

15 May 2019

African Battery Metals plc ("ABM" or the "Company")

Investment and Joint Venture Agreement - Katoro Gold plc & Haneti Nickel Project

African Battery Metals plc (LON:ABM) the AIM listed battery metal exploration and development company is pleased to announce it has exercised its option to acquire an additional interest in Katoro Gold plc (LON:KAT) ("Katoro") and a 25% interest in the Haneti Nickel Project ("Haneti" or the "Haneti Project") in Tanzania (the "Option").

Details of ABM's investment and option agreement ("Agreement") with Katoro was notified on 15 March 2019 and the announcement can be viewed via the following link:

<https://www.abmplc.com/n/n94/investment-and-option-agreement-with-katoro-gold-plc>

Highlights:

- ABM has exercised the Option to invest a further £75,000 to acquire an additional 7,500,000 new ordinary shares of 1.0 pence each in the capital of Katoro ("Ordinary Shares") at a price of 1.0 pence per share (the "Tranche 2 Shares");
- The £75,000 investment will be satisfied from the Company's existing cash resources;
- ABM will also be granted a further 7,500,000 warrants to subscribe for 7,500,000 new Ordinary Shares at a price of 1.25 pence per share with a three-year life to expiry from today's date (the "Warrants");
- Of the Tranche 2 Shares and Warrants, 6,100,000 Tranche 2 Shares ("Initial Instalment Shares") will be issued immediately;
 - the remaining 1,400,000 Tranche 2 Shares ("Second Instalment Shares") and Warrants will be issued following Katoro's Annual General Meeting, which is expected to be held in June 2019 where additional authority to issue new ordinary shares of 1.0p will be included in within the meeting resolutions;
 - on admission of the Initial Instalment Shares, ABM will then be interested in 5.16% of Katoro's issued share capital
 - on admission of the Second Instalment Shares, ABM will then be interested in 5.96% of Katoro's then issued share capital
- As a result of the Option exercise, ABM will also acquire a 25% interest in Kibo Nickel Limited ("Kibo Nickel"), which, through its wholly owned subsidiary, Eagle Exploration Limited ("Eagle"), holds a 100% interest in the Haneti Nickel Project ("Haneti" or "Haneti Project") in Tanzania.

- Going forward, ABM will be required to fund its 25% share of the Haneti Project's costs, or its interest will be diluted in accordance with standard industry fund or dilute provisions;
- ABM retains the right, in its sole discretion, for 12 months after the Option exercise date, to acquire a further 10% interest in Kibo Nickel for a further payment to Katoro of £25,000 in cash;
- Katoro and ABM will within one month establish a written Joint Venture Agreement and associated Shareholder Agreement in respect of Kibo Nickel, Eagle and Haneti.
- Katoro is an AIM listed exploration and development company with gold and nickel interests in Tanzania;
- The Haneti project comprises tenements covering an area of circa 5,000 sq. km (prospecting licences, offers and applications) prospective for nickel, platinum-group-elements, cobalt, copper, gold and lithium;
- Katoro also holds a 100% interest in the Imweru and Lubando gold projects in Tanzania which in total host a JORC compliant gold resource (inferred and indicated) of 754,980 ounces of gold;
- As previously announced, the Company acquired 2,500,000 new ordinary shares in Katoro (the Tranche 1 Shares) at an issue price of 1.0p each for a consideration of £25,000 on 15 March 2019, and was also granted 2,500,000 warrants to subscribe for 2,500,000 new Ordinary Shares at a price of 1.25 pence per share with a three-year life to expiry from 15 March 2019;
- Katoro is required to allocate all monies received from ABM under the Agreement, other than in respect of monies received on the exercise of the warrants issued pursuant to the Agreement, to the maintenance, exploration and development of Haneti; and
- Save for certain circumstances, the warrants issued pursuant to the Agreement may, until 1 July 2019, only be exercised by ABM if such exercise does not dilute Kibo Energy PLC ("Kibo"), Katoro's major shareholder, to less than 50.5% of the issued share capital of Katoro at that time.

Paul Johnson, Executive Director of African Battery Metals commented: "I am pleased to announce the exercise of this Option to acquire an increased holding in Katoro Gold plc and a 25% interest in the Haneti Nickel Project.

ABM will now enter into a Joint Venture Agreement in respect of the highly prospective Haneti Nickel project in Tanzania which complements our existing project portfolio in Africa and the battery metal exploration and development sector.

ABM looks forward to working with Katoro to develop a work plan for Haneti and anticipates further updates will be provided to the market in the near term.”

Note: within its unaudited half year results to 30 June 2018 Katoro Gold plc reported a loss for the half year of £152,279 and a comprehensive income (after exchange differences on translating of foreign operations) of £10,670 and net assets at 30 June 2018 of £254,569.

For the year ended 31 December 2017, Kibo Nickel reported net liabilities of €11,620, nil revenue and a loss for the year of €3,300. For the year ended 31 December 2017, Eagle reported net liabilities of US\$891,968, nil revenue and a loss for the year of US\$33,989. Kibo Nickel does not consolidate the results of Eagle and Eagle’s only liability, is an inter-company loan of US\$957,621 which was transferred to Katoro on completion of the acquisition in November 2018.

For further information please visit <https://www.abmplc.com/> or contact:

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Notes to Editors:

African Battery Metals (LON:ABM) is an AIM listed, Africa focused, resource company exploring for the key metals used in next generation batteries that fuel the new electric vehicle revolution. The Board and team of advisors, who have proven expertise in African exploration, mining and project generation, have identified an opportunity to utilise the Company's position to become a leader in the London market for investors to gain exposure to the battery metal commodity suite, particularly cobalt, lithium, copper and nickel.