

Battery Minerals signs binding offtake agreement with Qingdao Guangxing Electronic Materials Co. Ltd

40% of stage 1 production now covered by binding offtake agreements

Highlights

- Latest agreement covers 10,000 tonnes a year of graphite concentrate at a minimum 95% TGC
- The initial term of the agreement is three years
- Agreement further underpins Montepuez project
- Discussions well advanced with government to finalise Mining Licence
- Battery Minerals on track for first shipment of product in March Quarter 2019

Battery Minerals Limited (ASX Code: BAT, "Battery Minerals") is pleased to advise that it has signed a second binding offtake agreement for its Montepuez graphite project in Mozambique, this time with Qingdao Guangxing Electronic Materials Co. Ltd (GEM).

GEM is a privately-owned company based in Shandong in China with extensive expertise in mining, production, downstream processing and marketing of graphite.

The agreement covers 10,000 tonnes a year of graphite concentrate for at least three years. It follows the binding offtake agreement signed by Battery Minerals last month with US-based Urbix Resources for up to 11,000tpa.

Battery Minerals now has up to 40% of its forecast annual production covered by binding sales agreements, and is well on track for its first shipment of product in the March Quarter of 2019.

Battery Minerals Executive Chairman David Flanagan said the latest agreement provided further evidence of the quality of the Montepuez graphite concentrate.

"The agreement shows Battery Minerals is rapidly emerging as a significant global graphite producer which will enjoy low capital and operating costs and strong cashflows," Mr Flanagan said.

"We have tailored the Montepuez project so that it is extremely bankable, it generates a product which meets the needs of battery manufacturers, delivers extensive benefits to the local community and creates strong returns for shareholders."

"With two binding offtake agreements now signed, we are more confident than ever that we will achieve all these objectives."

Background Information

Qingdao Guangxing Electronic Materials Co. Ltd (“GEM”) is a privately-owned company based in Shandong in China and is one of China’s largest graphite players. It has a long history with extensive expertise in the mining of natural graphite and production of graphite flake concentrate, high purity graphite, high carbon graphite, expandable graphite and spherical graphite production. GEM’s concentrate output in 2017 was more than 40,000 tons. For many years, GEM has supplied a large volume of spherical graphite to anode producers globally. GEM has a widely developed network both domestically and internationally.

Battery Minerals Limited (“Battery Minerals”) is an ASX listed Australian company with two world-class graphite deposits in Mozambique, those being Montepuez and Balama. Battery Minerals has produced high quality graphite flake concentrate at multiple laboratories. Battery Minerals intends to commence graphite flake concentrate production from its Montepuez Graphite Project in the December 2018 Quarter and first shipment in the March 2019 Quarter at export rates of 45,000 to 50,000tpa at an average flake concentrate grade of 96.7% TGC.

As Battery Minerals executes subsequent expansions, it expects production to grow to over 100kt per annum graphite flake concentrate from its Montepuez Graphite Project by 2022.

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