

Battery Minerals on the road to graphite production as infill drilling starts at Montepuez

- **Infill grade control drilling now underway at the Montepuez graphite project in Mozambique; First results expected next month**
- **Drilling enables commencement of operations on receiving final approvals**
- **On track to secure all project approvals by April 2018**
- **Detailed mine planning, engineering and production scheduling now underway**
- **Construction scheduled to take place next calendar year with commissioning set for end of December quarter 2018**
- **Drilling will also target resource growth resulting from recently reported large drill intercepts outside current resource estimates including 272 metres at 9.88% TGC from surface and 131.5 metres at 8.04% TGC from 1.5 metres.**

Battery Minerals Limited (ASX: BAT) is pleased to announce that it has taken a key step towards becoming a graphite supplier to the lithium battery market, with the start of infill drilling at its Montepuez project in Mozambique.

The drilling programme will comprise approximately 300 holes for 10,000 metres and focus on the Buffalo and Elephant deposits and adjacent high-grade resource targets.

The infill drilling will take place in parallel with a host of project planning measures, including engineering and procurement and approvals, which are expected to be secured by April next year.

This will put Montepuez on track for commissioning in the December quarter of next year.

“The window of opportunity is wide open for graphite producers thanks to the booming lithium battery market and we are determined to climb through it as soon as possible,” Battery Minerals Executive Chairman David Flanagan said.

“We have an outstanding resource, we have established that the metallurgy is ideal for producing lithium batteries and our revised development strategy shows we stand to generate strong financial returns from what will be a high-grade, low-cost operation (see ASX release dated October 18, 2017).”

Montepuez Details

Prior to commencement of an open pit mining operation, grade control drilling is required from which to estimate daily mined tonnage and grade to assist the operations team with detailed mine planning schedules. This is often referred to as “grade control” drilling. In this instance,

the drill hole spacing is typically 25 metres by 13 metres with holes drilled to a nominal 30 metres deep.

Drilling will be completed using an air core face sampling drill bit with a reverse circulation sampling system to ensure maximum sample quality, capable of being used as part of resource estimation.

While the drill rig is on site it will also test a number of targets highlighted in drilling previously reported in the September Quarterly Report 2017. These include the Bangun Zone and the near surface projection of the interpreted strike extensions of existing resources. Figure 1. below shows previously reported results of drilling some of these targets;

The Montepuez Graphite Project's Buffalo deposit recently disclosed drill intersection result summary (see September 2017 Quarterly Activities Report released to ASX on 31 October 2017 for fully details and Competent Person Statement) include the following:

- **Twin hole BF034D (with BF029D) returned a combined intersection of 272.6 metres at 9.88% Total Graphitic Carbon (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 131.5 metres at 8.04% TGC from 1.5 metres, and**
- **Hole CESWS002 returned 32 metres at 9.30 TGC from 42 metres**

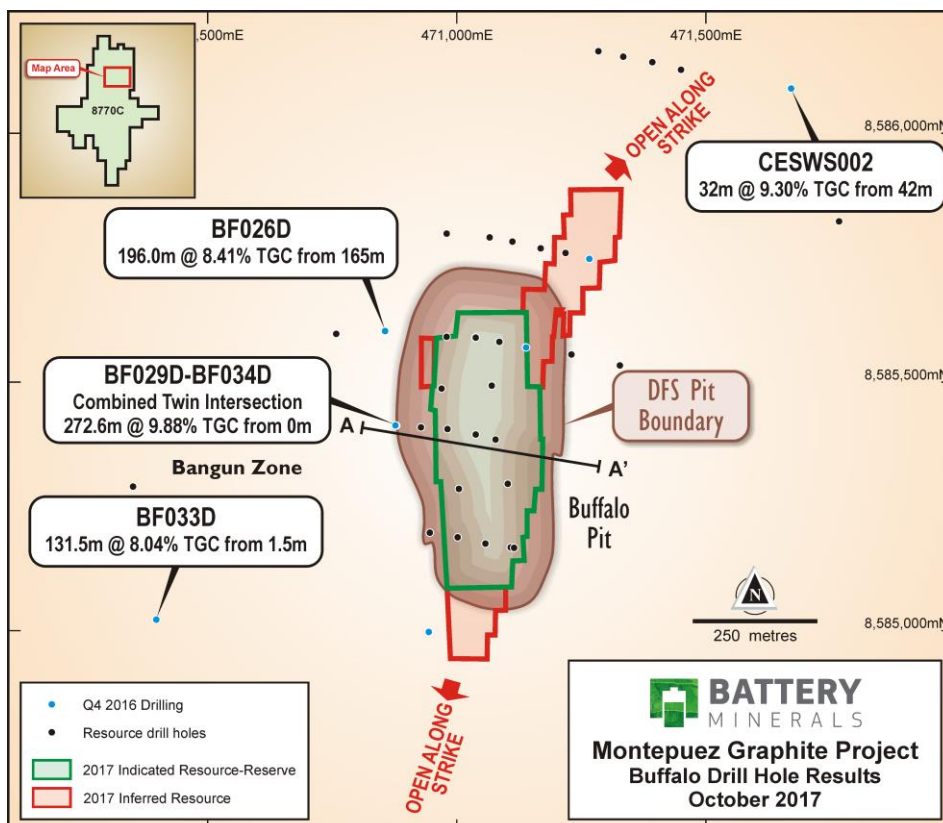


Figure 1. Location plan of Buffalo Pit mine design with selected drill hole results.

On completing this drilling, the Company's production team will prepare excavation plans to support mining and construction activity next year. Drilling will also define near surface waste material within the open pit footprint for use as part of construction activities.

The Company remains focused on getting mining tenure granted, receiving all approvals and commencing construction post wet season in April 2018. The Company is maintaining its plan to start commissioning in December 2018 with first exports in the March Quarter 2019.

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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 an Executive 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.

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.

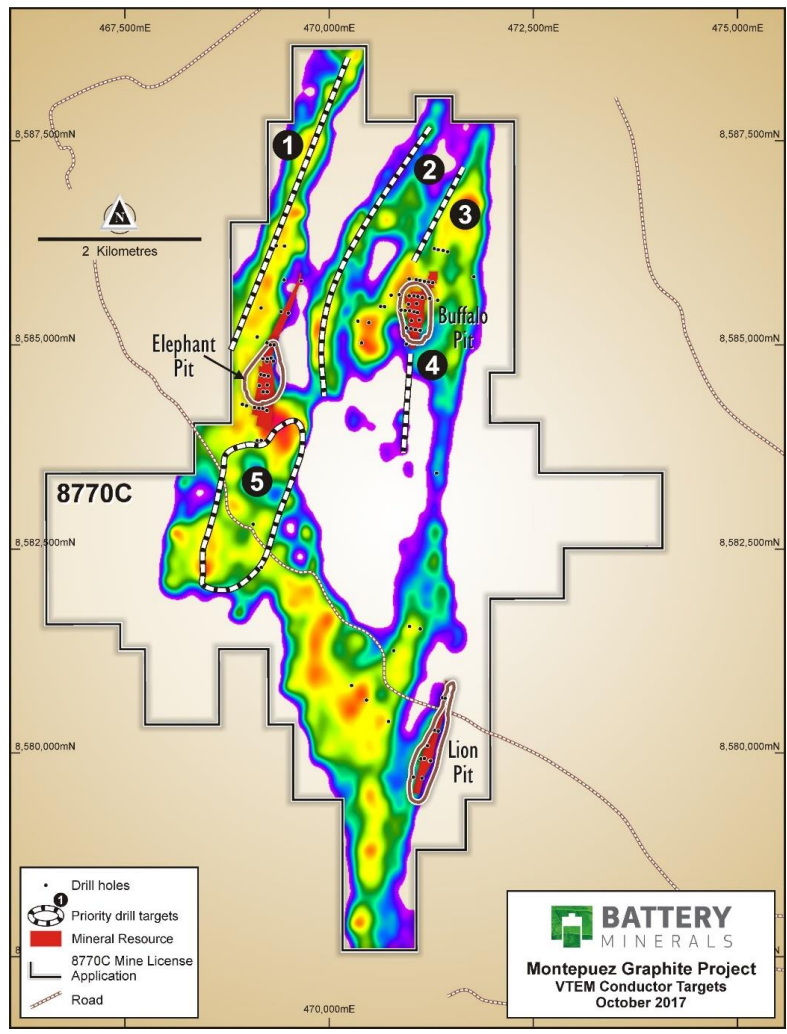


Figure 2. MGP Mine License Application (8770C) showing the Buffalo, Elephant and Lion resources relative to the VTEM™ conductive units (red-yellow). Drill holes are shown with black dots. Exploration targets 1 to 5 which remain untested by exploration drilling indicate the excellent potential for additional graphite resources on this license.

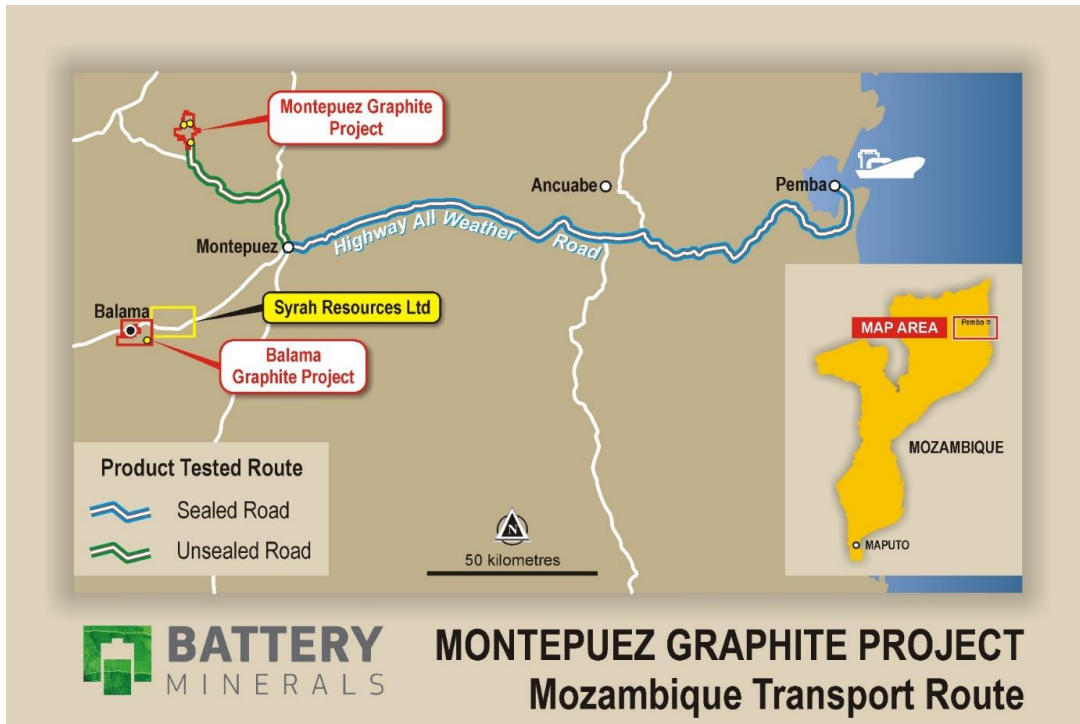


Figure 3. Project location plan showing the location of the Company's "Montepuez" and "Balama" graphite projects.