REPORT

Eurobattery Minerals signs investment agreement with option to acquire the Hautalampi nickel-cobalt-copper mine

Eurobattery Minerals AB (Nordic Growth Market: "BAT"; the "Company"), a growth company in the mining and exploration industry, has signed an investment and shareholders agreement including an option for a staged acquisition of 100 per cent of the shares in Vulcan Hautalampi Oy ("VHOy"), 100 per cent owner of the Hautalampi Nickel-Cobalt-Copper Project, in eastern Finland.

The Hautalampi Project is located at the same site as the famous Keretti (Outokumpu) copper mine (1912-1989). The Hautalampi Ni-Co-Cu orebody is located parallel to and above the exploited copper deposit. Existing surface and underground infrastructure provide significant location advantages in what is already a tier 1 mining jurisdiction.

- Exceptional location in the world famous Outokumpu Mining camp area, adjacent to the previous copper operations at Keretti and Vuonos *(28.5Mt @ 3.8% Cu was mined from Keretti during 1912-1989).*
- Drilling, resource estimation, processing test works and a feasibility study and underground mine development completed on the project estimated to have a cost of €10-15M. Due to capital already sunk, the Company can fast-track its own feasibility study targeted for completion within 1 year.
- NI 43-101 Mineral Resource Estimate of 3.2Mt @ 0.43% Ni, 0.35% Cu and 0.12% Co based on >30,000m of drilling. An additional regional exploration target of 2.8-4.5 Mt @ 0.28-0.36% Ni has been identified in parallel lodes northwest of the Hautalampi resource. Significant potential for resource upside and upscaling of production capacity.
- Mineral inventory, historic feasibility study and additional metallurgical test work substantially reduces risk of project and time to production.
- The Project includes a 280 ha mining concession and an environmental and water discharge permit for the underground mine. The permit is valid and in force and will allow mining operations to commence immediately.
- The mineral deposit contains nickel and cobalt sulphides which are referred to as a source for "*Class 1 nickel*". Nickel and cobalt sulphides are the most desired raw material for processing into the precursor material used in electric batteries as sulphides are cheaper to process. A high quality copper concentrate with minor gold and silver content is also planned to be produced.
- Acquisition transforms BAT to a brownfield development Company and much closer to producer of battery minerals.
- Ideally positioned for the burgeoning EV battery manufacturing market in northern Europe. Aiming to supply traceable and responsible nickel and cobalt chemicals for the EV battery industry.

Figure 1. Location map of Hautalampi Project, eastern Finland.

Project highlights

1. **Sulphide ore body already defined.** A historical NI 43-101 (Canadian National Instrument) Mineral Resource Estimate of 3.2Mt @ 0.43% Ni, 0.35% Cu and 0.12% Co has already been defined by previous owners. The mineral deposit contains nickel, cobalt, copper sulphides with gold and silver by-products.
2. **Significant previous investment and permitting.** An estimated €10-15M has been spent on the project so far, including ~22,000 m of drilling, mineral resource and reserve estimation (2009), multiple mineral processing studies the most recent of which occurred last year, and a feasibility study (2009). An underground mining permit is also already in place. A decline and adjoining underground developmemt works totalling 2,100 m has also been constructed by the previous owner. This will significantly lower the investment cost which is needed to bring the project in production.
3. **Brownfield development.** The project is located in a historic mining town (Outokumpu) where mining has occurred for over 100 years, including the Keretti Copper mine (28.5 Mt @ 3.8 % Cu). Although the Keretti mine closed in 1989, much of the critical infrastructure is still in place such as the high voltage power line, concrete foundations for process plant, roads and the town itself (population 7,700).
4. **Sector/commodity tail winds.** Nickel and cobalt commodity prices are projected to increase due to increased demand and supply side restrictions. The burgeoning EV battery manufacturing will drive higher demand as phenomenal growth is projected.

Acquisition terms

The Company will acquire up to 100 per cent of Vulcan Hautalampi Oy in a multi-staged transaction valued at €6.05M in cash and BAT shares over a four (4) year period. The acquisition is structured as follows:

- The Company pays €0.05M in cash and €0.2M in BAT shares for the option to acquire VHOy according to below terms.
    - Tranche 1: The Company has to invest €2.0M, in the way it sees fit, in the VHOy project during 24 months from the acquisition. Once invested, the Company can acquire 40 per cent of VHOy for €0.25M in cash and €1.0M in BAT shares.
    - Tranche 2: The Company has to invest an additional €0.5M, in the way it sees fit, in the VHOy project during 36 months from the acquisition. Once invested, the Company can acquire an additional 30 per cent of VHOy for €0.25M in cash and €1.0M in BAT shares.
    - Tranche 3: The Company can acquire the remaining 30 per cent of VHOy for €0.3M in cash and €1.0M in BAT shares within 48 months from the acquisition.
- At the announcement of commercial production, the Company pays the sellers €0.5M in cash and €1.5M in BAT shares.
- The sellers will have a one (1) per cent net metals royalty, which can be bought by the Company.

The sellers' shares will always be locked up for nine (9) months from the point in time when new shares are issued to them. There is a drag-along clause at a valuation exceeding €15.0M, where the Company has to sell its shares if

the old shareholders decide to sell to another party (this at a point when the Company has invested a maximum of €3.5M).

Location

The Hautalampi mine is located adjacent to the town Outokumpu which has a population of 7,700 and is located 40 km west of Joensuu (population of 70,000) and 100 km East of Kuopio (population 90,000) (*Fig. 1*). There is strong local support for mining activities as the municipality has evolved from a mining town into a prominent industrial machinery and manufacturing center. Finland was recently ranked 2nd in the 2019 Fraser Institute Investment Attractiveness Index[1].

History

The Keretti (Outokumpu) mine opened in 1913. Mining followed the Cu-rich ore that plunged to the southwest. During mining and exploration of the Cu-ore, a separate Co-Ni-rich deposit was first noted in 1933 and became known as the "nickel parallels". The richest portion of the Keretti Co-Ni deposit (a.k.a. Hautalampi) was located by drilling in 1961 and 1962 and was thought to be the most promising of the nickel lodes. Multiple resources were defined following further drilling in the mid-1980's and in 2007-2008.

In 1980's metallurgical work revealed cobalt was also an important economic metal. Later test work has also confirmed copper, gold and silver as also being recoverable metals.

There has only been limited production from the Ni-Co mineralised zones. Outokumpu Mining Oyj developed the Hautalampi mine from 1985 to 1986. In addition to 11 km of diamond drilling, a boxcut, decline, ventilation rise and 2.1 km of development, including a 1,200 m decline and 850 m of drifts. The mine plan envisaged the exploitation of an orebody delineated to be 1,000 m long, up 150 m in width and 30 m in thickness. The sudden fall of Ni and Co prices and closure of Kokkola Cobalt roaster put the Hautalampi mine project on halt in 1986. The deeper Cu-Zn ore that made up the Keretti mine was mined from 1913 until 1989, over which time some 28.5 Mt of ore was mined, grading 3.8% Cu, 0.24% Co, 0.12% Ni, 1.1% Zn, 8.9ppm Ag and 0.8ppm Au.

In 2007 Finn Nickel Oy purchased the ground, mining rights and mining lease from Outokumpu Mining Oyj. FinnNickel Oy drilled 92 diamond drill holes, totalling 10.1 km during 2007-2008. An NI43-101 Mineral Resource Estimate (M+I+I) was completed in 2009, defining 3.2Mt @ 0.43% Ni, 0.36% Cu and 0.11% Co. A full feasibility study was completed in 2009 based on a mining reserve of 2.22Mt @ 0.38% Ni, 0.38% Co and 0.32% Cu with a planned mining rate 350,000 t/a with processing at the nearby Finn Nickel Oy Luikonlahti processing plant.

Vulcan Resources Pty Ltd, an Australian company, purchased the mineral rights and ground together with the Luikonlahti plant from Finn Nickel Oy's bankruptcy estate. Vulcan Resources Pty Ltd withdrew from Finland and sold the Luikonlahti plant and Kylylahti Mine to Boliden AB. The remaining asset, Hautalampi mine (via Vulcan Hautalampi Oy), was sold to the current owners. VHOy owns all mining rights (100 per cent) of the Hautalampi mine and 280 hectares of the ground (approximately 94 per cent of the mining lease area). The Outokumpu Golf course that is located in the mining rights area is also owned by VHOy.

Geology & Mineralisation

The geological setting of the Hautalampi mineralisation is the same as that for the main Keretti Cu-rich ore, the main differences being in the localisation of the mineralised zone within the Outokumpu stratigraphy, and the nature of the mineralised body itself.

The Keretti deposit is located within the NE trending ca. 2 km wide horizon of black schists and serpentinite bodies that is defining the western margin of the Outokumpu structure (*Fig. 2*), and which is commonly called the "Outokumpu belt". The deposit is found in association with a long (>10 km), tubular (<1.2 x <1.5 km in cross-sections) body consisting of tightly folded serpentinite, located along its NW margin in a few metres to tens of metres layer of carbonate-skarn-quartz rocks that are enveloping and being folded with the serpentinite (*Fig. 3*). Unfolded the serpentinite tube is found to consist a ca. 150-200 m thick, possibly 5 km wide and >10 km long sheet, the thickness and width estimated for the thickest part of the tube. The carbonate-skarn-quartz enveloped, folded serpentinite tube is enclosed in the Upper Kaleva metagreywackes, with usually a few metres to a couple of tens of metres thick layer of black schist in between.

The Hautalampi mineralised zone is the south-westernmost part of the Co-Ni-Cu-mineralisation zone, which is situated within the hanging-wall roughly parallel to the Outokumpu Keretti Cu-ore body. It belongs to the "Outokumpu-type" deposits within the rock associations of the Outokumpu Formation (*Fig. 2*). The Co-Ni –Cu zone has some aspects that are distinct to the main Cu ore environment.

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[1] *The Investment Attractiveness Index takes both mineral and policy perception into consideration; Finland ranked 17th in 2018* https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2019.pdf

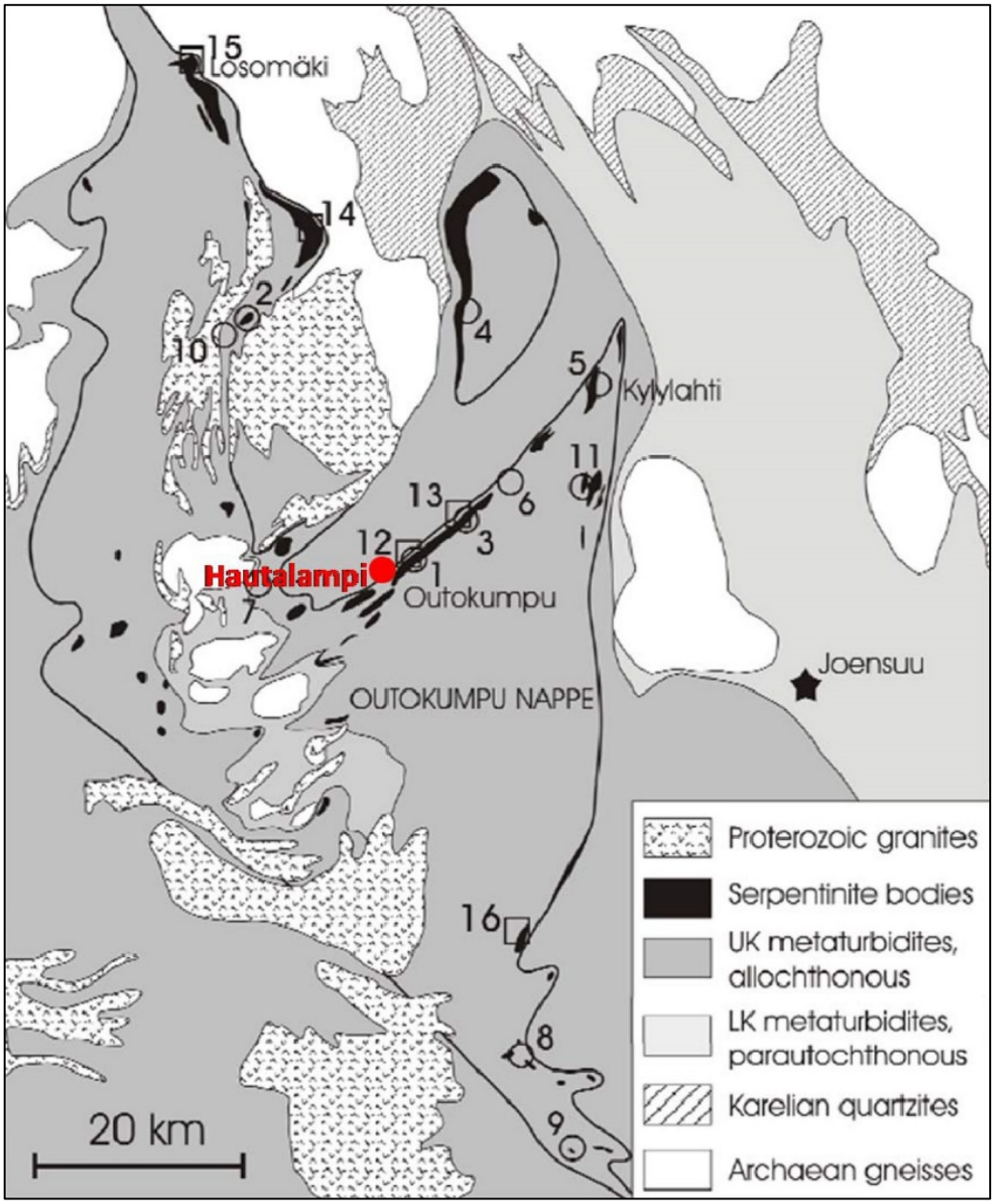

Figure 2. Map of the Outokumpu type sulphide deposits in North Karelia. Cu-Co-Zn-Ni±Au deposits (O): (1) Outokumpu (Keretti), (2) Luikonlahti, (3) Vuonos, (4) Saramäki, (5) Kylylahti, (6) Perttilahti, (7) Riihilahti, (8) Hietajärvi, (9) Kettukumpu, (10) Hoikka, (11) Sola. Co-Ni-Cu and Ni deposits/prospects: (□) (12) Hautalampi (Keretti), (13) Vuonos, (14) Kokka, (15) Poskijärvet, (16) Petäinen. UK=Upper Kaleva, LK=Lower Kaleva.

The lower edge of the Co-Ni-Cu-mineralisation zone is typically some 150-200 m above and to the NW of the upper edge of the main Keretti Cu-ore. Dimensions of the delineated Hautalampi mineralised zone between profiles 78-103 are 1,000 m in length, 100-150 m in width and 1-30 m in thickness. Some drill holes indicate that in the NW parts the mineralisation is cut by the present erosion surface. Mineralisation has a 10-55° dip to the SE (in average about 25-30°). The main part of the mineralisation is 70-120 m below the surface and deepest parts of the known mineralisation are about 150 m below the surface.

The Co-Ni-mineralisation, also referred to as the Hautalampi mineralisation, consists of tightly folded metamorphic rocks. Host rocks are mainly quartz rocks with anthophylite-tremolite skarn bands and interlayers with variable amounts of chlorite. In some places the mineralised zone is also hosted by skarniferous dolomitic rocks. Minor diopside can occur with other skarn minerals. In places there is also nickel-bearing black schist or black schist bearing quartz rock in the footwall. Mineralisation mainly occurs as disseminations in bands due to metamorphosis. The mineralised zone has in places a very sharp contact with the wall rocks. However, in many places a transitional zone from one meter up to three meters occurs between the mineralised zone and wall rocks.

Chlorite schist is locally rich in garnet and also minor cordierite is present. Garnet and cordierite occur as porphyroblasts. Phlogopite occurs in quartz rocks and it seems to be an alteration product of amphiboles. Also cummingtonite, staurolite and spinel are mentioned. Chromite and its alteration products, ferrian chromite and magnetite, are present in almost all the host and wall rocks, especially in rocks which are rich in quartz and dolomite. Serpentinites contain thin magnetite bands and also magnetite grains are typical.

The hanging wall rock is mainly serpentinite and quite often also quartz rock and dolomite with or without diopside-tremolite skarn bands or interlayers. Footwall rocks are quite often the same due to folding. Rock types vary a lot through a drill hole, especially between skarn-, skarniferous quartz and quartz rocks.

The sulphides occur mainly disseminated. The other common form of occurrence is sulphide bands, which are layer-like. In the richer portions sulphides occur massive, net-textured or as blebs and aggregates. Sulphides are found also as fracture fillings (*Fig. 4*).

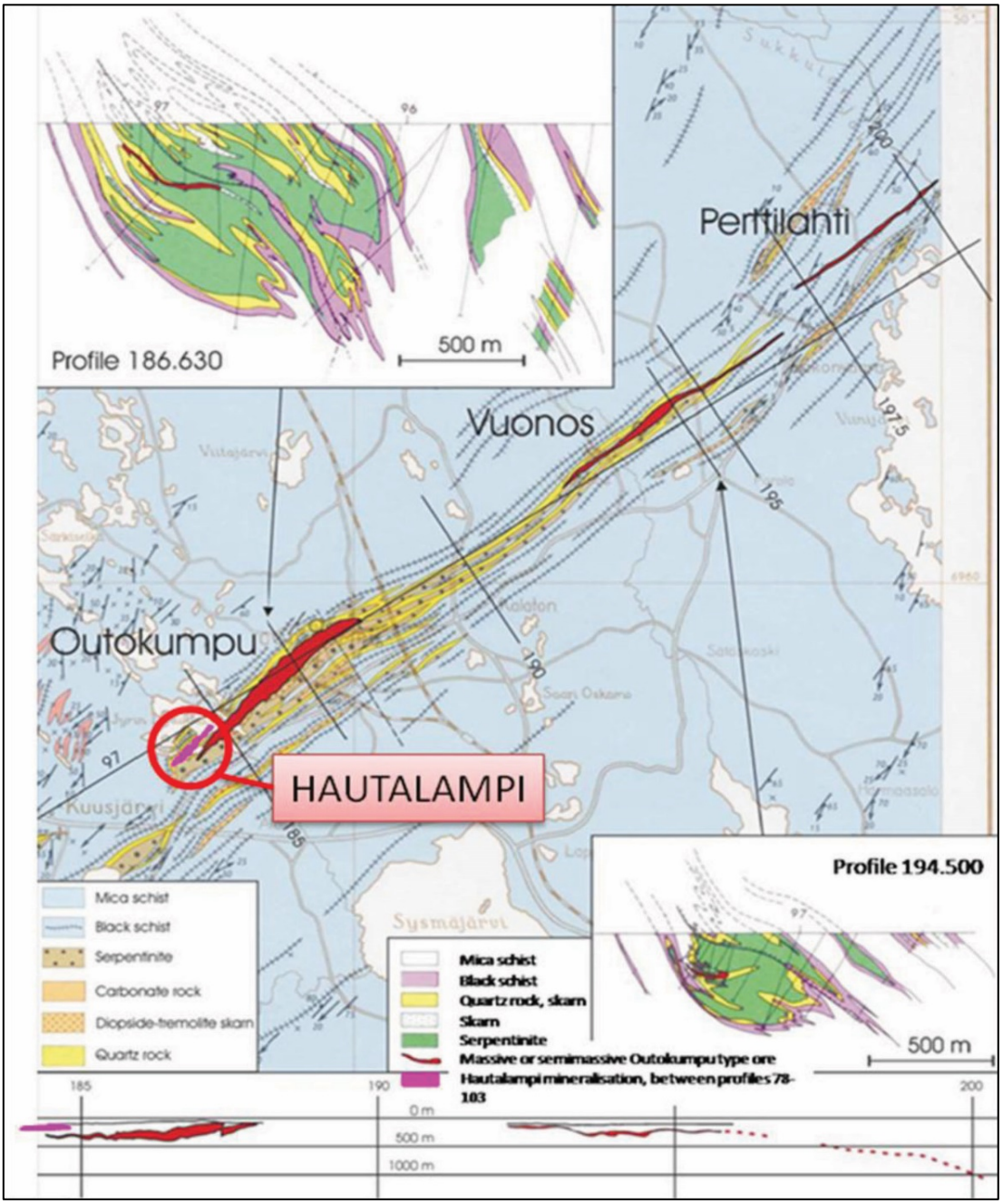

Figure 3. Geological map of the "Outokumpu belt" and related main massive-semimassive sulphide deposits. The main map shows the surface projections of the known ore bodies. The longitudinal projections of the ore bodies are given in the lowermost diagram. The two other diagrams provide cross-sections over the thickest parts of the Outokumpu (Keretti) and Vuonos serpentinites. FinnNickel Oy Resource report (2009).

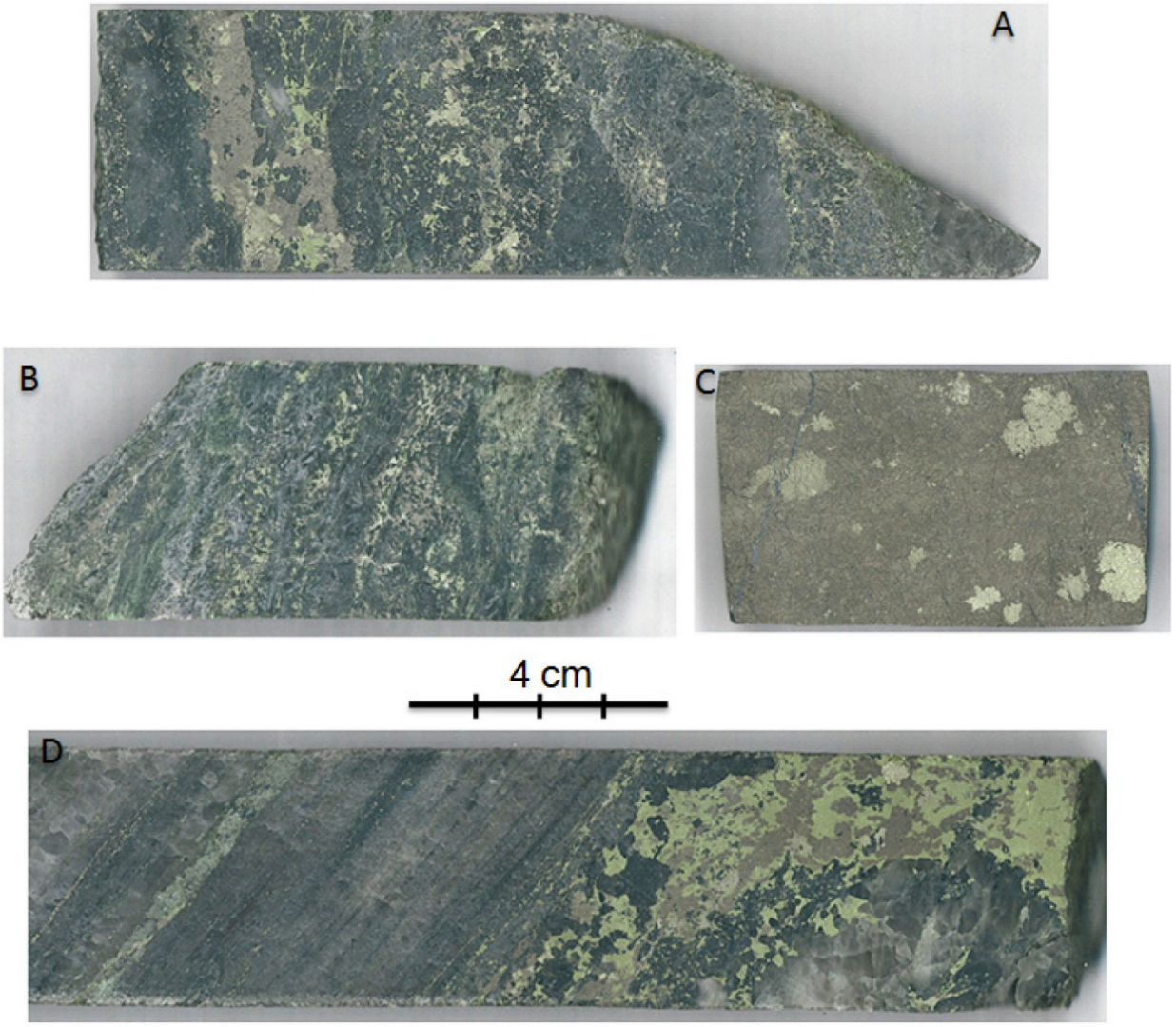

Figure 4. Ore samples from the drill core HL30. A) Typical pyrrhotite-chalcopyrite-pentlandite ore in quartz-chlorite-tremolite skarn, HL30/100.90 m. B) Pyrrhotite-chalcopyrite-pentlandite ore in chlorite-tremolite skarn, HL30/92.30 m. C) Massive pyrrhotite-pentlandite ore, HL30/88.80 m. D) Chalcopyrite-pyrrhotite-pentlandite vein in quartz rock, HL30/98.30 m.

The main minerals of the sulphide assemblage are pyrrhotite, pentlandite and chalcopyrite. Pyrite occurs as a main ore mineral within the quartz rock and diopside-skarn. Important accessory ore minerals are sphalerite and a mineral from the linnaeite group, called here simply linnaeite-polydymite (compared to the chemical formula of linnaeite-polydymite, the observed mineral contains a significant amount of iron, ca. 10 wt%). In copper-rich portions cubanite is sometimes the main copper carrier. Minor accessory ore minerals include cobaltite, chromite, magnetite and ilmenite. Parkkinen and Reino (1985) report also mackinawite, siegenite, vallerite, arsenopyrite, stannite, rutile and gahnite as accessory minerals.

Exploration and drilling

Drilling databases record 520 drill holes for more than 78,000 m over the Project area. More than 9,000 samples were collected from these drill holes. Over 300 drill holes for more than 32,000 m were drilled in the area where the Mineral Resource Estimate was defined. FinnNickel Oy completed 92 drill holes for ~10,100 m in 2007-2008 to better delineate the margins of and improve the confidence in the mineral resource in its most SW parts. Spacing between the drill profiles was 20-40 m with drill holes separated by 10-20 m. Selected ore intercepts from each drilling profile are shown in *Table 1.*

Mineral Resource and Mineral Reserve Estimates

The main ore minerals are chalcopyrite (Cu), pentlandite (Ni & Co) and linnaeite-polydymite (Ni & Co). Cobalt, nickel and copper grades are usually highest in the anthophyllite-tremolite-chlorite bearing host rocks. FinnNickel Oy commissioned Outotec Oyj to define Canadian National Instrument (NI 43-101) compliant mineral resources and reserves in 2009 (*Table 2 & 3*). The number of drillholes used in the mineral resource estimate is 337 with a

total length of 40,367 m and 8,228 assay intervals. Both the diamond drill holes and the sludge drill holes from the 1986 - 1987 mining operation have been used in grade estimations.

The geological model defining the mineralization follows the cut off limit of 3000 ppm Ni (0.3% Ni) and is based on the very clear lithological controls. All the Measured and Indicated Mineral Resources were modelled by using 3000 ppm Ni cut off limit. The Measured and Indicated Resources are modelled by competent person in cooperation with Finn Nickel personnel.

Inferred Mineral Resources are based on the Finn Nickel's interpretation using 30 €/t NSR (Net Smelter Return) cut-off. Using a 30 €/t NSR or a nickel grade of 3000 ppm as a cut-off value the result for the ore boundaries is nearly the same. Only in few places inside the NSR cut off the nickel grade falls below 3000 ppm; in these places high cobalt and/or copper grades raise the NSR value above the cut off level. The parameters in the table 2-19 were used to calculate the NSR value.

The deposit model consists of thirty 20 m to 40 m spaced cross-sections. The current Hautalampi model consists of the whole old "Co-Ni" deposit between the profiles 78 – 103 (1240E – 300E). The Qualified Person reconstructed the geological interpretation into three-dimensional digital solid model (*Fig. 5*). Mineral Resource categories are shown in *Figure 6.*

Table 1. Selected ore intersections from each drilling profile. Grades weighted by the sample length. Difference between sample length and true width is insignificant.

Hole ID	Profile		From (m)	To (m)	Interval (m)	Ni%	Cu%	Co%	S%
HL-92	89		63.75	71.95	8.20	0.38	0.19	0.11	2.29
HL-91	90		138.95	147.05	8.10	0.38	0.27	0.08	2.29
HL-50	91		122.35	129.10	6.75	0.41	0.52	0.10	1.99
HL-51	92		112.15	121.90	9.75	0.36	0.27	0.10	2.13
HL-29	93		98.50	122.70	24.20	0.53	0.25	0.12	2.54
HL-9	94		109.80	131.70	21.90	0.47	0.18	0.09	2.00
HL-11	95		102.55	121.10	18.55	0.60	0.70	0.15	2.82
		incl.	***110.95***	***111.70***	***0.75***	***1.91***	***2.07***	***0.64***	***7.95***
HL-77	95+20		107.75	116.70	8.95	0.73	0.96	0.22	4.28
HL-30	96		82.30	112.70	30.40	0.62	0.77	0.15	3.57
		incl.	***88.50***	***89.40***	***0.90***	***4.05***	***0.92***	***0.90***	***16.90***
		and	***96.65***	***97.20***	***0.55***	***2.29***	***1.04***	***0.52***	***9.41***
HL-28	96		99.05	99.85	0.80	0.48	2.41	0.14	4.04
			99.85	**100.75**	**0.90**	**1.64**	**8.07**	**0.53**	**13.90**
			100.75	**101.35**	**0.60**	**1.31**	**3.76**	**0.38**	7.62
HL-31	96+20		71.25	92.70	21.45	0.49	0.96	0.14	2.84
		incl.	***72.55***	***73.40***	***0.85***	***0.46***	***1.16***	***0.21***	***3.21***
		and	***73.40***	***74.70***	***1.30***	***0.39***	***1.64***	***0.13***	***3.41***
		and	***74.70***	***76.10***	***1.40***	***0.72***	***2.31***	***0.27***	***5.65***
		and	***76.10***	***77.35***	***1.25***	***0.50***	***2.37***	***0.21***	***4.80***
		and	***77.35***	***78.55***	***1.20***	***0.54***	***3.31***	***0.21***	***6.29***
HL-15	97		56.40	70.85	14.45	0.40	0.17	0.10	1.75
HL-33	97+20		50.00	68.50	18.50	0.41	0.52	0.10	1.97
HL-76	97+20		**58.40**	**59.25**	**0.85**	**1.83**	**0.82**	**0.53**	**10.96**
HL-18	98		75.80	94.55	18.75	0.46	0.62	0.13	2.49
HL-36	98		**89.65**	**90.80**	**1.15**	**1.35**	**0.40**	**0.33**	**5.87**
			90.80	**92.15**	**1.35**	**1.44**	**0.61**	**0.38**	**6.61**
HL-37	98+20		74.00	93.15	19.15	0.41	0.38	0.10	2.04
HL-39	99		56.20	76.00	19.80	0.38	0.92	0.12	2.76
HL-63	99+20		53.65	68.20	14.55	0.52	0.72	0.14	2.72
		incl.	***64.20***	***65.05***	***0.85***	***1.82***	***1.71***	***0.71***	***9.37***
HL-22	100		58.25	69.10	10.85	0.53	0.68	0.17	3.32
HL-24	101		59.70	68.45	8.75	0.32	0.23	0.07	1.92
HL-57	101		**50.50**	**51.60**	**1.10**	**1.05**	**0.61**	**0.33**	**8.41**
HL-61	102		46.10	47.30	1.20	0.34	0.24	0.08	4.78

Table 2. NI43-101 Mineral Resource Estimate for Hautalampi (0.3% Ni cut-off).

Category	Tonnes	Ni%	Cu%	Co%	S%
Measured	1,030,000	0.47	0.47	0.13	2.65
Indicated	1,226,000	0.42	0.30	0.12	2.81
M+I	**2,256,000**	**0.44**	**0.38**	**0.12**	**2.74**
Inferred	895,000	0.4	0.3	0.1	2.9
M+I+I	**3,151,000**	**0.43**	**0.35**	**0.12**	**2.80**

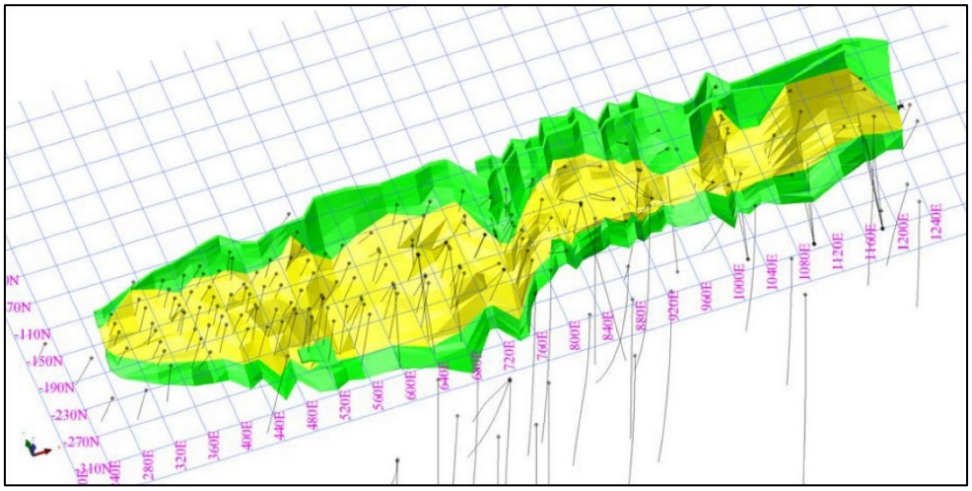

Figure 5. 3D solid model of the Hautalampi mineralisation. Yellow represents the measured and indicated mineral resource and green is the inferred mineral resource.

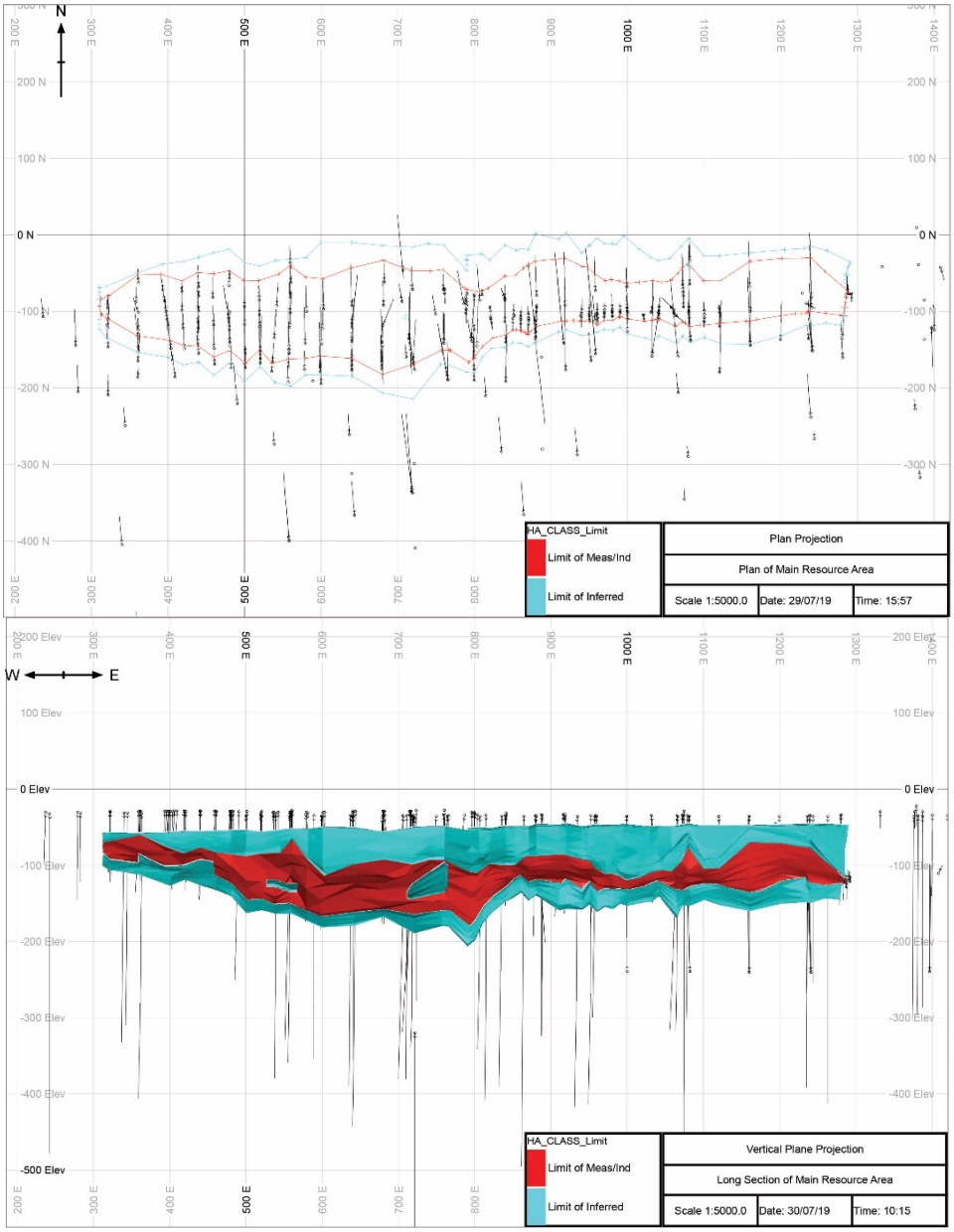

Figure 6. Top: Plan view of main resource area. Bottom: Long section of main resource area.

Based on the Mineral Resource Block Model, Mineral Reserves have been estimated in accordance with the NI 43-101 code (*Table 3*). The mineral reserves are the ore tonnes available for mining after mining width dilution and ore recovery factors have been taken into consideration. The tonnage includes both development and stope ore. The NSR cut-off of 30€/t was applied for all mining methods. Waste rock dilution and ore loss figures applied in the study were based on the experience the FinnNickel study team and Qualified Person have from mining the adjacent Keretti and Vuonos orebodies. The waste rock dilution was estimated to be 15 per cent for the uphole benching method and 10 per cent for benching and room & pillar mining method. Ore loss is estimated to be 30 per cent for room & pillar mining method and 15 per cent for all benching mining.

Table 3. NI43-101 Mineral Reserve Estimate for Hautalampi (0.3% Ni cut-off).

Category	Tonnes	Ni%	Cu%	Co%	S%
Proven	940,000	0.42	0.41	0.11	2.37
Probable	1,280,000	0.36	0.25	0.09	2.47
P+P	**2,220,000**	**0.38**	**0.32**	**0.1**	**2.43**

Exploration target

There is a significant resource and reserve potential along strike to NE from the delineated (profiles 78-103) Hautalampi deposit ("Blue Sky" zone). According to the historical Outokumpu Oy drill data base, the mineralised zone continues for a further 2km to NE from Hautalampi, with 6 main lodes being identified. Analysis of the drill data base by BAT has identified distinct mineralised lodes with significant potential for delivering mineral resource upside. **The Company estimates the Blue Sky zone has considerable potential with an estimate of 2.8 – 4.5 Mt @ 0.28 – 0.36% Ni**[2]. The exploration target could be increased significantly with additional infill drilling and continuation of lodes across more profiles (*Fig. 7*). BAT proposes to progressively increase the exploration target and convert it mineral resources during 2020-2021.

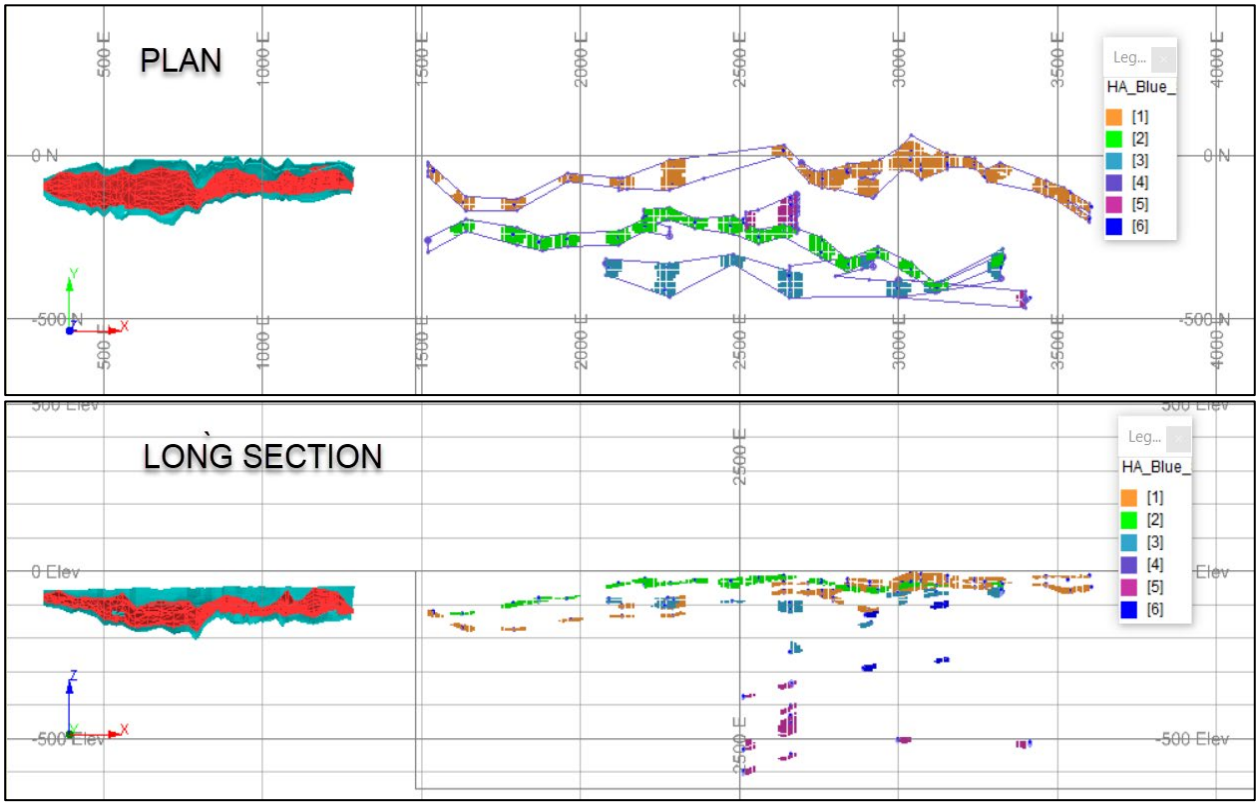

Figure 7. Plan view (top) and long-section (bottom) highlighting drill hole data with Blue Sky zones. Filled areas within Blue Sky zone represent estimated tonnes within 40m sample spacing. Considerable upside to resource and exploration target anticipated with infill drilling.

[2] *Tonnage range determined from material interpreted with Blue Sky zones within 30-50m distance to nearest samples; geostatistical ranges are 15-40m; grade range determined from distribution of grades in Blue Sky blocks, within 25% - 75% percentiles; assumed density = 2.8 t/m³.*

Mining

Mine planning and cost estimation were competed as part of the 2009 feasibility study prepared by the senior mine planning staff of FinnNickel Oy. The feasibility study envisaged a base production rate of 350,000tpa with ore delivered to Luikonlahti mill. BAT is planning on pursuing construction of a stand-alone processing facility with a throughput rate of at least 350,000tpa.

The total probable mining reserve of Hautalampi currently is estimated at 2.22 Mt @ 0.38% Ni, 0.32% Cu and 0.10% Co. Waste rock dilution applied in the mining reserve estimate was 10 per cent from the hangingwall and 5 per cent from the footwall. The estimate is based on the experience Outotec Oyj and FinnNickel study team from the Keretti and Vuonos mines which operated in the 1970-80's. The waste rock grade has been assumed to be zero.

An existing decline driven in 1980's provides connection to the mine. The total length of the existing decline accessing the SE end of the orebody is 1.2 km. The decline needs to be continued a total length of 1,280m to cover the SW end of the orebody in two loops. The existing boxcut and decline has been backfilled with tailings and topsoil as part of historic rehabilitation activities. Removal of backfilled material and sealing off water ingress will be required prior to commencing mining.

Bench stoping with backfill, up-hole benching without backfill and room and pillar methods have been selected as the preferred mining methods (*Figs. 8 & 9*). Geotechnical aspects of the Hautalampi deposit were assessed from the diamond drill core logging data and rock mass properties rated as good.

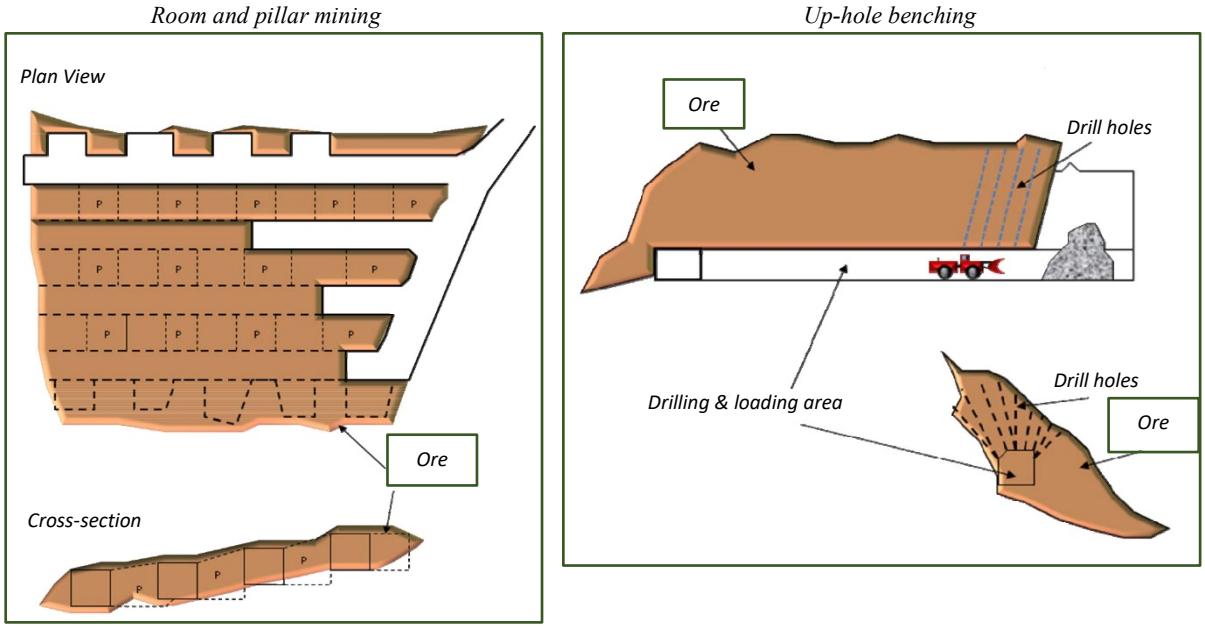

Figure 8. Schematic diagrams of room and pillar mining (left) and up-hole benching (right).

Mineral Processing

The sulphide minerals at Hautalampi can be processed using off-the-shelf equipment and proven technologies which minimises both Capex and Opex. The Company proposes to construct its own new processing facilities at the same site as the historic Keretti processing facilities. The Finn Nickel Oy 2009 feasibility study proposed to use the mill at Luikonlahti however this is not the preferred option for BAT. The only remaining infrastruture from the Keretti facilities is the concrete foundation which BAT plans to construct its own facilities on. The new processing facilities will be located immediately adjacent to the Hautalampi mine thereby limiting transport costs. Subject to approval, it is also proposed to use the same tailing site prior to enough voids being created underground to commence paste backfilling of the tailings.

Considerable test work has been completed on the Hautalampi ore from the mid 1980's to 2000's which is detailed in the Finn Nickel feasibility study. A significant number of laboratory and pilot plant tests were performed which has provided assurance that commercial grades of Ni-Co and Cu concentrates can be produced with reasonable recoveries. Additional bench scale tests and pilot plant scale flotation tests were completed by the Geological Survey of Finland (GTK) in early 2019 at the nearby Mintec research facilities. Hydrometallurgical tests were also completed by Outotec Oy in mid-2019 on the concentrates to assess the leaching of the concentrate to produce nickel and cobalt sulphates. The Company intends to assess all production options in its own feasibility studies.

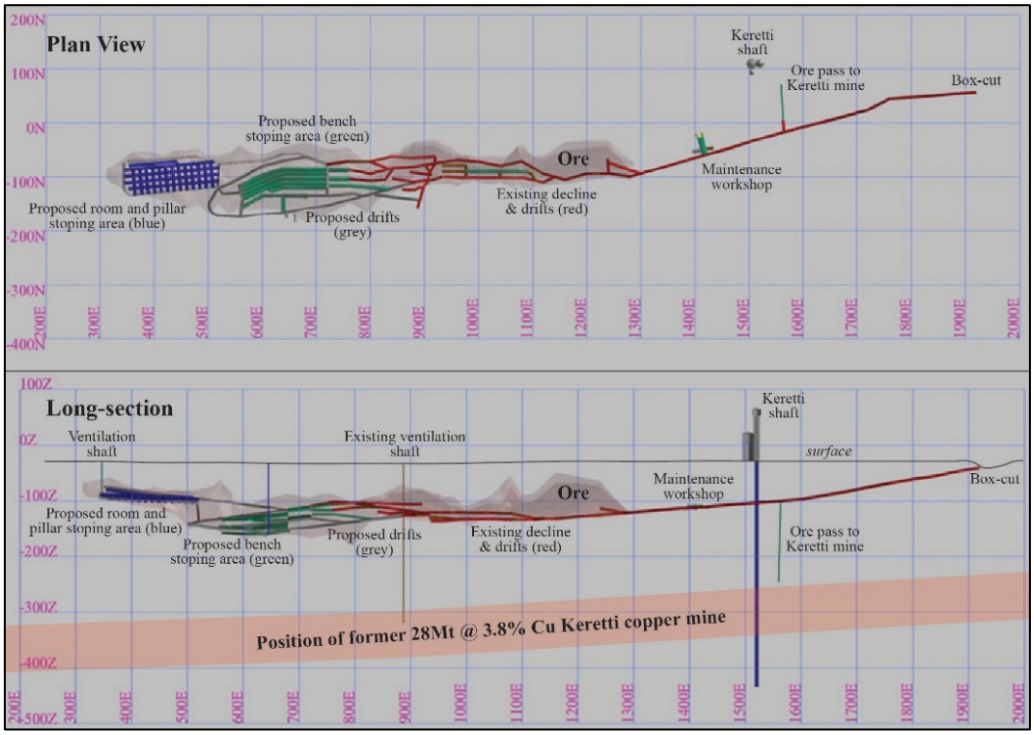

Figure 9. Plan view (top) and long-section (bottom) of proposed mining plan.

The Company believes the technical aspects of the Project are strong. That is, the recovery and grades are very good. Flotation tests have confirmed:

- 6% Ni and 1.7% Co concentrate can be produced with recoveries of 83 per cent and 75 per cent, respectively.
- 25% Cu concentrate can be produced with a recovery of 85 per cent. The copper concentrate also contains 5g/t Au and 60g/t Ag.

At the proposed 2009 feasibility study production rate of 350,000tpa, the concentrator would produce ~1,367tpa Ni, ~368tpa Co and ~1,054tpa of Cu. The Company plans to optimise the processing method with additional studies with the view of expanding the concentrate production capacity to match the anticipated increases in reserves as resource expansion drilling continues.

Leaching tests conducted by Outotec Oyj have confirmed the potential to produce high quality battery grade chemicals (Mixed Ni-Co hydroxide [MHP] or separate Ni and Co sulphates) by high oxygen pressure acid leaching (HPAL) of the Ni-Co concentrate. In summary, the battery chemicals would be produced by:

1. Oxygen pressure leach.
2. Iron removal.
3. Cu/Zn removal (sulphide precipitation).
4. Co/Ni solvent extraction.
5. Precipitation as mixed hydroxide production or crystallisation as sulphates.

The Company proposes to continue with more advanced processing studies into Ni and Co mixed hydroxide and sulphate production. These chemicals will be in increasing demand from EV battery manufactures and currently receive a premium on the contained metal content making them attractive raw materials to produce.

Permits and Mining Concession

Environmental and water discharge permit for the underground mine is granted. The permit is valid and in force and will allow mining operations to commence immediately. The Mining Concession was granted 2013 with a total area of 284 hectares. Concession proceedings are ongoing and will be completed in near future. Hautalampi Mine opening works are estimated to take about 12 months. Preparation of an environmental permit application for a stand-alone processing plant at the former Keretti mine site has commenced.

Feasibility Study

The Company intends to fast-track the completion of a feasibility study within 1 year to evaluate different production scenarios for Hautalampi including production capacity and product selection (concentrates and

sulphates). The Finn Nickel Oy feasibility study envisaged mine production of 350,000tpa grading 0.38% Ni, 0.32% Cu and 0.1% Co over a seven year mine life. Metal production was estimated to be in the order of 1,100 tpa Ni, 300 tpa Co and 930 tpa Cu with up to 150 employees needed at peak times. BAT anticipates developing a feasibility study for Hautalampi that evaluates potential increases in production capacity and mine life as it unlock the mineral potential of the Blue Sky area.

Indicative timetable

The Company has an ambitious timetable to advance the Hautalampi Project (*Fig. 10*). Following completion of the VHOy acquisition, the Company intends to make the necessary recruitments in order to commence a 10,000 m infill and extensional drilling program along the Ni-Co lodes to the NE of the Hautalampi resource. Drill core processing facilities will also be established to allow for year-round operations. The Company is targeting commencement of drilling early in Q3 2020.

Following commencement of drilling operations, BAT will look to recruit an experienced mining Project Manager who will oversee the completion of the feasibility study and ultimately be responsible for construction of the mine. Based on the significant amount of former studies on the Hautalampi Project, including the 2009 feasibility study, the Company is targeting completion of the feasibility study within one year. This will be a major milestone for the Company and significant re-rating event. Following completion of the feasibility study, the Company will engage with project partners and potential financiers with the view of making the final investment decision (FID). It is estimated construction and commissioning will take approximately twelve months.

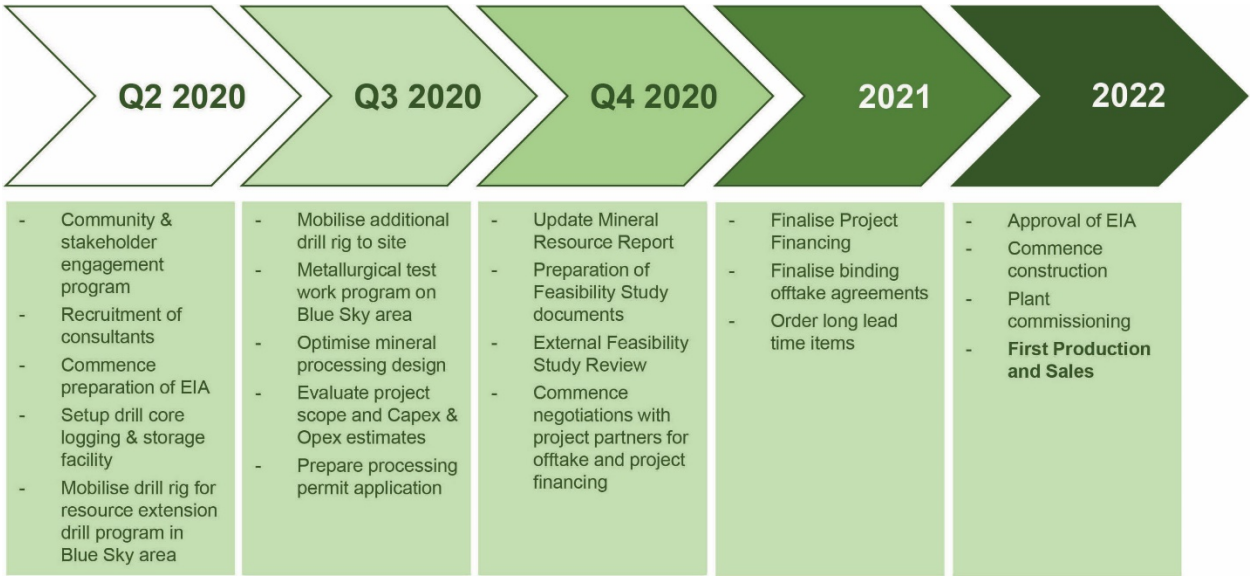

Figure 10. Proposed timetable for advancing the Hautalampi Project.

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Eurobattery Minerals AB is a Swedish exploration company that conducts targeted mineral exploration in Europe. The company's business model is to acquire projects and assets, to prospect and explore on these and to develop the occurrences into economically profitable mines. Eurobattery Minerals focuses on exploration and development of deposits of raw materials used in batteries and electric vehicles.

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