

ASX Announcement

29 August 2019

## **African funding specialist appointed to access traditional and development capital for Montepuez graphite project**

**Plus, Battery Minerals implements cost reduction strategy to maximise use of its \$5.7m cash while project finance is secured**

### **HIGHLIGHTS**

- **Battery Minerals appoint African funding specialist ThirdWay Africa to assist the Company in securing project finance for its Montepuez Graphite Project**
- **ThirdWay specialises in securing funding for African projects, including access to government-provided development capital**
- **ThirdWay will draw on its extensive network of finance contacts in Europe and North America**
- **As part of its financial strategy, Battery Minerals has implemented a range of cost reduction measures to ensure it remains funded throughout the project financing process**
- **Ample cash (\$5.7m at 26 August 2019) to undertake project funding and maintain Montepuez in a development-ready state**

Battery Minerals Limited (ASX:BAT) (“Battery Minerals” or “the Company”) is pleased to announce that it has taken a key step in its revised strategy to develop the Montepuez graphite project in Mozambique by appointing specialist corporate finance and development capital advisor ThirdWay Africa (“ThirdWay”) to assist the Company to secure project funding.

Battery Minerals Managing Director Jeremy Sinclair said ThirdWay has extensive experience and networks which would be made available to the Company as part of the project funding process.

“ThirdWay specialises in securing not just traditional capital but also funding from large development organisations and governments,” Mr Sinclair said.

“Their understanding and presence in Mozambique, together with an extensive network in key financial centres in the UK, Europe and the Americas, means they are ideally placed to source the funding for Montepuez.”

In parallel with the appointment of ThirdWay, Battery Minerals has implemented a cost reduction strategy aimed at ensuring it remains funded throughout the project financing process.

Mr Sinclair said the cost reduction exercise, which commenced in May 2019, has reduced ongoing overheads while not impacting the Company’s ability to complete project funding.

“We are fully committed to completing funding of Montepuez and therefore we have ensured that the cost reduction measures have no impact in this area,” he said. “Until the project is funded, the Company will only incur development and exploration/evaluation expenditure where necessary.”

“All costs have been examined, and in most cases reduced, to ensure our cash is put to the very best use during the project financing process.”

As part of this, Battery Minerals implemented a Board restructure in the June 2019 Quarter which reduced the number of directors from six to three (made up of the Managing Director and two non-executive directors).

“The objective is simple. It’s about preserving cash by significantly reducing expenditure, while still allowing the Company to effectively pursue project finance,” Mr Sinclair said. “The upshot is that we have cut our monthly expenditure by just under 50%.”

### **About ThirdWay Africa**

ThirdWay Africa has a proven track-record of providing advice on investment opportunities in Indian Ocean Africa. ThirdWay Africa was established by a team of investors and entrepreneurs with over 75 years of combined experience in corporate finance, strategy consulting, international private equity and capital markets, together with a long business track record in Eastern and Southern Africa. Through its local subsidiary, ThirdWay has been operating in Mozambique for over 5 years and has a significant track record in corporate finance, investment advisory and development consulting. ThirdWay has led and completed over 20 different mandates in a variety of sectors, working for corporates, investment funds, development banks, development agencies and NGOs. ThirdWay has successfully raised capital for projects in Mozambique on a yearly basis over the last 5 years.

Recently there has been unprecedented investment in LNG in Mozambique that has spurred on fundamental shifts in access to capital within the region. ThirdWay Africa has been appointed by the Company to leverage the current unique investment climate in Mozambique. ThirdWay Africa facilitates blended finance solutions that incorporate funding from private capital, large development financial institutions and development agencies. This holistic approach enables investors to work closely with Governments, development banks, local communities, civil society organisations and private funders to establish projects that provide a healthy return for investors whilst supporting the long-term development goals of the country.

### **Background Information on Battery Minerals**

Battery Minerals Limited (“Battery Minerals”) is an ASX listed Australian company with two world-class graphite deposits in Mozambique, being Montepuez and Balama Central. Battery Minerals has produced high quality graphite flake concentrate at multiple laboratories. Subject to completing project financing, Battery Minerals intends to commence graphite flake concentrate production from its Montepuez Graphite Project at a rate of 50,000tpa at an average flake concentrate grade of 96% TGC.

In December 2017 and January 2018, Battery Minerals signed four binding offtake agreements for up to 41,000tpa of graphite concentrate, representing over 80% of Montepuez’s forecast annual production. In 2018, the Mozambican Government granted Battery Minerals a Mining Licence and its Environmental License for the Montepuez Graphite Project.

As Battery Minerals executes subsequent expansions, subject to the completion of all necessary studies, permits, construction, financing arrangements, and infrastructure access, it expects production to grow to over 100,000 tonnes per annum of graphite flake concentrate from its Montepuez Graphite Project.

Battery Minerals has also announced a feasibility study on its Balama Central project, which comprises a Stage 1 production rate of 58,000tpa (B1). Battery Minerals lodged its Mining License application for Balama Central in June 2019. Combined with Montepuez and subject to continued positive economic, social and technical investigations, Balama Central provides the Company with the scope to self-fund growth from a single project 50,000tpa production rate to a multi-project combined production rate in excess of 150,000tpa.

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**Investor Enquiries:****Jeremy Sinclair**

Managing Director, Battery Minerals Limited

Tel: +61 8 6148 1000

Email: [info@batteryminerals.com](mailto:info@batteryminerals.com)**Tony Walsh**

Company Secretary, Battery Minerals Limited

Tel: +61 408 289 476

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**Media Enquiries:****Paul Armstrong**

Read Corporate

Tel: +61 8 9388 1474

Email: [paul@readcorporate.com.au](mailto:paul@readcorporate.com.au)

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**Contact Details (Australian Office):**

Ground Floor, 10 Ord Street

West Perth, WA 6005

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