



# **BATTERY**

## MINERALS

**and its Controlled Entities**

ABN 75 152 071 095

**Condensed Interim Financial Statements**  
**30 June 2018**

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These half-yearly financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, the half-yearly financial statements are to be read in conjunction with the 31 December 2017 annual report and any public announcements made by Battery Minerals Limited during the period from 1 January 2018 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## Directors' Report

Your Directors present their half-yearly report on the consolidated entity consisting of Battery Minerals Limited ("Battery Minerals" or "the Company") and the entities it controlled at the end of, or during, the period 1 January 2018 to 30 June 2018 ("the Group").

### Directors

The names of the Directors of Battery Minerals Limited during the interim reporting period of this report are as follows. All Directors were in office for the entire period unless otherwise stated:

Mr Jeff Dowling	Non-Executive Chairman ( <i>appointed 25 January 2018</i> )
Mr David Flanagan	Managing Director
Mr Brett Smith	Non- Executive Director
Ms Ivy Chen	Non-Executive Director ( <i>appointed 25 January 2018</i> )
Mr Paul Glasson	Non- Executive Director
Mr Gilbert George	Non-Executive Director
Ms Cherie Leeden	Executive Director ( <i>resigned 25 January 2015</i> )

### Review of Operations

The Group's operating loss for the period of 1 January 2018 to 30 June 2018 was \$3,652,901 (30 June 2017: \$3,242,094).

During the June 2018 Quarter, Battery Minerals completed a \$20.7 million equity fund raising comprising \$20 million by way of Share Placement to institutional, sophisticated and professional investors and \$670,000 via a Share Purchase Plan to existing shareholders.

### Montepuez Graphite Project ("Project")

On the 26 March 2018, the Mozambican Government awarded Battery Minerals the Mining Licence for the Montepuez Graphite Project. The Company has since started the process of formal government engagement in relation to securing the Mining Agreement.

During the reporting period, the Company commenced construction activities at the Project, making significant progress with camp construction, earthworks, site and access roads, tailings and water storage facility and procurement of the critical path long lead items of plant mechanical equipment. Approximately 90% of the process plant earthworks have been completed. Construction work on the tails storage facility wall has also started and is due for completion in October 2018. The permanent camp is due for completion in early October 2018. The crushing circuit and product stacker have been successfully commissioned.

### Balama Central Graphite Project

The scoping study on Balama Central Graphite Project in Mozambique was completed in March 2018 and highlighted the exceptional potential of the project. The Group has proceeded with a feasibility study which is due to be finalised in the December 2018 Quarter.

### Sale of the Kroussou Project

Battery Minerals entered into a binding share sale agreement with Trek Minerals on 23 March 2018 to sell 100% of the issued capital of its Mauritian subsidiary, Select Exploration Ltd (Select), which holds 100% of Select Exploration (Gabon) SA, which holds 100% of the Kroussou Project. Battery Minerals received the up-front consideration of USD 400,000 in an equal mix of cash and securities (10,566,636 ordinary and one free attaching option for every two issued shares) and a deferred consideration of securities (shares valued at USD 2.5 million and one free attaching option for every two shares) subject to the definition of an Indicated Resource at Kroussou. In addition, Battery Minerals will retain a 2.5% net smelter return royalty subject to a 1% buy back option by Trek Metals.

### **Events Subsequent to Balance Date**

On 16 July 2018, Battery Minerals reported a 14% increase in the Mineral Resource estimate at the Elephant deposit within the Montepuez Graphite Project, taking the estimate to 76Mt at 7.3% Total Graphitic Carbon. The Mineral Resource was estimated by independent mining consultants RPM Advisory Services Pty Ltd.

On 2 July 2018, the securities relating to the Share Placement and Share Purchase Plan to existing shareholders were issued.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### **Auditor's Independence Declaration**

The Auditor's Independence Declaration under section 307C of the Corporation Act 2001 can be found on the following page.

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'David Flanagan', with a long horizontal flourish extending to the right.

David Flanagan  
Managing Director

Perth, Western Australia  
4 September 2018



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Battery Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Battery Minerals Limited for the half-year ended 30 June 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

*KPMG.*

KPMG

A handwritten signature in blue ink, appearing to read 'R Gambitta', with a stylized flourish at the end.

R Gambitta  
Partner

Perth

4 September 2018

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2018

	Note	Consolidated 6 months ended 30-Jun-18 \$	Consolidated 6 months ended 30-Jun-17 \$
<b>Continuing operations</b>			
Other income		36,303	8
Administrative expenses	2	(1,546,376)	(613,625)
Corporate and investor relations expenses	3	(1,383,933)	(887,849)
Share based payments	11	(638,927)	(1,264,871)
Other operating expenses		(444,504)	(495,140)
<b>Operating Loss</b>		<b>(3,977,437)</b>	<b>(3,261,477)</b>
Interest income		41,678	18,996
<b>Loss before tax from continuing operations</b>		<b>(3,935,759)</b>	<b>(3,242,481)</b>
Income tax expense		-	-
<b>Loss from continuing operations</b>		<b>(3,935,759)</b>	<b>(3,242,481)</b>
<b>Discontinued operations</b>			
Profit from disposal of a subsidiary		282,858	387
<b>Loss for the period</b>		<b>(3,652,901)</b>	<b>(3,242,094)</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		2,128,708	1,007,664
<b>Total comprehensive loss for the period</b>		<b>(1,524,193)</b>	<b>(2,234,430)</b>
<b>Loss for the period attributable to:</b>			
Owners of Battery Minerals Limited		<b>(3,652,901)</b>	<b>(3,242,094)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of Battery Minerals Limited		<b>(1,524,193)</b>	<b>(2,234,430)</b>
Basic loss per share (cents)		(0.47)	(0.76)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Financial Position As at 30 June 2018

	Note	Consolidated as at 30-Jun-18 \$	Consolidated as at 31-Dec-17 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & cash equivalents		20,618,487	7,723,112
Trade & other receivables	5	611,742	702,269
<b>Total Current Assets</b>		<b>21,230,229</b>	<b>8,425,381</b>
<b>Non-Current Assets</b>			
Other receivables	5	3,404,127	-
Property, plant & equipment	6	513,142	605,951
Investments		258,883	-
Mine development asset	8	23,070,744	-
Exploration & evaluation expenditure	7	2,778,328	10,433,531
<b>Total Non-Current Assets</b>		<b>30,025,224</b>	<b>11,039,482</b>
<b>TOTAL ASSETS</b>		<b>51,255,453</b>	<b>19,464,863</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	9	1,932,532	1,618,470
<b>Total Current Liabilities</b>		<b>1,932,532</b>	<b>1,618,470</b>
<b>TOTAL LIABILITIES</b>		<b>1,932,532</b>	<b>1,618,470</b>
<b>NET ASSETS</b>		<b>49,322,921</b>	<b>17,846,393</b>
<b>EQUITY</b>			
Issued capital	10	73,878,642	41,516,848
Reserves	11	7,212,841	4,445,206
Accumulated losses		(31,768,562)	(28,115,661)
<b>TOTAL EQUITY</b>		<b>49,322,921</b>	<b>17,846,393</b>

*The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.*



## Condensed Consolidated Statement of Changes in Equity For the half year ended 30 June 2018

Consolidated 6 months ended 30-Jun-17		Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
Note	Issued Capital				
	\$	\$	\$	\$	\$
<b>Balance at 1 January 2017</b>	<b>35,545,134</b>	<b>2,505,297</b>	<b>(620,328)</b>	<b>(22,321,829)</b>	<b>15,108,274</b>
Loss for the period	-	-	-	(3,242,094)	(3,242,094)
Other comprehensive income	-	-	1,007,664	-	1,007,664
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>1,007,664</b>	<b>(3,242,094)</b>	<b>(2,234,430)</b>
<b>Transactions with owners of Battery Minerals:</b>					
Shares issued, net of transaction costs	10	257,577	-	-	257,577
Share based payments	11	-	1,264,871	-	1,264,871
<b>Balance at 30 June 2017</b>	<b>35,802,711</b>	<b>3,770,168</b>	<b>387,336</b>	<b>(25,563,923)</b>	<b>14,396,292</b>

Consolidated 6 months ended 30-Jun-18		Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
Note	Issued Capital				
	\$	\$	\$	\$	\$
<b>Balance at 1 January 2018</b>	<b>41,516,848</b>	<b>4,879,087</b>	<b>(433,881)</b>	<b>(28,115,661)</b>	<b>17,846,393</b>
Loss for the period	-	-	-	(3,652,901)	(3,652,901)
Other comprehensive income	-	-	2,128,708	-	2,128,708
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>2,128,708</b>	<b>(3,652,901)</b>	<b>(1,524,193)</b>
<b>Transactions with owners of Battery Minerals:</b>					
Shares issued, net of transaction costs	10	32,361,794	-	-	32,361,794
Share based payments	11	-	638,927	-	638,927
<b>Balance at 30 June 2018</b>	<b>73,878,642</b>	<b>5,518,014</b>	<b>1,694,827</b>	<b>(31,768,562)</b>	<b>49,322,921</b>

*The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

## Condensed Consolidated Statement of Cash Flows

### For the half year ended 30 June 2018

	Consolidated 6 months ended 30-Jun-18 \$	Consolidated 6 months ended 30-Jun-17 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(2,068,885)	(2,974,516)
Net interest received	30,008	19,004
<b>Net cash outflow from operating activities</b>	<b>(2,038,877)</b>	<b>(2,955,512)</b>
<b>Cash flows from investing activities</b>		
Net proceeds from sale of Select Gabon	264,320	-
Payments made for property, plant and equipment	(30,985)	-
Payments for exploration and evaluation expenditure	(2,278,531)	(1,390,945)
Payments for mine development expenditure	(15,178,041)	-
<b>Net cash outflow from investing activities</b>	<b>(17,223,237)</b>	<b>(1,390,945)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	34,405,981	-
Capital raising costs	(2,217,171)	-
<b>Net cash inflow from financing activities</b>	<b>32,188,810</b>	-
Net increase/(decrease) in cash and cash equivalents	12,926,696	(4,346,457)
Cash and cash equivalents at 1 January	7,723,112	9,755,258
Effect of exchange rate fluctuations on cash held	(31,321)	(55,256)
<b>Cash and cash equivalents at 30 June</b>	<b>20,618,487</b>	<b>5,353,545</b>

*The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## Notes to the Condensed Consolidated Financial Statements

### 1. a) Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 30 June 2018 have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 31 December 2017 and any public announcements made by Battery Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

### b) Going Concern

The financial report is prepared on a going concern basis which reflects the Directors' expectation that the Group will be able to realise its assets and settle its obligations in the normal course of business. In making this assessment the Directors have taken the following into consideration:

The Group incurred a net loss of \$3,652,901 during the 6 months ended 30 June 2018. The Group's net cash used in operating and investing activities was \$19,262,114 for the 6-month period ended 30 June 2018.

The Group's ability to continue as a going concern and to continue with the development of its 100% owned the Montepuez Graphite Project (the Project) depends on being able to obtain additional funding through equity, debt, joint ventures, production off-take arrangements, or other means or a combination of alternatives.

In considering these circumstances, the directors have taken into account:

- The cash at bank balance as at 30 June 2018 of the \$20,618,487;
- the Group's demonstrated track record in raising equity with two equity raisings totaling approximately \$40 million since November 2017;
- binding off-take agreements signed January 2018 for up to 80% of the forecast production;
- the appointment of Origin Capital, a well-credentialed and experienced debt advisor to run a process to raise sufficient funding to complete the development of the Project;
- the economics of the Project remain robust with continuing stability of the graphite prices in the medium to long term forecasts from numerous commodities and industry experts;
- significant progress made to date on development of the Project on earthworks, detailed design, construction of the camp and tails storage facility commenced which together, de-risk the project execution;

## Notes to the Condensed Consolidated Financial Statements (continued)

- issue of the mining license;
- funding delays, requiring the Company to reduce the planned rate of project development expenditure in the second half of 2018 to preserve existing cash.

The directors have a reasonable expectation that funding will be obtained to complete the development of the Project or if required have the ability to further curtail both the Project and corporate expenditure.

The directors believe that the Group will have adequate resources to continue to operate for at least the next 12 months and for the reasons outlined above they continue to adopt the going concern basis in preparing the financial report.

## Notes to the Condensed Consolidated Financial Statements (continued)

### 2. Administrative Expenses

	Consolidated 6 months ended 30-Jun-18 \$	Consolidated 6 months ended 30-Jun-17 \$
Salaries and wages	(1,000,497)	(250,940)
Travel	(286,689)	(294,846)
Equipment hire	(3,050)	(4,631)
Office costs	(145,785)	(57,059)
Rent	(110,355)	(6,149)
<b>Total administrative expenses</b>	<b>(1,546,376)</b>	<b>(613,625)</b>

### 3. Corporate and Investor Relations Expenses

	Consolidated 6 months ended 30-Jun-18 \$	Consolidated 6 months ended 30-Jun-17 \$
Accounting fees	(204,522)	(23,123)
Consulting and company secretarial fees	(528,528)	(546,912)
Compliance fees	(284,851)	(79,035)
Non-executive directors fees	(218,944)	(218,056)
Legal fees	(147,088)	(20,723)
<b>Total corporate and investor relations expenses</b>	<b>(1,383,933)</b>	<b>(887,849)</b>

### 4. Segment Information

#### Operating Segments

Management has determined the operating segments based on reports reviewed by the executive management team and board of directors that are used to make strategic decisions.

The group comprises the following main segments:

**Australia** – investing activities and corporate management

**Mozambique**- mineral exploration & evaluation and development activities

The segment information is prepared in conformity with the accounting policies adopted for preparing the financial statements of the Group.

The following tables represent revenue and profit information for the Group's operating segments for the six months ended 30 June 2018 and 2017, respectively:

## Notes to the Condensed Consolidated Financial Statements (continued)

Six months ended 30 June 2018	Mozambique \$	Australia \$	Consolidated \$
Revenue and other income	31,157	329,681	360,838
<b>Segment loss</b>	<b>(670,685)</b>	<b>(2,982,216)</b>	<b>(3,652,901)</b>

Six months ended 30 June 2017	Mozambique \$	Australia \$	Consolidated \$
Revenue and other income	-	19,004	19,004
<b>Segment loss</b>	<b>(44,930)</b>	<b>(3,197,164)</b>	<b>(3,242,094)</b>

The following tables represent assets and liabilities information for the Group's operating segments as at 30 June 2018 and 31 December 2017, respectively:

	Mozambique \$	Australia \$	Consolidated \$
<b>Segment Assets</b>			
<b>30 June 2018</b>	<b>29,820,633</b>	<b>21,434,820</b>	<b>51,255,453</b>
31 December 2017	12,091,367	7,373,496	19,464,863
<b>Segment Liabilities</b>			
<b>30 June 2018</b>	<b>702,491</b>	<b>1,230,041</b>	<b>1,932,532</b>
31 December 2017	889,207	729,263	1,618,470

### 5. Trade & Other Receivables

	Consolidated as at 30-Jun-18 \$	Consolidated as at 31-Dec-17 \$
<b>Current</b>		
Prepaid expenses	236,688	67,118
GST & VAT receivable	313,656	592,459
Other receivables	61,398	42,692
<b>Total other receivables <sup>(i)</sup></b>	<b>611,742</b>	<b>702,269</b>
<b>Non-current</b>		
Other receivables <sup>(ii)</sup>	<b>3,404,127</b>	-

- (i) Due to the short-term nature of current receivables the carrying amount is assumed to be the same as their fair value.
- (ii) The performance deposit bond has been placed at Unico Bank in Mozambique in favour of the Mozambique Mines Department.

## Notes to the Condensed Consolidated Financial Statements (continued)

### 6. Property, Plant and Equipment

	Consolidated as at 30-Jun-18 \$	Consolidated as at 31-Dec-17 \$
<b>Non-Current</b>		
Property, plant and equipment	<b>513,142</b>	<b>605,951</b>
<b>Movement</b>		
Opening balance as at 1 January	605,951	225,266
Additions	130,010	411,278
Depreciation expense	(13,619)	(30,593)
Reclassified to mine development	(234,736)	-
FX movement	25,536	-
<b>Total property, plant and equipment</b>	<b>513,142</b>	<b>605,951</b>

### 7. Exploration & Evaluation Expenditure

	Consolidated as at 30-Jun-18 \$	Consolidated as at 31-Dec-17 \$
<b>Non-Current</b>		
Exploration and evaluation at cost	<b>2,778,328</b>	<b>10,433,531</b>
<b>Movement</b>		
Opening balance as at 1 January	10,433,531	5,854,955
Exploration & evaluation due to asset acquisition	-	257,537
Exploration & evaluation capitalised during the period	1,256,059	3,884,793
Option payment received from the Kroussou project	-	(302,939)
Reclassified to mine development asset for Montepuez project	(8,420,579)	-
R&D refund received	(403,490)	-
Exploration expenditure written off during the period	-	(74,400)
Exploration expenditure disposed due to the Kroussou project sale	(131,613)	-
Foreign exchange difference	44,420	813,585
<b>Total exploration &amp; evaluation expenditure</b>	<b>2,778,328</b>	<b>10,433,531</b>

Recovery of the carrying amount of exploration & evaluation expenditure is dependent on the continuance of the Group's rights to tenure of the areas of interest, the results of future exploration and recoupment of costs through successful development and commercial exploration or sale of the areas of interest.

During the period, the exploration and evaluation expenditure of \$131,613 relating to the Kroussou Zink-Lead project was disposed following the finalisation of the sale of the Group's interest in Kroussou Zinc-Lead Project JV to its JV partner, Trek Metals Limited.

## Notes to the Condensed Consolidated Financial Statements (continued)

### 8. Mine Development Asset

	Consolidated 6 months ended 30 June 2018 \$	Consolidated 31 December 2017 \$
<b>Non-Current</b>		
Mine development asset at cost	23,070,744	-
<b>Movement</b>		
Opening balance 1 January	-	-
Capitalised during the period	14,201,568	-
Exploration and evaluation expenditure reclassified to mine development asset <sup>(i)</sup>	8,420,579	-
Foreign exchange difference	448,597	-
<b>Total mine development asset</b>	<b>23,070,744</b>	<b>-</b>

(i) The capitalised exploration and evaluation expenditure in relation to the Montepuez Graphite Project was reclassified to the capitalised mine development asset following the commencement of the development and construction activities at the Montepuez Graphite Project.

### 9. Trade and Other Payables

	Consolidated as at 30-Jun-18 \$	Consolidated as at 31-Dec-17 \$
Trade and other payables	569,886	813,639
Accruals	1,362,646	804,831
<b>Total other payables <sup>(i)</sup></b>	<b>1,932,532</b>	<b>1,618,470</b>

(i) Due to the short-term nature of current payables the carrying amount is assumed to be the same as their fair value.

### 10. Issued Capital

	Consolidated as at 30-Jun-18 \$	Consolidated as at 31-Dec-17 \$
Ordinary fully paid shares	64,223,812	41,516,848
Unissued shares <sup>(i)</sup>	9,654,830	-
	<b>73,878,642</b>	<b>41,516,848</b>

(i) The shares for Placement – Tranche 2 were issued on 2 July 2018.



## Notes to the Condensed Consolidated Financial Statements (continued)

### (a) Movements for the half year ended 30 June 2018

Date	Details	No. of Shares	Issue Price	\$
1 January 2018	Opening Balance	532,028,113		41,516,848
15 January 2018	Placement – Tranche 2 2017	222,362,362	\$0.060	13,341,742
15 January 2018	Shares issued to Mitchell Drilling <sup>(ii)</sup>	8,333,334	\$0.060	500,000
15 January 2018	Shares issued to employees and contractors <sup>(iii)</sup>	808,487	\$0.060	48,509
28 March 2018	Shares on conversion of performance rights <sup>(iv)</sup>	3,500,000		-
29 March 2018	Shares issued to Mitchell Drilling <sup>(v)</sup>	672,307	\$0.060	40,338
25 May 2018	Placement – Tranche 1	183,681,689	\$0.060	11,020,901
29 June 2018	Share issue costs – Tranche 1 and 2			(2,244,526)
29 June 2018	Unissued shares			9,654,830
		<b>951,386,292</b>		<b>73,878,642</b>

- (ii) On 5 January 2018 the General Meeting of Battery Minerals shareholders approved the issue of shares to Mitchell Group Holdings Pty Ltd as part of Tranche 2 Placement Shares and subsequently the shares for A\$500,000 in Battery Minerals Limited were issued to Mitchell Drilling to settle their monthly drilling charges.
- (iii) Issued in lieu of salary/amounts payable to employee/contractors.
- (iv) 3,500,000 shares were issued on conversion of Performance rights (employee incentives) upon vesting approved by shareholders in 2016 being achieved.
- (v) Approved on 5 January 2018 by the General Meeting of Battery Minerals shareholders in consideration for drilling services.

### (b) Movements for the year ended 31 December 2017

Date	Details	No. of Shares	Issue Price	\$
1 January 2017	Opening Balance	425,622,490		35,545,134
22 June 2017	Share issue final tranche Balama licence	4,440,293	\$0.058	257,577
29 November 2017	Placement – Tranche 1	101,965,330	\$0.060	6,117,920
29 November 2017	Less: Share issue costs			(403,783)
		<b>532,028,113</b>		<b>41,516,848</b>

## 11. Reserves

	Consolidated as at 30-Jun-18 \$	Consolidated as at 31-Dec-17 \$
Foreign currency translation reserve <sup>(i)</sup>	1,694,827	(433,881)
Share based payment reserve	5,518,014	4,879,087
	<b>7,212,841</b>	<b>4,445,206</b>

- (i) Foreign currency reserve represents the foreign currency differences arising on a translation of foreign operations of the Group and is recognised in other comprehensive income and accumulated in a separate reserve account within the equity.

## Notes to the Condensed Consolidated Financial Statements (continued)

### (a) Options movements for the half year ended 30 June 2018

Date	Details	No. of Options	\$
1 January 2018	Opening balance	70,400,000	4,879,087
15 January 2018	Unlisted options issued - Placement	334,141,820	-
12 January 2018	Unlisted options issued at \$0.15	7,800,000	-
12 January 2018	Unlisted options at \$0.1125	7,800,000	-
4 February 2018	Expiry unlisted options	(1,000,000)	-
28 March 2018	Performance rights vested	(3,500,000)	-
21 June 2018	Unlisted options issued – Placement	91,840,796	-
27 June 2017	Unlisted options at \$0.13	7,500,000	39,994
27 June 2017	Unlisted options	20,000,000	38,492
30 June 2018	Options forfeited	(1,500,000)	(8,759)
30 June 2018	Vesting expense of prior year options	-	569,200
<b>30 June 2017</b>		<b>533,482,616</b>	<b>5,518,014</b>

### (b) Options movements for the year ended 31 December 2017

Date	Details	No. of Options	\$
1 January 2017	Opening Balance	111,954,396	2,505,297
7 January 2017	Expiry listed options	(57,854,396)	-
15 February 2017	Options issued to employees	1,500,000	34,343
31 March 2017	Expiry unlisted options	(2,500,000)	-
6 April 2017	Options issued to employees	2,500,000	53,230
8 April 2017	Options issued to employees	1,000,000	20,935
26 May 2017	Options issued to directors	10,000,000	54,647
26 May 2017	Options issued to directors	5,000,000	22,802
26 May 2017	Options issued to directors	3,000,000	57,223
30 November 2017	Options forfeited	(2,000,000)	(28,821)
31 December 2017	Expiry unlisted options	(2,200,000)	-
31 December 2017	Vesting expense of prior year options	-	2,057,931
31 December 2017	Vesting expense of performance rights	-	101,500
<b>31 December 2017</b>		<b>70,400,000</b>	<b>4,879,087</b>

## 12. Dividends

No dividend has been declared or paid during the period ended 30 June 2018 (30 June 2017: Nil).

## **Notes to the Condensed Consolidated Financial Statements (continued)**

### **13. Commitments and Contingencies**

Since 31 December 2017 the Directors are not aware of any other matter or circumstances that has significantly or may significantly affect the commitments and contingencies rather than those disclosed in the December 2017 annual report.

### **14. Events Subsequent to the Reporting Date**

On 2 July 2018, the securities (160,866,645 ordinary shares) relating to the Share Placement and Share Purchase Plan to existing shareholders were issued.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### **15. Contingent Assets and Liabilities**

There are no identified contingent assets or liabilities as at reporting date (31 December 2017: Nil).

### **16. Related Party Disclosures**

All Key Management Personnel service agreements remain as disclosed in the 31 December 2017 annual report.

## Director's Declaration

The directors of the Company declare that:

- 1) The financial statements and notes are in accordance with the *Corporations Act 2001* and:
  - a) comply with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
  - b) give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the period from 1 January 2018 to 30 June 2018.
- 2) At the date of this statement there are reasonable grounds to believe that Battery Minerals Limited will be able to pay its debts when they become due and payable.

This statement is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'David Flanagan', with a long horizontal line extending to the right.

Mr David Flanagan  
Managing Director

4 September 2018  
Perth, Western Australia



# Independent Auditor's Review Report

To the shareholders of Battery Minerals Limited

## Report on the Condensed Consolidated Interim Financial Statements

### Conclusion

We have reviewed the accompanying **Condensed Consolidated Interim Financial Statements** of Battery Minerals Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Consolidated Interim Financial Statements of Battery Minerals Limited not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2018 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Consolidated Interim Financial Statements** comprises:

- Condensed consolidated statement of financial position as at 30 June 2018
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Interim Period ended on that date
- Notes comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Battery Minerals Limited (the Company) and the entities it controlled at the Interim Period end or from time to time during the Interim Period.

The **Interim Period** is the six months ended on 30 June 2018.

### Responsibilities of the Directors for the Interim Financial Statements

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Statements that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Statements that is free from material misstatement, whether due to fraud or error.



## Auditor's responsibility for the review of the Interim Financial Statements

Our responsibility is to express a conclusion on the Interim Financial Statements based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Statements are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2018 and its performance for the interim period ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Battery Minerals Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the Interim Financial Statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

R Gambitta  
Partner

Perth

4 September 2018