

Deed of Variation Paves Way for Completion of Transaction with Tirupati

Battery Minerals Limited (ASX: BAT) ("Battery Minerals" or "the Company") advises that it has agreed with Tirupati Graphite plc ("Tirupati Graphite") via a Deed of Variation to amend various clauses of its August 2021 agreements to facilitate obtaining all necessary Mozambique government approvals for the transaction announced to the market on 17 August 2021 (see Battery Minerals' ASX announcement dated 17 August 2021 entitled "*Battery Minerals agrees to sell Mozambique Graphite Projects to Tirupati Graphite*" for full details).

The Mozambique Government has advised that prior to conditional approval of the sale of the Montepuez and Balama graphite projects to Tirupati the remaining conditions precedent include;

- Agreement to pay the \$2.5M capital gains tax assessment provided by the Mozambique government; and
- Putting in place a performance bond for the development of the Balama Graphite Project.

On receipt of the above, the Company has been informed it will receive conditional approval for the transaction by the Mozambique Government.

The Deed of Variation contemplates that the capital gains tax liability will be shared equally between Tirupati at \$1.25M and Battery Minerals at \$1.25M. It also provides that the obligation of Battery Minerals will be settled out of a reduction in the proceeds to be paid by Tirupati Graphite from \$12.5M to \$11.25M. On completion and after payment of the CGT, 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 variations are included in Appendix 1 which tracks the changes to the original agreements and the Deed of Variation signed in September 2022.

Non-Executive Chairman, David Flanagan said with regards to the Deed of Variation: "*Execution of this Deed paves the way for completion of the transaction. We look forward to being significant shareholders in Tirupati as they continue to expand graphite production and downstream processing of battery anode pre-cursor materials. We would also like to thank the Mozambican government for their assistance in this process which will ultimately deliver a new world class graphite project in Mozambique*".

Authorised by the Board for release to ASX.

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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 Battery Minerals 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 Battery Minerals assumes no obligation to update such information.

Appendix 1 –

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

| August 2021 Agreement | September 2022 Deed of Variation | December 2022 Deed of Variation |
|---|--|---|
| <p><u>Sale</u>: Battery Minerals sale of its Mozambique graphite assets to Tirupati Graphite through:</p> <ul style="list-style-type: none"> • 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). | <p>No change to the Transaction or assets being sold to Tirupati</p> | <p>No change to the Transaction or assets being sold to Tirupati</p> |
| <p>Cash Consideration: A\$1,500,000.</p> | <p>No change</p> | <p>No change</p> |
| <p><u>Share Consideration</u>: Valued at A\$11,000,000 in Tirupati Graphite ordinary shares ("Tirupati Shares") made up of:</p> <ul style="list-style-type: none"> • 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). | <p>No change to value of Share Consideration: Valued at A\$11,000,000 in Tirupati Shares, but will now made up of:</p> <ul style="list-style-type: none"> • 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 | <p>Changed to be valued at A\$9,750,000 in Tirupati Shares, made up of:</p> <ul style="list-style-type: none"> • 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 |

| August 2021 Agreement | September 2022 Deed of Variation | December 2022 Deed of Variation |
|---|--|---|
| | Tirupati Shares to be issued 8 months after Completion (T2) | 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 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 |

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|---|--|--|
| | | <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 31 March 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 | No Change |
| T2 – Escrow of 20 months following Completion | T2 – Escrow of 14 months following Completion | No Change |
| | | |
| <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 | Extended to 31 December 2022 to facilitate getting all necessary | No Change |

| August 2021 Agreement | September 2022 Deed of Variation | December 2022 Deed of Variation |
|--|--|---------------------------------|
| necessary Mozambique government approvals for the transaction | 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 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 | No change |
| | | |

Note: The material terms of the Acquisition Agreement were summarized in the notice of meeting issued by Battery Minerals dated 25 August 2021.