification shown in blue with recently received drill hole results for holes BF029D-BF034D (twin holes), BF026D (re drill of MN0014D), CESWS002 and BF033D. February 2017 Indicated and Inferred Mineral Resource boundaries are provided