



## Battery banking on Stavely nearology

STALLED graphite developer Battery Minerals has agreed to acquire 67% of Gippsland Prospecting, which has the right to apply for ground next to Stavely Minerals' Thursday's Gossan discovery.

Battery will issue 294.3 million shares and pay A\$335,000 cash to two Gippsland shareholders as consideration.

It has also made an offer to a third shareholder to acquire the remaining 33% for 145 million shares and \$165,000.

Battery has agreed to spend at least \$1.5 million on Block 4 over the next 12 months.

Block 4 covers 809sq.km of ground and hosts the historical high-grade Moyston gold mine.

The ground covers the Moyston fault and an interpreted extension to the Mount Stavely volcanics from Stavely's ground.

Block 4 adjoins both Thursday's Gossan to the southwest and Navarre Minerals' Langi Logan gold discovery to the west.

Last year's discovery hole at Thursday's Gossan returned 32m at 5.88% copper, 1 gram per tonne gold and 2 ounces per tonne silver.

Gippsland has the right to apply for the licence after winning a competitive Victorian government tender.

Battery chairman David Flanagan said there was extensive evidence to support the view that Block 4 was highly prospective for both gold and base metals.

"Block 4 has the same rocks that host the Thursday's Gossan copper-gold discovery and it is in the same corridor that hosts Navarre's gold discoveries. Block 4 also hosts the Moyston gold mine and it is right next door to the Stawell gold mine," he said.

"The tenement has not been thoroughly explored for more than a decade and even then it was limited to shallow drilling near the Stawell mine.

"Given the recent substantial exploration success close by and the outstanding prospectivity of the geology, we are looking forward to applying modern exploration techniques and drilling to a new project that has effectively been mothballed for over 10 years."

The acquisition is subject to shareholder approval and the grant of the exploration licence.

If approved, Gippsland directors, geologists Kent Balas and Darryl Clark, will join the board of Battery.

Battery has been trying to fund the development of its Montepuez graphite project in Mozambique for nearly two years but has struggled due to weakness in the graphite sector.

The company said once it obtains the US\$64.5 million in funding required, it will build an initial 50,000 tonne per annum mine, with the potential to move to as much as 150,000tpa later.

Battery had A\$4.2 million cash at the end of December.

Shares in the company were unchanged at 0.7, valuing it at \$9.2 million.

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