



# **BATTERY** MINERALS

**and its Controlled Entities**

ABN 75 152 071 095

**Condensed Interim Financial Statements  
30 June 2020**

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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 2019 annual report and any public announcements made by Battery Minerals Limited during the period from 1 January 2020 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 2020 to 30 June 2020 ("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:

		<b>Commencement</b>	<b>Resignation</b>
David Flanagan	Non-Executive Chairman	1 July 2019	-
	Executive Chairman	8 April 2019	1 July 2019
	Managing Director	25 January 2018	8 April 2019
	Executive Chairman	30 March 2017	25 January 2018
	Non-Executive Chairman	11 October 2016	30 March 2017
Jeremy Sinclair	Non-Executive Director	22 November 2019	-
	Managing Director	8 April 2019	22 November 2019
Jeff Dowling	Non-Executive Director	8 April 2019	-
	Non-Executive Chairman	25 January 2018	8 April 2019

### Review of Operations

The Group loss for the period of 1 January 2020 to 30 June 2020 was \$2,001,595 (30 June 2019: \$20,545,520).

The Group continues to manage the challenges of the COVID 19 pandemic and the associated impacts on the business and funding process, while responsibly managing expenditure. The Company has continued to significantly optimise the operating cost base effectively reducing its expenses.

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

Due to the impact of the COVID 19 pandemic, Mozambique placed severe restrictions on internal travel and imposed mandatory 14 days quarantine periods for any travellers returning to the country. As part of the Battery Minerals' community and staffing strategy, to minimise any impacts of the COVID 19 virus, the Montepuez mine site was demobilised in April 2020. An independent security contractor was mobilised to the mine site to secure the assets. Locally based key staff attend the site on a weekly basis to ensure the assets are in good order and to maintain our good relationships with local communities.

Despite restrictions on travel and mandatory quarantine periods in Australia and Mozambique for international travellers, Battery Minerals continues to engage into negotiations with debt and equity investors interested in the Montepuez Graphite Project funding process. The funding process for the Project, which is being led by ThirdWay Africa, is continuing with various interested parties progressing their due diligence process via the Project's data room. Key funding development activities, including site visits, have been postponed until after COVID-19 travel and isolation restrictions have been lifted.

Battery Minerals reached another significant milestone with the approval of the Project's land use permit, referred to as a DUAT (Direito do Uso e Aproveitamento da Terra). The permit covers the entire Montepuez Project license area and is valid for a period of twenty-three years. The DUAT facilitates the approval of any construction or assembly permits required in the future.

## Directors' Report (continued)

### Acquisition of Gippsland Prospecting

In March 2020, Battery Minerals announced that it had signed two binding agreements to acquire 100% of Gippsland Prospecting Pty Ltd ("Gippsland Prospecting"), which has the sole right to apply for a highly-prospective exploration licence in Victoria. Known as Block 4, the tenement covers 809 km<sup>2</sup> and hosts the historic Moyston gold mine. On grant of the exploration licence, Battery Minerals will pay the shareholders of Gippsland Prospecting \$500,000 in aggregate and issue them 439,363,850 shares for 100% of Gippsland Prospecting. On 13 May 2020, Battery Minerals shareholders approved the issue of the 439,363,850 shares to the vendors subject to the grant of the exploration licence - E67801. The completion of the acquisition remains subject to the grant of the exploration licence - E67801.

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

In the first half of 2020, Battery Minerals provided comprehensive responses to the Environmental and Social Impact Assessment (EISA) and the Mining Concession Application for the Balama Central. The Company submitted further details on its commitment to the implementation of all resettlement and compensation strategies defined in the resettlement action plan for the project. It also provided further data to support the aquatic ecology and surface water quality assessment presented in the EISA to confirm the limited impact of the project on river tributaries. The Company also submitted various briefs as per the request of the Mining Department of Mozambique to support the Mining Concession application submitted in June 2019, particularly focused on labour, a risk analysis relating to market risk and further detail on the license coordinates given recent changes in the boundary registration system.

### 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.

David Flanagan  
Non-Executive Chairman

Perth, Western Australia  
26 August 2020



# 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 2020 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

R Gambitta  
Partner

Perth

26 August 2020

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

For the half-year ended 30 June 2020

	Note	Consolidated 6 months ended 30 Jun 2020 \$	Consolidated 6 months ended 30 Jun 2019 \$
<b>Continuing operations</b>			
Other income		50,000	-
Net foreign exchange gain/ (loss)		(11,876)	325,632
Accounting, tax advisory and audit fees		(33,391)	(135,733)
Consultancy fees		(164,282)	(269,057)
Salaries and wages		(488,608)	(983,885)
Share based payment expense		(45,447)	(577,129)
Travel		(23,336)	(215,019)
Compliance fees		(53,742)	(137,097)
Directors' salaries and fees		(116,138)	(361,456)
Legal fees		(92,170)	(21,021)
Conferences		(8,506)	(123,140)
Fair value adjustment to equity securities		-	(42,267)
Impairment exploration and evaluation		(10,957)	-
Impairment of mine development	8	(420,443)	(18,043,489)
Other expenses	2	(722,521)	(457,633)
<b>Operating Loss</b>		<b>(2,141,417)</b>	<b>(21,041,294)</b>
Interest income		139,822	225,176
<b>Loss before tax from continuing operations</b>		<b>(2,001,595)</b>	<b>(20,816,118)</b>
Income tax expense		-	-
<b>Loss from continuing operations</b>		<b>(2,001,595)</b>	<b>(20,816,118)</b>
<b>Discontinued operations</b>			
Profit from disposal of a subsidiary		-	270,598
<b>Loss for the period</b>		<b>(2,001,595)</b>	<b>(20,545,520)</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		(296,305)	(560,869)
<b>Total comprehensive loss for the period</b>		<b>(2,297,900)</b>	<b>(21,106,389)</b>
<b>Loss for the period attributable to:</b>			
Owners of Battery Minerals Limited		<b>(2,001,595)</b>	<b>(20,545,520)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of Battery Minerals Limited		<b>(2,297,900)</b>	<b>(21,106,389)</b>
Basic loss per share (cents)		(0.15)	(1.78)

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 2020

	Note	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		3,975,673	4,119,160
Other receivables	4	194,449	236,989
<b>Total Current Assets</b>		<b>4,170,122</b>	<b>4,356,149</b>
<b>Non-Current Assets</b>			
Other receivables	4	1,447,241	3,509,854
Property, plant & equipment	5	219,195	287,869
Intangible assets	6	93,640	124,788
Mine development expenditure	8	3,000,000	3,000,000
Exploration and evaluation expenditure	7	-	-
<b>Total Non-Current Assets</b>		<b>4,760,076</b>	<b>6,922,511</b>
<b>TOTAL ASSETS</b>		<b>8,930,198</b>	<b>11,278,660</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	136,864	213,073
Provisions	10	141,222	161,022
<b>Total Current Liabilities</b>		<b>278,086</b>	<b>374,095</b>
<b>TOTAL LIABILITIES</b>		<b>278,086</b>	<b>374,095</b>
<b>NET ASSETS</b>		<b>8,652,112</b>	<b>10,904,565</b>
<b>EQUITY</b>			
Issued capital	11	78,909,275	78,909,275
Reserves	12	3,877,427	4,128,285
Accumulated losses		(74,134,590)	(72,132,995)
<b>TOTAL EQUITY</b>		<b>8,652,112</b>	<b>10,904,565</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 2020

Consolidated 6 months ended 30 Jun 2019		Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
Note		\$	\$	\$	\$	\$
<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)
Total comprehensive loss for the period		-	-	<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		4,783,557	-	-	-	4,783,557
Share based payments		-	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>

Consolidated 6 months ended 30 Jun 2020		Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
Note		\$	\$	\$	\$	\$
<b>Balance at 1 January 2020</b>		<b>78,909,275</b>	<b>5,241,608</b>	<b>(1,113,323)</b>	<b>(72,132,995)</b>	<b>10,904,565</b>
Loss for the period		-	-	-	(2,001,595)	(2,001,595)
Other comprehensive income		-	-	(296,305)	-	(296,305)
Total comprehensive loss for the period		-	-	<b>(296,305)</b>	<b>(2,001,595)</b>	<b>(2,297,900)</b>
<b>Transactions with owners of Battery Minerals:</b>						
Shares issued, net of transaction costs		11	-	-	-	-
Share based payments		12	-	45,447	-	45,447
<b>Balance at 30 June 2020</b>		<b>78,909,275</b>	<b>5,287,055</b>	<b>(1,409,628)</b>	<b>(74,134,590)</b>	<b>8,652,112</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 2020

	Consolidated 6 months ended 30 Jun 2020 \$	Consolidated 6 months ended 30 Jun 2019 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(1,615,356)	(2,132,246)
Interest received	139,822	225,641
<b>Net cash (outflow) from operating activities</b>	<b>(1,475,534)</b>	<b>(1,906,605)</b>
<b>Cash flows from investing activities</b>		
Net proceeds from sale of subsidiary	-	69,855
Payments made for property, plant and equipment and intangibles	-	(30,825)
Payments for exploration and evaluation expenditure	(10,957)	(131,611)
Payments for mine development expenditure	(420,443)	(3,241,739)
Proceeds from release of mine performance guarantee	2,062,618	-
<b>Net cash (outflow) from investing activities</b>	<b>1,631,218</b>	<b>(3,334,320)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	-	5,110,500
Capital raising costs	-	(326,943)
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>4,783,557</b>
Net increase/(decrease) in cash and cash equivalents	155,684	(457,368)
Cash and cash equivalents at 1 January	4,119,160	7,252,709
Effect of exchange rate fluctuations on cash held	(299,171)	36,449
<b>Cash and cash equivalents at 30 June</b>	<b>3,975,673</b>	<b>6,831,790</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 2020 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 2019 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' opinion that there are reasonable grounds to believe that the Group will be able to realise its assets and settle its obligations as and when they become due and payable, for a period of at least 12 months from the date the financial report was authorised for issue.

The Group incurred a net loss of \$2,001,595 during the 6 months ended 30 June 2020 which included impairment of \$420,443 relating to the Montepuez Graphite Project ("Montepuez Project") and \$10,957 relating to the Balama Central Project ("Balama Project"). During the half year period the consolidated entity had cash outflows from operating activities of \$1,475,534 and cash flows from investing activities of \$1,631,218 that included a receipt of the released mine performance guarantee of \$2,062,618 (MZN 83,413,660), which was held in favor on the Mozambique Mines Department.

The Group's ability to continue as a going concern depends on future significant project debt and equity finance that needs to be available for the consolidated entity to progress the Montepuez Project to completion. In addition, the Group will need to raise funds to meet expenditure commitments for a newly acquired right for a prospective exploration asset in Victoria and support its current level of corporate overheads to continue as a going concern.

In assessing the Group's ability to continue as a going concern the directors considered the following available information:

- Significant reduction of corporate overhead and administrative costs from May 2020 onwards.
- The cash at bank balance as at 30 June 2020 of \$3,975,673.

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

- The funding process for the Montepuez Project led by ThirdWay Africa is continuing with various interested parties progressing their due diligence process via the Project's data room.
- In May 2020, Battery Minerals shareholders approved the acquisition of copper-gold Gippsland Project in Victoria subject to the grant of the exploration license E67801.
- The ability to raise equity capital once the exploration license for the Gippsland Project is granted.

Based on the cash flow forecasts, and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. Given the Company's history of raising capital to date, the Directors are confident of the Company's ability to raise additional funds as and when they are required, should the need arise.

However, the completion of any potential capital raise will be dependent on investor support, shareholder participation and prevailing capital market volatility whether caused by COVID-19 or otherwise. If the Group is not successful in securing sufficient funds, there is a material uncertainty that may cast significant doubt on whether the Group is able to continue as a going concern and as to whether the Group will be able to release its assets in the normal course of business and at amounts stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

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

### 2. Other Expenses

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Office costs	103,156	120,993
Depreciation	84,534	83,272
IT consultants and website	41,940	50,391
Bank charges	29,885	42,245
Insurance	46,949	64,017
Subscriptions	36,628	-
Loan write-off	117,438	-
Provision for VAT receivable	150,128	-
Administrative operating expenses	111,863	96,715
<b>Total other expenses</b>	<b>722,521</b>	<b>457,633</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 2020 and 2019 respectively:

Six months ended 30 June 2020	Mozambique \$	Australia \$	Consolidated \$
Interest and other income	134,065	55,757	189,822
Net foreign exchange gain/(loss)	17,588	(29,464)	(11,876)
Corporate and administration overhead	(318,435)	(1,162,140)	(1,480,575)
Exploration and evaluation impairment	(10,957)	-	(10,957)
Mine development impairment	(420,443)	-	(420,443)
Provision for VAT receivable	(150,128)	-	(150,128)
Loan write-off	(117,438)	-	(117,438)
	<b>(1,017,401)</b>	<b>(1,162,140)</b>	<b>(2,179,541)</b>
<b>Segment loss</b>	<b>(865,748)</b>	<b>(1,135,847)</b>	<b>(2,001,595)</b>

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

Six months ended 30 June 2019	Mozambique \$	Australia \$	Consolidated \$
Interest and other income	188,027	307,747	495,774
<b>Segment loss</b>	<b>(17,681,053)</b>	<b>(2,864,467)</b>	<b>(20,545,520)</b>

The following tables represent assets and liabilities information for the Group's operating segments as at 30 June 2020 and 31 December 2019, respectively:

Segment Assets	Mozambique \$	Australia \$	Consolidated \$
<b>30 June 2020</b>	<b>6,068,108</b>	<b>2,862,090</b>	<b>8,930,198</b>
31 December 2019	7,550,030	3,728,630	11,278,660
<b>Segment Liabilities</b>			
<b>30 June 2020</b>	<b>(113,296)</b>	<b>(164,790)</b>	<b>(278,086)</b>
31 December 2019	(125,185)	(248,910)	(374,095)

#### 4. Other Receivables

	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
<b>Current</b>		
Prepaid expenses	77,019	72,823
GST/VAT receivable	26,157	88,568
Other receivables	91,273	75,598
<b>Total other receivables</b>	<b>194,449</b>	<b>236,989</b>
<b>Non-current</b>		
Other receivables <sup>(i)</sup>	<b>1,447,241</b>	<b>3,509,854</b>

(i) During the half year period, the Group received a refund being a cash release due to a reduction of the performance bond from \$ 3,509,854 (MZN 153million) to \$1,447,241 (MZN 69.5 million) held with the Unico Bank in Mozambique in favour of the Mozambique Mines Department.

#### 5. Plant and Equipment

	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
Plant and equipment at cost	584,383	628,952
Accumulated depreciation	(365,188)	(341,083)
<b>Net carrying amount</b>	<b>219,195</b>	<b>287,869</b>

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

	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
<b>Movements in carrying amounts</b>		
Opening balance on 1 January	287,869	521,226
Additions	-	3,985
Depreciation expense	(53,386)	(103,485)
Reclassified to mine development	-	(3,006)
Reclassified to intangibles	-	(128,912)
Foreign currency translation movement	(15,288)	(1,939)
<b>Plant and equipment net carrying amount</b>	<b>219,195</b>	<b>287,869</b>

### 6. Intangible Assets

	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
Software at cost	186,905	186,905
Accumulated depreciation	(93,265)	(62,117)
	<b>93,640</b>	<b>124,788</b>

#### Movement

Opening balance on 1 January	124,788	23,363
Additions during the period	-	29,958
Reclassified from plant and equipment	-	128,912
Depreciation expense	(31,148)	(57,445)
<b>Intangible assets net carrying amount</b>	<b>93,640</b>	<b>124,788</b>

### 7. Exploration and Evaluation Expenditure

	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
<b>Non-Current</b>		
Exploration and evaluation at cost	-	-

#### Movement

Opening balance on 1 January	-	2,902,615
Exploration expenditure capitalised during the period	10,957	281,835
Exploration expenditure disposed due to the tenement sale	-	(96,680)
Impairment	(10,957)	(3,081,606)
Foreign currency translation movement	-	(6,164)
<b>Exploration &amp; evaluation net carrying amount</b>	<b>-</b>	<b>-</b>

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

### 8. Mine Development Asset

	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
<b>Non-Current</b>		
Mine development expenditure	<b>3,000,000</b>	<b>3,000,000</b>
<b>Movement</b>		
Opening balance on 1 January <sup>(i)</sup>	3,000,000	30,950,808
Expenditure capitalised during the period <sup>(i)</sup>	1,028,925	3,980,647
Purchase refund <sup>(ii)</sup>	(513,289)	-
Received R&D refund	(95,193)	-
Impaired during the period <sup>(iii)</sup>	(420,443)	(31,849,190)
Foreign currency translation movement	-	(82,265)
<b>Mine development net carrying amount</b>	<b>3,000,000</b>	<b>3,000,000</b>

(i) The capitalised mine development expenditure relates to the Montepuez Graphite Project.

(ii) Refund was received from a supplier due to cancellation of the prior year purchase order.

(iii) An impairment expense of \$420,443 (31 December 2019: \$31,849,190) was recognised in the profit and loss during the current reporting period relating to the impairment of the Montepuez Project mine development expenditure.

### 9. Trade and Other Payables

	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
Trade and other payables	108,702	156,900
Accrued expenses	28,162	56,173
<b>Total trade and other payables <sup>(i)</sup></b>	<b>136,864</b>	<b>213,073</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. Provisions

	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
<b>Current</b>		
Provisions	<b>141,222</b>	<b>161,022</b>
<b>Movement</b>		
Opening balance on 1 January	161,022	211,658
Employee benefits provision accrued during the period	69,459	354,447
Employee benefits paid during the period	(84,596)	(405,083)
Foreign currency translation movement	(4,663)	-
<b>Total provisions</b>	<b>141,222</b>	<b>161,022</b>



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

### 11. Issued Capital

	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
Ordinary shares fully paid	<b>78,909,275</b>	<b>78,909,275</b>

#### (a) Movements for the half year ended 30 June 2020

Date	Details	No. of Shares	Issue Price	Amount, \$
1 Jan 2020	Opening Balance	1,318,091,549		78,909,275
<b>30 Jun 2020</b>	<b>Balance at the half year end</b>	<b>1,318,091,549</b>		<b>78,909,275</b>

There was no movement during the six-month period.

#### (b) Movements for the year ended 31 December 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	-		(326,944)
<b>31 Dec 2019</b>	<b>Closing Balance</b>	<b>1,318,091,549</b>		<b>78,909,275</b>

<sup>(i)</sup> 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.

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

### 12. Reserves

	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
Foreign currency translation reserve <sup>(i)</sup>	(1,409,628)	(1,113,323)
Share based payment reserve	5,287,055	5,241,608
	<b>3,877,427</b>	<b>4,128,285</b>

<sup>(i)</sup> 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) Movements in share-based payments reserve for the half year ended 30 June 2020

Date	Details	No. of Options & Rights	Amount, \$
1 Jan 2020	Opening balance	470,384,066	5,241,608
31 May 2020	Options expired <sup>(i)</sup>	(2,500,000)	-
31 May 2020	Forfeited options <sup>(ii)</sup>	(14,000,000)	- <sup>(iii)</sup>
30 Jun 2020	Forfeited options <sup>(ii)</sup>	(4,000,000)	- <sup>(iii)</sup>
30 Jun 2020	Vesting expense of prior year options	-	45,447
<b>30 June 2020</b>	<b>Balance at the half year end</b>	<b>449,884,066</b>	<b>5,287,055</b>

(i) Vested options exercisable at \$0.0920 expired on 31 May 2020.

(ii) Unvested options forfeited upon resignation of an employee.

(iii) Share-based payment expense relating to the options forfeited in May and June 2020 was reversed into profit and loss in the financial year 2019 due to a low probability of vesting conditions to be met.

### (b) Movements in share-based payments reserve for the year ended 31 December 2019

Date	Details	No. of Options and Rights	Amount, \$
01-Jan-19	Opening Balance	307,324,066	6,029,637
15-Feb-19	Forfeited options	(2,000,000)	(9,885)
21-May-19	Options issued to directors	65,500,000	121,217
21-May-19	Options issued to employees	72,850,000	20,695
30-May-19	Listed options exercisable at \$0.10 <sup>(i)</sup>	102,210,000	-
24-Jun-19	Forfeited options	(1,500,000)	(17,809)
01-Jul-19	Forfeited options	(200,000)	(2,443)
01-Jul-19	Forfeited options	(1,200,000)	(14,660)
08-Nov-19	Forfeited options	(22,000,000)	(84,036)
15-Nov-19	Forfeited options	(600,000)	(7,330)
22-Nov-19	Forfeited options	(50,000,000)	(59,461)
31-Dec-19	Vesting expense of prior years' options	-	386,764
31-Dec-19	Reverse vesting expense of prior years	-	(1,121,081)
<b>31-Dec-19</b>	<b>Balance at end of year</b>	<b>470,384,066</b>	<b>5,241,608</b>

## 13. Commitments and Contingencies

In March 2020 Battery Minerals Limited has signed two binding agreements to acquire 67% and 33% of Gippsland Prospecting Pty Ltd (Gippsland Prospecting), which has the sole right to apply for a highly prospective exploration licence of Block 4 immediately adjacent to Thursday's Gossan copper-gold project in Victoria. Following the signing of the binding agreements the Gippsland transaction was approved by Battery Minerals shareholders on 13 May 2020. The completion of the Gippsland transaction is still subject to the grant of the exploration licence for Block 4 copper-gold project in Victoria as of the date of signing this report.

As a consideration, Battery Minerals will issue 439,363,850 ordinary shares and pay up to \$500,000 to the three shareholders of Gippsland Prospecting Pty Ltd and repay Gippsland Prospecting shareholder loans of \$250,000 for past expenditure. Battery Minerals has agreed to spend a minimum of \$1.5 million on exploration and evaluation on Block 4 in the first 12 months after completion of the transaction.

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

On completion of the transaction Darryl Clark will be appointed as a Non-Executive Director of Battery Minerals. Subject to shareholders' approval, Battery Minerals will issue Kent Balas and Alan Marlow 70 million Zepo incentive 5-year options with vesting conditions subject to clear performance targets, being the definition of mineral resources, ore reserves and a decision to mine.

### 14. Related Party Disclosures

#### Key Management Personnel (KMP)

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

Name	Position Change	Date
Mr Nick Day	Resigned from the position of Chief Financial Officer	30 June 2020

Other key management personnel service agreements remain as disclosed in the 31 December 2019 annual report.

There were no loans made or outstanding to directors of Battery Minerals Limited and other key management personnel of the Group, including their personally related parties.

### 15. 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 2020 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 2020 to 30 June 2020.
- 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.



David Flanagan  
Non-Executive Chairman

26 August 2020  
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 2020 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:

- Condensed Consolidated Statement of Financial Position as at 30 June 2020
- 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 1 to 15 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's end or from time to time during the Interim Period.

The **Interim Period** is the six months ended on 30 June 2020.

### Material uncertainty related to going concern – emphasis of matter

We draw attention to Note 1(b), "Going Concern" in the Condensed Interim Financial Report. The conditions disclosed in Note 1(b), indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Condensed Interim Financial Report. Our conclusion is not modified in respect of this matter.



## 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 gives a true and fair view and 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 2020 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

26 August 2020