



# **BATTERY**

## MINERALS

**and its Controlled Entities**

ABN 75 152 071 095

**Condensed Interim Financial Statements**  
**30 June 2019**

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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 2018 annual report and any public announcements made by Battery Minerals Limited during the period from 1 January 2019 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 2019 to 30 June 2019 ("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 David Flanagan	Executive Chairman ( <i>appointed from 8 April 2019 – 1 July 2019</i> ) and Non-Executive Chairman ( <i>appointed 1 July 2019</i> )
Mr Jeremy Sinclair	Managing Director ( <i>appointed 8 April 2019</i> )
Mr Jeff Dowling	Independent Non-Executive Director ( <i>appointed 21 May 2019</i> ) previously Non-Executive Chairman ( <i>1 January 2019 – 21 May 2019</i> )
Mr Gilbert George	Non-Executive Director ( <i>resigned 21 May 2019</i> )
Mr Brett Smith	Non- Executive Director ( <i>resigned 21 May 2019</i> )
Ms Ivy Chen	Non-Executive Director ( <i>resigned 21 June 2019</i> )
Mr Paul Glasson	Non- Executive Director ( <i>resigned 21 June 2019</i> )

### Review of Operations

The Group's loss for the period of 1 January 2019 to 30 June 2019 was \$20,545,520 (30 June 2018: \$3,652,901).

During the June 2019 Quarter, Battery Minerals completed a \$5.1 million equity fund raising by way of Share Placement to institutional, sophisticated and professional investors and to existing shareholders. As at 30 June 2019 the Group had cash and liquid assets of \$6,831,790 (31 December 2018: \$7,252,709).

#### Montepuez Graphite Project ("Project")

In March 2018 the Mozambican Government awarded Battery Minerals the Mining Licence for the Montepuez Graphite Project (the Project). Combined with the successful fund raising completed in early July 2018, this paved the way for significant development activity during the second half of 2018. During the first half of 2019, Battery Minerals continued to progress government engagement in relation to the Mining Agreement for the Project. The Ministry of Natural Resources and Energy of Mozambique has now completed a review of the draft agreement. While the grant of a Mining Agreement is not a condition precedent to production, exports and cashflows, the execution of a Mining Agreement provides the Company with additional rights, enshrined in the mining law of Mozambique.

Certain components of the Project's funding requirement are attracting interest, with the Company continuing to work with these interested parties. Independent technical adviser Bear Dolbear Australia has conducted an independent technical review of the Montepuez Graphite Project. In addition, Benchmark Mineral Intelligence has completed an independent market study and analysis. These independent reports have been made available to potential project financiers. The company has adjusted its funding strategy in light of the current market and remains focused on executing a project financing that will deliver attractive returns to shareholders.

#### Graphite Downstream Processing Testwork

Battery Minerals continues to evaluate downstream opportunities and has agreements with a technology partner, Urbix Resources LLP based in Arizona, USA. A key element of the agreements with Urbix is to maximise the opportunity of any downstream value-add characteristics of the Montepuez graphite concentrate.

## Directors' Report (continued)

### Balama Central Graphite Project ("Balama Central")

The Feasibility Study of the Balama Central Graphite Project was completed in December 2018 and found that Balama Central has the potential to generate outstanding financial returns over a +35-year mine life at a production rate of 58,000tpa. On 28 June 2019 the Company submitted the Balama Central mining concession application to Government for its review and consideration. At the successful conclusion of this application process, the Company will be granted a Mining Licence for Balama Central.

### After Reporting Date Events

No other matters or circumstances have arisen after the end of the reporting period which significantly affected or may significantly affect the operations of the Group.

### 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.



Jeremy Sinclair  
Managing Director

Perth, Western Australia  
10 September 2019



# 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 2019 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

10 September 2019

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

For the half-year ended 30 June 2019

	Note	Consolidated 6 months ended 30 Jun 2019 \$	Consolidated 6 months ended 30 Jun 2018 \$
<b>Continuing operations</b>			
Other income		-	36,303
Accounting, tax advisory and audit fees		(135,733)	(204,522)
Consultancy fees		(269,057)	(528,528)
Salaries and wages		(983,885)	(1,000,497)
Share based payment expense		(577,129)	(638,927)
Travel		(215,019)	(286,689)
Compliance fees		(137,097)	(284,851)
Directors' salaries and fees		(361,456)	(218,944)
Legal fees		(21,021)	(147,088)
Conferences		(123,140)	(78,923)
Fair value adjustment to equity securities		(42,267)	-
Impairment of mine development	8	(18,043,489)	-
Net foreign exchange gain/ (loss)		325,632	(231,234)
Other expenses	2	(457,633)	(393,537)
<b>Operating Loss</b>		<b>(21,041,294)</b>	<b>(3,977,437)</b>
Interest income		225,176	41,678
<b>Loss before tax from continuing operations</b>		<b>(20,816,118)</b>	<b>(3,935,759)</b>
Income tax expense		-	-
<b>Loss from continuing operations</b>		<b>(20,816,118)</b>	<b>(3,935,759)</b>
<b>Discontinued operations</b>			
Profit from disposal of a subsidiary	16	270,598	282,858
<b>Loss for the period</b>		<b>(20,545,520)</b>	<b>(3,652,901)</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		(560,869)	2,128,708
<b>Total comprehensive loss for the period</b>		<b>(21,106,389)</b>	<b>(1,524,193)</b>
<b>Loss for the period attributable to:</b>			
Owners of Battery Minerals Limited		<b>(20,545,520)</b>	<b>(3,652,901)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of Battery Minerals Limited		<b>(21,106,389)</b>	<b>(1,524,193)</b>
Basic loss per share (cents)		(1.78)	(0.47)

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 2019

	Note	Consolidated 30 Jun 2019 \$	Consolidated 31 Dec 2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		6,831,790	7,252,709
Other receivables	4	309,032	407,507
<b>Total Current Assets</b>		<b>7,140,822</b>	<b>7,660,216</b>
<b>Non-Current Assets</b>			
Other receivables	4	3,512,975	3,523,792
Property, plant & equipment	5	335,986	521,226
Intangible assets	6	155,935	23,363
Investments		-	84,533
Mine development expenditure	8	15,925,083	30,950,808
Exploration and evaluation expenditure	7	3,029,393	2,902,615
<b>Total Non-Current Assets</b>		<b>22,959,372</b>	<b>38,006,337</b>
<b>TOTAL ASSETS</b>		<b>30,100,194</b>	<b>45,666,553</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	1,052,136	810,244
Provisions	10	149,110	211,658
<b>Total Current Liabilities</b>		<b>1,201,246</b>	<b>1,021,902</b>
<b>TOTAL LIABILITIES</b>		<b>1,201,246</b>	<b>1,021,902</b>
<b>NET ASSETS</b>		<b>28,898,948</b>	<b>44,644,651</b>
<b>EQUITY</b>			
Issued capital	11	78,909,276	74,125,719
Reserves	12	5,894,018	5,877,758
Accumulated losses		(55,904,346)	(35,358,826)
<b>TOTAL EQUITY</b>		<b>28,898,948</b>	<b>44,644,651</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 2019

Consolidated 6 months ended 30 Jun 2018	Note	Issued	Share Based	Foreign	Accumulated	Total
		Capital	Payment Reserve	Currency Translation Reserve	Losses	
		\$	\$	\$	\$	\$
<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		32,361,794	-	-	-	32,361,794
Share based payments		-	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>

Consolidated 6 months ended 30 Jun 2019	Note	Issued	Share Based	Foreign	Accumulated	Total
		Capital	Payment Reserve	Currency Translation Reserve	Losses	
		\$	\$	\$	\$	\$
<b>Balance at 1 January 2019</b>		<b>74,125,719</b>	<b>6,029,637</b>	<b>(151,879)</b>	<b>(35,358,826)</b>	<b>44,644,651</b>
Loss for the period		-	-	-	(20,545,520)	(20,545,520)
Other comprehensive income		-	-	(560,869)	-	(560,869)
<b>Total comprehensive loss for the period</b>		<b>-</b>	<b>-</b>	<b>(560,869)</b>	<b>(20,545,520)</b>	<b>(21,106,389)</b>
<b>Transactions with owners of Battery Minerals:</b>						
Shares issued, net of transaction costs	11	4,783,557	-	-	-	4,783,557
Share based payments	12	-	577,129	-	-	577,129
<b>Balance at 30 June 2019</b>		<b>78,909,276</b>	<b>6,606,766</b>	<b>(712,748)</b>	<b>(55,904,346)</b>	<b>28,898,948</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 2019

	Consolidated 6 months ended 30 Jun 2019 \$	Consolidated 6 months ended 30 Jun 2018 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(2,132,246)	(2,068,885)
Interest received	225,641	30,008
<b>Net cash (outflow) from operating activities</b>	<b>(1,906,605)</b>	<b>(2,038,877)</b>
<b>Cash flows from investing activities</b>		
Net proceeds from sale of subsidiary	69,855	264,320
Payments made for property, plant and equipment and intangibles	(30,825)	(30,985)
Payments for exploration and evaluation expenditure	(131,611)	(2,278,531)
Payments for mine development expenditure	(3,241,739)	(15,178,041)
<b>Net cash (outflow) from investing activities</b>	<b>(3,334,320)</b>	<b>(17,223,237)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	5,110,500	34,405,981
Capital raising costs	(326,943)	(2,217,171)
<b>Net cash inflow from financing activities</b>	<b>4,783,557</b>	<b>32,188,810</b>
Net increase/(decrease) in cash and cash equivalents	(457,368)	12,926,696
Cash and cash equivalents at 1 January	7,252,709	7,723,112
Effect of exchange rate fluctuations on cash held	36,449	(31,321)
<b>Cash and cash equivalents at 30 June</b>	<b>6,831,790</b>	<b>20,618,487</b>

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

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## 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 2019 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 2018 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 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.

The Group incurred a net loss of \$20,545,520 during the 6 months ended 30 June 2019 which included impairment of \$18,043,489 relating to the Montepuez Graphite Project ("the Project"). The Group's net cash used in operating and investing activities was \$5,240,925 for the 6-month period ended 30 June 2019.

The Group's ability to continue as a going concern and to continue with the development of its 100% owned 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 2019 of \$6,831,790
- The Group's demonstrated track record in raising equity with equity raisings totaling approximately \$45.8 million since November 2017
- Off-take agreements signed represent 80% of the forecast production
- The appointment of ThirdWay Africa. ThirdWay Africa specialises in securing funding for African projects and has been operating in Mozambique for over 5 years
- In parallel with the appointment of ThirdWay Africa, the Group has implemented a cost reduction strategy aimed at ensuring it remains funded throughout the Project financing process

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

- Significant progress made to date on development of the Project including earthworks, detailed design, construction of the camp and tails storage facility commenced which together, de-risk the Project execution
- Key approvals including the Mining License and Environmental License are in place allowing the Project to proceed towards production subject to finance

The directors have a reasonable expectation that funding may 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. Other Expenses

	Consolidated 30 June 2019 \$	Consolidated 30 June 2018 \$
Office costs	120,993	256,139
Depreciation	83,272	12,898
IT consultants and website	50,391	38,871
Bank charges	42,245	19,114
Insurance	64,017	31,610
Administrative operating expenses	96,715	34,905
<b>Total other expenses</b>	<b>457,633</b>	<b>393,537</b>

### 3. Segment Information

#### Operating Segments

The Group has determined its operating segments based on the reports reviewed by the Chief Operating Decision Makers (CODM) that are used to make strategic decisions regarding the Group's operations. The Group's primary reports are prepared to show the performance and financial position of different business segments which can be distinguished by their risks and rates of return.

The CODM considers the business from functional and geographical perspectives and has identified that there are two reportable segments being:

Mozambique - mineral exploration and evaluation and mine development activities  
Australia – investing activities and corporate management

The following tables represent revenue and profit information for the Group's operating segments for the six months ended 30 June 2019 and 2018 respectively:

Six months ended 30 June 2019	Mozambique \$	Australia \$	Consolidated \$
Revenue and other income	188,027	307,747	495,774
Net foreign exchange gain/(loss)	415,395	(89,763)	325,632
Business development	-	(793,624)	(793,624)
Corporate and administration overhead	(240,986)	(2,246,560)	(2,487,546)
Mine development impairment	(18,043,489)	-	(18,043,489)
Fair value adjustment on equity securities	-	(42,267)	(42,267)
	<u>(18,284,475)</u>	<u>(3,082,451)</u>	<u>21,366,925</u>
<b>Segment loss</b>	<b>(17,681,053)</b>	<b>(2,864,467)</b>	<b>(20,545,520)</b>

## 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>

The following tables represent assets and liabilities information for the Group's operating segments as at 30 June 2019 and 31 December 2018, respectively:

Segment Assets	Mozambique \$	Australia \$	Consolidated \$
<b>30 June 2019</b>	<b>23,474,754</b>	<b>6,625,440</b>	<b>30,100,194</b>
31 December 2018	38,349,908	7,316,645	45,666,553
<b>Segment Liabilities</b>			
<b>30 June 2019</b>	<b>714,476</b>	<b>486,770</b>	<b>1,201,246</b>
31 December 2018	196,574	825,328	1,021,902

#### 4. Other Receivables

	Consolidated 30 Jun 2019 \$	Consolidated 31 Dec 2018 \$
<b>Current</b>		
Prepaid expenses	18,590	55,769
GST/VAT receivable	238,433	265,504
Other receivables	52,009	86,234
<b>Total other receivables <sup>(i)</sup></b>	<b>309,032</b>	<b>407,507</b>
<b>Non-current</b>		
Other receivables <sup>(ii)</sup>	<b>3,512,975</b>	<b>3,523,792</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.

#### 5. Property, Plant and Equipment

	Consolidated 30 Jun 2019 \$	Consolidated 31 Dec 2018 \$
Plant and equipment at cost	630,753	758,796
Accumulated depreciation	(294,767)	(237,570)
<b>Net carrying amount</b>	<b>335,986</b>	<b>521,226</b>

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

	Consolidated 30 Jun 2019 \$	Consolidated 31 Dec 2018 \$
<b>Movements in carrying amounts</b>		
Opening balance as at 1 January	521,226	605,951
Additions	3,986	205,075
Disposals	(1,630)	-
Depreciation expense	(56,974)	(82,139)
Reclassified to mine development	-	(222,621)
Reclassified to intangibles	(128,912)	-
FX movement	(1,710)	14,960
<b>Plant and equipment net carrying amount</b>	<b>335,986</b>	<b>521,226</b>

### 6. Intangible Assets

	Consolidated 30 Jun 2019 \$	Consolidated 31 Dec 2018 \$
Software at cost	186,905	28,035
Accumulated depreciation	(30,970)	(4,672)
	<b>155,935</b>	<b>23,363</b>

#### Movement

Opening balance on 1 January	23,363	-
Additions during the period	29,958	28,035
Reclassified from plant and equipment	128,912	-
Depreciation expense	(26,298)	(4,672)
<b>Intangible assets net carrying amount</b>	<b>155,935</b>	<b>23,363</b>

### 7. Exploration and Evaluation Expenditure

	Consolidated 30 Jun 2019 \$	Consolidated 31 Dec 2018 \$
<b>Non-Current</b>		
Exploration and evaluation at cost	<b>3,029,393</b>	<b>2,902,615</b>

#### Movement

Balance at beginning of the year	2,902,615	10,433,531
Exploration expenditure capitalised during the year <sup>(i)</sup>	131,561	2,390,506
Research and development tax refund received	-	(403,490)
Exploration expenditure disposed due to the project sale	-	(131,613)
Reclassification to mine development	-	(9,512,665)
Foreign currency translation movement	(4,783)	126,346
<b>Exploration &amp; evaluation net carrying amount <sup>(ii)</sup></b>	<b>3,029,393</b>	<b>2,902,615</b>

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

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.

- (i) Exploration and evaluation expenditure capitalised during the 6 months of 2019 includes costs in relation to the Balama Central Project.
- (ii) The closing balance comprises the carrying amount of exploration and evaluation expenditure attributable to the Balama Central Project.

### 8. Mine Development Asset

	Consolidated 30 Jun 2019 \$	Consolidated 31 Dec 2018 \$
<b>Non-Current</b>		
Mine development expenditure	<b>15,925,083</b>	<b>30,950,808</b>
<b>Movement</b>		
Opening balance on 1 January <sup>(i)</sup>	30,950,808	-
Capitalised during the period <sup>(i)</sup>	3,081,215	21,202,016
Reclassified from exploration and evaluation expenditure	-	9,512,665
Reclassified from plant and equipment	-	222,621
Impaired during the period <sup>(ii)</sup>	(18,043,489)	-
Foreign exchange difference	(63,451)	13,506
<b>Mine development net carrying amount</b>	<b>15,925,083</b>	<b>30,950,808</b>

- (i) The capitalised mine development expenditure relates to the Montepuez Graphite Project following the commencement of the development and construction activities at the Project's mine site.
- (ii) An impairment expense of \$18,043,489 (31 December 2018: \$nil) was recognised in the profit and loss during the current reporting period relating to the impairment of the Montepuez Project mine development expenditure. At 30 June 2019, the Group identified impairment indicators including market capitalisation being lower than net assets and a present softening of the graphite commodity price market. In assessing the recoverable amount, the Group has estimated future cash flows discounted to their present value, adopting independent commodity price forecasts and a discount rate, both adjusted for risk.

### 9. Trade and Other Payables

	Consolidated 30 Jun 2019 \$	Consolidated 31 Dec 2018 \$
Trade and other payables	819,016	606,905
Accrued expenses	233,120	203,339
<b>Total trade and other payables <sup>(i)</sup></b>	<b>1,052,136</b>	<b>810,244</b>

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



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

### 10. Provisions

	Consolidated 30 Jun 2019 \$	Consolidated 31 Dec 2018 \$
<b>Current</b>		
Provisions	<b>149,110</b>	<b>211,658</b>
<b>Movement</b>		
Balance at beginning of the year	211,658	-
Leave provisions	(62,548)	211,658
<b>Total provisions</b>	<b>149,110</b>	<b>211,658</b>

### 11. Issued Capital

	Consolidated 30 Jun 2019 \$	Consolidated 31 Dec 2018 \$
Ordinary shares fully paid	<b>78,909,276</b>	<b>74,125,719</b>

#### (a) Movements for the half year ended 30 June 2019

Date	Details	No. of Shares	Issue Price	Amount, \$
1 Jan 2019	Opening Balance	1,113,671,549		74,125,719
12 Apr 2019	Share issue - Placement - Tranche 1 <sup>(i)</sup>	160,000,000	\$0.025	4,000,000
30 May 2019	Share issue - Placement - Tranche 2 <sup>(ii)</sup>	44,420,000	\$0.025	1,110,500
	Less: Share issue costs	-	-	(326,943)
		<b>1,318,091,549</b>		<b>78,909,276</b>

(i) The Tranche 1 Placement shares were issued on 12 April 2019 under the Company's 15% placement capacity pursuant to ASX Listing Ruling 7.1 and on 21 May 2019 the General Meeting of Battery Minerals Limited shareholders approved and ratified the prior issue of the shares as part of Tranche 1 Placement.

(ii) The issue of Tranche 2 Placement securities was approved by the General Meeting of Battery Minerals Limited shareholders held on 21 May 2019.

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

### (b) Movements for the year ended 31 December 2018

Date	Details	No. of Shares	Issue Price	Amount, \$
1 Jan 2018	Opening Balance	532,028,113	-	41,516,848
15 Jan 2018	Share issue - Placement - Tranche 2	222,362,362	\$0.060	13,341,743
15 Jan 2018	Share issue to contractors and staff	9,141,821	\$0.060	548,509
28 Mar 2018	Conversion of performance rights	3,500,000	\$0.058	203,000
29 Mar 2018	Share issue to contractor	672,307	\$0.060	40,339
25 May 2018	Share issue - Placement - Tranche 1	183,681,689	\$0.060	11,020,901
2 Jul 2018	Share issue - Placement - Tranche 2	160,866,645	\$0.060	9,654,830
2 Aug 2018	Share issue to contractor	1,418,612	\$0.031	44,076
	Less: Share issue costs			(2,244,527)
		<b>1,113,671,549</b>		<b>74,125,719</b>

## 12. Reserves

	Consolidated 30-Jun-19 \$	Consolidated 31-Dec-18 \$
Foreign currency translation reserve <sup>(i)</sup>	(712,748)	(151,879)
Share based payment reserve	6,606,766	6,029,637
	<b>5,894,018</b>	<b>5,877,758</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.

### (a) Options movements for the half year ended 30 June 2019

Date	Details	No. of Options & Rights	Amount, \$
1 Jan 2019	Opening balance	307,324,066	6,029,637
15 Feb 2019	Forfeited options <sup>(i)</sup>	(2,000,000)	(9,885)
30 May 2019	Listed options issued exercisable at \$0.10 <sup>(ii)</sup>	102,210,000	-
21 May 2019	Option issued to directors <sup>(iii)</sup>	65,500,000	90,895
21 May 2019	Options issued to employees <sup>(iv)</sup>	81,600,000	118,786
30 Jun 2019	Vesting expense of prior year options	-	377,333
<b>30 June 2019</b>	<b>Balance at the half year end</b>	<b>554,634,066</b>	<b>6,606,766</b>

- (i) Unvested options forfeited upon resignation of an employee.
- (ii) Listed options exercisable at 10 cents on or before 31/07/2023, issued for every two Placement Shares subscribed under the Placement approved by the General Meeting of Battery Minerals shareholders on 21 May 2019.

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

- (iii) Zepo options were issued to David Flanagan, Jeremy Sinclair and Jeff Dowling in accordance with the approval of the General Meeting of shareholders on 21 May 2019. Options are exercisable at nil price and expire on 20 June 2024. 8,000,000 options issued to David Flanagan and 12,000,000 options issued to Jeremy Sinclair have vesting conditions linked a financial close and equity funding for the Montepuez Project phase 1. 38,000,000 options issued to Jeremy Sinclair have vesting conditions linked to commencement of commercial production being 43.5% of Montepuez phase 1, 43.5% Montepuez phase 2 and 13% of Balama phase 1. 7,500,000 options issued to Jeff Dowling will vest in three equal parts on completion of 12 months, 24 months and 36 months of continuous service.
- (iv) The issue of Zepo options to employees was approved at the General Meeting of shareholders on 21 May 2019. Options are exercisable at nil price and expire on 20 June 2024. 28,300,000 options will vest on financial close and equity funding for the Montepuez Project phase 1. 26,650,000 will vest on commencement of commercial production on Montepuez phase 1 and 26,500,000 will vest on commencement of commercial production of Montepuez phase 2. These 81,600,000 Zepo options approved by shareholders were not issued to employees prior to 30 June 2019.

### (b) Options movements for the year ended 31 December 2018

Date	Details	No. of Options and Rights	Amount, \$
01 Jan 2018	Opening Balance	70,400,000	4,879,087
15 Jan 2018	Tranche 1 & 2 options issued – Placement	334,141,820	77,222
15 Jan 2018	Unlisted options exercisable at \$0.15	7,800,000	-
15 Jan 2018	Unlisted options exercisable at \$0.1125	7,800,000	-
04 Feb 2018	Expiry unlisted options	(1,000,000)	-
28 Mar 2018	Performance rights vested	(3,500,000)	(203,000)
21 Jun 2018	Unlisted options issued – Placement	91,840,796	-
27 Jun 2018	Options issued to directors	7,500,000	87,167
28 Jun 2018	Options issued to directors	20,000,000	114,647
30 Jun 2018	Forfeited options	(1,500,000)	(14,938)
02 Jul 2018	Options issued to employees	24,400,000	151,477
02 Jul 2018	Options issued to employees	11,250,000	53,630
04 Jul 2018	Expiry unlisted options	(91,840,796)	-
04 Jul 2018	Listed options issued exercisable at \$0.10	172,274,066	-
31 Jul 2018	Expiry unlisted options	(334,141,820)	(77,222)
15 Sep 2018	Forfeited options	(600,000)	(3,724)
30 Sep 2018	Expiry unlisted vested options	(1,000,000)	-
08 Oct 2018	Forfeited options	(6,500,000)	(37,742)
31 Dec 2018	Vesting expense of prior years' options	-	1,003,033
<b>31 Dec 2018</b>	<b>Balance at end of year</b>	<b>307,324,066</b>	<b>6,029,637</b>

### 13. Dividends

No dividend has been declared or paid during the period ended 30 June 2019 (30 June 2018: Nil).

### 14. Commitments and Contingencies

Since 31 December 2018 the Directors are not aware of any other matter or circumstances that has significantly or may significantly affect the commitments and contingencies disclosed in the December 2018 annual report.

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

### 15. Contingent Assets and Liabilities

There are no identified contingent assets or liabilities as at reporting date (31 December 2018: Nil).

### 16. Related Party Disclosures

#### Related entities and subsidiaries

On 25 January 2019 Battery Minerals Limited completed the Tanga Minerals Share Sale Agreement with Nedeel LLC, under which Battery Minerals sold 100% of the issued capital of its Mauritius subsidiary, Tanga Resources Limited, which holds 100% ownership of Niassa Metals Ltd (incorporated in Mozambique). The net gain of \$270,598 on disposal of Tanga Minerals and Niassa Metals was recognised as a profit from discontinued operations in the statement of profit and loss and other comprehensive income.

#### Key Management Personnel (KMP)

During the half year reporting period the following changes in KMP took place:

Name	Position Change	Date
Mr David Flanagan	Change from Managing Director to Executive Chairman <sup>(i)</sup>	14 March 2019
Mr Jeremy Sinclair	Appointed as Managing Director	14 March 2019
Mr Jeff Dowling	Changed from Non-Executive Chairman to Independent Non-Executive Director	21 May 2019
Mr Gilbert George	Resigned from position of Non-Executive Director	21 May 2019
Mr Brett Smith	Resigned from position of Non-Executive Director	21 May 2019
Ms Ivy Chen	Resigned from position of Non-Executive Director	21 June 2019
Mr Paul Glasson	Resigned from position of Non-Executive Director	21 June 2019

(i) On 1 July 2019 Mr Flanagan became Non-Executive Chairman.

Other key management personnel service agreements remain as disclosed in the 31 December 2018 annual report.

### 17. Events After the End of the Reporting Period

No matters or circumstances have arisen after the end of the reporting period which significantly affected or may significantly affect the operations of the Group.

## 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 2019 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 2019 to 30 June 2019.
- 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.



Mr Jeremy Sinclair  
Managing Director

10 September 2019  
Perth, Western Australia



# Independent Auditor's Review Report

To the shareholders of Battery Minerals Limited

## Report on the Condensed Interim Financial Report

### Conclusion

We have reviewed the accompanying **Condensed Interim Financial Report** 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 Interim Financial Report of Battery Minerals Limited is 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 2019 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 Interim Financial Report** comprises the:

- Condensed Consolidated Statement of Financial Position as at 30 June 2019
- 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
- Directors' Declaration.

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

The **Interim Period** is the six months ended on 30 June 2019.

### Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of the Company are responsible for:

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



## Auditor's responsibility for the review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report 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 Condensed Interim Financial Report is 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 2019 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 an Interim Period Financial Report 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

10 September 2019