

Battery Minerals starts DFS drilling at its second graphite project

Highlights

- **Infill drilling has commenced at the Balama Central Graphite Project in Mozambique**
- **The program aims to convert a portion of the Inferred Resource of 7.4Mt at 11.8% Total Graphitic Carbon to the Indicated category**
- **The upgraded Resource will form part of the Balama Definitive Feasibility Study, which is due for completion in mid-2018**
- **Balama drilling will take place in parallel with infill drilling underway at Montepuez, the Company's flagship graphite project in Mozambique**
- **Battery Minerals on track for production start at Montepuez late next year**

Battery Minerals (ASX: BAT) is pleased to announce that it has taken another key step in its strategy to establish the Balama Central Graphite Project in Mozambique as its second operation, with infill drilling now underway as part of the Definitive Feasibility Study.

The Balama drilling programme will comprise approximately 1000m of core drilling focused on the Lennox and Byron deposits.

The program will take place at the same time as Battery Minerals undertakes infill grade control drilling at its flagship Montepuez graphite project in Mozambique.

Construction at Montepuez is scheduled to start early next year with first production earmarked for the December quarter, 2018.

"Every round of results we receive, whether it be drilling, metallurgy or economic studies, provides more strong evidence that our plan to develop a pipeline of graphite projects is progressing well," Battery Minerals Executive Chairman David Flanagan said.

"This will position us ideally to capitalise on the booming lithium battery market and growing demand from other industries."

Balama Details

On 21 March 2016, Battery Minerals announced a Mineral Resource at Balama of 16.3Mt at 10.4% TGC for 1.7Mt of contained graphite made up of:

- Indicated Mineral Resource: 8.9Mt at 9.3% TGC
- Inferred Mineral Resource: 7.4Mt at 11.8% TGC

Battery Minerals also advised the market in the same announcement on 21 March 2016 that it had set an Exploration Target at Balama of 43Mt to 78Mt at 9% to 13% TGC, highlighting the

Project's upside (see ASX announcement dated 21 March 2016 for full details, competent person's statement and qualifications to the Exploration Target).

On the 26 October 2017, in addition to the recently reported results from a 500kg sample submitted for pilot plant test work, the Company reported the positive results of the Balama Concept Study and its decision to move the project to DFS level.

While targeting conversion of a portion of the 7.4Mt at 11.8% TGC from Inferred Resources to the Indicated Resources category, the Company will also submit further samples to confirm flow sheet design ahead of detailed engineering studies.

Previous test work was highly favourable and 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 work by MLA and Actlabs Geometallurgy of Ontario Canada with 30 samples submitted from the Lennox Prospect located within the Balama Central License.

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	37%	97%
Medium	+100 Mesh	+150 -180	9%	97%
Large	+80 Mesh	+180 -300	25%	96%
Jumbo	+50 Mesh	+300	29%	96%

Table 1 Balama Project product sizing and concentrate grades

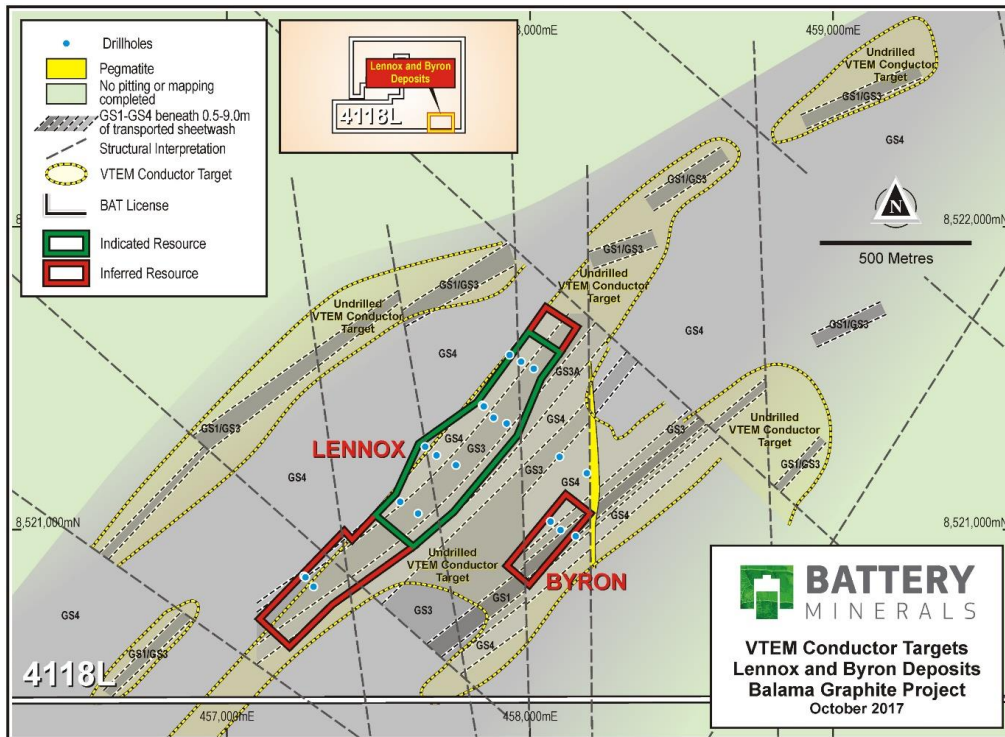


Figure 1. Location plan of Lennox and Byron deposits with drill hole location and resource categories.

**Investor Enquiries:
Battery Minerals Limited**

David Flanagan, Executive Chairman	Tony Walsh, Company Secretary
Tel: +61 8 6148 1000	Tel: +61 408 289 476

Media Enquiries:Read Corporate
Paul ArmstrongTel: (+61 8) 9388-1474
Email: paul@readcorporate.com.au**Important Notice**

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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 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 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.

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.

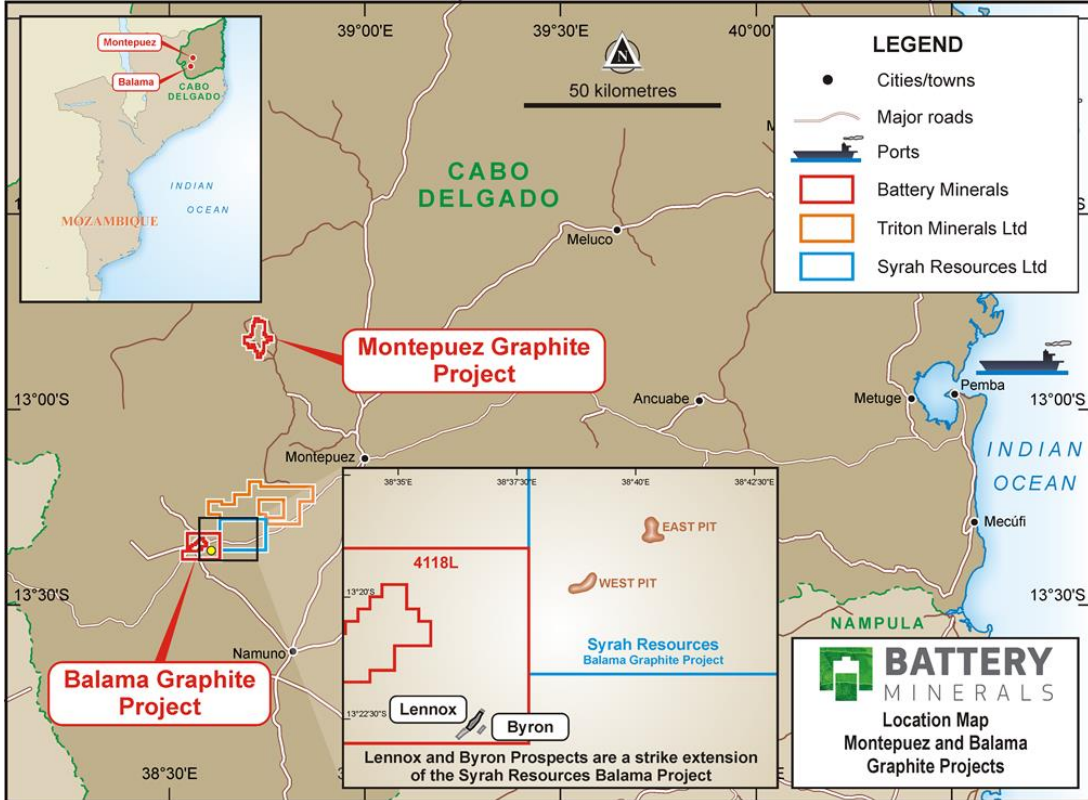


Figure 2. Project location plan showing the location of the Company's "Montepuez" and "Balama" graphite projects.