

31 October 2017

MoU with Chinese integrated graphite company Qingdao Guangxing Electronic Materials Co. Ltd

Non-binding MoU for off-take and cooperation on developing and executing a product marketing strategy

HIGHLIGHTS

- **Battery Minerals signs Memorandum of Understanding (“MoU”) with Chinese graphite producer Qingdao Guangxing Electronic Materials Co. Ltd (“GEM”)**
- **The MOU establishes a framework for the parties to execute offtake agreements and to develop an international product marketing strategy with GEM**

Battery Minerals Limited (ASX Code: BAT, “Battery Minerals”) is pleased to advise that it has 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.

Battery Minerals Executive Chairman, Mr. David Flanagan said “Battery Minerals is eagerly anticipating working with GEM, a company with extensive experience in the graphite production and an emerging spherization and expandable graphite capability.

“The MOU with GEM is another significant step forward in our plans to produce and sell high grade, high quality graphite from our flagship Montepuez Graphite Project, which we expect to commission in December 2018.”

“GEM is enhancing its existing spherization 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.”

Memorandum of Understanding

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.

Background Information

Qingdao Guangxing Electronic Materials Co. Ltd (“GEM”) is a privately owned company based in Shandong in China with extensive expertise in mining of natural graphite and production of graphite flake concentrate, high purity graphite, high carbon graphite, expandable graphite and purified spherical graphite (“PSG”) in China. GEM has a comprehensive marketing network in China as well as selling overseas including long established relationships with lithium ion battery manufacturers.

From an operating perspective, GEM’s capability as a graphite downstream processing ability and Battery Minerals’ ability to be a supplier of high quality graphite flake materials with access to international markets for PSG are complimentary and the parties agree to engage in good faith to complete commercial sales agreements for the benefit of both parties.

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 from its Montepuez Graphite Project at export rates at 45,000 to 50,000tpa rate in the next 15 months, targeting 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 by 2022.

Battery Minerals has recently completed a value engineering study on its Montepuez Graphite Project which found the project would deliver strong financial returns (see ASX release dated October 18, 2017 for full details). Balama Central is Battery Minerals’ second graphite project in Mozambique, where the recent completion of a concept study resulted in Battery deciding to proceed with a Definitive Feasibility Study due for completion mid-2018 (see ASX release dated October 26, 2017 for full details).

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