

December 2022 Quarterly Activities Report**HIGHLIGHTS**

- **Progressing the completion of sale of the Montepuez and Balama Graphite Projects to Tirupati Graphite (TGR:LSE) for cash and shares, providing exposure to an emerging graphite producer whilst focusing the Company on its Australian exploration strategy**
- **Mozambique transaction close to completion with \$500k received subsequent to quarter end, in January 2023, as partial consideration for sale of the Projects**
- **High priority bedrock gold targets defined by IP geophysics beneath zone of strong rockchip gold anomalism, up to 430g/t Au at the Coxs Find Prospect (ASX BAT 21 November 2022)**
- **Follow-up IP and drilling planned to commence at the Coxs Find and Frankfurt Prospects following completion of the Company's Mozambique sale agreement**
- **Received \$150k in cash from the Victorian TARGET Minerals Exploration Initiative Grant**
- **Cash on hand of \$720k at 31 December 2022**

Battery Minerals Limited (ASX: BAT) ("Battery Minerals" or "the Company") is pleased to report on its activities during the quarter ended 31 December 2022 (December 2022 Quarter).

STAVELY-STAWELL PROJECT: COPPER-GOLD (EL6871, BAT 100%)**Coxs Find Prospect**

The Coxs Find gold target is defined by multiple high-grade rockchip results, up to 430g/t Au associated with sericite-silica-pyrite altered siltstone (ASX BAT 14 October 2021). The mineralisation has been characterised using scanning electron microscope (SEM) and laser ablation ICPMS mineral chemistry (La-ICPMS), which indicates an association between gold and bedrock (primary) sulphides (galena, sphalerite, chalcopryrite) (ASX BAT 2 May 2022).

Given the sulphide association and likely bedrock source of the high-grade surface gold, an Induced Polarisation survey (IP) was designed to map the distribution of sulphides and define priority drill targets. The effectiveness of the technique has resulted in a planned extension of the survey along with commencing plans to drill test priority targets (ASX BAT 21 November 2022) (Figure 2).

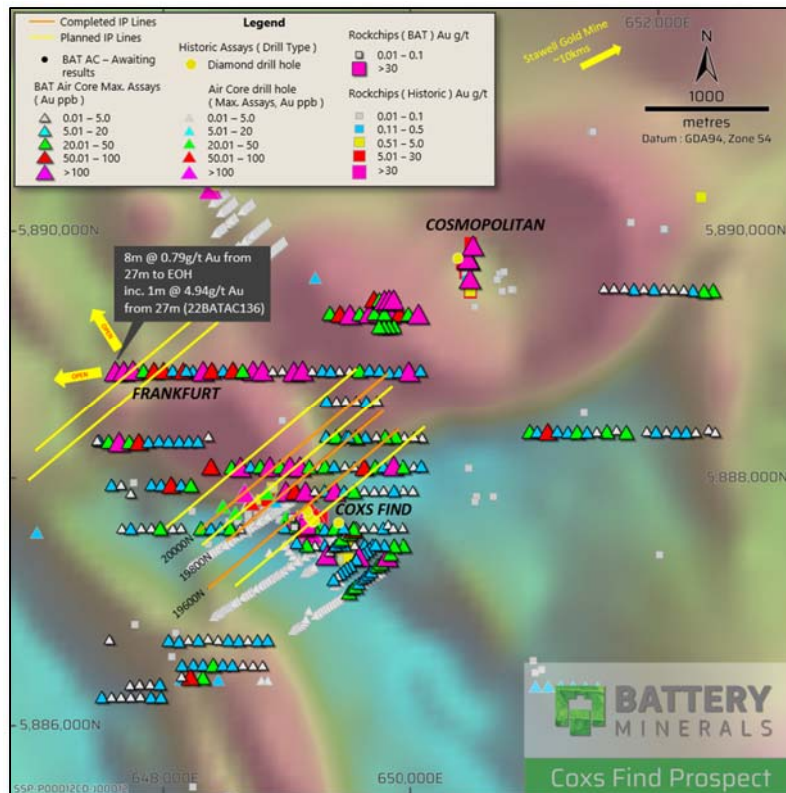


Figure 1: Coxs Find District, showing AC drilling coverage, rockchip geochem, IP coverage over RTP magnetics

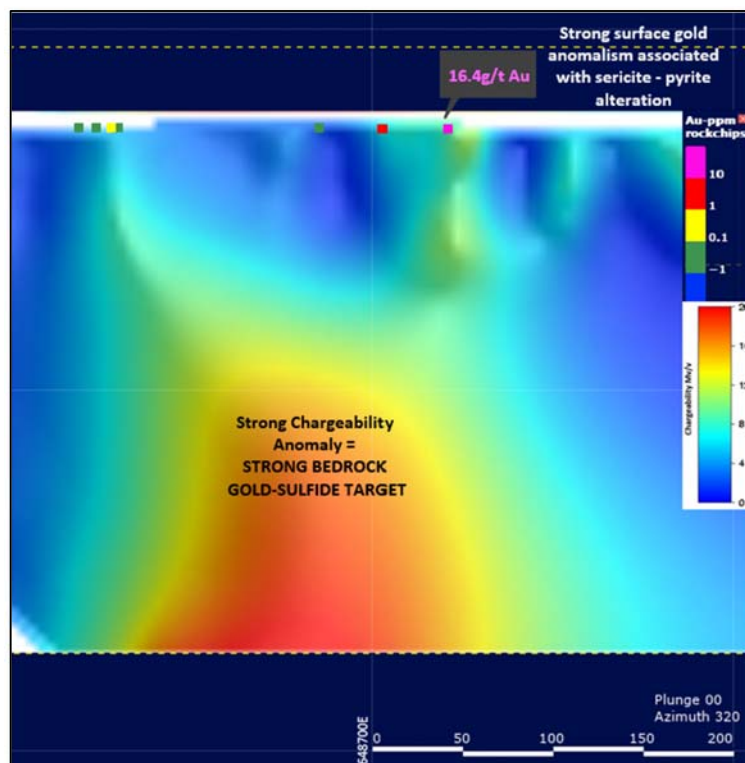


Figure 2: IP Chargeability Inversion, Section 20000N, showing strong IP chargeability anomaly beneath high grade gold-sulphide mineralisation in rockchips (historical data in ASX BAT 14 October 2021) (200m window)

Frankfurt Prospect

The Frankfurt Prospect is characterised by strong multipoint AC gold anomalism (8m @ 0.79g/t Au from 27m to EOH) associated with a 'fertile' gold-multiple element signature (Au-Te-Bi-Mo-Sb-As) and defining an open >160m wide target zone (Figure 1).

The combination of unseasonal rains during October, November (228mm / 2.5 x long term average) and the Company's current focus on completing its Mozambique transaction, resulted in the exploration team completing a re-ranking of exploration targets utilizing key datasets, including the 24.4km of available aircore multiple element geochemistry and aerial FALCON gravity and magnetic imagery.

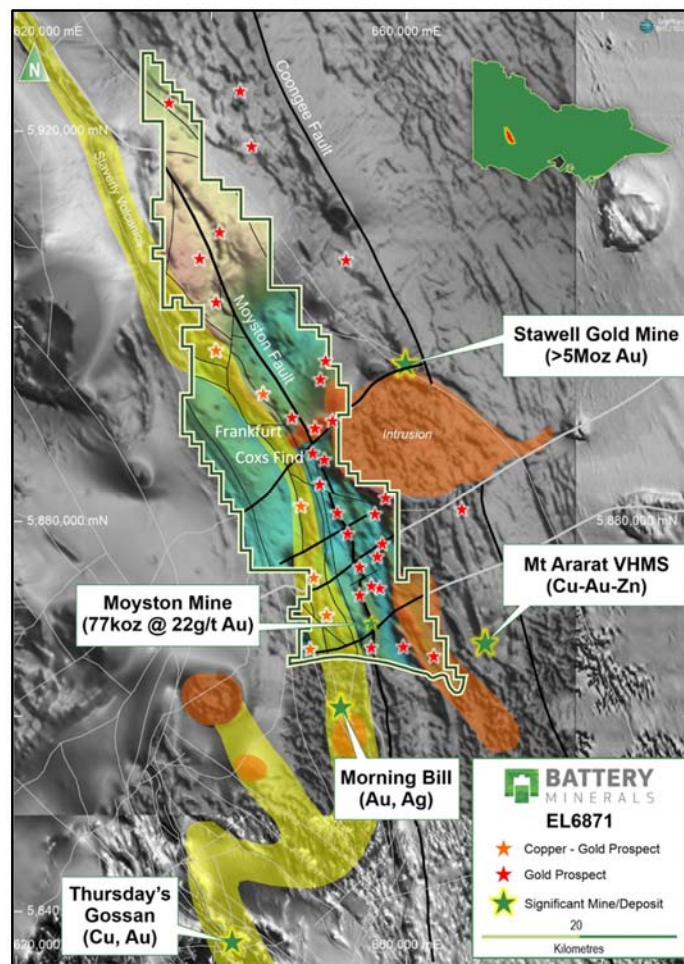


Figure 3: Find Prospect, Stavelly-Stawell Project, regional setting showing relationship of key BAT targets at Cocks Find and Frankfurt with Stawell Gold Mine

The Cocks Find and Frankfurt Prospects have similarities with the historic Wonga Deposit within the broader Stawell Deposit (>5 Moz gold endowment). These similarities include the setting at the edge of the Stawell Granite Intrusive Complex, association between gold and 'fertile' intrusive-related pathfinder elements (Te-Bi-Mo-Sb-As) and the position of interpreted cross structures (Figure 3).

AZURA PROJECT: COPPER-NICKEL-GOLD (E80/4944, E80/5116, E80/5347, E80/5348, BAT 100%)

The drilling program planned for the Azura Copper-Nickel-Gold Project comprises a nominal 6 diamond holes for 1,170m and has been designed to test priority EM and geochemical targets. Several contingency drill sites will also be prepared to allow for flexibility in the drilling schedule based on ongoing results.

Heritage clearance has been completed and the report received, with additional environmental permitting requested by the regulator prior to the Company being permitted to commence drilling activity.

The timing of exploration activity at the project will be reassessed once the Mozambique transaction has been completed and the Company is able to rank its discovery opportunities across the portfolio.

During the quarter, 5 tenure units were relinquished from E80/4944, whilst retaining all the areas of interest.

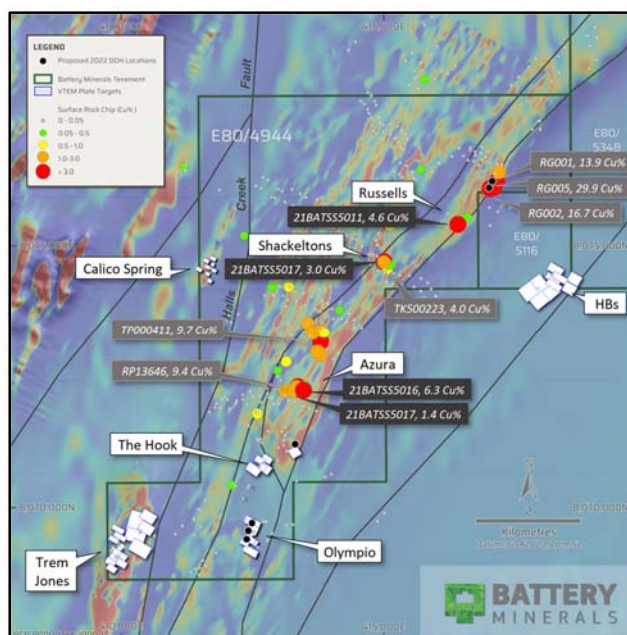


Figure 4: Azura Project: Targets Summary with rockchip geochemistry, RTP magnetics, modelled VTEM conductor plates

MOZAMBIQUE PROJECTS: GRAPHITE (8770C, 10031C, 8555, 8609, BAT 100%)

Progressing Completion of Sale Agreement with Tirupati Graphite (TGR:LSE)

During the December 2022 Quarter the Company continued to progress the completion of sale of the Montepuez and Balama Graphite Projects to Tirupati Graphite (TGR:LSE) for cash and shares, via a Deed of Variation (ASX BAT 5 December 2022), providing exposure to the graphite market whilst focusing the Company on its Australian copper-gold-nickel strategy.

The transaction is considered close to completion with \$500k received subsequent to quarter end, in January 2023, as partial consideration for sale of the Projects.

Battery Minerals will receive total consideration of \$9.75M in Tirupati Graphite shares and \$1.5M in cash with no outstanding liabilities. Full details of the transaction are included in Appendix 1 which tracks the changes to the original agreements and the recent Deed of Variation signed in December 2022.

CORPORATE

As of 31 December 2022, the Company had cash and liquid assets of \$720k (see December 2022 Quarterly Cashflow Report).

ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration & Evaluation Expenditure during the December 2022 Quarter was \$406,000. Full details of exploration activity during the quarter are in this report.
2. ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the December 2022 Quarter. Development Expenditure during the December 2022 Quarter was \$0.
3. ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the December 2022 Quarter: \$131,000 - The Company advises that this relates to non-executive director's fees and executive directors' salaries only. Please see Remuneration Report in the Annual Report for further details on Directors' remuneration.

Tenement Summary as at 31 December 2022

1. TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of Quarter	Interest at end of Quarter
8770C	Mozambique	Mining Licence Granted	100%	100% Note 1
10031C	Mozambique	Mining Concession Granted	100%	100% Note 1
8555	Mozambique	Exploration License Granted	100%	100% Note 2
8609	Mozambique	Exploration License Granted	100%	100% Note 2
EL6871	Victoria, Australia	Exploration License Granted	100%	100%
E80/4944	WA, Australia	Exploration License Granted	100%	100%
E80/5116	WA, Australia	Exploration License Granted	100%	100%
E80/5347	WA, Australia	Exploration License Granted	100%	100%
E80/5348	WA, Australia	Exploration License Pending	100%	100%

Note 1: These tenements are the subject to the Sale Agreement with Tirupati Graphite announced on 17 August 2021.

Note 2: An agreement was reached in December 2018 to dispose of these tenements. The agreement reached between BAT, its subsidiaries and Nedeel LLC, was for \$50,000 in cash and a 1% royalty (which may be sold for US\$1m up to the date of 730 days after the grant of a Mining Concession on either or both of the tenements). The change of ownership of these tenements is currently subject to the approval of the Mozambican Government.

2. MINING TENEMENTS DISPOSED: 5-unit relinquishment on E80/4944

3. BENEFICIAL % INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS: Nil

4. BENEFICIAL % INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS ACQUIRED/DISPOSED:

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ABN 75 152 071 095

Appendix 1 – Deed of Variation: Changes to Material Terms and Conditions of August 2021 Acquisition Agreement

August 2021 Agreement (ASX BAT 17 August 2021)	September 2022 Deed of Variation	December 2022 Deed of Variation
<u>Sale:</u> Battery Minerals sale of its Mozambique graphite assets to Tirupati Graphite through: - an acquisition agreement for the sale of 100% of the shares in Suni Resources SA (a subsidiary of Battery Minerals) ("Suni Resources") held by Rovuma, which holds the Montepuez and Balama Graphite Projects in Mozambique to Tirupati Graphite; - a novation of related party debts owed by Suni Resources from the Battery Minerals group to Tirupati Graphite pursuant to a deed of novation; and - an intellectual property assignment deed for the assignment of certain technical information relating to the Mozambique graphite assets owned by Battery Minerals to Tirupati Graphite, (collectively, the Transaction).	No change to the Transaction or assets being sold to Tirupati	No change to the Transaction or assets being sold to Tirupati
Cash Consideration: A\$1,500,000.	No change	No change
<u>Share Consideration:</u> Valued at A\$11,000,000 in Tirupati Graphite ordinary shares ("Tirupati Shares") made up of: 2,833,644 Tirupati Shares will be issued at Completion (T1); and 2,833,644 Tirupati Shares will be issued 8 months after Completion (T2).	No change to value of Share Consideration: Valued at A\$11,000,000 in Tirupati Shares, but will now made up of: - A minimum of 2,833,644 Tirupati Shares and maximum of 5,667,288 Tirupati Shares to be issued at Completion (T1); and - A minimum of 2,833,644 Tirupati Shares and maximum of 5,667,288 Tirupati Shares to be issued 8 months after Completion (T2)	Changed to be valued at A\$9,750,000 in Tirupati Shares, made up of: - A minimum of 2,511,639 Tirupati Shares and maximum of 5,023,278 Tirupati Shares to be issued at Completion (T1); and - A minimum of 2,511,639 Tirupati Shares and maximum of 5,023,278 Tirupati Shares to be issued 8 months after Completion (T2)
Issue price of £1.03 per Tirupati Share	Issue price per Tirupati Share equal to 110% of the VWAP of Tirupati Shares for the five trading days prior to the Completion Date	Issue price per Tirupati Share equal to 110% of the VWAP of Tirupati Shares for the five trading days prior to the Completion Date
<u>Additional Clauses re CGT</u>		<u>CGT Payment</u> Tirupati agrees to fund the payment by Battery Minerals of the capital gains tax Battery Minerals is required to pay to the Mozambique Tax Authority in connection with the transfer of Shares in Suni Resources up to a maximum of AUD\$2,500,000 (the "CGT") and to procure payment of the CGT

August 2021 Agreement (ASX BAT 17 August 2021)	September 2022 Deed of Variation	December 2022 Deed of Variation
		to the applicable Mozambique Tax Authority when due following Completion
		<u>CGT Compensation Shares</u> If Tirupati fails to procure the payment of the CGT to the applicable Mozambique Tax Authority when due following Completion (" CGT Due Date "), Tirupati will on the CGT Due Date allot and issue credited as fully paid to Battery Minerals (or its nominee) AUD\$1,250,000 worth of fully paid ordinary shares at the Issue Price in the capital of Tirupati (" CGT Compensation Shares ") as compensation for Suni Resources' failure to comply with its obligation to pay the CGT and shall be released from its obligation to pay the CGT
		<u>CGT Refunds</u> If at any time prior to 31 March 2023, Tirupati receives a refund of any part of the CGT from any applicable Mozambique Tax Authority (" CGT Refund "), Battery Minerals shall be entitled to 50% of such CGT Refund received by Tirupati and Tirupati must transfer to the Seller's nominated bank account 50% of the CGT Refund within 10 Business Days of receiving the CGT Refund. If at any time prior to 30 June 2023, Battery Minerals receives a CGT Refund, Battery Minerals shall be entitled to 50% of such CGT Refund received by Battery Minerals and Battery Minerals must transfer to Tirupati's nominated bank account 50% of the CGT Refund within 10 Business Days of receiving the CGT Refund.
<u>Escrow</u>	<u>Escrow</u>	
T1– Escrow of 8 months following Completion	T1 – Escrow of 6 months following Completion	T1 – Escrow of 6 months following Completion
T2 – Escrow of 20 months following Completion	T2 – Escrow of 14 months following Completion	T2 – Escrow of 14 months following Completion
<u>VAT Refunds</u> : Battery Minerals will receive VAT refunds claimed in Mozambique up to Completion.	No change	the VAT Refunds are for the benefit of the Purchaser
<u>Conditions Precedent</u> :		
Mozambique government approvals for transaction	No change	No change
<u>Long Stop Date</u>		
Previously extended to 30 September 2022 by mutual agreement to facilitate getting all necessary Mozambique government approvals for the transaction	Extended to 31 December 2022 to facilitate getting all necessary Mozambique government approvals for the transaction. The parties have agreed to consent to four further three month extensions to the Longstop Date if requested in writing by Tirupati to enable the	Remained 31 December 2022, with four further three month extensions to the Longstop Date if requested by Tirupati to enable the conditions to Completion to be satisfied. Extension requested by Tirupati and granted by Battery Minerals to 31 March 2023.

August 2021 Agreement (ASX BAT 17 August 2021)	September 2022 Deed of Variation	December 2022 Deed of Variation
	conditions to Completion to be satisfied	
<u>Bank Guarantee - Balama Central mining concession</u>		
The conditional grant of the Balama Central mining concession had not been received at time of August 2021 acquisition agreement	Tirupati Graphite to put in place the bank guarantee to facilitate the grant and orderly transfer of the Balama Central mining concession	Tirupati Graphite to put in place the bank guarantee to facilitate the grant and orderly transfer of the Balama Central mining concession

Authorised by the Board for release to ASX.

Investor and Media Enquiries:

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Battery Minerals' Competent Person's Statement

The information in this announcement that relates to Exploration Targets, Exploration Results or Mineral Resources is based on information compiled by Mr Peter Duerden who is a Registered Professional Geoscientist (RPGeo) and member of the Australian Institute of Geoscientists. Mr Duerden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Duerden consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Company's Exploration Results is a compilation of Results previously released to ASX by the Company (22 June 2021, 29 July 2021, 14 October 2021, 7 December 2021, 2 May 2022 and 11 July 2022). Peter Duerden consents to the inclusion of these Results in this report. Peter Duerden has advised that this consent remains in place for subsequent releases by the Company 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 Company 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 in the market announcements continue to apply and have not materially changed. The Company 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.

Important Notice

This ASX Announcement does not constitute an offer to acquire or sell or a solicitation of an offer to sell or purchase any securities in any jurisdiction. In particular, this ASX Announcement does not constitute an offer, solicitation or sale to any U.S. person or in the United States or any state or jurisdiction in which such an offer, tender offer, solicitation or sale would be unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and neither such securities nor any interest or participation therein may not be offered, or sold, pledged or otherwise transferred, directly or indirectly, in the United States or to any U.S. person absent registration or an available exemption from, or a transaction not subject to, registration under the United States Securities Act of 1933.

Forward-Looking Statements

This announcement contains "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Gippsland Prospecting and any of its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Exploration potential is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Readers are cautioned not to place undue reliance on forward-looking statements and Gippsland Prospecting assumes no obligation to update such information.