

# Unveiling an Exceptional Project



***BATTERY MINERALS LIMITED***

***November 2017 Investor Presentation***

***Montepuez Value Engineering Study***



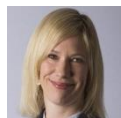
# Corporate Overview



**David Flanagan**  
Executive Chairman



**Jeff Dawkins**  
Chief Financial Officer



**Cherie Leeden**  
Exec Director Tech & BD  
(based in USA)



**Andy Cardoso**  
Mozambique Country Director  
(based in Mozambique)



**Brett Smith**  
Non Exec Director



**Tony Walsh**  
Co-Sec & GM Corporate



**Gilbert George**  
Non Exec Director



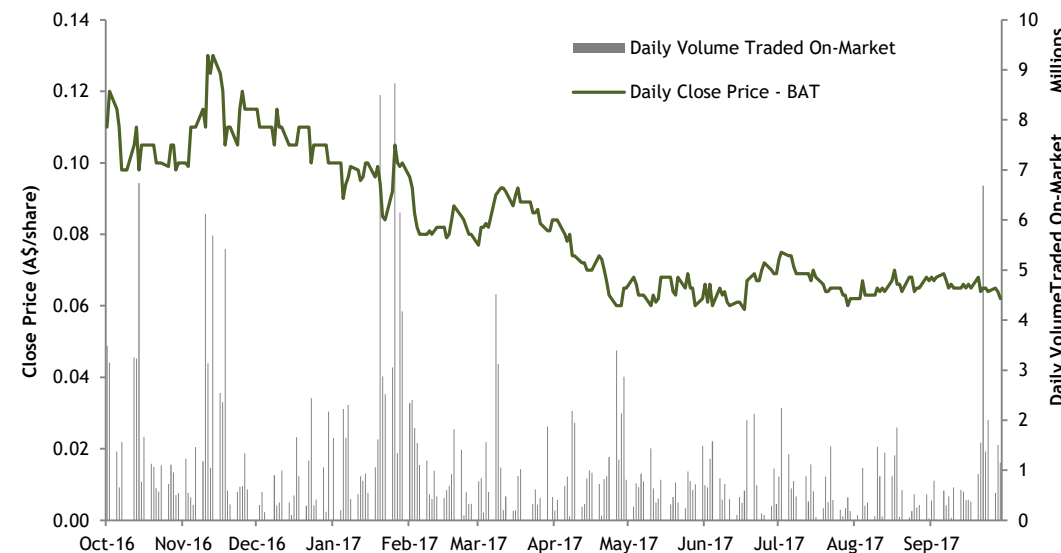
**Ben Van Roon**  
Chief Operating Officer



**Paul Glasson**  
Non Exec Director  
(based in China)

***“An industry leading team; significant depth of experience in operations and corporate matters”***

## Share Price

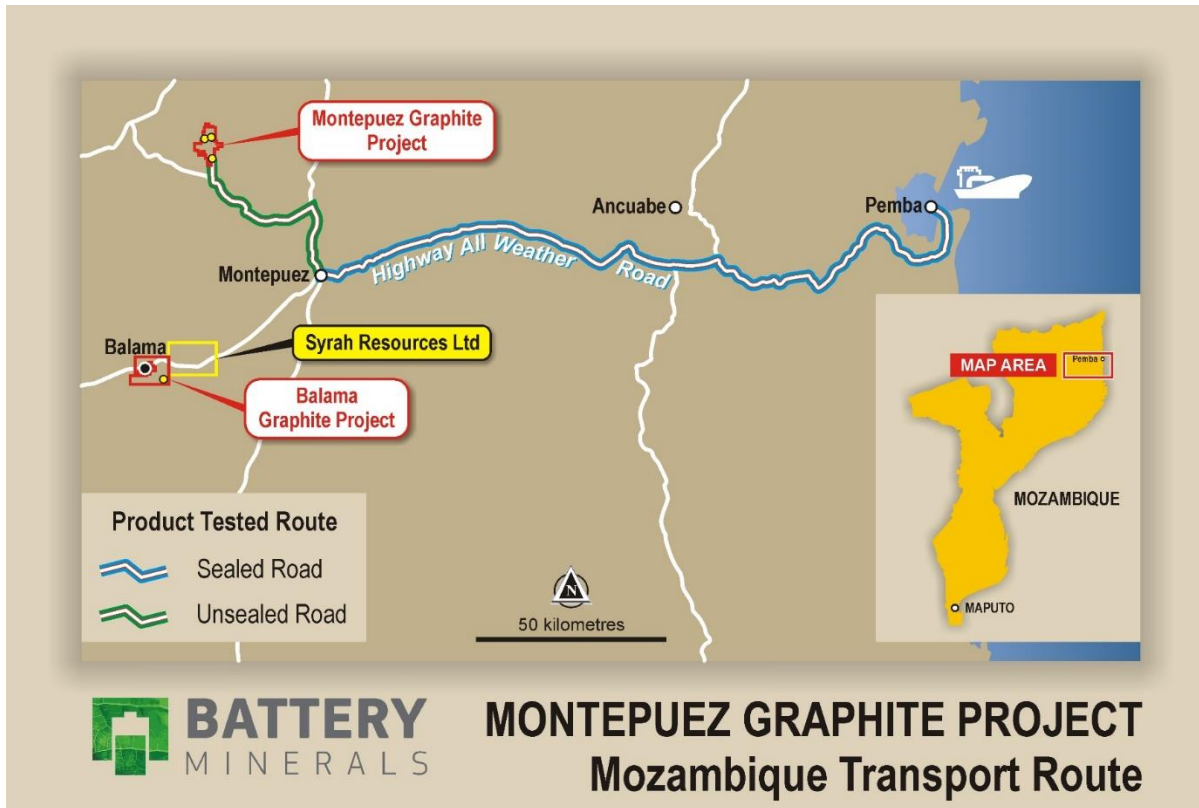


## Capital Structure

|   |                    |
|---|--------------------|
| Shares on Issue                         | 430,062,783        |
| Board and Management                    | >10% fully diluted |
| Share price (as at 25 October 2017)     | 6.2cps             |
| Market Capitalisation                   | \$26.7 million     |
| Cash at bank (30 June 2017)             | \$5.4 million      |
| Enterprise Value                        | \$21.3 million     |
| Top 20 Shareholders                     | 44.7%              |
| Unlisted Options and performance rights | 74.6M              |



# Montepuez: Advanced Graphite Project



- **Proven Logistics:** bulk sample delivered to port in 2017 means 260km logistics chain now proven
- **Port Allocation approved:** at Pemba Port for 100,000tpa of graphite concentrate

- **Huge Mineral Inventory:**
  - Probable Ore Reserve 41.4Mt @ 8.8% TGC @ 4% TGC cut-off<sup>1</sup>
  - Indicated & Inferred Resource 105.9Mt @ 7.74% TGC @ 2.5% cut-off<sup>1</sup>
  - Significant exploration potential
- **Fast Development Timetable:**
  - Approvals expected in March Q 2018
  - Construction expected to start Q2 2018
  - First Shipment March Q 2019
  - 50ktpa @ 96.7% TGC
- **Expansion to 100ktpa**
  - US\$25-29M for additional 45-50ktpa

1. See ASX announcement dated 15 February 2017 – Montepuez Ore Reserves & Mineral Resources. Please refer to additional details on slide entitled Disclaimer & Competent Persons Statement

# VES Reveals an Exceptional Project

| Montepuez Graphite Project <sup>2</sup>   | VES Outcomes (First Module Only)                   |
|---|--|
| Annual production of graphite concentrate | 45,000 - 50,000pa                                  |
| Capex (pre-production)                    | US\$42.3 million                                   |
| Opex (per tonne of concentrate)           | US\$337/t  |
| Grade mined (TGC %)                       | 12%  |
| Plant Type and Scale                      | Modular, with first module for ~500ktpa plant feed |
| Projected Payback Period                  | <2 years <sup>5</sup>                              |
| Net Operating Cash Flow                   | >US\$20 million per annum <sup>5</sup>             |
| Metallurgical Recovery                    | >80%   |
| Capital Intensity (US\$/tpa concentrate)  | US\$900/t  |
| Mine Life <sup>3</sup>                    | +10 years <sup>4</sup>                             |
| Graphite Concentrate Grade (% TGC)        | 96.7% purity graphite concentrate                  |

**Achievable Capex – smaller plant with low technical risk**

**Lowest Quartile of Cost Curve – a product of mostly mining high grade oxide**

**Very Compelling Economic Returns - Combination of lower OPEX and CAPEX**

**September Benchmark Minerals basket pricing would support >US\$30Mpa**

**Higher Grade fines Product targeting anode producers**

1. See ASX announcement on 15 February 2017 for DFS outcomes. See ASX announcement dated 18 October 2017 for VES outcomes.

2. Excludes National Ownership (anticipated to be ~5%) and 32% tax rate

3. Based on Ore Reserves (see ASX released dated 15 February 2017) prepared by a competent person in accordance with the JORC Code. All material assumptions underpinning the production target in that announcement continue to apply and have not materially changed

4. Mine life of +10 years at 12% TGC plus 10+ years at 7-8% TGC

5. BAT has 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 pricing in a range US \$847-950/t.

# What Has Changed from the Montepuez DFS?



*Battery Minerals management team have generated exceptional results from the Montepuez VES, as demonstrated below and shown as a comparison to the February 2017 DFS*

**Prod. Rate**

**45-50ktpa concentrate = down from 100ktpa**

**Capex**

**US\$42.3 million = down from US\$126 million**

**Opex**

**Lowest quartile OPEX of US\$337/t concentrate = down 35% from US\$422/t**

**Grade**

**Target first 10 years @ 12% TGC = 35% increase from 8.8% TGC**

**Recovery**

**Now > 80% = increase from 73% in the DFS**

**Mine Life**

**10+ years @ 12% TGC and 10+ years @ 7 to 8% TGC**

**Payback**

**Capital payback period <2 years down 50% from >4 years**

## **Battery Minerals signs MoU with MEIWA Corporation**

- 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 parties agree to negotiate in good faith to complete commercial sales agreements for the benefit of both parties.

## **MoU with Chinese graphite producer Qingdao Guangxing Electronic Materials**

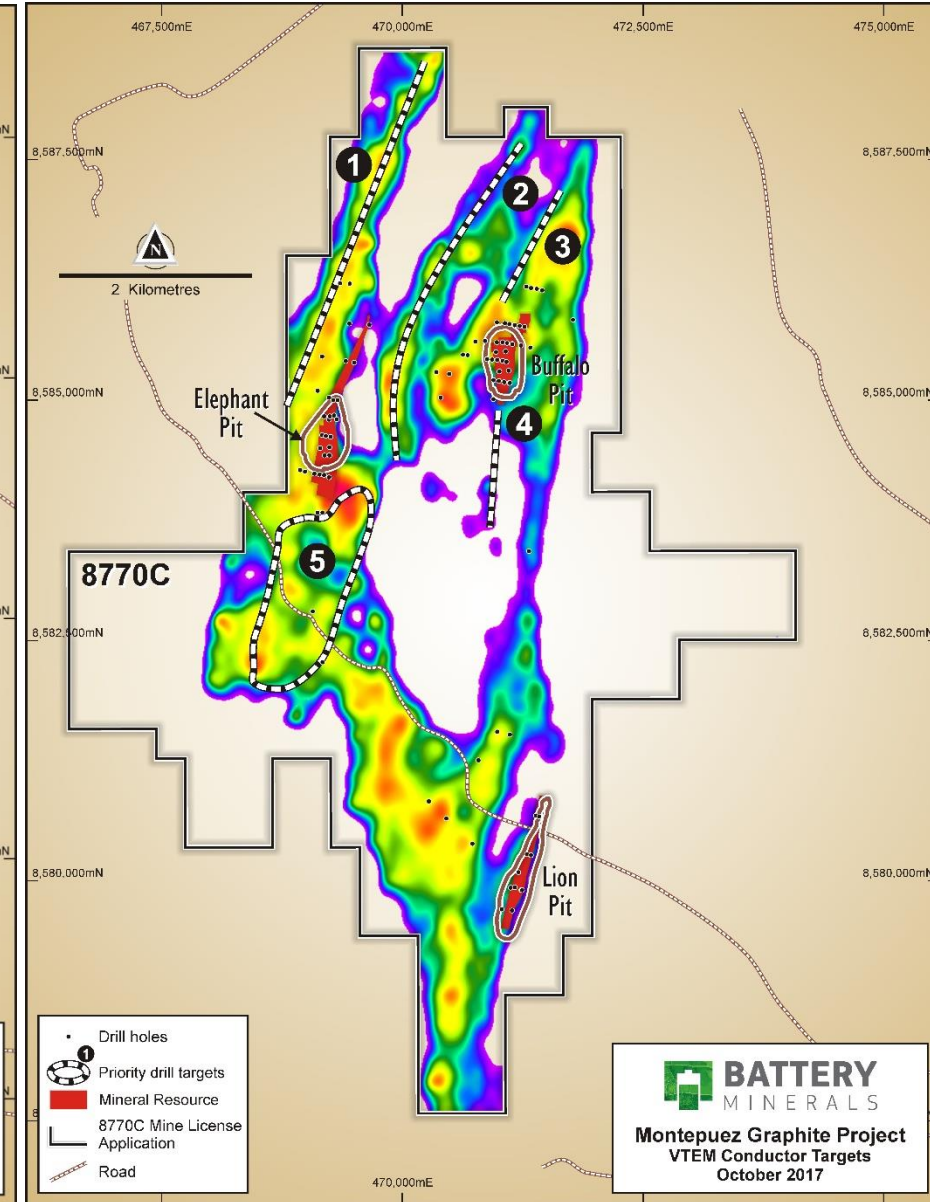
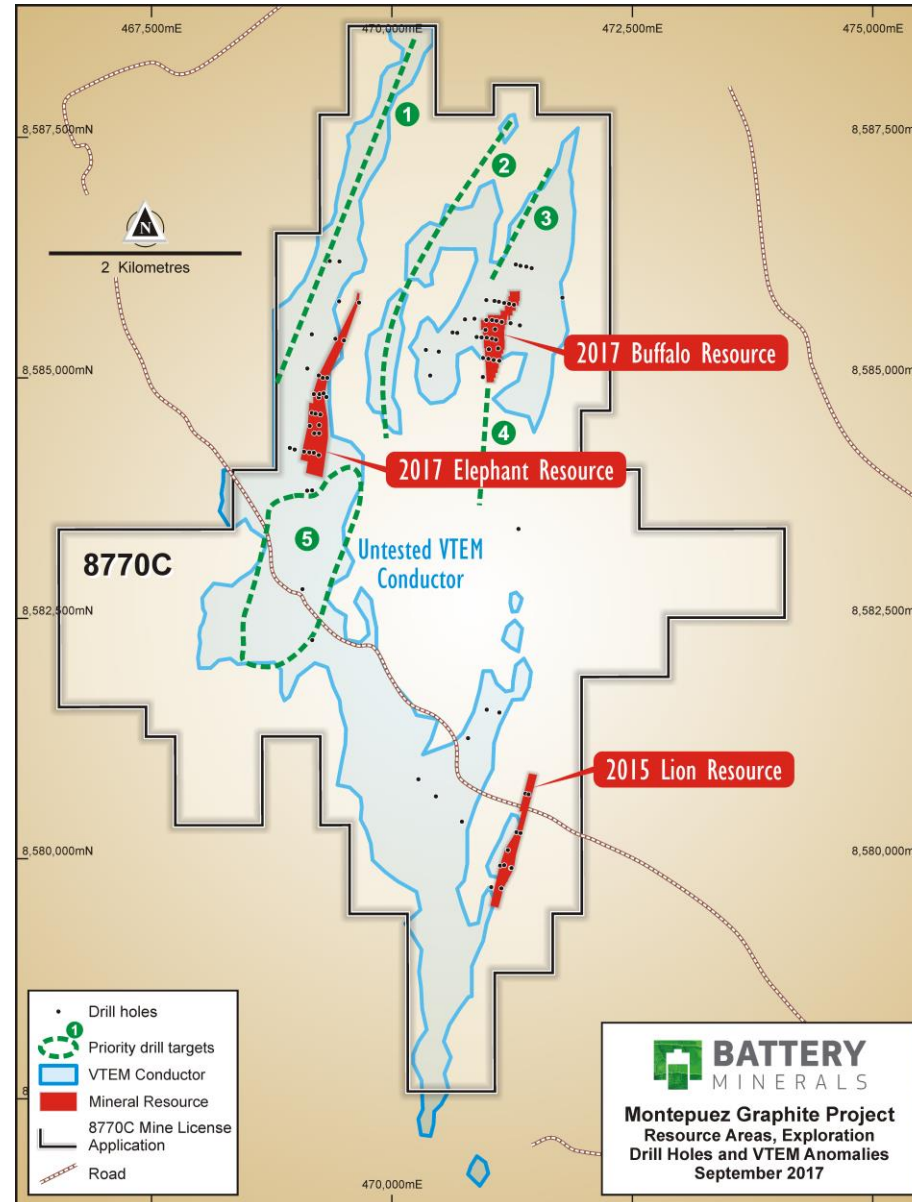
- Chinese based Qingdao Guangxing Electronic Materials Co. Ltd (“GEM”) has extensive expertise in mining, production, downstream processing and marketing of graphite.
- The MoU establishes a framework for cooperation for the purposes of developing and executing a product marketing strategy in which Battery Minerals will supply GEM with graphite flake concentrate on commercial terms.



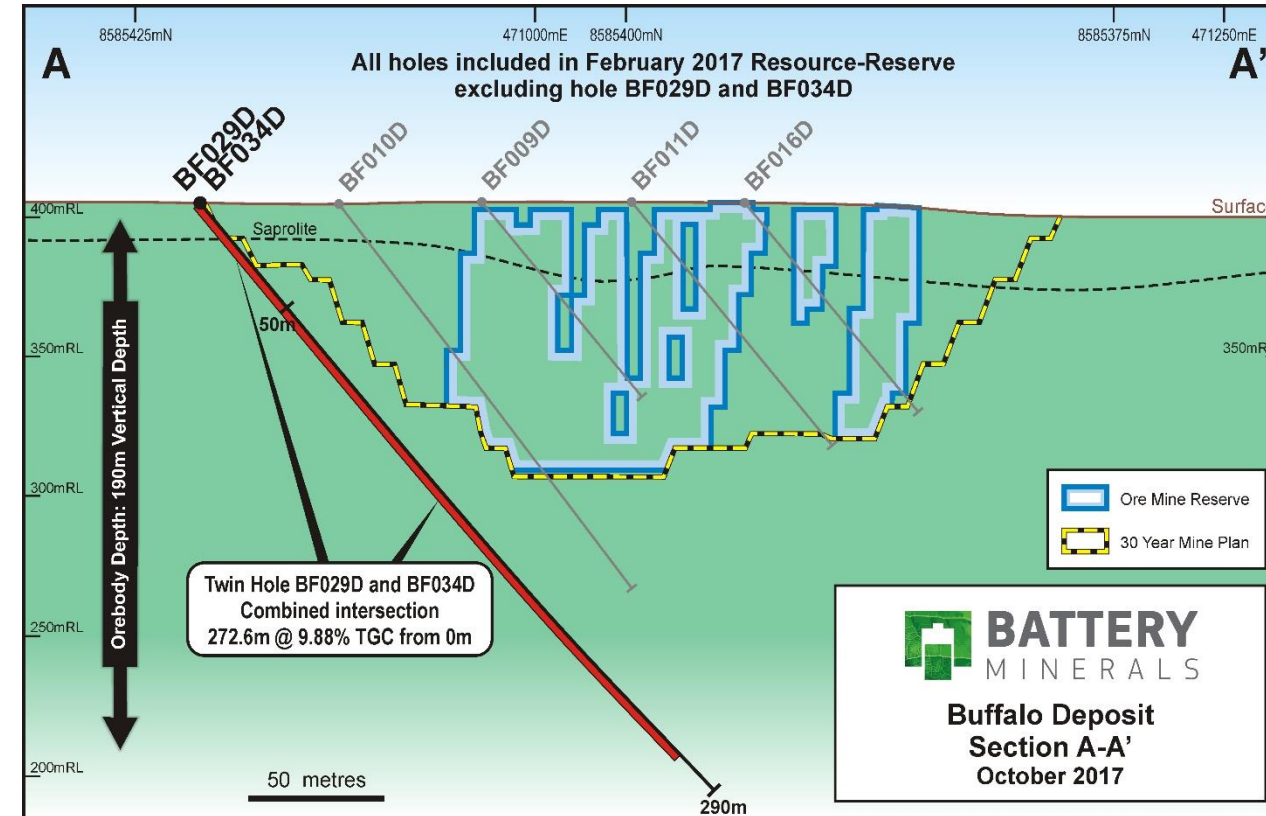
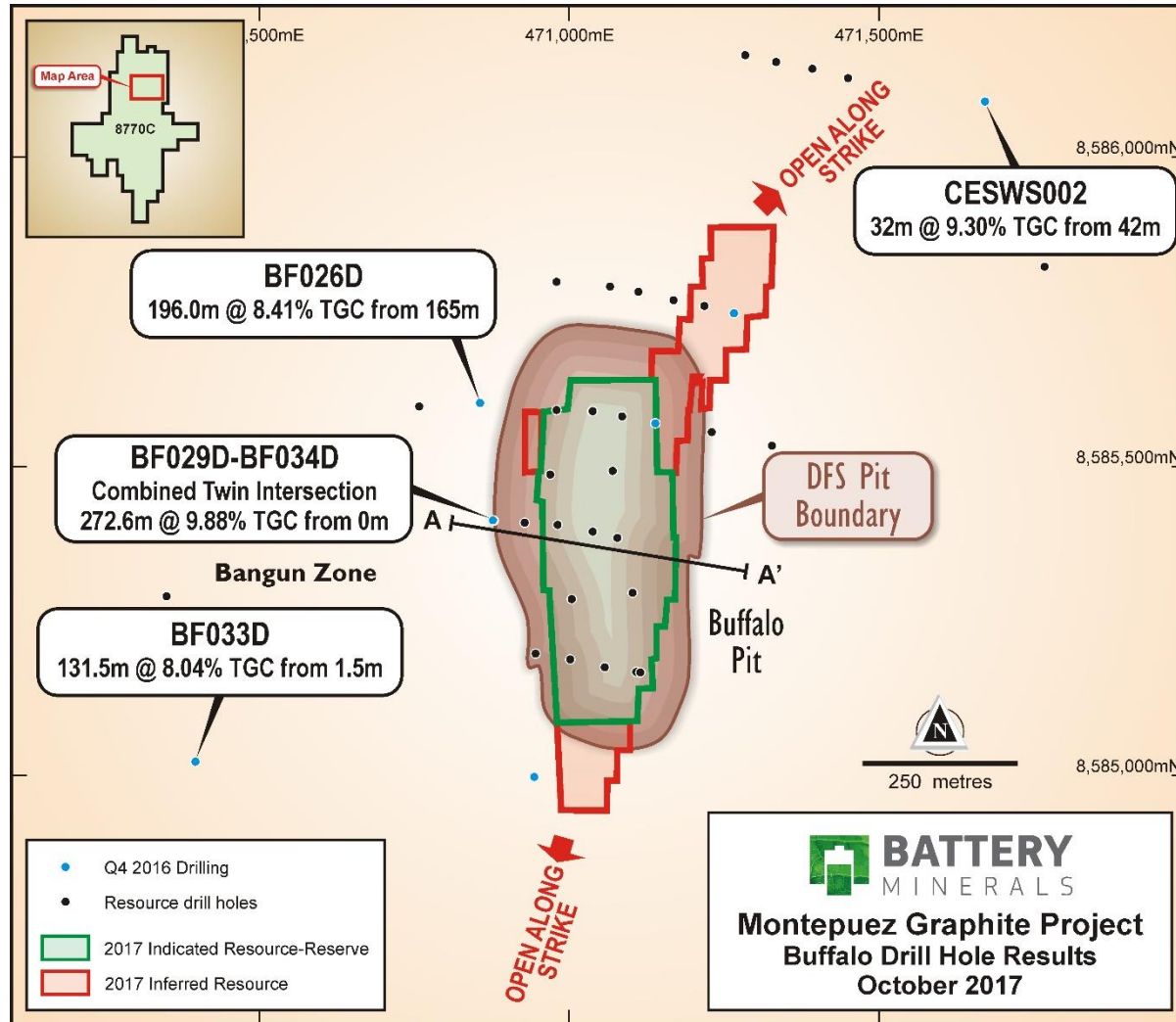
# Montepuez Exploration Target - Additional Growth 300-400MT @ 5-10 % TGC



- 5 VTEM target areas
- Only 15-20% of targets have been drilled
- VTEM conductors remain largely untested
- All deposits remain open at depth and along strike
- Potential for 300-400Mt @ 5-10% TGC
- Minimal drilling completed to date, exploration programme underway



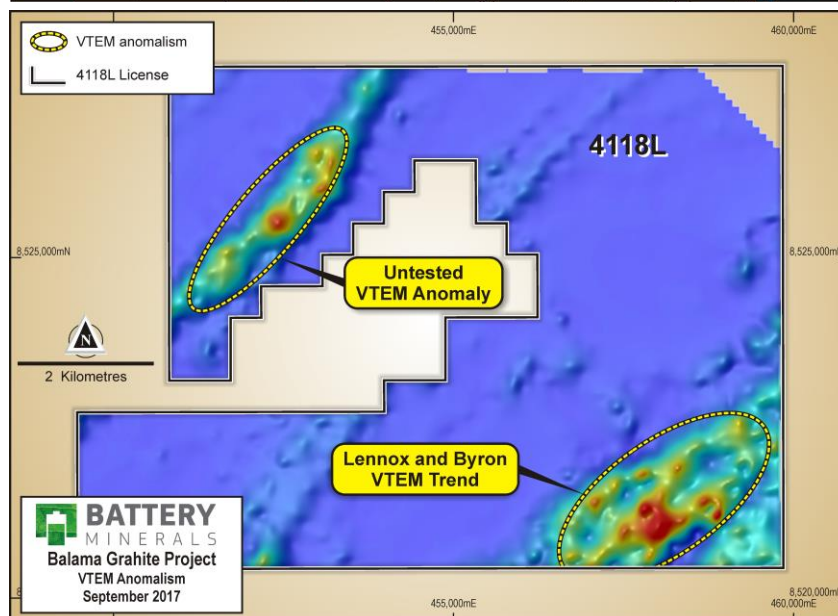
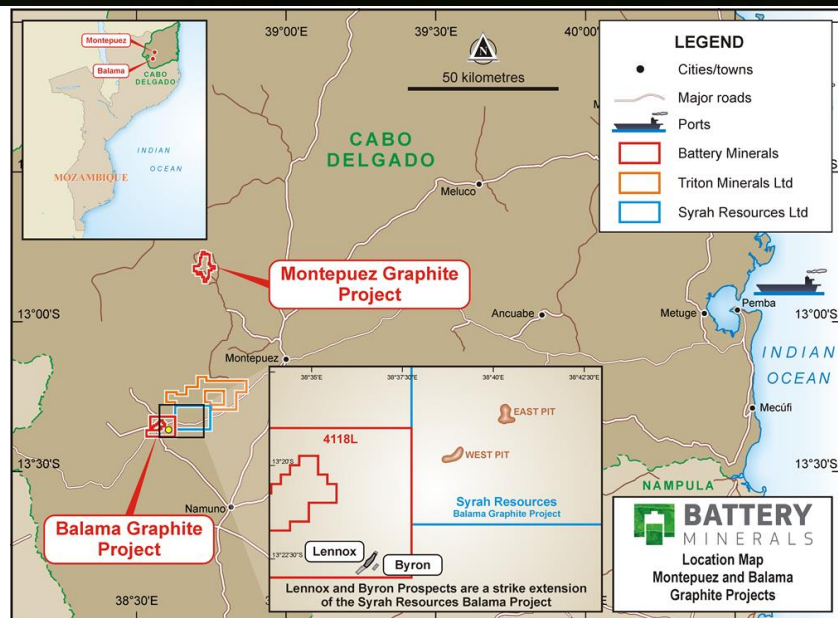
# Montepuez Exploration Upside



- BF029D/34D - 272.6m @ 9.88% from surface - combined twin intersection.
- BF026D - 196m @ 8.41 % from 165m
- BF033D - 133m @ 8.04% TGC from 1.5m



# Balama: Concept Study Justifies Move to DFS



- Balama Total Resource of **16.3Mt at 10.4% TGC<sup>2</sup>** (6% TGC cut-off) made up of Indicated Resource - 8.9Mt @ 9.3% TGC & Inferred Resource - 7.3Mt @ 11.8% TGC
- Additional resource potential down-dip, along strike
- Concentrate recovery 93% and 63% plus 150 micron high value flake
- Favourable flake distribution<sup>3</sup> - September 2017 Benchmark Minerals published basket price US\$1217/t

| 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%               | 96%       |
| Large      | +80 Mesh          | +180 -300           | 25%              | 96%       |
| Jumbo      | +50 Mesh          | +300                | 29%              | 96%       |

## Next Steps:

- Complete DFS (Montepuez type production parameters)
- Infill drilling and exploration drilling
- Environmental impact assessment
- Community consultation

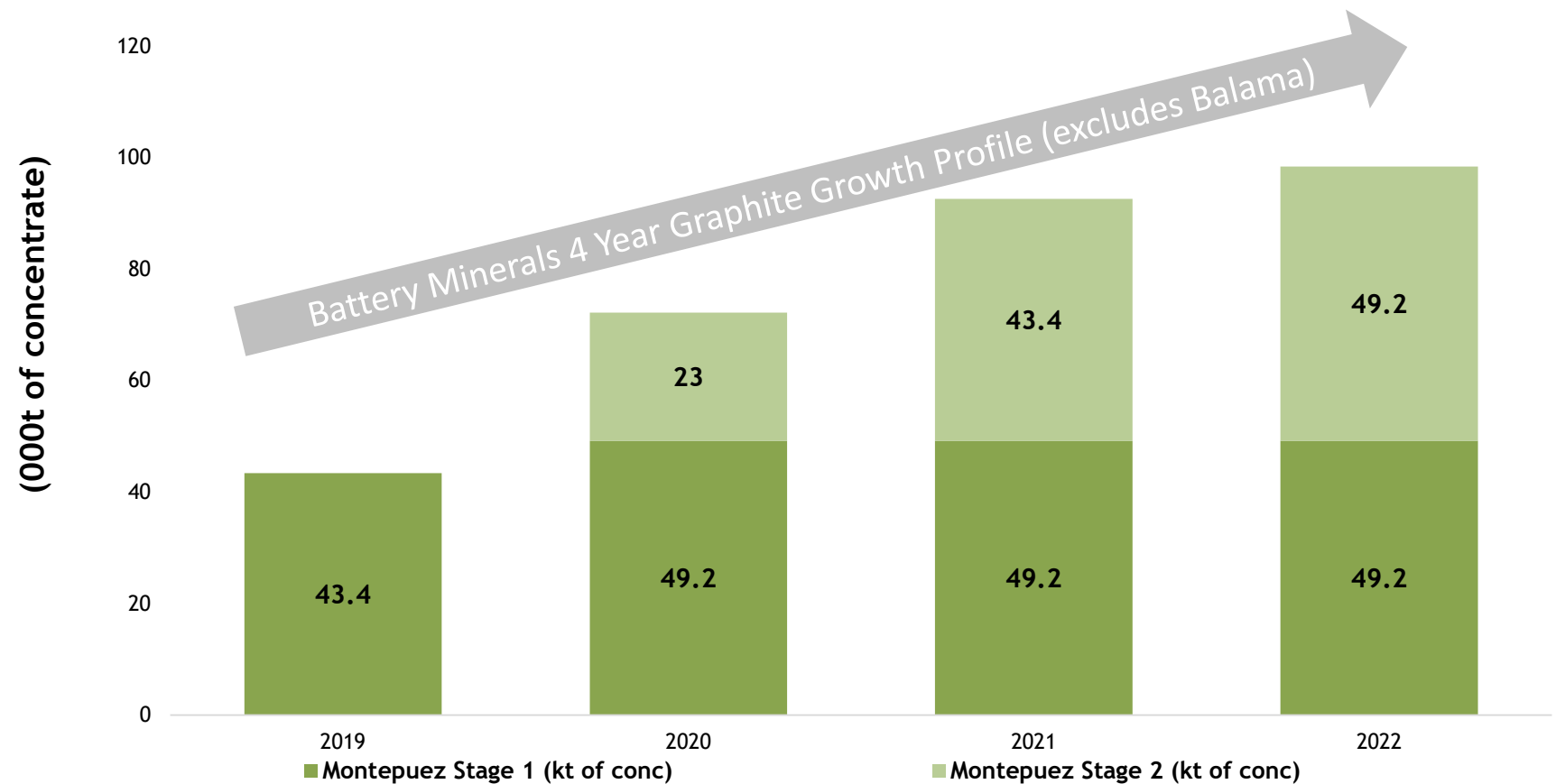
2. See ASX announcement dated 21 March 2016. Please refer to additional details on slide entitled Disclaimer & Competent Persons Statement

3. See ASX announcement on the Balama Concept Study dated 26 October 2017 for details, Table 1 and Competent Person Statement

# Battery Minerals Production Profile



The staged delivery of growth across the Battery Minerals Project suite. Still targeting 100kpta production rate as defined in DFS and to match Pemba Port allocation. The current estimate for Montepuez expansion is US\$26-28M. Subject to successful completion of a DFS we intend to bolster this production outlook with tonnes from Balama.



# Key Milestones for BAT

| Period  | Milestone  | Status                              |
|---------|--|-------------------------------------|
| 2H 2017 | • Mozambique mining licence approval             | ✓ Application lodged                |
|         | • Environmental Impact Assessment                | ✓ Submitted for approval            |
|         | • Metallurgical process optimisation             | ✓ In progress                       |
|         | • Value engineering                              | ✓ Completed                         |
|         | • Detailed engineering & procurement commencing  | ✓ In progress                       |
|         | • Port Allocation from government for Pemba port | ✓ 100,000t export capacity approved |
|         | • Targeted exploration activity                  | ✓ Ongoing                           |
|         | • Balama Central concept study                   | ✓ Completed                         |
|         | • Customer Engagement                            | ✓ Ongoing                           |
| 1H 2018 | • Early Works and tendering                      | • In progress and ahead of schedule |
|         | • Mine Plan and Commence construction            | ✓ Planning stage completed          |
| 2H 2018 | • Spherical Graphite DFS completion              |                                     |
|         | • Mine construction completed, commence ramp-up  |                                     |
| 1Q 2019 | • First Concentrate Exports                      |                                     |



# Simple Steps

1. Regulatory Approvals
2. Build a mine
3. Commission and operate safely and efficiently
4. Grow the mines
5. Returns for shareholders
6. Benefit local communities
7. Minimise any environmental impact





# Disclaimer & Competent Persons Statement



## Forward Looking Statements

- Statements and material contained in this Presentation, 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

- Battery Minerals Limited released to ASX the results of a DFS on its Montepuez Project on 15 February 2017 and this release is available on its website and ASX.
- 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 Exploration Results, Ore Reserve and Mineral Resource estimations should be read in conjunction with the competent person statements included in the ASX announcements referenced in this presentation 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 Presentation 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 announcement page.
- See ASX announcement on the Balama Central Concept Study dated 26 October 2017 for details, Table 1 and Competent Person Statement
- Balama Central Preliminary metallurgical testwork: The information in this Presentation that relates to Metallurgy is based on and fairly represent information reviewed by Mr. Sean Richardson, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Richardson is an independent consultant. Mr. Richardson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken. Mr. Richardson consents to the inclusion in the Announcement of the matters based on his information in the form and context in which it appears.
- 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 presentation that relates to Battery Minerals' Balama Central Mineral Resources 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 presentation that relates to Mineral Resources 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.



- Graphite Price Trend Jan 2016 to Sept 2017
- Graphite Price Forecast
- Flake Graphite Cost Curve
- Montepuez CAPEX and OPEX
- Montepuez Power, Headcount and Haulage
- Montepuez Project Delivery Schedule
- Montepuez Product size and specification
- Balama Central Product size and specification
- Graphite Price drivers (slides 21 to 27)
- Mineral Resources and Ore Reserves (slides 28 to 30)
- Mozambique (slides 31 to 33)



# Graphite Price Trend Jan 2016 to Sept 2017



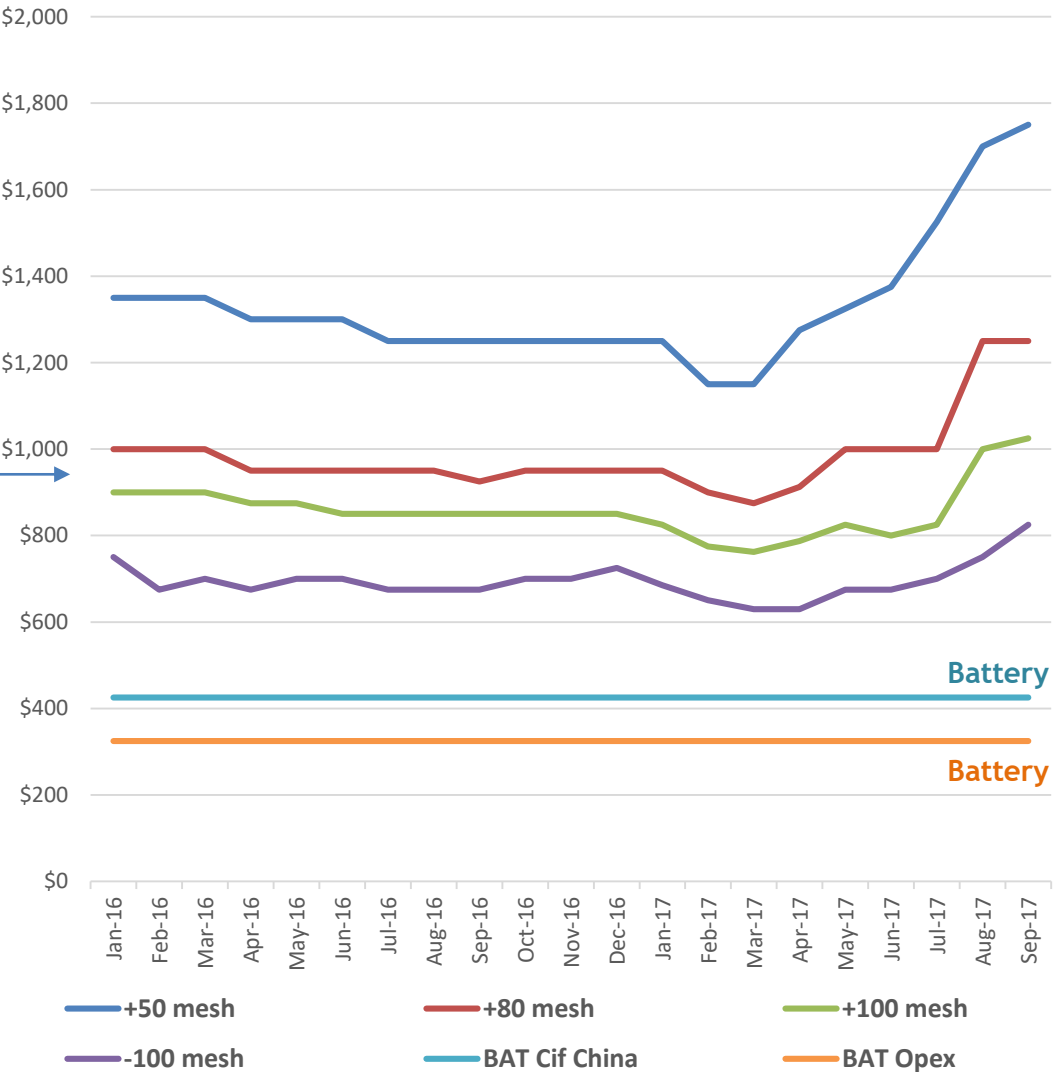
Flake Graphite Price Trend Jan 2016 to Sept 2017

USD, Metric tonnes

Data source: Benchmark Mineral Intelligence

*Graphite commodity price have steadily improved since March/April 2017*

UBS long term is US\$950/t cif China (UBS research dated 15 June 2017)



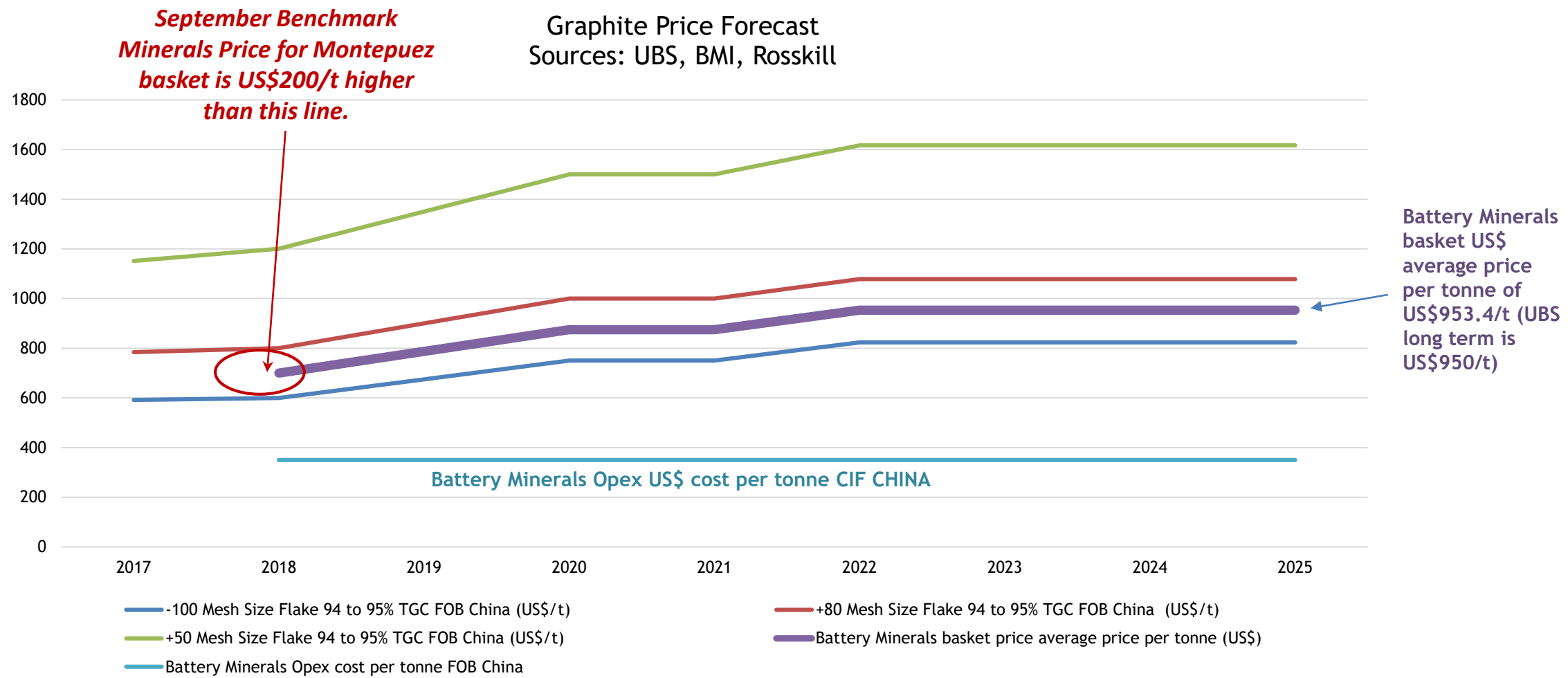
Battery Minerals (Montepuez) delivered US\$425 cost per tonne cif China

Battery Minerals (Montepuez) Opex US\$325 OPEX cost per tonne FOB Pemba

# Graphite Price Forecast



*BAT has taken a robust, well-referenced, and conservative approach to graphite commodity price assumptions in the VES, to provide a solid basis for decision making*



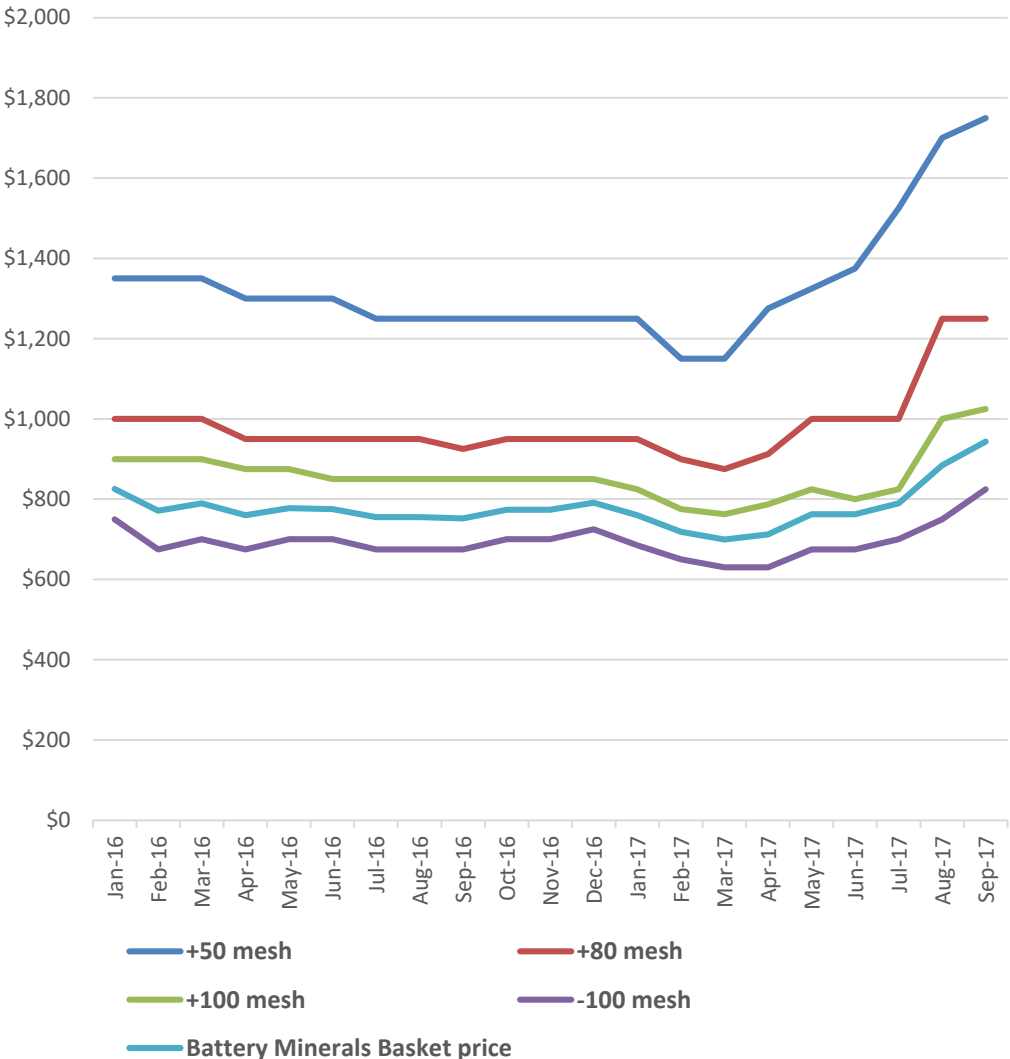
# Flake Graphite Cost Curve



## Flake Graphite Price Trend Jan 16 - Sept 17

USD, Metric tonnes

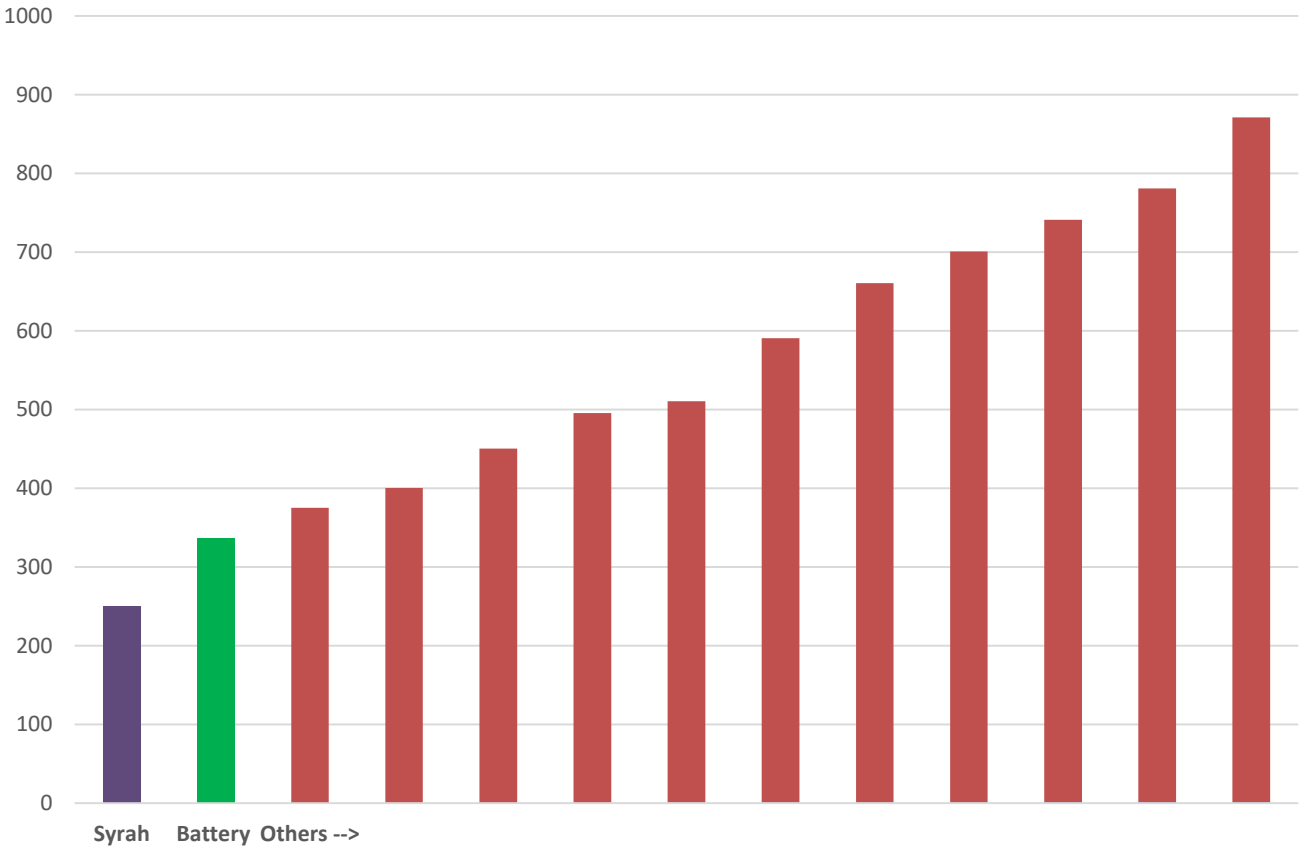
Data source: Benchmark Mineral Intelligence



## Flake Graphite Cost curve

2017

(Opex cost FOB port of origin)





| CAPEX  |             |
|--|-------------|
| Area   | US \$M      |
| Process Plant                                  | 20.9        |
| Mining fleet and maintenance workshops         | 2.1         |
| Camp infrastructure and fitout                 | 2.5         |
| Tailings Storage Facility and other earthworks | 2.8         |
| Mine Offices and workshops                     | 2.3         |
| Owners costs                                   | 2.4         |
| Pre production Costs                           | 4.5         |
| Other  | 4.9         |
| <b>TOTAL</b>                                   | <b>42.3</b> |

| OPEX         |                 |
|--------------|-----------------|
| Area         | Cost \$/t       |
| Mining       | 46.32           |
| Processing   | 128.35          |
| Maintenance  | 35.07           |
| G&A          | 65.17           |
| Logistics    | 61.87           |
| <b>TOTAL</b> | <b>\$336.78</b> |

## COST DRIVERS

### CAPEX

- Small Modular Plant – 70 t/h vs 180 t/h (Conventional)
- Smaller TSF
- Cost Effective Buildings
- Modular allows for accelerated expansions and low risk construction and commissioning

### OPEX

- Mine Operating costs greatly reduced – Small owner managed equipment
- Optimised Mining Schedule/Plan
- No Drill & Blast in first 5 years
- No long term stockpiles
- Availability of water from River
- Reduced Logistics Cost (Proven with Bulk Sample)
- Optimised Direct Labour – Lean Overhead Labour

# Montepuez Diesel, Headcount and Haulage

| Diesel                      |               |
|-----------------------------|---------------|
| Area                        | US \$/t       |
| Power Generation Plant      | 62.6          |
| Power Generation Camp       | 7.6           |
| Mining Fleet                | 18.7          |
| Mobile Fleet                | 3.3           |
| <b>TOTAL</b>                | <b>\$92.2</b> |
| Diesel as % of total OPEX/t | 27%           |

| Operations Headcount        |             |
|-----------------------------|-------------|
| Area                        | No          |
| Mining                      | 27          |
| Processing                  | 46          |
| Maintenance                 | 25          |
| Admin                       | 41          |
| Security                    | 48          |
| <b>TOTAL</b>                | <b>183</b>  |
| % of total OPEX/t           | 25%         |
| <b>Construction</b>         |             |
| <b>Headcount (peak 140)</b> | <b>~105</b> |

| Haulage                        |                |
|--------------------------------|----------------|
| Area                           | US \$/t        |
| Montepuez to Pemba Warehouse   | 21.67          |
| Warehouse to Port              | 30.75          |
| Pemba Port Fees                | 9.45           |
| <b>Total Freight FOB Pemba</b> | <b>\$61.87</b> |
| % of total OPEX/t              | 19%            |

# Montepuez Project Delivery Schedule

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

Note: See ASX announcement dated 18 October 2017 for VES outcomes.



# Montepuez Product size and specification

## Montepuez 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%       |

# Balama Central: Product size and specification

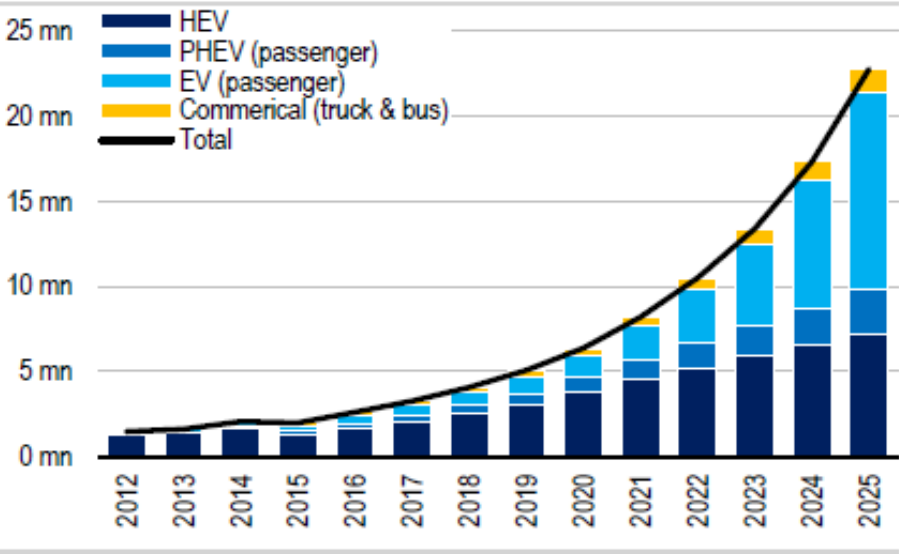
## Balama Central: Flake Graphite Concentrate Sizing

| Flake size | Flake size<br>(mesh) | Flake size<br>(micron) | % of<br>concentrate | TGC grade |
|------------|----------------------|------------------------|---------------------|-----------|
| Fine       | -100 Mesh            | 0 -150                 | 37%                 | 97%       |
| Medium     | +100 Mesh            | +150 -180              | 9%                  | 96%       |
| Large      | +80 Mesh             | +180 -300              | 25%                 | 96%       |
| Jumbo      | +50 Mesh             | +300                   | 29%                 | 96%       |

**Note:** See ASX announcement on the Balama Central Concept Study dated 26 October 2017 for details, Table 1 and Competent Person Statement

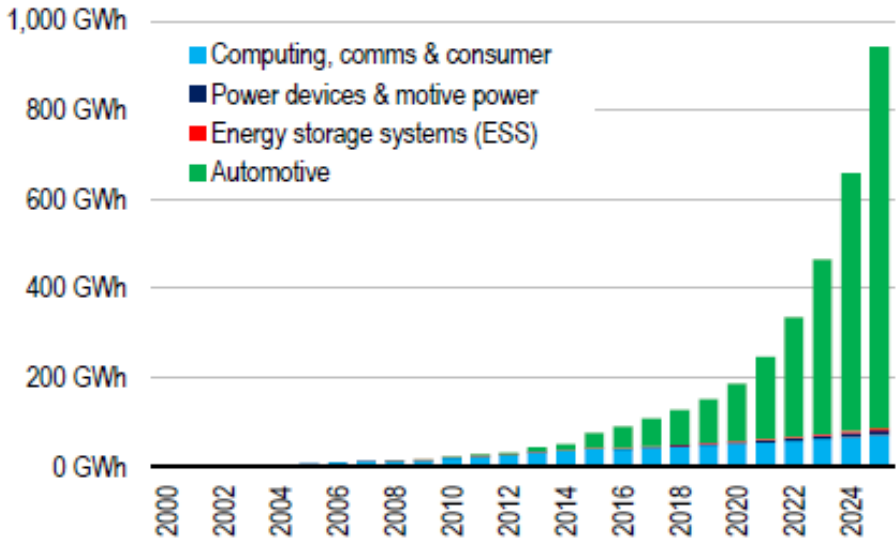
# Graphite Price drivers

Figure 105: UBS Electric Vehicle Sales (millions)



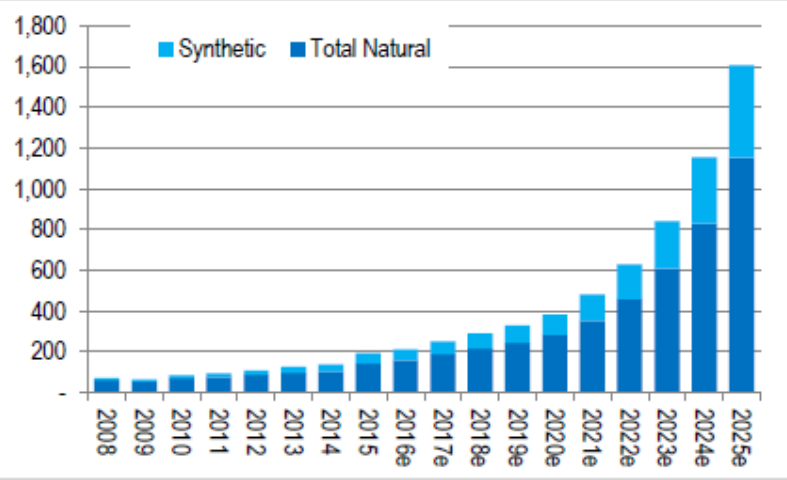
Source: Roskill, UBS estimates

Figure 106: Rechargeable battery demand by type of use



Source: Roskill, UBS estimates

Figure 109: Battery Anode Feedstock Demand (ktpa)



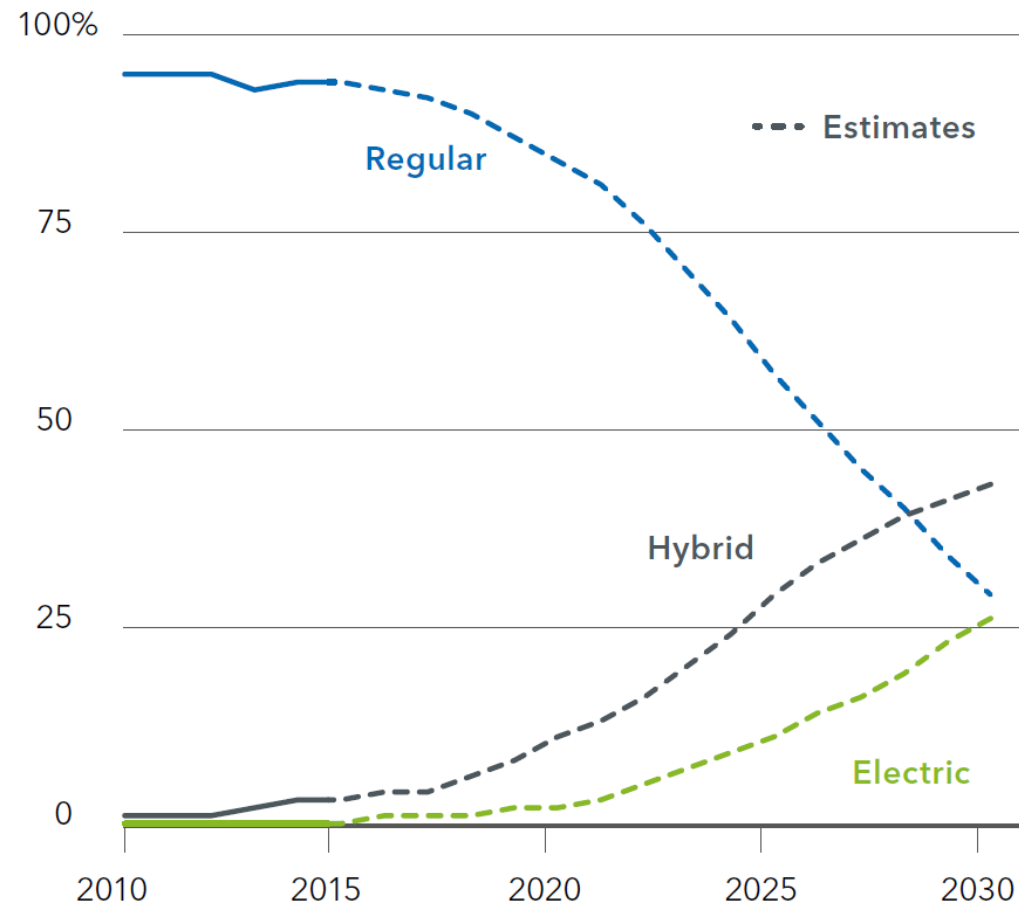
Source: Roskill, public filings, UBS estimates

Graphite Price Drivers  
Source – UBS June 2017



## Under the hood

Breakdown of global car sales by engine type, 2010-2030



Sources: BlackRock Investment Institute and LMC Automotive, April 2017.

Notes: Regular refers to internal combustion engine while electric indicates battery electric engines. Figures after 2015 are estimates.

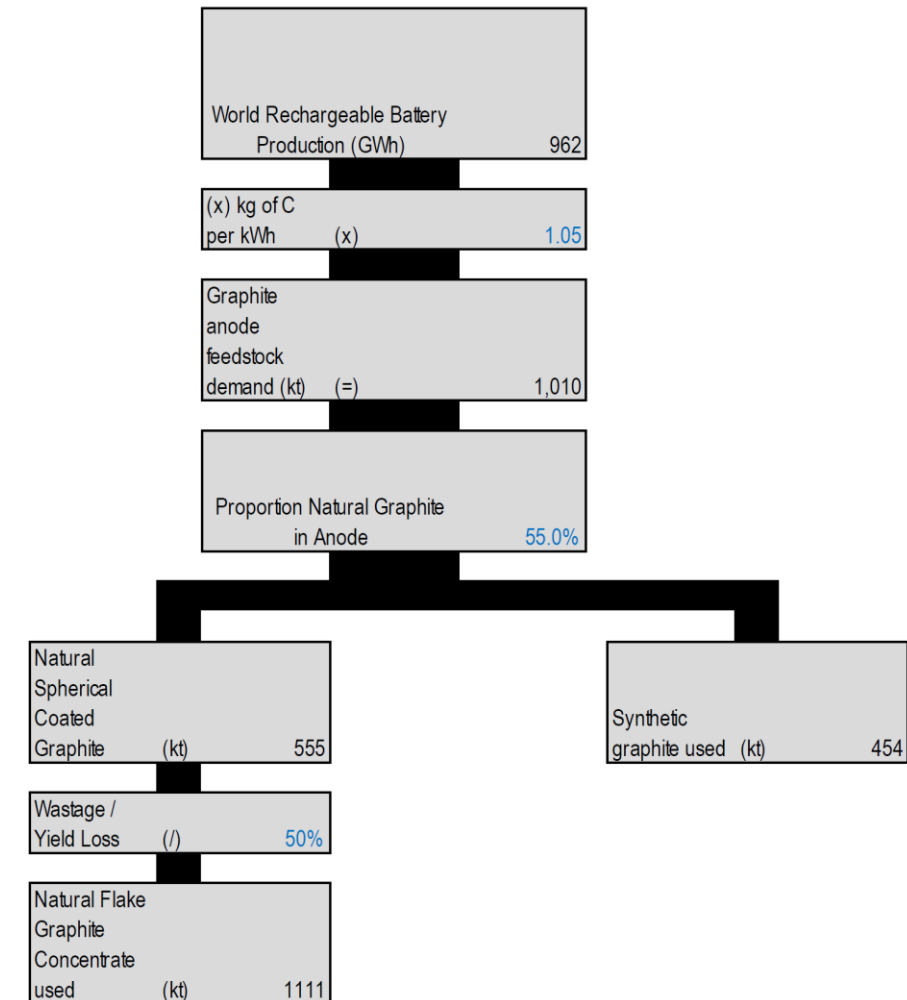
Source – Blackrock Investment  
Institute April 2017

# Graphite Price drivers

## How much graphite is needed for electric car take-up?

- A typical EV or HEV has a 30-100kWh battery pack (Tesla Model 3 have >60kWh)
- Each battery requires ~1.1kg of graphite per kWh.
  - A Nissan Leaf with a 24kWh battery would need 27kg of graphite
  - A Tesla Model S with a 85kWh battery would require ~94kg of graphite.
  - A Chevrolet Bolt with a 60kWh battery has 63kg of graphite
- UBS assumes on average in each EV or HEV contain 50kg of graphite that means each 1m vehicle sales per annum need ~50ktpa of graphite in the anode.
- 2016 Annual car sales ~94m vehicles (72m passenger), so 1m vehicle sales would represent around 1% of world car sales. If 30% of current car sales were EVs, then we need ~1.1Mtpa of graphite. The current graphite market is ~2.4Mtpa, of which natural flake is ~650ktpa. Thus if EVs + HEVs take up a reasonably chunky position of the car market, then the mine supply of natural flake graphite will likely need to grow multi-fold.
- UBS model sales of 11.5m BEV, 7.2m HEV & 2.7m PHEV in 2025e.
- This needs 555,000 tonnes of natural spherical coated graphite which with wastage requires 1.11mil tonnes of natural flake graphite concentrate

Figure 110: Modelling Graphite demand in Batteries for 2025e

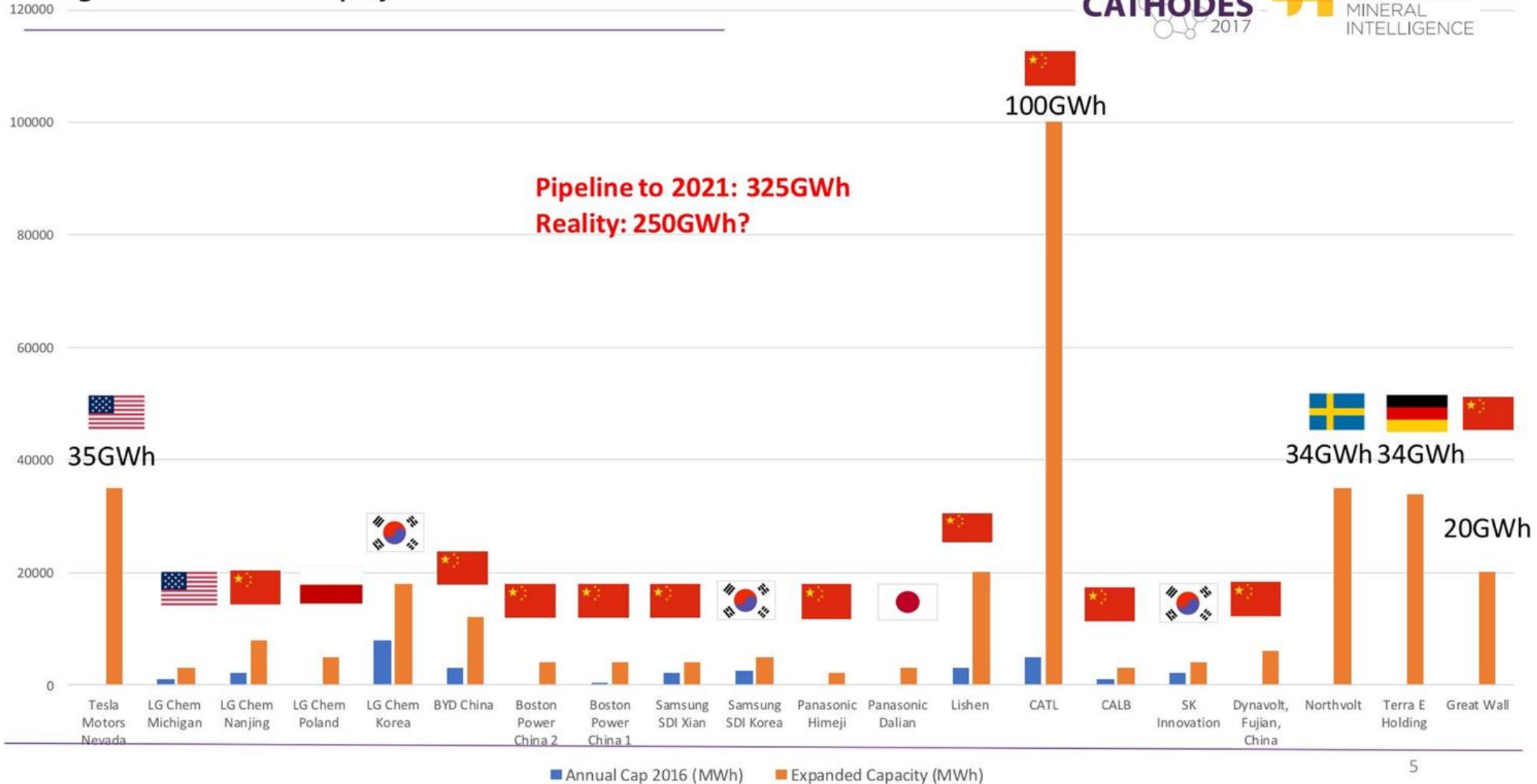


Source: Roskill, company filings, UBS estimates

# This is why we are in graphite! Demand will exceed supply by 2020

## Mega Chinese anode plant projects alone exceed current supply

Megafactories state of play in 2017

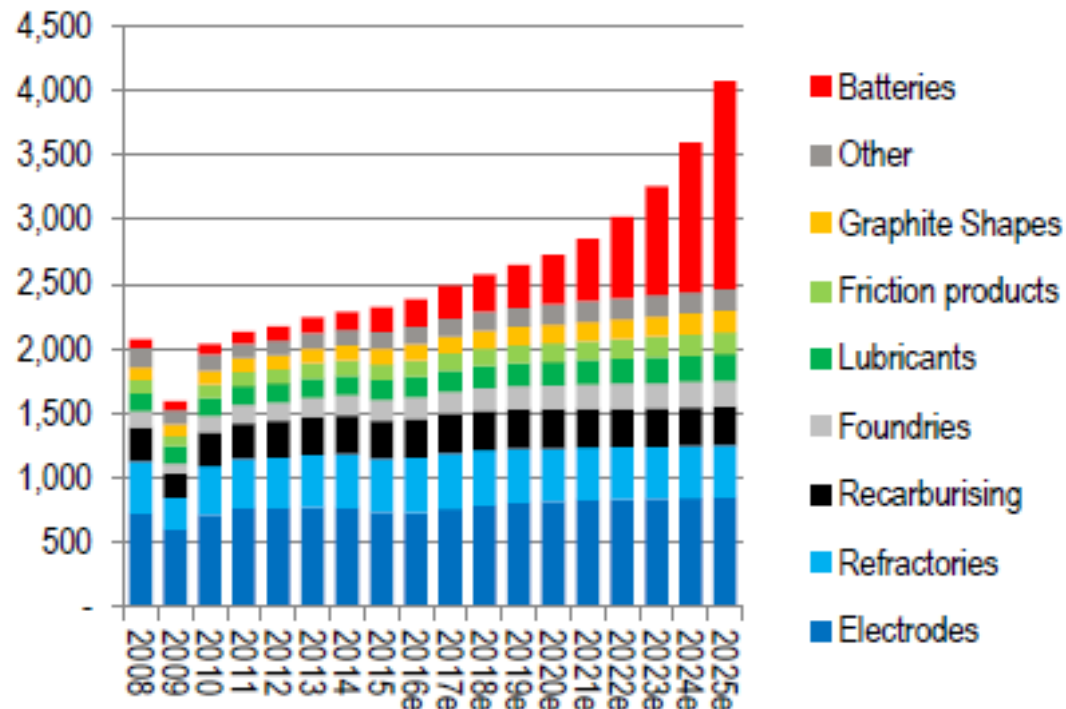




# Battery Minerals Limited - Graphite Prices

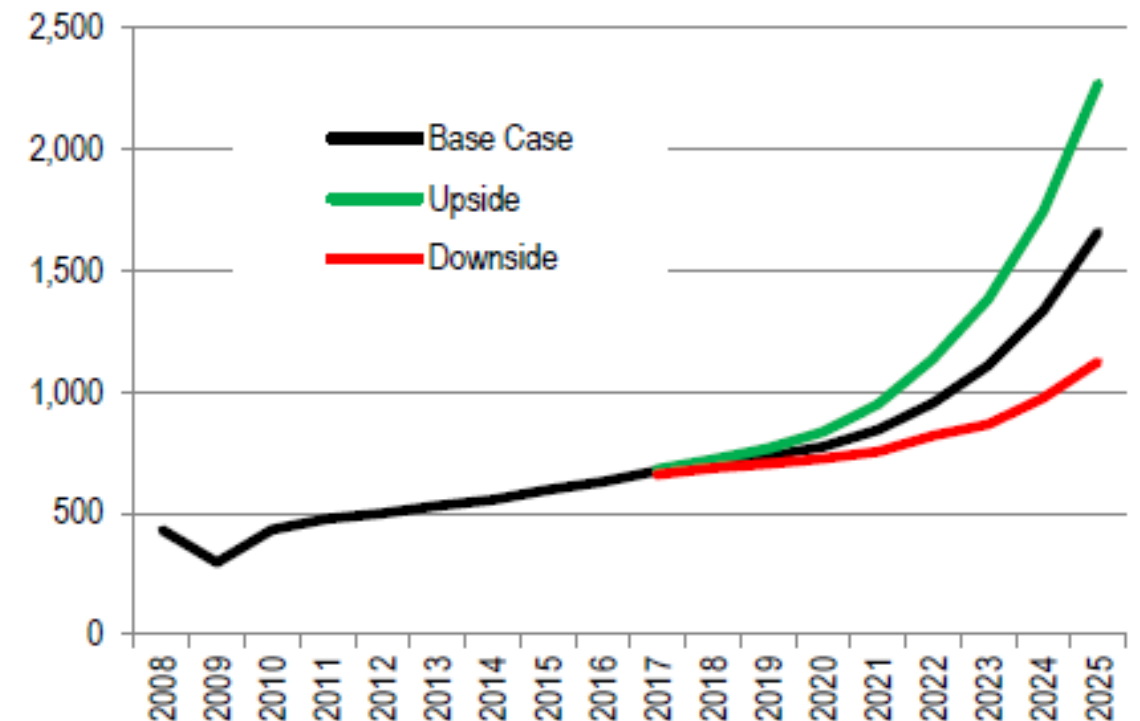
Graphite Price – UBS  
(\$/t of concentrate)

Figure 101: Global Graphite Demand (ktpa)



Source: Roskill, UBS estimates

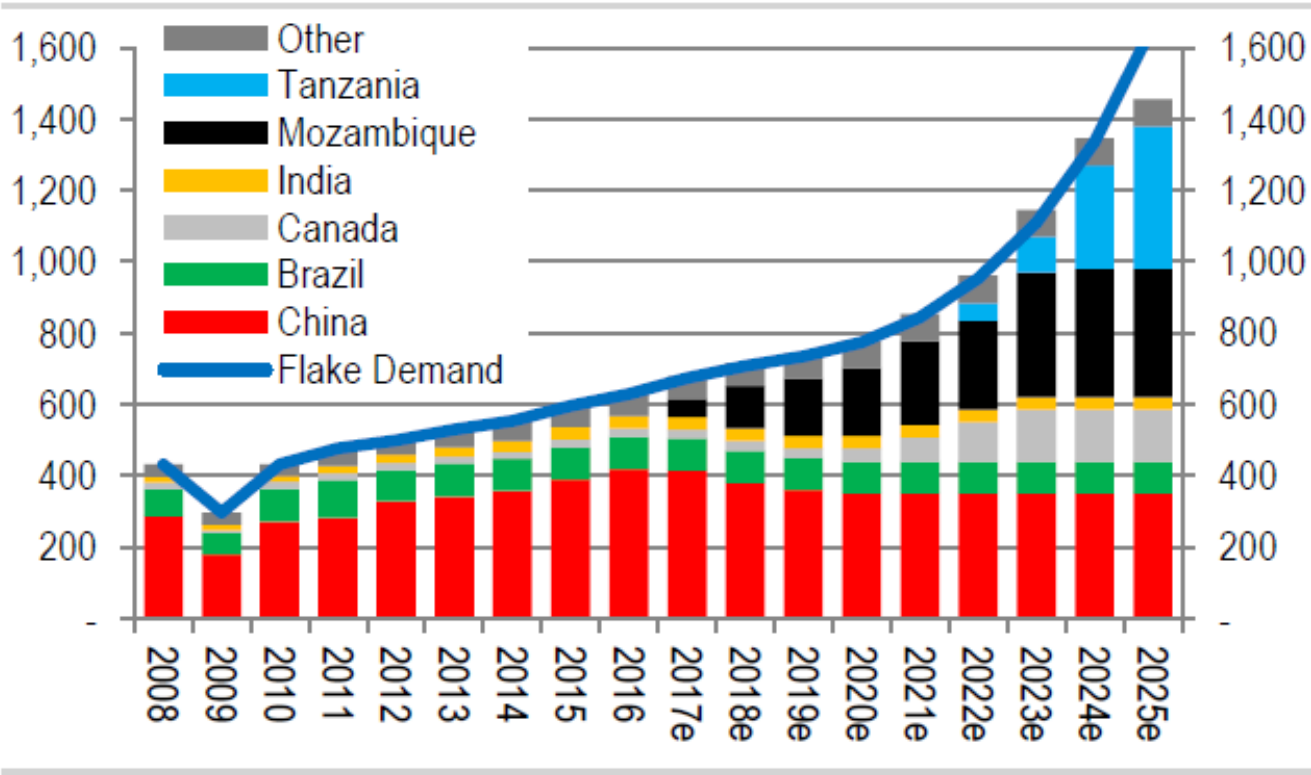
Figure 112: Natural Graphite Flake Demand (ktpa)



Source: Roskill, company filings, UBS estimates

## Prospective Global Graphite Production

**Figure 114: Flake Graphite Production (ktpa)**



Source: Roskill, company filings, UBS estimates

# Montepuez Ore Reserves and Mineral Resources



- Ore Reserve Estimate January 2017 for Buffalo and Elephant deposits is **41.4Mt @ 8.80% TGC** for **3.64Mt** of graphite reported at a cut-off grade of 4% TGC
- Total Mineral Resource January 2017 for Buffalo and Elephant deposits is **105.9Mt @ 7.74% TGC** for **8.2Mt** of graphite reported at a 2.5% TGC cut-off
- Two world class deposits provide optionality of product, blending opportunities and development options
- Flake size, creates opportunity for price premium Natural Flake products
- Chemical structure and easy liberation attributes (low impurities) offers unique opportunities
- The graphite resources remain open in every direction ensuring mine life opportunity beyond the currently scheduled 30 years

| MONTEPUEZ GRAPHITE PROJECT - ORE RESERVE STATEMENT<br>@ 4% TGC cut-off - January 2017 |                |             |     |                    |
|---|----------------|-------------|-----|--------------------|
| Ore Type  | Classification | Ore Reserve | TGC | Contained Graphite |
|   |                | Mt          | %   | Mt                 |
| Weathered   | Proved         | -           | -   | -                  |
|   | Probable       | 8           | 8.5 | 0.68               |
| Fresh   | Proved         | -           | -   | -                  |
|   | Probable       | 33.5        | 8.8 | 2.96               |
| Total   | Proved         | -           | -   | -                  |
|   | Probable       | 41.4        | 8.8 | 3.64               |

Note: See ASX Announcement dated entitled 'Montepuez Graphite Project Mineral Resource and Ore Reserve Estimate' dated 15 February 2017 for full details.<sup>1</sup>

1. See ASX announcement dated 15 February 2017 – Montepuez Ore Reserves & Mineral Resources. Please refer to additional details on slide entitled Disclaimer & Competent Persons Statement



# Montepuez Ore Reserves and Mineral Resources



Ore Reserve Estimate January 2017 for Buffalo and Elephant deposits is **41.4Mt @ 8.80% TGC** for **3.64Mt** of graphite reported at a cut-off grade of 4% TGC

| MONTEPUEZ GRAPHITE PROJECT - ORE RESERVE STATEMENT<br>@ 4% TGC cut-off - January 2017 |                |             |     |                    |
|---|----------------|-------------|-----|--------------------|
| Ore Type  | Classification | Ore Reserve | TGC | Contained Graphite |
|   |                | Mt          | %   | Mt                 |
| Weathered   | Proved         | -           | -   | -                  |
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| Fresh   | Proved         | -           | -   | -                  |
|   | Probable       | 33.5        | 8.8 | 2.96               |
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**Note:** See ASX Announcement dated entitled 'Montepuez Graphite Project Mineral Resource and Ore Reserve Estimate' dated 15 February 2017 for full details.<sup>1</sup>

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# Montepuez Mineral Resource Statement



Total Mineral Resource January 2017 for Buffalo and Elephant deposits is **105.9Mt @ 7.74% TGC for 8.2Mt** of graphite reported at a 2.5% TGC cut-off

| ELEPHANT RESOURCE<br>@ 2.5% TGC cut-off - January 2017 |             |        |      |      |                    |                |
|--|-------------|--------|------|------|--------------------|----------------|
| Classification   | Type        | Tonnes | TGC  | V205 | Contained Graphite | Contained V205 |
|  |             | Mt     | %    | %    | Mt                 | Kt             |
| Indicated and Inferred                                 | Weathered   | 7.80   | 7.70 | 0.19 | 0.60               | 15.00          |
|  | Unweathered | 59.40  | 7.50 | 0.19 | 4.50               | 114.00         |
|  | Total       | 67.20  | 7.50 | 0.19 | 5.10               | 129.00         |

| BUFFALO RESOURCE<br>@ 2.5% TGC cut-off - December 2016 |             |        |      |      |                    |                |
|--|-------------|--------|------|------|--------------------|----------------|
| Classification   | Type        | Tonnes | TGC  | V205 | Contained Graphite | Contained V205 |
|  |             | Mt     | %    | %    | Mt                 | Kt             |
| Indicated and Inferred                                 | Weathered   | 5.20   | 8.14 | 0.22 | 0.40               | 11.30          |
|  | Unweathered | 33.50  | 7.90 | 0.21 | 2.60               | 70.90          |
|  | Total       | 38.70  | 7.93 | 0.21 | 3.00               | 82.20          |

Note: See ASX Announcement dated entitled 'Montepuez Graphite Project Mineral Resource and Ore Reserve Estimate' dated 15 February 2017 for full details.<sup>1</sup>

1. See ASX announcement dated 15 February 2017 – Montepuez Ore Reserves & Mineral Resources. Please refer to additional details on slide entitled Disclaimer & Competent Persons Statement

## Corporate Tax - 32%

## Investment Incentives / protection

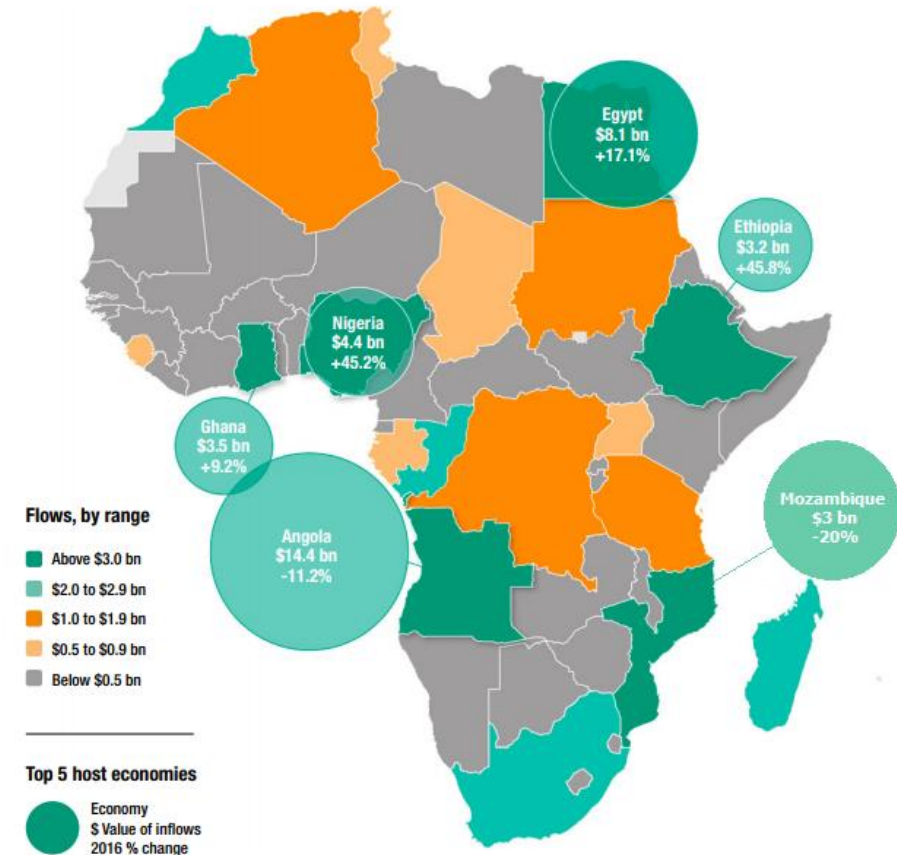
- Legal protection for investors (incl. property/ intellectual rights)
- No restrictions on loans/interest payments abroad
- Multilateral Investment Guarantee Agency (MIGA) plus Overseas Private Investment Corporation (OPIC) insurance on investment risk
- Tax incentives for projects (exemption from payment of customs duties and tax stability for 10 years)

**Sovereign risk:** Near-term liquidity challenges due to increase of public debt and fall in mineral prices, however strong growth is anticipated over the long term to support sovereign risk rating

**Regulatory:** Mozambique's mining law revised in 2014 guaranteeing security of tenure and allowing companies to repatriate profits

Further pro-business reforms including deregulation and decentralisation of political power anticipated

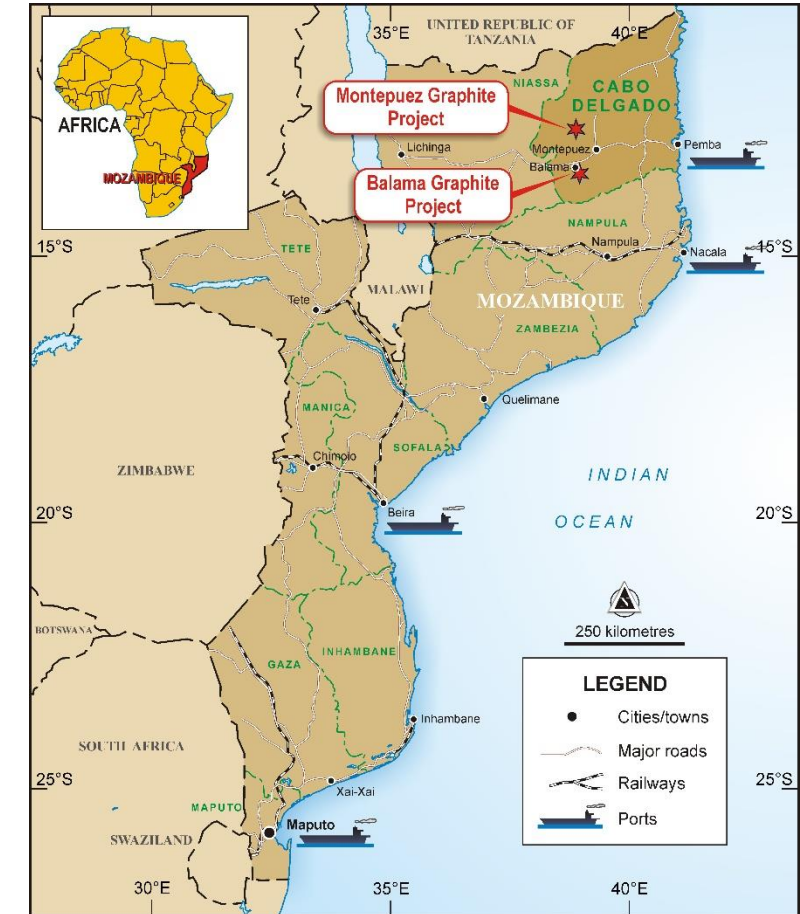
Source: UNCTAD



| Year         | FDI in US\$ Billions |
|--------------|----------------------|
| 2013         | 6                    |
| 2014         | 4.9                  |
| 2015         | 3.87                 |
| 2016         | 3.09                 |
| Next 5 years | Over 20              |

# Mozambique: a favourable jurisdiction

- Montepuez Mining Licence Application Submitted: defined approval timeline
- **Environmental Impact Assessment** completed and submitted in October 2017
- July 2017: A secured allocation of **100,000tpa port capacity** with Portos e Caminhos de Ferro de Moçambique (CFM) at port of Pemba.
- CFM has also undertaken to work with Battery to ensure that Battery will have **sufficient stockpile and warehouse capacity** at port of Pemba.
- Investigating **downstream** opportunities in Mozambique
- **Government** pro-actively engaging resources companies to invest in-country
- Battery has the support of and is committed to supporting its **local communities** and government development plans



Please refer to additional details on slide 7: Disclaimer & Competent Persons Statement



## OVERVIEW

Stable multi-party democracy since 1994

Population - 27 million

## ECONOMY

One of Africa's fastest growing economies

## STRATEGIC POSITION

Access to markets – China, India as well as Europe

Strategic access to markets in SADC - 270m people

## RESOURCES

Energy - Hydro, Gas and Thermal

Minerals - Coal, Gold, Graphite, Heavy Sands,

Rare Earths, Precious Stones

