



BATTERY MINERALS

and its Controlled Entities

ABN 75 152 071 095

**Annual Report
31 December 2021**

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Corporate Information

This financial report includes the consolidated financial statements and notes of Battery Minerals Limited and its controlled entities ("the Group"). The Group's presentation currency is Australian Dollars (AUD\$).

A description of the Group's operations and its principal activities is included in the Review of Operations on pages 2 to 10 and the Directors' Report on pages 11 and 12. The Directors' report is not part of the financial report.

Directors

Mr David Flanagan
Non-Executive Chairman

Mr Peter Duerden
Managing Director

Mr Jeff Dowling
Non-Executive Director

Dr Darryl Clark
Non-Executive Director

Company Secretary

Mr Tony Walsh

Registered Office

Ground Floor, 10 Ord Street
West Perth WA 6005

Website

<https://www.batteryminerals.com>

Auditor

KPMG
235 St. Georges Terrace
Perth WA 6000

Bankers

Westpac Banking Corporation
Level 13, 109 St Georges Terrace
Perth WA 6000

Solicitors

Thomson Geer
Exchange Tower
Level 27, 2 The Esplanade
Perth WA 6831

Stock Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX Codes: **BAT** (shares), **BATO** (quoted options)

Share Registry

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000
T: 1300 288 664

Review of Operations

BATTERY MINERALS DEVELOPMENT STRATEGY

Battery Minerals Limited (ASX: BAT) ("Battery Minerals" or "the Company") is pleased to report on its activities during 2021.

This year was a pivotal one for the Company, with the acceleration of a strategy transitioning from Mozambique graphite developer into Australian focused copper-gold explorer.

The Company is completing the sale of the Montepuez and Balama Graphite Projects to Tirupati Graphite (TGR: LSE or 'Tirupati') for \$12.5 million in cash and shares. The deal provides exposure to the graphite market via Tirupati's rapidly expanding production profile, being 84,000tpa by 2024 which equates to 5-7% of current global demand (TGR: LSE 24 January 2021).

In Australia, the Company's exploration activities were focused in western Victoria at the Stavelly-Stawell Project, where recent advances in geological knowledge and several nearby discoveries have upgraded the regions prospectivity for copper, gold and nickel.

Exploration activity included 212 aircore drill holes for 9,971m, satellite-borne alteration mapping and 3,840-line kilometers of Falcon® airborne gravity which have greatly aided the definition and ranking of targets suitable for follow-up bed rock drill testing.

The Australian exploration portfolio was enhanced via the purchase of the Russells Project in the East Kimberley region of Western Australia, considered prospective for sediment/basalt hosted copper and magmatic nickel-copper-cobalt mineralisation (e.g. Savannah Ni-Cu-Co Mine, PAN:ASX).

The Russells Project includes several near-term discovery opportunities for the Company, comprising multiple drill targets characterized by strong surface copper anomalism, up to 30% in rock chips and VTEM conductors. In particular, the Olympio Target (formerly Epithermal) represents a high-quality discovery opportunity where a zone of high conductivity (650m long at 100m depth) appears coincident with a concealed, likely structurally thickened portion of the prospective target stratigraphy.

STAVELY-STAWELL PROJECT: COPPER-GOLD (EL6871, BAT 100%)

The Stavelly-Stawell Project comprises a single exploration licence (EL6871) covering a 65km strike of the Stawell Gold Corridor and northern extents of the Stavelly-Dryden Belt in western Victoria.

Exploration Rationale

This large project is considered highly prospective for orogenic-style gold, as evidenced by the nearby multimillion ounce Stawell Gold Mine (Stawell Gold Mines Pty Ltd) and VMS/porphyry copper-gold mineralisation, given the emerging along strike discoveries within the Stavelly Volcanics.

Foundation datasets have been developed based on available geological, geophysical, geochemical and historic drilling datasets along with the collection of additional geochemical data (surface and AC drilling), gravity and satellite spectral imagery to aid in target identification and ranking.

Review of Operations

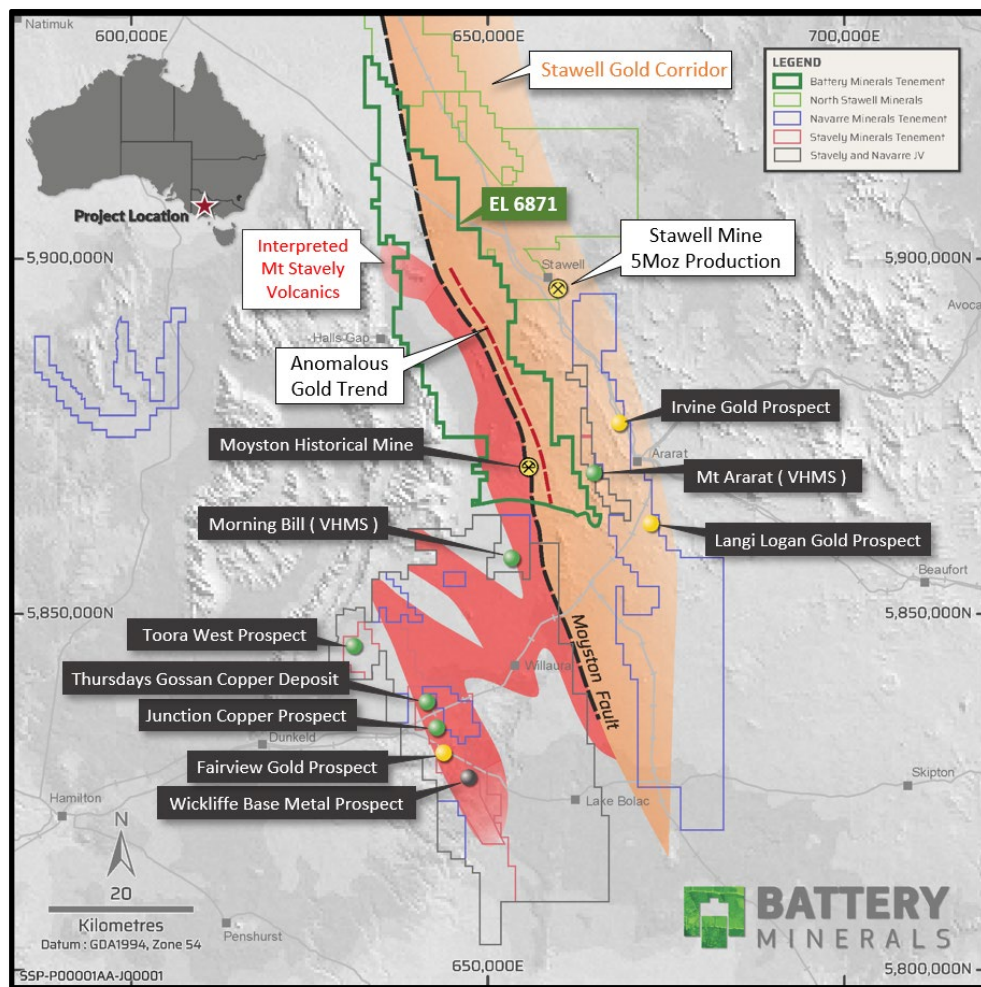


Figure 1: Stavelly-Stawell Project regional location map

Aircore Drilling

Multiple programs of aircore drilling included 212 aircore drill holes for 9,971m. The ongoing shallow aircore drilling activity is designed to identify geochemical anomalism to aid the ranking of targets for follow-up bedrock drilling.

Highlights of the shallow drilling include:

- Identification of >800m zone of gold anomalism at the Frying Pan Prospect (ASX: BAT 29 July 2021)
 - 6m at 0.72 g/t Au from 18m (21BATAC062)
 - 9m at 0.11 g/t Au from 9m (21BATAC036)
- Identification of >1,600m zone of gold anomalism at the Nine Mile Prospect (ASX: BAT 25 Oct 2021)
 - 4m at 0.48 g/t Au from 41m (21BATAC091)
 - 12m at 0.13 g/t Au from 3m (21BATAC100)
 - 15m at 0.14 g/t Au from 8m (21BATAC147)

Review of Operations

Airborne Gravity Gradiometer Surveying

To aid the development of a lithostratigraphic and structural framework for the project area, 3,840-line kilometers of Falcon® Airborne Gravity data was acquired along 200-metre spaced flight lines. Follow-up surveying was completed in early 2022 with the data to be integrated along with high resolution magnetics and geological mapping into a 3D geological framework for the area.

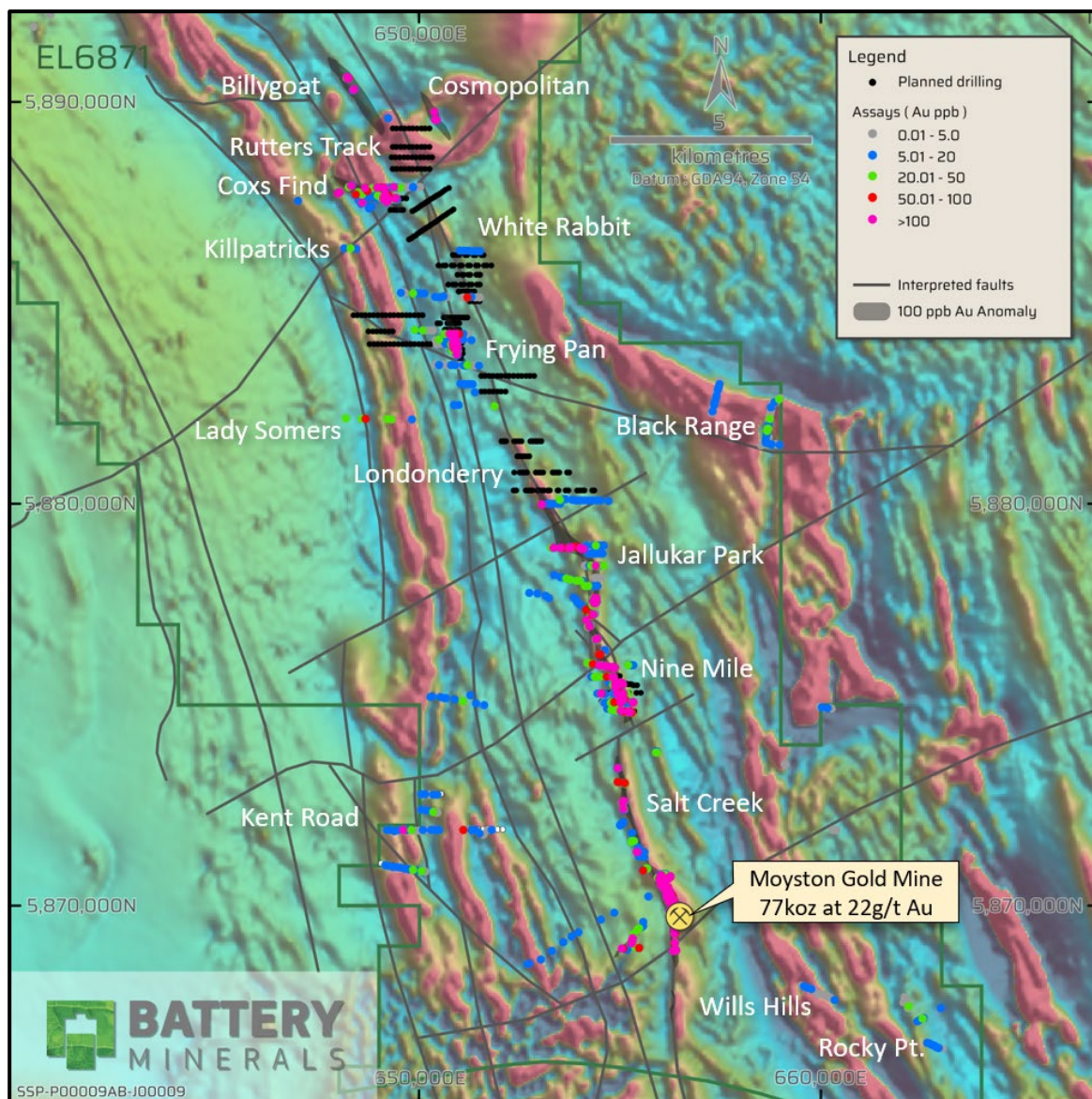


Figure 2: Stavelly-Stawell Project planned and completed AC drilling over RTP magnetic imagery

RUSSELLS PROJECT: COPPER-NICKEL (E80/4944, E80/5116, E80/5347, E80/5348, BAT 100%)

The Russells Project comprises three granted exploration licences (E80/4944, E80/5116, E80/5347) and one application (E80/5348), covering 258km² of the Halls Creek Mobile Zone within the East Kimberley region of Western Australia.

Exploration Rationale

The area includes widespread zones of strong surface copper anomalism, up to 30% in rock chips, with the company currently planning a high impact drilling program targeting recently identified strong VTEM conductors.

Review of Operations

Historic exploration data indicates potential for Michigan-style (basalt-host) and sediment-hosted copper within the Red Rock and Olympio Formations in the project area. Several VTEM targets occur within structurally thickened zones of the target stratigraphy and are considered high quality discovery opportunities. In addition, upcoming drilling activity will test several magmatic nickel-copper-cobalt-PGE targets (e.g. Savannah Ni-Cu-Co Mine, PAN:ASX).

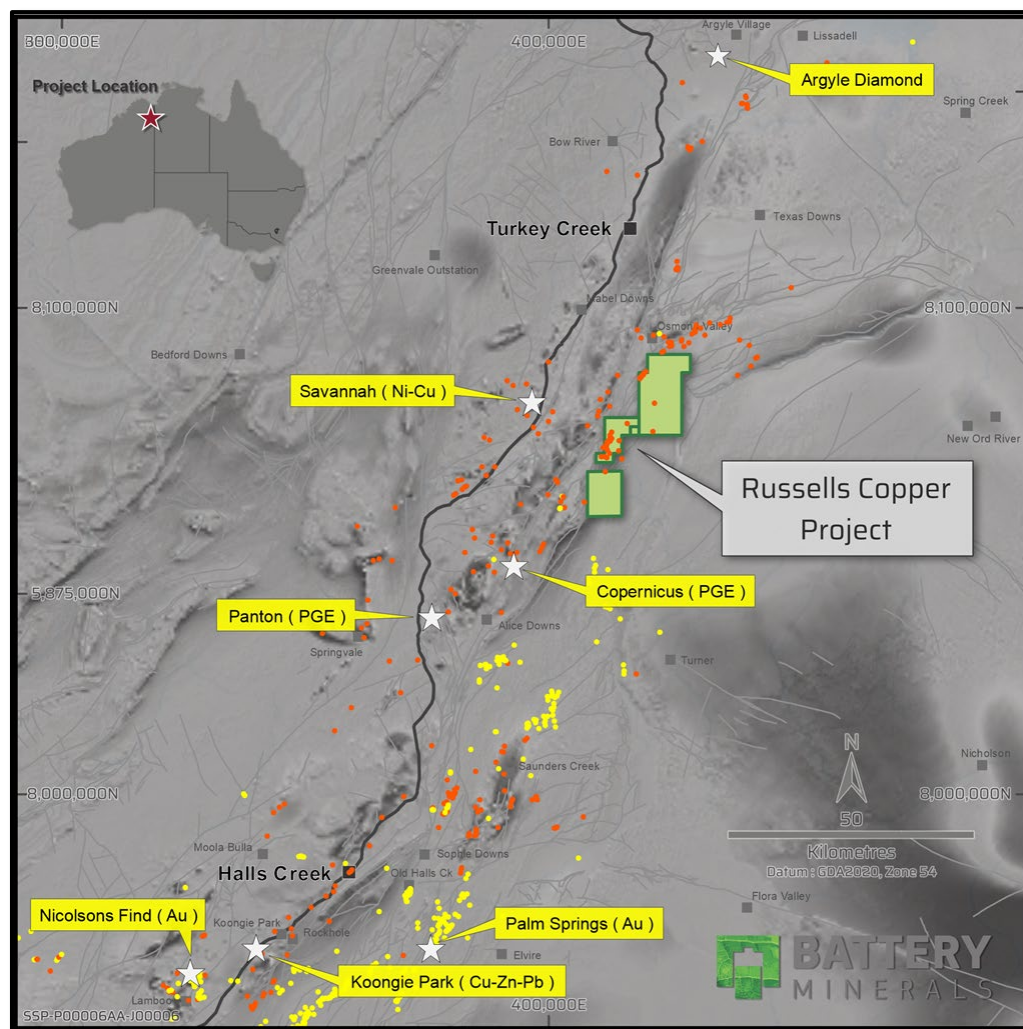


Figure 3: Russells Project regional location map

VTEM Surveying (Target Definition)

Battery Minerals completed a helicopter-borne versatile time-domain electromagnetic (VTEM) survey over 8km of prospective stratigraphy within the central portion of the project area.

EM, magnetic, and digital elevation data was acquired along NW-SE orientated and 100m spaced survey flight lines for a total of approximately 510 survey line kilometres.

VTEM data has been processed, with preliminary modelling completed by Resource Potentials Pty Ltd defining several EM conductors for follow-up drill testing. In particular, the Olympio Target (formerly Epithermal) represents a high-quality discovery opportunity where a zone of high conductivity (650m long at 100m depth) appears coincident with a concealed, likely structurally thickened portion of the prospective target stratigraphy.

Review of Operations

Rockchip Geochemistry (Target Definition)

A total of 84 surface rock chip samples were taken during field visits in 2021 and the assay results of another 13 samples collected during the previous reporting period were received (Figure 4). All samples were analysed by ALS in Perth for multi-elements, including Cu, Au and Ag. The best results included 9.42% Cu (sample RP13646), 37.8 ppm Ag (21BATSS5016) and 0.19 g/t Au (21BATSS5016).

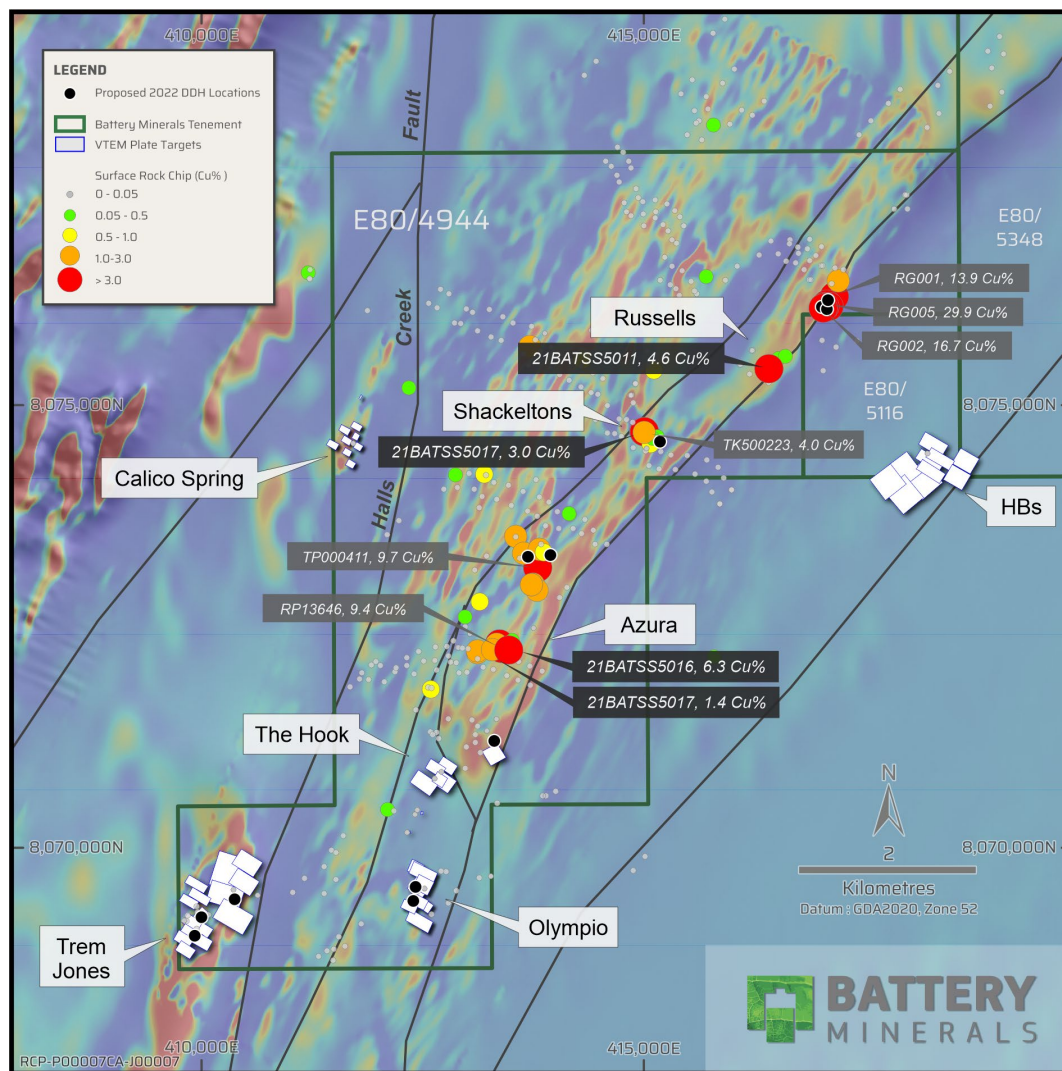


Figure 4: Russells Project Target Summary with rockchip geochemistry, RTP magnetics, preliminary VTEM results

Review of Operations

MOZAMBIQUE PROJECTS: GRAPHITE (8770C, 10031C, 8555, 8609, BAT 100%)

Sale Agreement with Tirupati Graphite (TGR:LSE)

On 17 August 2021, Battery Minerals announced it had entered into agreements, together with its subsidiary Rovuma Resources Limited ("Rovuma"), to sell its Mozambique graphite assets, through the sale of all the shares in its subsidiary Suni Resources SA, to the London Stock Exchange listed company, Tirupati Graphite plc (TGR:LSE) for a total aggregate consideration of \$12.5 million in cash and shares (ASX: BAT 17 August 2021).

Subject to all necessary Mozambique government approvals, the Company expects to complete the transaction in the first half of 2022.

Transaction Rationale

- Battery Minerals will receive Tirupati ordinary shares valued at \$11 million and cash of \$1.5 million
- Tirupati is:
 - active and experienced in Africa and in project execution being the only graphite producer listed on the LSE and is fully integrated across the entire graphite value chain;
 - a natural owner of projects like the two Mozambican graphite projects;
 - listed on the standard segment of the LSE main board with a market capitalization of ~\$183 million and has sourced approximately \$39 million in expansion funding primarily from UK investors with continued strong share liquidity;
 - a company with a strong history and heritage and are specialists in graphite having developed market leading and proven design, engineering, development and marketing capabilities in the graphite industry over the last 40 years, which Battery Minerals will get an exposure to;
 - an operating cashflow positive producer at Sahamamy in Madagascar and imminently also from Vatomina, is planning to increase production to 84,000tpa of high-quality flake graphite concentrate by 2024;
 - a globally cost competitive fully integrated graphite producer and well placed to seize market opportunities, having recently announced development of aluminium-graphene composite, which has the potential to provide significant exposure to hi-tech industries including communications, aerospace as well as E-mobility as a lighter weight copper equivalent conducting material.
- Through its shareholding in Tirupati Graphite, Battery Minerals will maintain a free carried exposure to the two Mozambican graphite projects and add exposure to Tirupati Graphite's other production and development assets
- Through its shareholding Battery Minerals shall also gain exposure to graphene and graphene based advanced materials being developed by Tirupati Graphite
- This transaction is advantageous for Mozambique and the local communities.

Review of Operations

Background Tirupati

Tirupati Graphite Plc is a revenue-generative, multi-asset, multi-jurisdictional, fully integrated producer and developer of high-grade natural flake graphite, specialty graphite and graphene, which captures the entire value chain. With a unique set of properties, graphite has diverse applications with multiple growth streams and graphene forms the new generation of 2D materials. In support of this, Tirupati Graphite places a special emphasis on "green" applications, including renewable energy generation, energy storage and composites, and is committed to ensuring its operations are sustainable as well.

Tirupati Graphite's operations include primary mining and processing in Madagascar, where Tirupati Graphite operates two key projects, Sahamamy and Vatomina; 3,000 tpa in production plus 9,000 tpa coming into commercial production imminently, of high-quality flake graphite concentrate with up to 96% purity is currently being produced and sold to customers globally, and this is planned to increase to 84,000 tpa by 2024 as per Tirupati Graphite's modular medium-term development plan.

In India, through Tirupati Specialty Graphite Private Limited ('TSG'), with whom Tirupati Graphite has a binding acquisition agreement, subject to regulatory approvals, Tirupati Graphite processes and produces specialty graphite for use in hi-tech applications like lithium-ion batteries, fire retardants and composites. Its specialty graphite processing operations include the 1,200 tpa Patalganga Project, which was commissioned in July 2019 to manufacture and sell CARBOFLAMEX®, a trademarked fire-retardant expandable graphite product. TSG is further developing a 30,000 tpa specialty graphite project in two equal size modules and has developed unique green processing technologies for manufacturing these advanced materials under its medium-term development plan and has flexibility to increase capacities further to capitalize on foreseeable market opportunities.

TSG has also established and continues to develop the Tirupati Graphene and Mintech Research Centre, a state-of-the-art R&D centre focused on manufacturing graphene, developing its applications and advanced materials using graphene, and further providing environmentally friendly technologies consultancy for mineral processing.

Balama Central Mining Licence Granted

Battery Minerals submitted a mining concession application for its Balama Central graphite project in late June 2019. The application reduced the footprint of the exploration license to minimise the impact on local communities.

In November 2021, the Mozambican Government awarded the Mining Licence for the Balama Central graphite project for production of 50,000tpa of graphite concentrate (BAT ASX 10 November 2021).

CORPORATE

During the December 2021 Quarter, the Company completed a placement for \$2.7M. The funds raised will be used to fund the company's Australian exploration activities at the Stavely-Stawell Project in Victoria and Russells Project in Western Australia.

As of 31 December 2021, the Company had cash and liquid assets of \$3.9M. The Company continues to reduce overhead costs as it pivots from African graphite developer to an Australian focused copper-gold explorer.

Battery Minerals announced board changes on 19 November 2021, with the addition of Mr Peter Duerden as Managing Director and David Flanagan moving from Executive to Non-Executive Chairman. Mr Duerden joined the Company on 10 January 2022 (BAT: ASX 19 November 2022).

Review of Operations

SUSTAINABILITY

Battery Minerals Limited is committed to being a leading and sustainable Australian mining company built on exploration and corporate success for the benefit of all of its stakeholders.

During the year, the Company has reviewed and revised its sustainability policies. These policies apply to all our people and implementation of these policies and their supporting standards and procedures are required across all Battery Minerals operations.

Environment Responsibility

Battery Minerals is committed to being effective environmental stewards and managing our impacts, whilst both achieving operational excellence and fulfilling our corporate social responsibilities. The Company is committed to positive environmental management outcomes to maintain and enhance performance.

Battery Minerals acknowledges the threat posed by climate change and will work to de-carbonise our business in a measured, proportionate and sustainable manner.

Health and Safety

Battery Minerals aspires to minimise the harm caused by workplace hazards whilst both achieving operational excellence and fulfilling our corporate social responsibilities. The Company is committed to leadership in health and safety through the use of responsible and reliable management systems to maintain and enhance performance.

Community Engagement

Battery Minerals is committed to create enduring value for our host communities and limiting our negative impacts, whilst both achieving operational excellence and fulfilling our corporate social responsibilities.

During the year, Battery Minerals continued the identification of key community groups and stakeholders within its project areas to ensure that all its activities are conducted in a manner that meets all relevant statutory legislation and represents best practice.

Governance

Battery Minerals and its board are committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2022 Corporate Governance Statement was approved by the Board on 17 March 2022 and is current as at 17 March 2022. The group's current corporate governance practices are set out in the Group's Corporate Governance Statement which can be viewed at www.batteryminerals.com.

Review of Operations

Tenement Summary as at 31 December 2021

1. TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of Year	Interest at end of Year
8770C	Mozambique	Mining Licence Granted	100%	100% Note 1
10031C	Mozambique	Mining Concession Granted	100%	100% Note 1
8555	Mozambique	Exploration License Granted	100%	100% Note 2
8609	Mozambique	Exploration License Granted	100%	100% Note 2
EL6871	Victoria, Australia	Exploration License Granted	100%	100%
E80/4944	WA, Australia	Exploration License Granted	-	100%
E80/5116	WA, Australia	Exploration License Granted	-	100%
E80/5347	WA, Australia	Exploration License Granted	-	100%
E80/5348	WA, Australia	Exploration License Pending	-	100%

Note 1: These tenements are the subject to the Sale Agreement with Tirupati Graphite announced on 17 August 2021. The Balama Central graphite project was awarded its mining concession during the period.

Note 2: An agreement was reached in December 2018 to dispose of these tenements. The agreement reached between BAT, its subsidiaries and Nedeel LLC, was for \$50,000 in cash and a 1% royalty (which may be sold for US\$1m up to the date of 730 days after the grant of a Mining Concession on either or both of the tenements). The change of ownership of these tenements is currently subject to the approval of the Mozambican Government.

2. MINING TENEMENTS DISPOSED: Nil

3. BENEFICIAL % INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS: Nil

4. BENEFICIAL % INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS ACQUIRED/DISPOSED: Nil

Directors' Report

The Board of Directors present the following report on Battery Minerals Limited and its controlled entities (referred to hereafter as "the Group") for the year ended 31 December 2021.

Directors

The names of the Directors in office during the financial year and until the date of this report are as follows. All Directors were in office for the entire period unless otherwise stated:

Director	Position	Appointed	Resigned
David Flanagan	Non-Executive Chairman	10 January 2022	-
	Executive Chairman	25 March 2021	10 January 2022
	Non-Executive Chairman	1 July 2019	25 March 2021
Peter Duerden	Managing Director	10 January 2022	-
Jeff Dowling	Non-Executive Director	25 January 2018	-
Darryl Clark	Non-Executive Director	22 October 2020	-

Dividends

No dividends were paid during the financial year (31 December 2020: Nil).

Principal Activities

Battery Minerals Limited, an ASX listed company (ASX:BAT) is a diversified minerals exploration company dedicated to exploring for and developing mineral deposits. During the year, the Company negotiated the sale of its two graphite projects Montepuez and Balama located in Mozambique as well as acquiring the Russells Copper Project in the Kimberley region of Western Australia and continued to explore the Stavely-Stawell Gold Project in western Victoria, Australia.

Review of Operations

a. Group Overview

In August 2021, the Company negotiated the sale of its Montepuez and Balama Graphite Projects in Mozambique and intellectual property to Tirupati Graphite plc for \$11.0 million in shares in Tirupati Graphite plc (Tirupati) and \$1.5 million in cash respectively.

In June 2021, the Company acquired the Russell Copper Project in the Kimberley region of WA.

The Group incurred a loss for the period of \$6,109,524 (2020: \$6,546,835) which included exploration and evaluation costs of \$2,635,759 (2020: \$191,819) and care and maintenance costs on the Mozambique graphite projects of \$1,119,338. The exploration and evaluation costs relate to the Australian projects and these costs are expensed as incurred in the early stages of the project life except for acquisition costs which are capitalised. The Victorian project was acquired in October 2020 and the WA project in June 2021 resulting in the higher exploration expense in the current year due to the ongoing exploration programs at these projects. In prior periods the Mozambican mine development and exploration expenditure relating to the Montepuez and Balama graphite projects has been capitalised and fully impaired. In the current period, the decision was made to expense the ongoing holding costs in relation to these projects as care and maintenance expense.

Directors' Report (continued)

b. Highlights & Significant Changes in State of Affairs

In August 2021, the Company announced that it had entered into agreements, together with its subsidiary Rovuma Resources Limited, to sell its Mozambique graphite assets and intellectual property, through the sale of all of the shares and debt in its subsidiary Suni Resources SA, to the London Stock Exchange listed company, Tirupati Graphite plc for a total aggregate consideration of \$12.5M. Cash consideration of \$1.5M and share consideration of \$11M will be received once all conditions precedent are met. The share consideration will be issued at £1.03 per share and will comprise 2,833,644 Tirupati shares at completion date and 2,833,644 Tirupati shares 8 months after the completion date, with these shares being escrowed for 8 months and 20 months respectively. The ultimate value of the share consideration received will be dependent upon the AUD/GBP exchange rate and the market value of the Tirupati shares upon the date of issue of the shares.

During the last quarter of 2021 the mining licence for the Company's Balama Central graphite project was granted subject to certain standard mining licence conditions similar to the Company's Montepuez graphite project's mining licence, including the lodgement of a US\$1.2m financial guarantee (Balama Central Performance Bond).

Completion of the transaction is subject to a number of conditions precedent including Mozambique government approvals for which the lodgement of the Balama Central Performance Bond may be a pre-condition. Battery Minerals shareholder approval for the transaction was received on 30 September 2021. The conditions precedent must be satisfied prior to 29 April 2022. As at the date of this report, all required documentation for government approval has been lodged with the relevant Mozambique Government departments and meetings have been held between Battery Minerals and Tirupati representatives and the relevant Mozambique Government officials. Further details in regard to the transaction are included in the ASX Announcement dated 17 August 2021.

In June 2021, the Company acquired the Russell Copper Project near Halls Creek in WA's Kimberley region via the purchase of Tremjones Pty Ltd from the shareholder of that company, iCopper Pty Ltd, a syndicate in which Indigenous Kimberley residents are 47% shareholders. Upon signing of the Sale Agreement, Battery paid \$100,000 in cash and issued \$1M in ordinary shares at an issue price of 10% discount to the five-day VWAP on the date of signing the Sale Agreement (61,553,992 shares). In order to retain the tenements, within 12 months of the completion date of 25 June 2021, Battery must pay another \$1.25M in cash or, subject to shareholder approval, issue \$1.25M in ordinary shares at an issue price of 10% discount to the five-day VWAP on the 12-month anniversary of the date of the Sale Agreement. The Company will issue an additional \$0.25M in ordinary shares on the grant and transfer of E80/5348 at an issue price of 10% discount to the five-day VWAP on the date of signing the Sale Agreement (15,388,498 shares).

In December 2021, the Company successfully completed a share placement raising \$2.68M to fund the Company's ongoing Australian exploration and administrative activities.

Likely Developments and Expected Results

The Company intends to continue to actively explore its Stavelly-Stawell Project in Western Victoria and its Russell Copper Project in the Kimberley region of WA.

In addition, the Company is expecting to complete the sale of its Mozambique Graphite Projects and intellectual property subject to Mozambican government approval.

The Group's long-term strategic objective is to explore and develop its projects, ensure all activities are carried out in a transparent, sustainable and responsible way and contribute to the well-being of local communities, in addition to increasing shareholders' value.

Directors' Report (continued)

Risk Management

The Board is responsible for ensuring that risks, and opportunities, are identified on a timely basis and that activities are aligned with these risks and opportunities. The Company believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee. The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of the Company's current strategy.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

Environmental Regulation

The Group is subject to significant environmental regulation in respect of mineral exploration activities. The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of shareholders, employees and suppliers. The Group's exploration activities are currently regulated by significant environmental regulation under the laws of Mozambique, Victoria and WA. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

The Directors are mindful of the regulatory regime in relation to the impact of the organisation's activities on the environment. There have been no known material breaches by the Group during the year.

COVID-19

During the reporting period, the Company has continued to see macro-economic uncertainty as a result of the COVID-19 (coronavirus) outbreak including volatility in commodity and stock markets. The scale and duration of these developments remain uncertain but could impact the Company's ability to finance its projects.

After Reporting Date Events

On 10 January 2022, Mr Peter Duerden commenced as Managing Director of the Company. Mr David Flanagan reverted to the role of Non-Executive Chairman from his previous Executive Chairman role.

On 2 March 2022, the Company issued a total of 170,000,000 unlisted zero exercise price options subject to certain time-based and performance hurdles expiring on 31 January 2027. The options were issued to the Company's directors following shareholder approval obtained at the General Meeting held on 28 February 2022.

Apart from the above, there are no other events after the end of the Reporting Period to disclose.

Directors' Report (continued)

Information on Directors

Mr David Flanagan

	Non-Executive Chairman (appointed 10 January 2022)
	Executive Chairman (appointed 25 March 2021 – resigned 10 January 2022)
	Non-Executive Chairman (appointed 1 July 2019 – resigned 25 March 2021)
	Executive Chairman (appointed 8 April 2019 – resigned 1 July 2019)
	Managing Director (appointed 25 January 2018 – resigned 8 April 2019)
	Executive Chairman (appointed 30 March 2017 – resigned 25 January 2018)
	Non-Executive Chairman (appointed 11 October 2016 – resigned 30 March 2017)
Qualifications	BSc, WASM, MAusIMM, FAICD
Experience	Mr Flanagan is a geologist with more than 25 years' experience in the mining and mineral exploration industry in Australia, Indonesia and Africa. Mr Flanagan was the founding Managing Director at Atlas Iron. During his tenure at Atlas Iron he oversaw its growth from a junior exploration company, to an ASX top 100 listed iron ore exporter, and the operator of three iron mines producing at a rate of 12Mtpa. Mr Flanagan is the past Chancellor of Murdoch University, and during 2014 was named Western Australian of the Year. He was awarded an Eisenhower Fellowship in 2013 and remains active in the not-for-profit sector. In January 2018, David was awarded the prestigious Member of the General Division of the Order of Australia Award.
Current Directorships	Non-Executive Director, MACA Limited (appointed 30 September 2021)
Former Directorships in last 3 years	Non-Executive Chairman, CZR Resources Limited (resigned 10 September 2021) Non-Executive Director, Magmatic Resources Limited (resigned 4 February 2021).

Mr Jeff Dowling

	Non-Executive Director (appointed 8 April 2019)
	Non-Executive Chairman (appointed 25 January 2018 – resigned 8 April 2019)
Qualifications	Bachelor of Commerce from the University of Western Australia and is a fellow of the Institute of Chartered Accountants, the Australian Institute of Company Directors and the Financial Services Institute of Australasia.
Experience	Jeff is a proficient corporate leader with 38 years' experience in professional services with Ernst & Young. Jeff has held numerous leadership roles within Ernst & Young including at national level being a member of the executive management team and a Board Member. Jeff's professional expertise centres around audit, risk and financial acumen derived from acting as lead partner on large public company audits, capital raisings and corporate transactions principally in the resources, retail and insurance industries. Jeff's career with Ernst & Young culminated in his appointment as Managing Partner of the Ernst & Young Western Region for a period of 5 years. Jeff also led Ernst & Young's Oceania China Business Group and was responsible for building Ernst & Young's Oceania relationships with Chinese Corporations.
Current Directorships	Non-Executive Director, S2 Resources Limited Non-Executive Director, NRW Holdings Limited Non-Executive Director, Fleetwood Corporation Ltd
Former directorships in last 3 years	Nil.

Dr Darryl Clark

	Non-Executive Director (appointed 22 October 2020)
Qualifications	PhD, BSc (Hons), F AUSIMM. Graduate of CODES UTAS.
Experience	Darryl is principally an exploration geologist whose career has taken him throughout Australia, Central Asia and South East Asia for over 27 years. His responsibilities over the last 18 years have involved him in a diverse range of technological, political and cultural environments with unique challenges. During previous corporate roles with both Vale and BHP Billiton, and in consulting roles including SRK, he has been responsible for business development strategies, designing multi-commodity exploration programs and the co-ordination of exploration teams to deliver discovery events. Recently, Darryl spent several years in Executive Operations roles, initially with Cameco as the CEO of the JV Inkai Uranium Operation in Kazakhstan. Subsequently, Darryl was the CEO of the RG Gold Joint Venture operation also in Kazakhstan.
Current Directorships	Nil.
Former directorships in last 3 years	Non-Executive Director, Peako Ltd (resigned 20 September 2021) Non-Executive Director, Xanadu Mines Ltd (resigned 28 November 2019)

Directors' Report (continued)

Information on Directors (continued)

Mr Peter Duerden

Managing Director (appointed 10 January 2022)

Qualifications

BSc Hons (EconGeo), M (EconGeo), RPGeo

Experience

Peter has over 20 years' experience in the mining and exploration industry working across a wide range of commodities and deposit styles. He has held Managing Director roles for Magmatic Resources Limited and Sky Metals Limited along with senior management positions within successful exploration teams at Newcrest Mining Limited and Alkane Resources Limited. Mr Duerden holds a Masters of Economic Geology and is a Registered Professional Geoscientist (RPGeo) and member of the AIG.

Current Directorships

Nil.

Former directorships in last 3 years

Magmatic Resources Limited (resigned 17 December 2021)
Sky Metals Limited (resigned 4 December 2019)

Director Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Group during the year is as follows:

	Number of Meetings Eligible to Attend	Number of Meetings attended
Director		
Mr David Flanagan	10	10
Mr Jeff Dowling	10	10
Dr Darryl Clark	10	9

Retirement, election and continuation in office of directors

In accordance with the Constitution, the appropriate directors will retire at the annual general meeting and, being eligible, offer themselves for re-election.

Company Secretary

Mr Tony Walsh was appointed as Company Secretary on 17 February 2017. Tony has over 30 years' experience in dealing with listed companies, ASX, ASIC and corporate transactions including 14 years with the ASX in Perth where he acted as ASX liaison with the JORC committee, four years as Chairman of an ASX listed mining explorer and as a director of a London AIM listed explorer. Tony is also currently Company Secretary of Legend Mining Ltd (ASX: LEG) and Great Western Exploration Limited (ASX:GTE). Tony is a member of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia, the Institute of Chartered Secretaries and the Institute of Chartered Accountants in Australia.

Directors' Report (continued)

Financial Performance and Financial Position

Financial Performance / Position	31-Dec-21 \$	31-Dec-20 \$	Change %
Cash and cash equivalents	3,914,463	7,303,942	-46.4%
Net assets	18,795,108	20,789,576	-9.6%
Loss for the period	(6,109,524)	(6,546,835)	-6.7%
Loss per share (cents)	(0.294)	(0.458)	-35.8%

The net assets of the Group have decreased from \$20,789,576 as at 31 December 2020 to \$18,795,108 as at 31 December 2021 predominantly due to the loss for the year partially offset by a capital raising. The Group's working capital (current assets less current liabilities) has decreased from \$7,117,153 as at 31 December 2020 to \$2,238,304 as at 31 December 2021, due to the lower cash balance, higher payables balance and the recognition of a finance liability on deferred consideration payable in regard to the purchase of the Russell Copper Project during the period.

Shares under Options

Unissued ordinary shares of Battery Minerals Limited under options as at 31 December 2021 are summarised as follows:

	Non-Vested	Vested	Total
Directors (current)	40,500,000	9,500,000	50,000,000
Directors (former)	5,000,000	4,500,000	9,500,000
Employees (current)	39,200,000	500,000	39,700,000
Employee (former)	9,675,000	1,775,000	11,450,000
Project Acquisition	70,000,000	-	70,000,000
Shareholders (listed options, ASX:BATO)	-	274,484,066	274,484,066
	164,375,000	290,759,066	455,134,066

Insurance of Directors and Officers Liability

The Group has executed a policy with an appropriate level of directors' and officers' insurance cover.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group.

Indemnity and Insurance of Auditors

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 25 to the financial statements. The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are of the opinion that the services as disclosed in Note 25 to the financial statements do not compromise the external auditor's independence.

Directors' Report (continued)

Proceedings on Behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

Audited Remuneration Report

This report for the year ended 31 December 2021 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ('the Act') and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Directors and Key Management Personnel ('KMP') who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company.

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Director and KMP share and option holdings
- F Additional information

The names of the Directors and Key Management Personnel (KMP) in office during the period are as follows:

Director	Position	Appointed	Resigned
David Flanagan	Non-Executive Chairman	10 January 2022	-
	Executive Chairman	25 March 2021	10 January 2022
	Non-Executive Chairman	1 July 2019	25 March 2021
Jeff Dowling	Non-Executive Director	25 January 2018	-
Darryl Clark	Non-Executive Director	22 October 2020	-
Peter Duerden	Managing Director	10 January 2022	-
KMP	Position	Appointed	Resigned
Tony Walsh	Company Secretary	17 February 2017	-
Nicholas Jolly	General Manager Exploration	4 January 2021	5 November 2021

Directors' Report (continued)

Audited Remuneration Report (continued)

A Principles Used to Determine the Nature and Amount of Remuneration

(i) Board Oversight

For 2021, the Board elected not to establish a remuneration committee based on the size of the organisation and had instead agreed to meet as deemed necessary and allocate the appropriate time at its board meetings.

The following items are considered and discussed as deemed necessary at the board meetings:

- The remuneration of Directors, senior officers and general staff;
- The terms and conditions of employment for the Managing Director;
- Review of the Managing Director's performance, at least annually, including setting the Managing Director's goals for the coming year and reviewing progress in achieving those goals;
- The recommendations of the Managing Director for the remuneration of all direct reports;
- Board structure and Director evaluation;
- Consideration of Non-Executive Directors remuneration.
- Ensuring that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

(ii) Remuneration Philosophy

The Company's current remuneration policy is based on its status as a junior mineral resources company. The entity's performance is dependent upon its exploration, project evaluation and project development successes, and as such remuneration is maintained at a reasonable level to enable the attraction of key employees.

The Company's broad remuneration strategy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

To ensure the maximum amount of the Company's capital where possible is directed toward its exploration, project evaluation and project development activities, the Company issues options as a "non-cash" method of remunerating and incentivising Directors and Key Management Personnel to align their goals with the Company and its shareholders.

(iii) Non-Executive Directors

a) Fees and Payments

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Chair's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market.

Non-Executive Directors have up to the date of this report, been offered incentive zero exercise priced options with the objective of ensuring director goals are aligned with the Company and its shareholders. The vesting of the options issued are subject to minimum service periods and other performance milestones.

b) Base Fees

The current base fees paid to Non-Executive Directors were last reviewed with effect from 25 November 2020. Prior to this they were based on rates set in February 2015. The Directors' share and option holdings ensure that their goals are aligned with the Company's share price.

Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The Directors' fee pool will be reviewed for adequacy periodically.

Directors' Report (continued)

Audited Remuneration Report (continued)

The maximum currently stands at \$500,000 cash remuneration per annum and was approved by shareholders via the adoption of a revised constitution at a general meeting of shareholders on 6 July 2012.

c) Options

Issue of options to Non-Executive Directors as part of their overall remuneration package is subject to shareholder approval. Options granted to Non-Executive Directors are linked to continuous service as a Non-Executive Director with the Company and other performance milestones.

d) Additional Fees

A Non-Executive Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director and are based on commercial rates.

A Non-Executive Director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

e) Retirement Allowances for Directors

Current base fees are inclusive of superannuation contributions. Superannuation contributions required under the Australian Superannuation Guarantee Legislation will be made as part of the directors' overall fee entitlements where applicable. No other retirement allowances are paid.

iv) Executive Remuneration

In March 2021 Mr Flanagan took up the role of Executive Chairman from his previous Non-Executive Chairman role. Between January 2021 and November 2021, the Company employed a General Manager Exploration with specific focus on the Company's exploration assets.

Subsequent to the end of the period, on 10 January 2022 the Company employed Mr Peter Duerden in the full-time role of Managing Director. On the same date Mr Flanagan stepped down from his Executive Chairman role to take up the role of Non-Executive Chairman.

The nature and amount of remuneration of Executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Executives.

Given the current phase of the Company's development the Board does not consider earnings during the current and previous financial years when determining, and in relation to, the nature and amount of remuneration of Executives.

The Executive remuneration framework has two components:

- Base pay and benefits, including superannuation; and
- Equity incentives.

Directors' Report (continued)

Audited Remuneration Report (continued)

Base Pay

Base Pay consists of base salaries, as well as employer contributions to superannuation funds. Base Pay is reviewed annually by the Board. The process consists of a review of Company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices. No external remuneration consultants were used during the financial year.

The Company does not currently have a short-term incentive plan in place.

Performance Based Remuneration - Equity Incentives Scheme

The Company has adopted an Employee Share Option Plan ("ESOP") to reward KMP and key employees and contractors for long-term performance. The maximum number of securities that can be issued under the ESOP plan is 5% of the Company's Issued Shares.

The Company believes that performance-based remuneration helps to attract and retain its key staff, whether employees or contractors. Grants made to eligible participants under the ESOP will assist with the Company's employment strategy and will:

- a) enable the Company to recruit, incentivise and retain KMP and other eligible employees to assist with the exploration and development of its projects to achieve the Company's strategic objectives;
- b) link the reward of eligible employees with the achievements of strategic goals and the long-term performance of the Company;
- c) align the financial interests of eligible participants of the proposed Plan with those of Shareholders; and
- d) provide incentives to eligible employees of the ESOP to focus on superior performance that creates shareholder value.

Employee Options granted under the ESOP to eligible participants will be linked to the achievement by the Company of certain performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the employee Options to vest - current employee performance conditions are noted in section D below. The employee Options also vest where there is a change of control of the Company.

In determining the allocations of equity, the Board considers relevant comparative allocations of equity externally and internally. An independent remuneration consultant was not required to assist with the allocations of equity given the Board's current industry knowledge and experience with allocations of equity.

Options issued to Non-Executive Directors have vesting conditions based on continuous service with the Company and other performance milestones.

Given the nature and current operations of the Group, the Board exercises their discretion in determining whether additional options are granted each year. The Board envisages that the Company's remuneration policies and procedures for executive remuneration will also evolve to a more traditional corporate governance model and in line with ASX Corporate Governance guidelines. This is expected to include more traditional performance based short-term and long-term incentive plans, which will be recommended to the Board for its consideration.

Directors' Report (continued)

Audited Remuneration Report (continued)

v) Other Benefits

No benefits other than noted above, and in the table below, are paid to Directors or Management except for expense reimbursements incurred in normal operations of the business.

vi) Remuneration consultants

Remuneration consultants have not been used in determining the remuneration paid.

B Details of Remuneration

Amounts of Remuneration

Details of the remuneration of the directors and key management personnel of the Group as at 31 December 2021 are summarised in the table below:

31 December 2021	Fixed Remuneration \$				Performance Based Remuneration \$			Total	% of variable remunera tion
	Short- term employee benefits			Post- employment benefits	Share-based payments				
	Salary & fees	Termination benefit	Non- monetary benefits	Super- annuation	Options	Shares	Rights		%
Directors									
<i>Non-executive directors</i>									
David Flanagan	68,906 ⁽¹⁾	-	-	6,546	-	-	-	75,452	0%
Jeff Dowling	45,558	-	-	4,442	28,925	-	-	78,925	37%
Darryl Clark	45,558	-	-	4,442	-	-	-	50,000	0%
Sub-total	160,022	-	-	15,430	28,925	-	-	204,377	17%
<i>Executive director</i>									
David Flanagan	124,919	-	-	12,278	-	-	-	137,197	0%
Sub-total	124,919	-	-	12,278	-	-	-	137,197	0%
Key Management Personnel (KMP)									
Tony Walsh	150,000	-	-	-	47,835	-	-	197,835	24%
Nicholas Jolly – resigned 5/11/21	180,343	-	-	16,478	-	-	-	196,821	0%
Sub-total	330,343	-	-	16,478	47,835	-	-	394,656	12%
Total Directors and KMP compensation (Group)	615,284	-	-	44,186	76,760	-	-	736,230	10%

The above table includes values for share based payments (options) at their fair value.

⁽¹⁾ During the period Mr Flanagan was remunerated for additional time worked over and above the role of Non-executive chairman.

Directors' Report (continued)

Audited Remuneration Report (continued)

Details of the remuneration of the directors and key management personnel of the Group as at 31 December 2020 are summarised in the table below:

31 December 2020	Fixed Remuneration \$				Performance Based Remuneration \$			Total	% of variable remuneration
	Short- term employee benefits			Post-employment benefits	Share-based payments				
	Salary & fees	Termination benefit	Non-monetary benefits	Super-annuation	Options	Shares	Rights		
Directors									
Non-executive directors									
David Flanagan	106,313	-	-	10,100	-	-	-	116,413	0%
Jeff Dowling	37,271	-	-	3,541	68,525	-	-	109,337	63%
Darryl Clark – appointed 22/10/20	7,635	-	-	725	-	-	-	8,360	0%
Jeremy Sinclair – resigned 22/10/20	31,554	-	-	1,858	-	-	-	33,412	0%
Sub-total	182,773	-	-	16,224	68,525	-	-	267,522	26%
Key Management Personnel (KMP)									
Tony Walsh	103,036	-	-	-	-	-	-	103,036	0%
Nick Day – resigned 1/7/20	31,912	20,000 ⁽¹⁾	-	3,220	-	-	-	55,132	0%
Sub-total	134,948	20,000	-	3,220	-	-	-	158,168	0%
Total Directors and KMP compensation (Group)	317,721	20,000	-	19,444	68,525	-	-	425,690	16%

The above table includes values for share based payments (options) at their fair value.

⁽¹⁾ A termination benefit in the form of a redundancy payment was paid to Nick Day in accordance with his employment agreement.

C Service Agreements

Non-executive Directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to a director. The following table summarises the remuneration of directors as per service agreements in place as at 31 December 2021.

Name	Term of Agreement	Base Salary including Superannuation	Termination Benefit ⁽²⁾
Non-Executive			
Chairman – David Flanagan (from 08/04/19)	Open	\$85,000 ⁽¹⁾	Nil. Subject to re-election by shareholders.
Director – Jeff Dowling (from 08/04/19)	Open	\$50,000	Nil. Subject to re-election by shareholders
Director – Darryl Clark (from 22/10/20)	Open	\$50,000	Nil. Subject to re-election by shareholders

⁽¹⁾ Chairman fees were increased from \$85,000 per annum to \$180,000 per annum effective 25 March 2021 upon the change of role from Non-Executive Chairman to Executive Chairman and then reduced to \$85,000 effective 10 January 2022 upon the change back to Non-Executive.

⁽²⁾ Subject to clause 13.2 of the Company's constitution, at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring Director is eligible for re-election. An election of Directors shall take place each year.

Non-executive directors are subject to standard terms and conditions including duties to the Group, confidentiality and disclosure.

Directors' Report (continued)

Audited Remuneration Report (continued)

Key Management Personnel

Remuneration and other terms of employment for a Managing Director and Key Management Personnel are formalized in their service agreements. Employees are eligible for long-term incentive benefits under the Battery Minerals Employee Option Plan.

Mr Tony Walsh, Company Secretary

- Base Remuneration - \$300,000 inclusive of superannuation (paid pro-rata for part-time equivalent)
- Termination – one month's notice

Mr Nicholas Jolly, General Manager Exploration (appointed 4 January 2021, resigned 5 November 2021)

- Base Remuneration - \$220,000 inclusive of superannuation.
- Termination – one months' notice.

D Share-based Compensation

Options

A total of 24,000,000 options in two equal tranches were issued to Key Management Personal as remuneration during the financial year with the conditions as shown below:

	Date Options Granted	Number of Options Granted	Vesting Date	Expiry Date	Exercise Price \$	Value per option at grant date \$	Total Fair Value \$	% vested	% forfeited
Tony Walsh (T1)	23-Mar-21	2,000,000	23-Mar-22	31-Mar-26	0.04	0.0215	43,093	0%	0%
Tony Walsh (T2)	23-Mar-21	2,000,000	23-Mar-23	31-Mar-26	0.055	0.0207	41,385	0%	0%
Nicholas Jolly (T1) ⁽¹⁾	23-Mar-21	10,000,000	23-Mar-22	31-Mar-26	0.04	0.0215	215,465	0%	100%
Nicholas Jolly (T2) ⁽¹⁾	23-Mar-21	10,000,000	23-Mar-23	31-Mar-26	0.055	0.0207	206,926	0%	100%
24,000,000							506,869		

⁽¹⁾ Options were forfeited upon resignation and the corresponding value was reversed through profit and loss.

Audited Remuneration Report (continued)

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Directors' Report (continued)

Audited Remuneration Report (continued)

31 December 2021 Name	Balance at the start of the year, number of shares	Received during the year on the exercise of options	Other changes	Balance at the end of the year, number of shares
Directors				
David Flanagan	6,997,492	-	-	6,997,492
Jeff Dowling	2,681,818	-	-	2,681,818
Darryl Clark	9,363,636	-	450,000 ⁽¹⁾	9,813,636
KMP				
Tony Walsh	1,250,000	-	-	1,250,000
Nicholas Jolly (<i>appointed 4/1/21, resigned 5/11/21</i>)	-	-	-	-
Total	20,292,946	-	450,000	20,742,946

⁽¹⁾ Shares acquired on market.

Option holdings

The numbers of options over ordinary shares in the Group held during the financial period by each director of Battery Minerals Limited and key management personnel (KMP) of the Group, including their personally related parties are set out below.

31 December 2021	Balance at start of the year	Granted as Remuneration	Placement Options	Exercised	Expired/ Forfeited/ Other Changes	Balance at end of the year ⁽³⁾	Vested and exercisable	Unvested
Directors								
David Flanagan	59,425,000	-	-	-	(20,000,000) ⁽¹⁾	39,425,000	1,425,000	38,000,000
Jeff Dowling	12,550,000	-	-	-	-	12,550,000	10,050,000	2,500,000
Darryl Clark	-	-	-	-	-	-	-	-
KMP								
Tony Walsh	15,875,000	4,000,000	-	-	(1,500,000) ⁽¹⁾	18,375,000	375,000	18,000,000
Nicholas Jolly	-	20,000,000	-	-	(20,000,000) ⁽²⁾	-	-	-
Total	87,850,000	24,000,000	-	-	(41,500,000)	70,350,000	11,850,000	58,500,000

⁽¹⁾ Options expired unexercised on 23 December 2021.

⁽²⁾ Options were issued in April 2021 and forfeited upon resignation in November 2021.

⁽³⁾ Includes listed options issued under the Placement approved on 21 May 2019.

Directors' Report (continued)

Audited Remuneration Report (continued)

F Additional Information

Loans to Key Management Personnel

There were no loans made to Directors of the Company or other key management personnel during the year ended 31 December 2021.

There were no other transactions with key management personnel during the year ended 31 December 2021.

-End of the Audited Remuneration Report-

Adoption of Key Management Personnel Remuneration Report

At the 2021 annual general meeting, Battery Minerals received more than 97% of votes for the adoption of the remuneration report for the 2020 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.

Competent Person's Statement

Australian Projects

The information in this announcement that relates to Exploration Targets, Exploration Results or Mineral Resources is based on information compiled by Mr Peter Duerden who is a Registered Professional Geoscientist (RPGeo) and member of the Australian Institute of Geoscientists. Mr Duerden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Duerden consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Mozambique Projects

Any references to Ore Reserve and Mineral Resource estimates should be read in conjunction with the competent person statements included in the ASX announcements referenced in this report as well as Battery Minerals' other periodic and continuous disclosure announcements lodged with the ASX, which are available on the Battery Minerals' website.

For Mozambican graphite projects' Mineral Resources - refer announcement dated 18th October 2018 for full details and Competent Persons sign-off.

For Mozambican graphite projects' Ore Reserves - refer announcements dated 4th and 12th December 2018 for full details and Competent Persons sign-off.

The information in this report that relates to Battery Minerals' Mineral Resources or Ore Reserves is a compilation of previously published data for which Competent Persons consents were obtained. Their consents remain in place for subsequent releases by Battery Minerals of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

Directors' Report (continued)

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

The lead auditor's independence declaration is set out on page 64 for the year ended 31 December 2021.

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



Peter Duerden
Managing Director

Perth, Western Australia

22 March 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

	Note	Consolidated 31-Dec-21 \$	Consolidated 31-Dec-20 \$
Other Income		-	117,500
Gain on sale of assets		273	364
Net foreign exchange gain		39,959	-
Corporate and administrative costs		(670,431)	(486,464)
Personnel costs		(980,955)	(1,081,335)
Exploration and evaluation costs		(2,635,759)	(191,819)
Share based payment expense	20,26(c)	(148,521)	(68,525)
Net foreign exchange loss		-	(145,272)
Impairment of mine development and exploration	13,14	-	(4,142,346)
Care and maintenance expenses		(1,119,338)	-
Other expenses	4	(698,939)	(745,055)
Operating loss		(6,213,711)	(6,742,952)
Interest income		104,187	196,117
Loss before tax		(6,109,524)	(6,546,835)
Income tax expense	5	-	-
Loss from continuing operations		(6,109,524)	(6,546,835)
Loss for the period		(6,109,524)	(6,546,835)
Other comprehensive income/(loss):			
Items that will be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		321,997	(892,382)
Total comprehensive loss for the period		(5,787,527)	(7,439,217)
Loss for the year attributable to:			
Owners of Battery Minerals Limited		(6,109,524)	(6,546,835)
Total comprehensive loss for the year attributable to:			
Owners of Battery Minerals Limited		(5,787,527)	(7,439,217)
Loss per share from continuing operations:			
Basic loss per share (cents)	6	(0.294)	(0.458)
Diluted loss per share (cents)	6	(0.294)	(0.458)

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

Consolidated Statement of Financial Position

As at 31 December 2021

	Note	Consolidated 31-Dec-21 \$	Consolidated 31-Dec-20 \$
ASSETS			
Current Assets			
Cash and cash equivalents	8	3,914,463	7,303,942
Other receivables	9	256,792	170,171
Total Current Assets		4,171,255	7,474,113
Non-Current Assets			
Other debtors	9	1,498,609	1,209,805
Property, plant and equipment	10	172,072	157,372
Intangible assets	11	4,866	62,492
Right-of-use Asset	12	190,542	-
Exploration & evaluation expenditure	13	14,799,160	12,242,754
Mine development expenditure	14	-	-
Total Non-Current Assets		16,665,249	13,672,423
Total Assets		20,836,504	21,146,536
LIABILITIES			
Current Liabilities			
Trade and other payables	15	580,204	243,639
Provisions	16	72,312	113,321
Finance Liability	17	1,193,090	-
Lease liabilities	18	87,345	-
Total Current Liabilities		1,932,951	356,960
Non-Current Liabilities			
Lease liabilities	18	108,445	-
Total Non-Current Liabilities		108,445	-
Total Liabilities		2,041,396	356,960
NET ASSETS		18,795,108	20,789,576
EQUITY			
Issued Capital	19	99,809,516	96,164,978
Reserves	20	(1,063,836)	3,304,428
Accumulated Losses	21	(79,950,572)	(78,679,830)
TOTAL EQUITY		18,795,108	20,789,576

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	Note	Consolidated 31-Dec-21 \$	Consolidated 31-Dec-20 \$
Cash flows from operating activities			
Payments to suppliers and employees		(2,190,014)	(2,194,348)
Payments for exploration and evaluation		(2,493,639)	(104,914)
Payments for care and maintenance		(1,119,338)	-
Net interest received		69,822	196,117
Net cash outflow from operating activities	22	(5,733,169)	(2,103,145)
Cash flows from investing activities			
Net proceeds from sale of assets		273	364
Payments made for property, plant and equipment and intangibles		(71,689)	-
Payments to acquire entity (including costs)		(121,445)	-
Payments for security deposits		(14,497)	-
Payments for exploration & evaluation expenditure		-	(721,820)
Payments for mine development expenditure		-	(1,122,259)
Proceeds from release of mine performance bond		-	2,300,049
Net cash inflow/(outflow) from investing activities		(207,358)	456,334
Cash flows from financing activities			
Proceeds from share issue		2,683,949	6,244,000
Capital raising costs		(172,990)	(401,730)
Net cash inflow from financing activities		2,510,959	5,842,270
Net increase/(decrease) in cash and cash equivalents		(3,429,568)	4,195,459
Cash and cash equivalents at beginning of year		7,303,942	4,119,160
Effect of exchange rate fluctuations on cash held		40,089	(1,010,677)
Cash and cash equivalents at end of year		3,914,463	7,303,942

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

Consolidated for the year ended 31 December 2020	Issued Capital	Share based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2020	78,909,275	5,241,608	(1,113,323)	(72,132,995)	10,904,565
Loss for the year	-	-	-	(6,546,835)	(6,546,835)
Other comprehensive income	-	-	(892,382)	-	(892,382)
Total comprehensive income/(loss) for the year	-	-	(892,382)	(6,546,835)	(7,439,217)
Transactions with owners of Battery Minerals Limited					
Shares issued net of transaction costs	17,255,703	-	-	-	17,255,703
Share based payments	-	68,525	-	-	68,525
Total transactions with owners of Battery Minerals Limited	17,255,703	68,525	-	-	17,324,228
Balance at 31 December 2020	96,164,978	5,310,133	(2,005,705)	(78,679,830)	20,789,576
Consolidated for the year ended 31 December 2021	Issued Capital	Share based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$		\$	\$	\$
Balance at 1 January 2021	96,164,978	5,310,133	(2,005,705)	(78,679,830)	20,789,576
Loss for the year	-	-	-	(6,109,524)	(6,109,524)
Other comprehensive income	-	-	321,997	-	321,997
Total comprehensive income/(loss) for the year	-	-	321,997	(6,109,524)	(5,787,527)
Transactions with owners of Battery Minerals Limited					
Shares issued net of transaction costs	3,644,538	-	-	-	3,644,538
Share based payments	-	148,521	-	-	148,521
Lapse of options during the period	-	(2,625,289)	-	2,625,289	-
Transfer of prior year lapsed options	-	(2,213,493)	-	2,213,493	-
Total transactions with owners of Battery Minerals Limited	3,644,538	(4,690,261)	-	4,838,782	3,793,059
Balance at 31 December 2021	99,809,516	619,872	(1,683,708)	(79,950,572)	18,795,108

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Reporting entity

Battery Minerals Limited is an ASX listed public company, incorporated and domiciled in Australia. Battery Minerals is a for-profit entity for the purposes of preparing these financial statements.

These consolidated financial statements comprise Battery Minerals Limited and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in exploration and evaluation activities relating to its mining operations.

2. Basis of Accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). They were authorised by the Board of Directors for issue on 22 March 2022.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

A. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Battery Minerals Limited ("**Company**" or "**Parent Entity**") as at 31 December 2021 and the results of all subsidiaries for the year. Battery Minerals Limited and its subsidiaries together are referred to in this financial report as "**the Group**" or "**the consolidated entity**".

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries and joint venture entities are accounted for at cost in the financial statements of the Company. Dividends received from associates are recognised in the parent entity's statement of profit or loss and other comprehensive income, rather than being deducted from the carrying amount of these investments.

B. Going Concern Basis of Preparation

The financial statements have been prepared on the going concern basis which assumes the Company and consolidated entity will have sufficient funds to pay its debts, as and when they become payable, for a period of at least 12 months from the date the financial report was authorised for issue.

As at 31 December 2021, the consolidated entity has net assets of \$18,795,108 (2020: \$20,789,576). During the financial year the consolidated entity had cash outflows from operating activities of \$5,733,169 (2020: \$2,103,145) and cash outflows from investing activities of \$207,358 (2020: \$456,334 inflow). The consolidated entity has expenditure commitments as set out in Note 28.

Notes to the Consolidated Financial Statements (continued)

2. Basis of Accounting (continued)

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to raise capital from equity and debt markets and managing cashflow in line with available funds. The Group will need to raise additional funds to meet expenditure commitments for its Victorian and Western Australian exploration assets and to support its current level of corporate overheads to continue as a going concern. The Directors will continue their focus on maintaining an appropriate level of corporate overheads in line with available cash resources.

On 17 August 2021, the Company entered into agreements to sell its Mozambique graphite assets, through the sale of all the shares in its subsidiary Suni Resources SA, to the London Stock Exchange listed company, Tirupati Graphite plc (TGR: LSE) for a total aggregate consideration of \$12.5 million in cash (\$1.5 million) and shares (\$11 million). Subject to all necessary Mozambique government approvals, the Company expects to complete the transaction in the first half of 2022. Proceeds from the sale will finance the Company's exploration and corporate expenditures.

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. If the Group is not successful in securing sufficient funds either through capital raise or sale of Mozambique graphite projects, 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 realise 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.

C. Foreign Currency Translation

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is Battery Minerals Limited's functional and presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Notes to the Consolidated Financial Statements (continued)

2. Basis of Accounting (continued)

Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency of the Group at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income/loss and accumulated in the translation reserve.

When a foreign operation is disposed of the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interest.

D. Impairment of Assets

At each reporting date, or more frequently if events or changes in circumstances indicate that assets might be impaired, the Group reviews the carrying values of its tangible and intangible assets to determine whether the assets have been impaired. If such an indication exists, the recoverable amount of the asset is the higher of the asset's fair value less costs to sell and value in use, compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Non-financial assets other than goodwill that suffered any impairment are reviewed for possible reversal of impairment at the end of each reporting period.

E. Leases

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

Notes to the Consolidated Financial Statements (continued)

2. Basis of Accounting (continued)

F. Use of Estimates and Judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Revisions to estimates are recognised prospectively.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the notes indicated below:

- Impairment of exploration and evaluation expenditure and mine development – Notes 13 and 14.

G. Changes in Accounting Policy

In the year ended 31 December 2021, the Group has reviewed all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current year. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and, therefore no restatement of prior year comparatives is necessary to the Group's financial statements.

Notes to the Consolidated Financial Statements (continued)

2. Basis of Accounting (continued)

H. Standards issued not yet effective

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by company
<p>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</p> <p>AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128</p> <p>AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</p>	<p>The amendments require the full gain or loss to be recognised when the assets transferred meet the definition of a ‘business’ under AASB 3 (whether housed in a subsidiary or not).</p> <p>AASB 2017-5 defers the mandatory effective date of amendments to AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2022 instead of 1 January 2018.</p>	When these amendments are first adopted for the year ending 31 December 2022, there will be no material impact on the financial statements.	Annual reporting periods beginning on or after 1 January 2022
<p>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</p> <p>AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</p>	<p>Amends AASB 101 to require a liability be classified as current when companies do not have a substantive right to defer settlement at the end of the reporting period.</p> <p>AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022.</p> <p>In November 2021, the IASB published the Exposure Draft <i>Non-current Liabilities with Covenants</i> to propose amendments to IAS 1 <i>Presentation of Financial Statements</i>. The amendments specify that compliance with conditions after the reporting period would not affect whether the liability is classified as current or non-current.</p>	When these amendments are first adopted for the year ending 31 December 2023, there will be no material impact on the financial statements.	Annual reporting periods beginning on or after 1 January 2023
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	AASB 2021-2 amendments provide a definition of and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies.	When these amendments are first adopted for the year ending 31 December 2023, there will be no material impact on the financial statements.	Annual reporting periods beginning on or after 1 January 2023

Notes to the Consolidated Financial Statements (continued)

2. Basis of Accounting (continued)

H. Standards issued not yet effective (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by company
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	<p>Amendments to existing accounting standards, particularly in relation to:</p> <p>AASB 1 <i>Presentation of Financial Statements</i> - simplifies the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.</p> <p>AASB 3 <i>Business Combinations</i> – to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.</p> <p>AASB 9 <i>Financial Instruments</i> – to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.</p> <p>AASB 116 <i>Property, Plant and Equipment</i> – to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset.</p> <p>AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> – to specify the costs that an entity includes when assessing whether a contract will be loss-making.</p>	When these amendments are first adopted for the year ending 31 December 2022, there will be no material impact on the financial statements.	Annual reporting periods beginning on or after 1 January 2022
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations.	When these amendments are first adopted for the year ending 31 December 2023, there will be no material impact on the financial statements.	Annual reporting periods beginning on or after 1 January 2023

All other pending Standards issued between the previous financial report and the current reporting dates have no application to the Group.

Notes to the Consolidated Financial Statements (continued)

3. Segment Reporting

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. Due to the size and nature of the Group, the Board is considered to be the Chief Operating Decision Maker. 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; and
- **Australia** – mineral exploration and evaluation, investing activities and corporate management.

Segment Reporting

The segment information is prepared in conformity with the accounting policies adopted for the preparation of the financial statements of the Group. In presenting the information of the geographical segments, the segment assets have been based on the geographic location of assets and segment expenses have been based on geographic location of supplied goods and application of provided services to the group.

31 December 2021	Mozambique \$	Australia \$	Total \$
Interest revenue	100,645	3,542	104,187
Other segment income	-	273	273
Net foreign exchange gain/(loss)	(747)	40,706	39,959
Corporate and administration overhead	(187,836)	(2,311,010)	(2,498,846)
Exploration and evaluation costs	-	(2,635,759)	(2,635,759)
Care and maintenance costs	(1,119,338)	-	(1,119,338)
Total segment expenses	(1,307,174)	(4,946,769)	(6,253,943)
Reportable segment loss	(1,207,276)	(4,902,248)	(6,109,524)
Segment Assets	Mozambique \$	Australia \$	Total \$
Cash	31,033	3,883,430	3,914,463
Exploration and evaluation	-	14,799,160	14,799,160
Other ⁽¹⁾	1,709,617	413,264	2,122,881
Total segment assets	1,740,650	19,095,854	20,836,504

⁽¹⁾ Other assets of the reporting segment "Mozambique" includes a non-current receivable representing a mine performance bond of \$1,498,609 held with Nedbank (formerly Unico Bank). The term deposit backing the bond earns interest which is paid quarterly.

Segment Liabilities	Mozambique \$	Australia \$	Total \$
Creditors and other payables	(87,562)	(564,954)	(652,516)
Finance liability	-	(1,193,090)	(1,193,090)
Lease liability	-	(195,790)	(195,790)
Total segment liabilities	(87,562)	(1,953,834)	(2,041,396)

Notes to the Consolidated Financial Statements (continued)

3. Segment Reporting (continued)

Capital Expenditure during the year	Mozambique \$	Australia \$	Total \$
Exploration and evaluation	20,154	2,556,406	2,576,560
Plant & equipment and intangible assets	-	79,238	79,238
Total capital expenditure	20,154	2,635,644	2,655,798

31 December 2020	Mozambique \$	Australia \$	Total \$
Interest revenue	188,394	7,723	196,117
Other segment income	-	117,864	117,864
Net foreign exchange gain/(loss)	20,967	(166,239)	(145,272)
Corporate and administration overhead	(221,183)	(1,927,676)	(2,148,859)
Exploration and evaluation costs	-	(191,819)	(191,819)
Loan write-off	(107,021)	-	(107,021)
Provision for VAT receivable	(125,499)	-	(125,499)
Exploration and mine development impairment	(4,142,346)	-	(4,142,346)
Total segment expenses	(4,596,049)	(2,119,495)	(6,715,544)
Reportable segment loss	(4,386,688)	(2,160,147)	(6,546,835)

Segment Assets	Mozambique \$	Australia \$	Total \$
Cash	558,012	6,745,930	7,303,942
Exploration and evaluation	-	12,242,754	12,242,754
Other ⁽¹⁾	1,412,451	187,389	1,599,840
Total segment assets	1,970,463	19,176,073	21,146,536

⁽¹⁾ Other assets of the reporting segment "Mozambique" includes a non-current receivable representing a mine performance bond of \$1,209,805 held with Nedbank (formerly Unico Bank).

Segment Liabilities	Mozambique \$	Australia \$	Total \$
Creditors and other payables	(85,213)	(271,747)	(356,960)
Total segment liabilities	(85,213)	(271,747)	(356,960)

Capital Expenditure during the year	Mozambique \$	Australia \$	Total \$
Exploration and evaluation	20,087	12,242,754	12,262,841
Mine development asset – Montepuez Project	1,122,259	-	1,122,259
Plant & equipment and intangible assets	-	-	-
Total capital expenditure	1,142,346	12,242,754	13,385,100

Notes to the Consolidated Financial Statements (continued)

4. Other Expenses

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Office and administrative expenses	350,396	229,325
Depreciation	196,467	147,523
IT consultants and website	101,549	85,996
Subscriptions	50,527	49,691
Loan write-off	-	107,021
Provision for VAT receivable	-	125,499
Total other expenses	698,939	745,055

5. Income Tax

The income tax expense/(benefit) for the year comprises current income tax expense/(income) and deferred tax expense/(income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses. Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Notes to the Consolidated Financial Statements (continued)

5. Income Tax (continued)

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Reconciliation of income tax expense to prima facie tax payable:		
Loss before income tax	(6,109,524)	(6,546,835)
Prima facie income tax at 30% (30% in 2020 FY)	(1,832,857)	(1,964,050)
Foreign tax rate differential	(19,537)	(30,648)
Non-deductable/taxable items - Australia	67,031	808,540
Non-deductable/taxable items – foreign operations	-	40,868
Income tax benefits not brought to account	1,785,363	1,145,290
Income tax expense/ (benefit)	-	-
(c) Unrecognised deferred tax assets arising on timing difference and losses		
Carried forward tax losses – Australia	8,949,488	5,705,265
Carried forward tax losses – foreign operations	4,421,921	3,385,391
Other	(275,018)	(5,028)
Total	13,096,391	9,085,628

6. Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements (continued)

6. Earnings per Share (continued)

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Consolidated 31 Dec 2021	Consolidated 31 Dec 2020
Loss attributable to the owners of Battery Minerals Limited (\$)	(6,109,524)	(6,546,835)
Basic loss per share attributable to equity holders (cents)	(0.294)	(0.458)
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	2,077,953,236	1,430,886,671
Weighted average number of ordinary shares used in calculation of diluted loss per share	2,077,953,236	1,430,886,671

7. Dividends Paid or Proposed

No amount has been paid or declared by way of a dividend to the date of this report.

8. Cash and Cash Equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Cash at bank and on hand	3,914,463	7,303,942
	3,914,463	7,303,942

Cash at bank and on hand earns interest at floating rates based on daily bank rates. Refer to Note 23(c) for additional details on the impact of interest rates on cash and cash equivalents for the period.

9. Other Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Current		
Prepaid expenses	75,518	62,989
GST receivable	36,709	32,126
Other receivables	144,565	75,056
	256,792	170,171

Notes to the Consolidated Financial Statements (continued)

9. Other Receivables (continued)

Non-Current

Other receivables ⁽¹⁾

Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
1,498,609	1,209,805
1,498,609	1,209,805

⁽¹⁾ The non-current other receivable is the mine performance bond for MZN 69.5 million kept on deposit with Nedbank (formerly Unico Bank) in Mozambique. The movement during the period is as a result of foreign currency translation.

The carrying amounts disclosed above represent their fair value.

10. Property, Plant & Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on plant and equipment is calculated using the straight-line method or the units of production method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease. The depreciation rates vary between 10% and 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When re-valued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

The majority of plant and equipment forms part of the Montepuez project, being the cash generating unit tested for impairment (refer to Note 14).

Plant and equipment at cost
Accumulated depreciation
Net carrying amount

Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
679,090	512,891
(507,018)	(355,519)
172,072	157,372

Notes to the Consolidated Financial Statements (continued)

10. Property, Plant and Equipment (continued)

Movements in carrying amounts

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Balance at beginning of the year	157,372	287,869
Additions during the year	79,238	-
Depreciation expense	(79,707)	(85,227)
Foreign currency translation movement	15,169	(45,270)
Net carrying amount at the end of the year	172,072	157,372

11. Intangible Assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives that generally range between 3 and 5 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Software at cost	186,905	186,905
Accumulated depreciation	(182,039)	(124,413)
Net carrying amount	4,866	62,492

Movements in carrying amounts

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Balance at beginning of the year	62,492	124,788
Additions during the year	-	-
Depreciation expense	(57,626)	(62,296)
Net carrying amount	4,866	62,492

12. Right-of-use Asset

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Buildings – Right-of-use	250,148	-
Accumulated depreciation	(59,606)	-
Net carrying amount	190,542	-

Additions to the right-of-use assets during the year were \$250,148.

The Group leases buildings for its offices in Perth, WA and Stawell, Victoria under agreements of between two and three years with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group leases office equipment under agreements of less than three years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Notes to the Consolidated Financial Statements (continued)

13. Exploration and Evaluation Expenditure

Exploration and evaluation costs for each area of interest in the early stages of the project life are expensed as they are incurred except for acquisition costs, until they satisfy the requirements that are stated below.

Exploration and evaluation costs for each area of interest that progress to a pre-feasibility study (analysis of potential mining project) are capitalised where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, and activities and significant operations in, or in relation to, the area of interest are continuing.

When an area of interest is abandoned, or the directors decide that it is not commercial, any accumulated costs in respect to that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and capitalised costs are written off to the extent that they will not be recoverable in the future. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Once technical feasibility and commercial viability of extraction of mineral resources in a particular area of interest become demonstrable, the exploration and evaluation assets attributable to that area of interest are reclassified to a mine development asset.

Acquisition

In June 2021, Battery Minerals acquired the Russell Copper Project near Halls Creek in WA's Kimberley region via the purchase of Tremjones Pty Ltd from the shareholder of that company, iCopper Pty Ltd, a syndicate in which Indigenous Kimberley residents are 47% shareholders.

Upon signing of the Sale Agreement, Battery paid \$100,000 in cash and issued \$1M in ordinary shares to the vendor. A total of 61,553,992 shares were issued at a price of 10% discount to the five-day VWAP on the date of signing the Sale Agreement, being 1.6246 cents per share. The shares had a fair value of 1.8 cents each for a total of \$1.108M on the date of issue. In order to retain the tenements, within 12 months of the completion date of 25 June 2021, Battery must pay another \$1.25M in cash or, subject to shareholder approval, issue \$1.25M in ordinary shares at an issue price of 10% discount to the five-day VWAP on the 12-month anniversary of the date of the Sale Agreement. The Company will also issue an additional \$0.25M in ordinary shares on the grant and transfer of E80/5348 at an issue price of 10% discount to the five-day VWAP on the date of signing the Sale Agreement (15,388,498 shares).

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Non-Current		
Exploration and evaluation at cost	14,799,160	12,242,754
Movement		
Balance at beginning of the year	12,242,754	-
Acquisition costs capitalised during the year	2,556,406	12,242,754
Exploration expenditure capitalised during the year ⁽¹⁾	-	20,087
Impairment ⁽²⁾	-	(20,087)
Foreign currency translation movement	-	-
Closing exploration and evaluation net carrying amount	14,799,160	12,242,754

⁽¹⁾ Costs capitalised relate to the Balama Central Project in Mozambique.

⁽²⁾ The carrying amount of exploration and evaluation expenditure attributable to the Balama Central Project has been fully impaired.

Notes to the Consolidated Financial Statements (continued)

13. Exploration and Evaluation Expenditure (continued)

Assessment of Impairment

The Group assesses whether impairment indicators exist that would require the company to estimate the recoverable amount of the capitalised exploration and evaluation expenditure. At 31 December 2020 the Group determined that the Balama Central Project was considered to be part of the same cash generating unit as the Montepuez Graphite Project resulting in the exploration and evaluation expenditure being impaired to nil (refer note 14).

14. Mine Development Expenditure

Once technical feasibility and commercial viability of extraction of mineral resources in a particular area of interest become demonstrable, the exploration and evaluation assets attributable to that area of interest are reclassified as mine development.

Mine development represents the direct and indirect costs incurred in preparing mines for production and includes plant and equipment under construction and stripping and waste removal costs incurred before production commences. These costs are capitalised to the extent that they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are transferred to Mine Properties or Plant and Equipment, as relevant, and will be amortised using the units of production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

Development expenditure assets are assessed for impairment if an impairment trigger is identified. For the purposes of impairment testing capitalised mine development assets are allocated to the cash generating unit ("CGU") to which the development activity relates.

Costs of site restoration and rehabilitation are provided over the life of the facility and are included in the capitalised expenditure of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Since the mine plant or building structures works have not commenced there is no provision made for site restoration or rehabilitation.

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Non-Current		
Mine development expenditure	-	-
Movement		
Balance at beginning of the year	-	3,000,000
Mine development expenditure capitalised during the year	-	1,730,742
Reversal of capitalised expenditure due to purchase refund	-	(513,290)
Research and development tax refund received	-	(95,193)
Impairment	-	(4,122,259)
Foreign currency translation movement	-	-
Closing mine development net carrying amount	-	-

Assessment of Impairment

The Group assesses whether there are indicators that assets, or groups of assets, may be subject to impairment or impairment reversal at each reporting date. Covid-19 related macro-economic events, the slower than anticipated recovery of the graphite market and the associated inability to obtain bank finance were previously identified as impairment indicators and accordingly, the Montepuez Graphite Project was fully impaired as at 31 December 2020. The Group has assessed that as at 31 December 2021 this impairment continues to remain appropriate and that no reversal is required.

Notes to the Consolidated Financial Statements (continued)

14. Mine Development Expenditure (continued)

In August 2021, the Company announced that it had entered into agreements, together with its subsidiary Rovuma Resources Limited, to sell its Mozambique graphite assets and intellectual property, through the sale of all of the shares and debt in its subsidiary Suni Resources SA, to the London Stock Exchange listed company, Tirupati Graphite plc for a total aggregate consideration of \$12.5M. Cash consideration of \$1.5M and share consideration of \$11M will be received once all conditions precedent are met. The share consideration will be issued at £1.03 per share and will comprise 2,833,644 Tirupati shares at completion date and 2,833,644 Tirupati shares 8 months after the completion date, with these shares being escrowed for 8 months and 20 months respectively. The ultimate value of the share consideration received will be dependent upon the AUD/GBP exchange rate and the market value of the Tirupati shares upon the date of issue of the shares.

During the last quarter of 2021 the mining licence for the Company's Balama Central graphite project was granted subject to certain standard mining licence conditions similar to the Company's Montepuez graphite project's mining licence, including the lodgement of a US\$1.2m financial guarantee (Balama Central Performance Bond).

Completion of the transaction is subject to a number of conditions precedent including Mozambique government approvals for which the lodgement of the Balama Central Performance Bond may be a pre-condition. Battery Minerals shareholder approval for the transaction was received on 30 September 2021. The conditions precedent must be satisfied prior to 29 April 2022. Further details in regard to the transaction are included in the ASX Announcement dated 17 August 2021.

As at the date of this report, all required documentation for government approval has been lodged with the relevant Mozambique Government departments and meetings have been held between Battery Minerals and Tirupati representatives and the relevant Mozambique Government officials. The Company continues to carry the Mozambique assets at nil value until all conditions precedent have been met, including Mozambique Government approval. Until Mozambique Government approval is received, there remains a level of material uncertainty surrounding completion of the transaction.

15. Trade and Other Payables

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Current		
Trade and other payables	357,994	183,928
Accrued expenses	222,210	59,711
	580,204	243,639

Notes to the Consolidated Financial Statements (continued)

16. Provisions

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured as the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

Employee benefits

Short term obligations

Liabilities for short-term employee benefits expected to be wholly settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Current		
Provisions – employee benefits	72,312	113,321
	72,312	113,321
Movement		
Balance at beginning of the year	113,321	161,022
Employee benefits provision accrued during the year	39,837	109,761
Employee benefits paid during the year	(80,846)	(157,462)
Balance at the end of the year	72,312	113,321

17. Finance liability

On 22 June 2021, Battery Minerals announced that it had agreed to acquire the Russell Copper Project near Halls Creek in WA's Kimberley region via the purchase of Tremjones Pty Ltd from the shareholder of that company, iCopper Pty Ltd. Upon signing of the Sale Agreement, Battery paid \$100,000 in cash and issued \$1M in ordinary shares to the vendor. A total of 61,553,992 shares were issued at a price of 10% discount to the five-day VWAP on the date of signing the Sale Agreement, being 1.6246 cents per share. The shares had a fair value of 1.8 cents each for a total of \$1.108M on the date of issue.

In order to retain the tenements, within 12 months of the completion date of 25 June 2021, Battery must pay another \$1.25M in cash or, subject to shareholder approval, issue \$1.25M in ordinary shares at an issue price of 10% discount to the five-day VWAP on the 12-month anniversary of the date of the Sale Agreement (deferred consideration). The net present value of the deferred consideration has been recognised as a finance liability as at reporting date.

18. Lease liabilities

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Lease liabilities - current	87,345	-
Lease liabilities – non-current	108,445	-
Net carrying amount	195,790	-

The Company leases office premises. The weighted average lessee's incremental borrowing rate applied to these lease liabilities recognised in the statement of financial position at the date of inception is 5%. The lease liabilities recognised at inception of each of the leases were \$214,976 and \$35,171 respectively.

Notes to the Consolidated Financial Statements (continued)

19. Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(a) Share capital

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Ordinary shares fully paid	99,809,516	96,164,978
	99,809,516	96,164,978

Movements in ordinary share capital

2021		No. of Shares	Issue Price	Amount \$
01-Jan-2021	Opening Balance	2,041,273,541	-	96,164,978
25-Jun-2021	Share issue – Tremjones acquisition	61,553,992	\$0.018	1,107,972
16-Sep-2021	Share issue – Landholder access fee	375,000	\$0.0145	5,437
06-Dec-2021	Share issue – Landholder access fee	266,666	\$0.013	3,467
24-Dec-2021	Share issue – Share Placement	243,995,372	\$0.011	2,683,949
	Less: Share issue costs		-	(156,287)
		2,347,464,571		99,809,516

Movements in ordinary share capital

2020		No. of Shares	Issue Price	Amount \$
01-Jan-2020	Opening Balance	1,318,091,549	-	78,909,275
22-Oct-2020	Share issue – Gippsland acquisition	439,363,850	\$0.026	11,423,460
23-Nov-2020	Share issue – Placement	250,000,000	\$0.022	5,500,000
22-Dec-2020	Share issue – Share Purchase Plan	33,818,142	\$0.022	744,000
	Less: Share issue costs		-	(411,757)
		2,041,273,541		96,164,978

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Options

Information relating to options over ordinary shares on issue, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the year is set in Note 20 and Note 26.

The Company has 274,484,066 listed options (ASX: BATO) on issue exercisable at 10 cents on or before 31 July 2023. The options were issued as free options pursuant to capital raisings undertaken in 2018 and 2019.

Notes to the Consolidated Financial Statements (continued)

20. Reserves

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the foreign controlled entities where their functional currency is different to the presentation currency of the reporting entity. These foreign exchange differences are recognised in other comprehensive income as described in Note 2C and accumulated in a separate reserve account within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options, contingent rights and performance rights granted by the Company.

Reserves	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Foreign currency translation reserve	(1,683,708)	(2,005,705)
Share- based payments reserve ⁽¹⁾	619,872	5,310,133
	(1,063,836)	3,304,428

⁽¹⁾ Share based payment reserve comprises options issued as share-based payments. Refer to Note 26 for more details.

Movements in share-based payments reserve

2021	Details	No. of Options	Amount \$
01-Jan-21	Opening Balance	242,900,000	5,310,133
	Options expired ⁽¹⁾	(57,500,000)	(2,625,289)
	Options forfeited ⁽²⁾	(40,750,000)	-
	Options issued ⁽³⁾	36,000,000	119,595
	Vesting expense of prior years' options	-	28,926
	Transfer expired option expense to retained earnings	-	(2,213,493)
31-Dec-21	Balance at end of year	180,650,000	619,872

⁽¹⁾ Vested and unvested options expired unexercised.

⁽²⁾ Unvested options forfeited upon resignation of employees.

⁽³⁾ Options issued to employees and consultants in two tranches as follows:

- Tranche 1 – 18,000 000 options, exercisable at 4 cents each, expiring 31 March 2026 and vesting one year from grant date subject to continuing employment with the Company.
- Tranche 2 – 18,000 000 options, exercisable at 5.5 cents each, expiring 31 March 2026 and vesting two years from grant date subject to continuing employment with the Company.

Notes to the Consolidated Financial Statements (continued)

20. Reserves (continued)

Movements in share-based payments reserve

2020	Details	No. of Options	Amount \$
01-Jan-20	Opening Balance	195,900,000	5,241,608
	Options expired	(2,500,000)	-
	Options forfeited ⁽¹⁾	(20,500,000)	-
	Options issued for Gippsland acquisition ⁽²⁾	70,000,000	-
	Vesting expense of prior years' options	-	68,525
31-Dec-20	Balance at end of year	242,900,000	5,310,133

⁽¹⁾ Unvested options forfeited upon resignation of employees.

⁽²⁾ Zepo options were issued to the shareholders of Gippsland Prospecting Pty Ltd in accordance with the approval of the General Meeting of shareholders on 13 May 2020. Options are exercisable at nil price and expire on 22 October 2025. Vesting conditions of the consideration options are as follows:

- Tranche 1 - 40,000,000 options will vest upon definition of a JORC Code compliant Mineral Resource of at least 1,000,000 ounces of gold (or equivalent) on tenement EL06871 at a minimum average grade of 1 gram per tonne of gold (or equivalent).
- Tranche 2 - 20,000,000 options will vest upon completion of a pre-feasibility study and definition of a JORC Code compliant Ore Reserve of at least 750,000 ounces of gold (or equivalent) on tenement EL06871 at a minimum average grade of 1 gram per tonne of gold (or equivalent).
- Tranche 3 - 10,000,000 options will vest upon the Company achieving production over two consecutive months which is equal to 80% of the pro-rated production schedule pursuant to a Definitive Feasibility Study approved by the Board.

21. Accumulated Losses

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Movement in accumulated losses		
Balance at beginning of the year	(78,679,830)	(72,132,995)
Transfer of expired option expense from share-based payments reserve	4,838,782	-
Loss attributable to the owners of Battery Minerals Limited	(6,109,524)	(6,546,835)
Balance at end of the year	(79,950,572)	(78,679,830)

Notes to the Consolidated Financial Statements (continued)

22. Operating Cash Flow Reconciliation

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Reconciliation of operating cash flows to operating loss:		
Loss from ordinary activities after income tax	(6,109,524)	(6,546,835)
Adjustment for non-cash items:		
Depreciation and amortisation	196,467	147,523
Mine development impairment	-	4,142,346
Loan write-off	-	107,021
Share- based payments	148,521	68,525
Foreign currency (gain)/loss	(42,572)	(71,409)
Changes in operating assets and liabilities during the year:		
(Increase)/decrease in trade and other receivables	(72,123)	66,818
Increase/(decrease) in trade and other payables	146,062	(17,134)
Net cash outflow from operating activities	(5,733,169)	(2,103,145)

23. Financial Risk Management

Financial Risk Management

The Group's activities expose it to a variety of financial risks including foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign currency and interest rate risks and ageing analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors as required. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

These disclosures are not, nor are they intended to be an exhaustive list of risks which the Group has exposure to.

(a) Market risk

Market risk arises from the Group's exposure to interest bearing financial assets and foreign currency financial instruments. There is a risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates (currency risk), interest rates (interest rate risk) and share prices (price risk).

(b) Foreign exchange risk

The functional currency of the Group is Australian dollars; however, the Group and the parent entity operate internationally and are exposed to various currencies, primarily with respect to US Dollars (USD) and Mozambique New Meticals (MZN).

Notes to the Consolidated Financial Statements (continued)

23. Financial Risk Management (continued)

The Group is exposed to foreign exchange risk arising from fluctuations of the Australian dollar against the US dollar (USD) at parent level and fluctuations of the Australian dollar against the Mozambique New Metical (MZN) and USD at subsidiary level. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The exposure to risks is measured using sensitivity analysis and cash flow forecasting.

The Group has not formalised a foreign currency risk management policy, however it monitors its foreign currency expenditure in the light of exchange rate movements. The Group does not have any other material foreign currency dealings other than the noted currencies.

The Group's exposure to US Dollar foreign currency risk at the reporting date, expressed in Australian Dollars, was as follows:

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Financial assets		
Cash and cash equivalents	544,924	988,229
Total financial assets	544,924	988,229
Financial liabilities		
Trade creditors and other payables	-	-
Total financial liabilities	-	-

The following conversion rates were used at the end of the financial year:

- USD/AUD 0.72678 (2020: 0.77009)

Sensitivity analysis – change in foreign currency rates

The following table demonstrates the estimated sensitivity on assets and liabilities held in foreign currency at 31 December 2021 to a 10% increase/decrease in the USD/AUD exchange rates, with all variables held constant, on post-tax profit or loss and equity. These sensitivities should not be used to forecast the future effect of movements in the Australian dollar exchange rate on future cash flows.

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Impact on post tax profits and equity		
USD/AUD +10%	(49,539)	(89,839)
USD/AUD -10%	60,547	109,803

A hypothetical change of 10% in exchange rates was used to calculate the Group's sensitivity to foreign exchange rate movements as this is management's estimate of possible rate movements over the coming year taking into account currency market conditions and past volatility (2020: 10%).

(c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at and during the year ended 31 December 2021, the Group had interest-bearing assets in the form of cash and cash equivalents of \$3,914,463 (2020: \$7,303,942) and a mine performance bond of \$1,498,609 (2020: \$1,209,805). As such the Group's operating cash flows are exposed to movements in market interest rates due to the movements in variable interest rates on cash and cash equivalents.

Notes to the Consolidated Financial Statements (continued)

23. Financial Risk Management (continued)

The Group's policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

Sensitivity analysis – change in interest rates

Based on the financial assets held at reporting date, with all other variables assumed to be held constant, the table below sets out the notional effect on consolidated profit or loss after tax for the year and on equity at reporting date under varying hypothetical changes in prevailing interest rates.

Impact on post tax profits and equity

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Hypothetical 80 basis points increase in interest	43,305	68,110
Hypothetical 80 basis points decrease in interest	(43,305)	(68,110)

The weighted average interest rate received on cash, cash equivalents and mine performance bond of the Group is 2.51% (2020: 2.25%)

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis. The Group does not have any significant credit risk exposure to a single counterparty or any Group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

Financial assets

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Cash and cash equivalents	3,914,463	7,303,942
Other receivables	256,792	170,171
Non-current receivables	1,498,609	1,209,805
Total financial assets	5,669,864	8,683,918

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings as follows:

Financial assets

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Westpac Bank AA- rated	3,883,666	6,760,563
Mozambique banks BBB – rated ⁽¹⁾	1,529,403	1,753,183
Unrated	256,795	170,172
	5,669,864	8,683,918

(1) Includes mine performance bond of MZN69.5 million (A\$1.49 million equivalent) (2020: MZN69.5 million (A\$1.2 million equivalent)) held with Nedbank (formerly Unico Bank) in Mozambique.

Notes to the Consolidated Financial Statements (continued)

23. Financial Risk Management (continued)

(e) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities. As at the reporting date the Group had sufficient cash reserves to meet its requirements.

The financial liabilities of the Group at reporting date were trade & other payables incurred in the normal course of business. These were non-interest bearing and were due within the normal 30 - 90 day terms of creditor payments.

	Less than 1 month \$	1-3 months, \$	3months - 1 year \$	No set date of repayment	Total \$
2021					
Trade creditors & other payables	32,737	569,161	50,618	-	652,516
	32,737	569,161	50,618	-	652,516
2020					
Trade creditors & other payables	48,904	228,730	79,326	-	356,960
	48,904	228,730	79,326	-	356,960

(f) Net fair value

Fair value estimation

The fair value of financial assets and financial liabilities held by the Group must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their fair value. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. No assets or liabilities are held at fair value.

(g) Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Due to the nature of the Group's activities, being mineral exploration and evaluation, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration & evaluation programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group at the end of the year is as follows:

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Cash and cash equivalents	3,914,463	7,303,942
Current trade and other receivables	256,792	170,171
Current trade and other payables	(580,204)	(243,639)
Current provisions	(72,312)	(113,321)
	3,518,739	7,117,153

Notes to the Consolidated Financial Statements (continued)

24. Related Party Disclosures

Parent entities and subsidiaries

Battery Minerals Limited is the ultimate Australian parent entity.

Interests in subsidiaries are set out below:

	Country of Incorporation	% Equity 31 December 2021	% Equity 31 December 2020
Tremjones Pty Ltd ⁽¹⁾	Australia	100	-
Gippsland Prospecting Pty Ltd	Australia	100	100
Express Resources Pty Ltd	Australia	100	100
Index Resources Pty Ltd	Australia	100	100
Action Resources Pty Ltd	Australia	100	100
Jackal Resources Pty Ltd	Australia	100	100
Au Resources Pty Ltd	Australia	100	100
Skype Resources Pty Ltd	Australia	100	100
Battery Minerals (USA) Pty Ltd	Australia	100	100
Rovuma Resources Limited	Mauritius	100	100
Jorc Resources Limited	Mauritius	100	100
Assain Investments Limited	Mauritius	100	100
Greenstone Resources Limited ⁽²⁾	Mauritius	-	100
Rio Mazowe Limited	Mauritius	100	100
Suni Resources SA	Mozambique	100	100
Niassa Gold SA	Mozambique	100	100
Goldcrest Resources SA	Mozambique	100	100
Afriminas Minerais Limitada	Mozambique	100	100

⁽¹⁾ The Company acquired 100% of the shares in Tremjones Pty Ltd on 22 June 2021.

⁽²⁾ Wound up and de-registered during the period.

Notes to the Consolidated Financial Statements (continued)

24. Related Party Disclosures (continued)

(a) Key Management Personnel

The following persons were directors of Battery Minerals Limited during the financial year:

Director	Position	Appointed	Resigned
David Flanagan	Non-Executive Chairman	10 January 2022	-
	Executive Chairman	25 March 2021	10 January 2022
	Non-Executive Chairman	1 July 2019	25 March 2021
Jeff Dowling	Non-Executive Director	25 January 2018	-
Darryl Clark	Non-Executive Director	22 October 2020	-

(b) Other key management personnel

Name	Position	Appointed	Resigned
Tony Walsh	Company Secretary	17 February 2017	-
Nicholas Jolly	General Manager Exploration	4 January 2021	5 November 2021

(c) Key management personnel compensation

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Short-term employee benefits	615,284	337,721
Share based payments	76,760	68,525
Post-employment benefit	44,186	19,444
Total	736,230	425,690

(d) Loans to key management personnel

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.

(e) Other transactions with Key Management Personnel

There were no other transactions with Key Management Personnel other than share based payments (refer to Note 26).

Notes to the Consolidated Financial Statements (continued)

25. Auditors' Remuneration

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Audit fees - BDO Mozambique	17,575	17,802
Audit and review fees - KPMG Australia	58,349	47,830
Tax and legal advisory services fees - KMPG Mozambique	-	31,086
Total remuneration for auditors' services	75,924	96,718

26. Share-based payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model or Monte Carlo methodology as appropriate.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options or performance rights that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(a) Option Issue

During the period the Company issued 36,000,000 options to employees and consultants of the Company. The following table discloses the number of options issued:

Tranche	Recipient	Number of Options	Issue Date	Vesting Date	Expiry Date	Exercise Price \$	Total Fair Value \$
1	Employees/consultants	18,000,000	06/04/2021	23/3/2022	31/03/2026	0.04	387,837
2	Employees/consultants	18,000,000	06/04/2021	23/3/2023	31/03/2026	0.055	372,467
		36,000,000					760,304

On 20 January 2022 a total of 26,000,000 of the above options were cancelled due to them having lapsed unvested upon resignation of the employees.

Notes to the Consolidated Financial Statements (continued)

26. Share-based payments (continued)

(b) Share options outstanding at the end of the year have the following terms and conditions:

31 December 2021

Grant Date	Expiry Date	Exercise Price \$	FV per security \$	Balance at start of year	Granted during the year	Exercised during the year	Forfeited / expired during the year	Balance at end of the year	Vested & exercisable at end of the year
				Number	Number	Number	Number	Number	Number
21-Dec-16	23-Dec-21	0.10	0.093	5,000,000	-	-	5,000,000	-	-
21-Dec-16	23-Dec-21	0.15	0.087	5,000,000	-	-	5,000,000	-	-
21-Dec-16	23-Dec-21	0.20	0.082	5,000,000	-	-	5,000,000	-	-
21-Dec-16	23-Dec-21	0.25	0.078	5,000,000	-	-	5,000,000	-	-
21-Dec-16	23-Dec-21	0.15	0.086	10,000,000	-	-	10,000,000	-	-
21-Dec-16	23-Dec-21	0.15	0.086	3,000,000	-	-	3,000,000	-	-
21-Dec-16	23-Dec-21	0.15	0.086	4,400,000	-	-	4,400,000	-	-
21-Dec-16	23-Dec-21	0.15	0.086	3,000,000	-	-	3,000,000	-	-
15-Feb-17	23-Dec-21	0.15	0.064	1,500,000	-	-	1,500,000	-	-
8-Apr-17	22-May-22	0.20	0.059	1,000,000	-	-	-	1,000,000	-
26-May-17	21-Jun-22	0.94	0.046	10,000,000	-	-	-	10,000,000	-
26-May-17	21-Jun-22	0.20	0.038	5,000,000	-	-	-	5,000,000	-
26-May-17	21-Jun-22	0.13	0.042	3,000,000	-	-	-	3,000,000	3,000,000
5-Jan-18	16-Jan-21	0.1125	0.042	7,800,000	-	-	7,800,000	-	-
5-Jan-18	16-Jan-21	0.15	0.039	7,800,000	-	-	7,800,000	-	-
27-Jun-18	30-Jun-23	0.13	0.017	4,500,000	-	-	-	4,500,000	4,500,000
27-Jun-18	30-Jun-23	0.13	0.017	1,500,000	-	-	-	1,500,000	1,500,000
27-Jun-18	3-Jul-23	0.00	0.031	20,000,000	-	-	-	20,000,000	-
27-Jun-18	13-Jul-23	0.00	0.031	12,200,000	-	-	1,400,000	10,800,000	-
27-Jun-18	16-Jul-23	0.20	0.014	4,200,000	-	-	-	4,200,000	1,200,000
27-Jun-18	16-Jul-23	0.20	0.014	1,000,000	-	-	-	1,000,000	1,000,000
27-Jun-18	16-Jul-23	0.15	0.014	150,000	-	-	-	150,000	75,000
21-May-19	20-Jun-24	0.00	0.022	37,350,000	-	-	13,350,000	24,000,000	-
21-May-19	20-Jun-24	0.00	0.022	15,500,000	-	-	-	15,500,000	5,000,000
22-Oct-20	22-Oct-25	0.00	0.053	40,000,000	-	-	-	40,000,000	-
22-Oct-20	22-Oct-25	0.00	0.053	20,000,000	-	-	-	20,000,000	-
22-Oct-20	22-Oct-25	0.00	0.053	10,000,000	-	-	-	10,000,000	-
23-Mar-21	31-Mar-26	0.04	0.0215	-	18,000,000	-	13,000,000	5,000,000	-
23-Mar-21	31-Mar-26	0.055	0.0207	-	18,000,000	-	13,000,000	5,000,000	-
				242,900,000	36,000,000	-	98,250,000	180,650,000	17,200,000

Notes to the Consolidated Financial Statements (continued)

26. Share-based payments (continued)

31 December 2020

Grant Date	Expiry Date	Exercise Price \$	FV per security \$	Balance at start of year	Granted during the year	Exercised during the year	Forfeited / expired during the year	Balance at end of the year	Vested & exercisable at end of the year
				Number	Number	Number	Number	Number	Number
30-May-16	31-May-20	0.092	0.036	2,500,000	-	-	2,500,000	-	-
21-Dec-16	23-Dec-21	0.10	0.093	5,000,000	-	-	-	5,000,000	5,000,000
21-Dec-16	23-Dec-21	0.15	0.087	5,000,000	-	-	-	5,000,000	5,000,000
21-Dec-16	23-Dec-21	0.20	0.082	5,000,000	-	-	-	5,000,000	5,000,000
21-Dec-16	23-Dec-21	0.25	0.078	5,000,000	-	-	-	5,000,000	5,000,000
21-Dec-16	23-Dec-21	0.15	0.086	10,000,000	-	-	-	10,000,000	-
21-Dec-16	23-Dec-21	0.15	0.086	3,000,000	-	-	-	3,000,000	3,000,000
21-Dec-16	23-Dec-21	0.15	0.086	4,400,000	-	-	-	4,400,000	4,400,000
21-Dec-16	23-Dec-21	0.15	0.086	3,000,000	-	-	-	3,000,000	3,000,000
15-Feb-17	23-Dec-21	0.15	0.064	1,500,000	-	-	-	1,500,000	500,000
8-Apr-17	22-May-22	0.20	0.059	1,000,000	-	-	-	1,000,000	-
26-May-17	21-Jun-22	0.94	0.046	10,000,000	-	-	-	10,000,000	-
26-May-17	21-Jun-22	0.20	0.038	5,000,000	-	-	-	5,000,000	-
26-May-17	21-Jun-22	0.13	0.042	3,000,000	-	-	-	3,000,000	3,000,000
5-Jan-18	16-Jan-21	0.1125	0.042	7,800,000	-	-	-	7,800,000	7,800,000
5-Jan-18	16-Jan-21	0.15	0.039	7,800,000	-	-	-	7,800,000	7,800,000
27-Jun-18	30-Jun-23	0.13	0.017	4,500,000	-	-	-	4,500,000	4,500,000
27-Jun-18	30-Jun-23	0.13	0.017	1,500,000	-	-	-	1,500,000	1,500,000
27-Jun-18	3-Jul-23	0.00	0.031	20,000,000	-	-	-	20,000,000	-
27-Jun-18	13-Jul-23	0.00	0.031	12,800,000	-	-	600,000	12,200,000	-
27-Jun-18	16-Jul-23	0.20	0.014	4,600,000	-	-	400,000	4,200,000	1,200,000
27-Jun-18	16-Jul-23	0.20	0.014	1,000,000	-	-	-	1,000,000	1,000,000
27-Jun-18	16-Jul-23	0.15	0.014	150,000	-	-	-	150,000	75,000
21-May-19	20-Jun-24	0.00	0.022	56,850,000	-	-	19,500,000	37,350,000	-
21-May-19	20-Jun-24	0.00	0.022	15,500,000	-	-	-	15,500,000	2,500,000
22-Oct-20	22-Oct-25	0.00	0.053	-	40,000,000	-	-	40,000,000	-
22-Oct-20	22-Oct-25	0.00	0.053	-	20,000,000	-	-	20,000,000	-
22-Oct-20	22-Oct-25	0.00	0.053	-	10,000,000	-	-	10,000,000	-
				195,900,000	70,000,000	-	23,000,000	242,900,000	60,275,000

(c) **The expense recognised in profit and loss**

The share-based payment expense recognised in profit and loss is \$148,521 (2020: \$68,525).

Notes to the Consolidated Financial Statements (continued)

27. Parent Entity Disclosure

The following table details information related to the parent entity, Battery Minerals Limited, as at 31 December 2021. The information has been prepared on the same basis as the consolidated financial statements.

	Company 31 Dec 2021 \$	Company 31 Dec 2020 \$
Current assets	4,001,357	6,813,785
Non-Current assets	18,773,068	12,982,109
Total assets	22,774,425	19,795,894
Current liabilities	1,758,044	271,747
Non-Current liabilities	195,790	-
Total liabilities	1,953,834	271,747
Contributed equity	99,809,516	96,164,978
Share based payments reserve	619,872	5,310,133
Accumulated losses	(79,608,797)	(81,950,964)
Total equity	20,820,591	19,524,147
Loss after income tax	(2,496,615)	(6,981,502)
Other comprehensive income/(loss) for the year	-	-
Total comprehensive income/(loss) for the year	(2,496,615)	(6,981,502)

Guarantees

The Parent Company has not entered into any guarantees in relation to the debts of its subsidiaries.

Contingent Liabilities and Contractual Commitments of the Parent

The Parent Company has no commitments to acquire property, plant and equipment and has no contingent liabilities as at the date of this report.

Notes to the Consolidated Financial Statements (continued)

28. Commitments and Contingent Liabilities

(a) Exploration and mining licence commitments

With respect to the Group's mineral property interests in Mozambique, statutory expenditure commitments specified by the mining legislation are nominal in monetary terms. However, as part of the licence application and renewal requirements, the Group submits budgeted exploration expenditure. In assessing subsequent renewal applications, the mining authorities review actual expenditure against budgets previously submitted. These amounts do not become legal obligations of the Group and actual expenditure does vary depending on the outcome of the actual activities.

The following shows the commitments for exploration and mining licences held by the Group:

	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
Within one year	2,262,000	2,207,000
Later than one year but no later than five years	12,179,500	11,939,500
	14,441,500	14,146,500

29. Events After the End of the Reporting Period

On 10 January 2022, Mr Peter Duerden commenced as Managing Director of the Company. Mr David Flanagan reverted to the role of Non-Executive Chairman from his previous Executive Chairman role.

On 2 March 2022, the Company issued a total of 170,000,000 unlisted zero exercise price options subject to certain time-based and performance hurdles expiring on 31 January 2027. The options were issued to the Company's directors following shareholder approval obtained at the General Meeting held on 28 February 2022.

Apart from the above, there are no other events after the end of the Reporting Period to disclose.

Directors' Declaration

In the Directors' opinion:

- (a) the financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001, and:
- (i) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 31 December 2021 and of the performance for the year ended on that date of the consolidated entity; and
 - (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 2 to the financial statements.
- (b) In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declaration by the Managing Director and the Chief Financial Officer required by section 295A of the Corporations Act 2001 (Cth).

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by;



Peter Duerden
Managing Director

Perth, Western Australia

22 March 2022



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 audit of Battery Minerals Limited for the financial year ended 31 December 2021 there have been:

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

KPMG.

KPMG

A handwritten signature in blue ink, appearing to read 'R Gambitta'.

R Gambitta
Partner

Perth

22 March 2022

Independent Auditor's Report

To the shareholders of Battery Minerals Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Battery Minerals Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2021.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- Notes including a summary of significant accounting policies.
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 2B, "Going Concern" in the financial report. The conditions disclosed in Note 2B, 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 financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. Our approach to this involved:

- evaluating the feasibility, quantum and timing of the Group's plans to divest its Mozambique graphite project assets and to raise additional shareholder funds to address going concern;

- assessing the Group's cash flow forecasts for incorporation of the Group's operations and plans to address going concern, in particular in light of the history of loss making operations; and
- determining the completeness of the Group's going concern disclosures for the principle matters casting significant doubt on the Group's ability to continue as a going concern, the Group's plans to address these matters, and the material uncertainty.

Key Audit Matters

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the **Key Audit Matters**:

- Valuation of capitalised exploration and evaluation expenditure.
- Acquisition of Russell Copper Project.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of capitalised exploration and evaluation expenditure (\$14,799,160)

Refer to Note 13 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>The Group's policy is to capitalise acquisition costs in relation to an area of interest, less any impairment charges recognised.</p> <p>The valuation of capitalised exploration and evaluation expenditure is a key audit matter due to:</p> <ul style="list-style-type: none"> • the significance of the balance to the balance sheet (being 71 % of total assets); and • the greater level of audit effort to evaluate the Group's application of the requirements of the accounting standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, in particular the presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of capitalised exploration and evaluation expenditure. Given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's assessment of the presence of impairment indicators. <p>In assessing the presence of impairment indicators, we focused on those which may draw into question the commercial continuation of exploration and evaluation activities where significant carrying value of capitalised exploration and evaluation expenditure exists.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • evaluating the Group's accounting policy to recognise capitalised exploration and evaluation expenditure against criteria of the accounting standard; • assessing the Group's determination of its areas of interest for consistency with the definition in the accounting standards. This involved analysing the licences in which the Group hold an interest and the exploration programmes planned for those; • for the significant areas of interest, we assessed the Group's current rights to tenure. This included checking the ownership of the relevant license for mineral resources or reserves to government registries and evaluating agreements in place with other parties; • evaluating the Group's documents for consistency with their stated intentions for continuing exploration and evaluation activities in certain areas. This included: <ul style="list-style-type: none"> - the Group's internal plans and budgets; - minutes of board and internal meetings; - announcements made by the Group to the Australian Securities Exchange including results from latest activities; and

Valuation of capitalised exploration and evaluation expenditure (\$14,799,160) (cont'd)

Refer to Note 13 to the Financial Report

The key audit matter

Given the financial position of the Group, we paid particular attention to:

- documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to an area of interest;
- the Group's intention and capacity to continue and fund the relevant exploration and evaluation activities; and
- the results from latest activities regarding the existence or otherwise of economically recoverable mineral resources or reserves.

How the matter was addressed in our audit

- assessing the corporate budgets identifying areas with existing funding and those requiring alternate funding sources against underlying data. We identified those areas relying on alternate funding sources and evaluated the capacity of the Group to secure such funding.

Acquisition of Russell Copper Project (\$2,556,406)

Refer to Note 13 to the Financial Report

The key audit matter

The Group's acquisition of the Russell Copper project was a significant transaction for the Group.

The acquisition is a key audit matter due to:

- the significance of the acquisition;
- judgments made by the Group relating to the measurement of the purchase consideration; and
- the level of judgment required in determining the accounting approach as either a business combination (in accordance with AASB 3 *Business Combinations*) or an asset acquisition. The difference in the accounting for the acquisition as a business or an asset is significant and could impact the recognition and measurement of amounts reported in the consolidated financial statements;

We involved senior team members in assessing this key audit matter.

How the matter was addressed in our audit

Our audit procedures included:

- inspecting the sale and purchase agreement related to the acquisition to understand the structure, key terms and conditions, and nature of the purchase consideration. Using this, we evaluated the accounting treatment of the purchase consideration and transaction costs against the criteria in the accounting standards;
- involving senior audit team members to assess the accounting treatment for the transaction. We analysed the conclusions reached by the Group to accounting standards and interpretations;
- assessing the Group's determination of the fair value measurement of purchase consideration against the underlying data; and
- evaluating the disclosures in the financial report against our understanding of the acquisition and the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Battery Minerals Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Battery Minerals Limited for the year ended 31 December 2021 complies with *Section 300A* of the *Corporations Act 2001*.



KPMG

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in the Directors' report for the year ended 31 December 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.



R Gambitta
Partner

Perth

22 March 2022

ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Financial Report as at 8 March 2022 is set out below.

1. Share Capital

The issued capital of the Company is:

- 2,347,464,571 ordinary fully paid shares; and
- 274,484,066 listed options

2. Ordinary shares (ASX Code: BAT)

Top 20 Largest Holders of Listed Ordinary shares

	Holder Name	Holding	%
1	FARJOY PTY LTD	199,133,245	8.48%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	105,664,937	4.50%
3	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	98,668,919	4.20%
4	CITICORP NOMINEES PTY LIMITED	71,179,094	3.03%
5	MR DAVID MARK ROCCI	67,305,674	2.87%
6	PACIFIC DEVELOPMENT CORPORATION PTY LTD	65,446,741	2.79%
7	MR KENT BALAS	62,346,840	2.66%
8	ICOPPER PTY LTD	61,553,992	2.62%
9	MS CINDY TONKIN & MR STUART PETER TONKIN	60,000,000	2.56%
10	BNP PARIBAS NOMS PTY LTD	31,373,789	1.34%
11	MITCHELL FAMILY INVESTMENTS (QLD) PTY LTD	27,204,381	1.16%
12	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	26,147,480	1.11%
13	BNP PARIBAS NOMS PTY LTD	25,718,408	1.10%
14	JOHNSTON CORPORATION PTY LTD	25,000,000	1.07%
15	BNP PARIBAS NOMINEES PTY LTD	24,142,220	1.03%
16	GLADSTONE MINING (WA) PTY LTD	22,727,272	0.97%
17	MR WILLIAM ROBERT RICHMOND	20,000,000	0.85%
18	BT PORTFOLIO SERVICES LIMITED	18,000,000	0.77%
19	SKER HOLDINGS PTY LTD	17,000,000	0.72%
20	MR DAVID HICKS & MRS CAROL RAELENE HICKS	14,100,000	0.60%
	Total held by top 20 registered shareholders	1,042,712,992	44.42%
	Total issued capital - selected security class(es)	2,347,464,571	100.00%

Distribution of Ordinary Shares (ASX Code: BAT)

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	149	8,867	0.00%
1,001 - 5,000	59	239,470	0.01%
5,001 - 10,000	228	1,859,384	0.08%
10,001 - 100,000	1,765	89,250,539	3.80%
100,001 - 9,999,999,999	1,656	2,256,106,311	96.11%
Totals	3,857	2,347,464,571	100.00%

Unmarketable parcels of Ordinary Shares

There were 1,562 holders of less than a marketable parcel of ordinary shares.

ASX Additional Information (continued)

3. Listed Options (ASX Code: BATO)

Top 20 Largest Holders of Listed Options

	Holder Name	Holding	%
1	FARJOY PTY LTD	51,666,667	18.82%
2	ANDREW MARK WILMOT SETON	16,917,427	6.16%
3	PACIFIC DEVELOPMENT CORPORATION PTY LTD	10,000,000	3.64%
4	SEYMOUR GROUP PTY LTD	10,000,000	3.64%
5	RESOURCE & LAND MANAGEMENT SERVICES PTY LTD	9,249,999	3.37%
6	MRS SRADDHA NITESHKUMAR PATEL	6,306,300	2.30%
7	SKER HOLDINGS PTY LTD	6,249,999	2.28%
8	MR STAN TADEUZ BRZEZOWSKI	6,089,999	2.22%
9	JOHNSTON CORPORATION PTY LTD	5,499,999	2.00%
10	M & K KORKIDAS PTY LTD	5,350,000	1.95%
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,090,040	1.85%
12	MS ELIZABETH KATRINA WARES	5,066,676	1.85%
13	MISS ENKHJARGAL ULZII-ORSHIKH	4,959,112	1.81%
14	BNP PARIBAS NOMINEES PTY LTD	3,763,317	1.37%
15	MR ANTHONY GEORGE WARD	3,505,000	1.28%
16	MR LACHLAN JAMES MALLOY	3,495,000	1.27%
17	WINE GURU AUSTRALIA PTY LTD	3,100,000	1.13%
18	MR DAVID ARITI	3,000,000	1.09%
19	UURO PTY LTD	3,000,000	1.09%
20	MR SEWA SINGH	3,000,000	1.09%
	Total held by top 20 registered option holders	165,309,535	60.23%
	Total issued capital - selected security class(es)	274,484,066	100.00%

Distribution of Listed Options (ASX Code: BATO)

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	1	9,149	0.00%
10,001 - 100,000	112	6,313,775	2.30%
100,001 - 9,999,999,999	203	268,161,142	97.70%
Totals	316	274,484,066	100.00%

Unmarketable parcels of Listed Options (ASX Code: BATO)

There were 221 holders of less than a marketable parcel of listed options.

4. Voting Rights

All fully paid ordinary shares have the same voting rights of one vote per ordinary share. See the Company's Constitution for further details.

Listed Options, unlisted incentive options and performance rights have no voting rights.

ASX Additional Information (continued)

5. Unquoted Securities

Number	+Class
3,000,000	Unquoted options (\$0.13, 21 June 2022)
5,000,000	Unquoted options (\$0.20, 21 June 2022)
10,000,000	Unquoted options (\$0.094, 21 June 2022)
1,000,000	Unquoted options (\$0.20, 22 May 2022)
20,000,000	Unquoted ZEPO Options expiring 03/07/2023 NIL EXERCISE subject to performance milestones
6,000,000	Sign-on Options (\$0.13, 30 June 2023)
170,000,000	Unquoted ZEPO Options expiring 31/01/2027 NIL EXERCISE issued on 2 March 2022 subject to performance milestones.
<u>ESOP</u>	
1,000,000	Unquoted Options expiring 16/07/2023 @ \$0.20 – vested
500,000	Unquoted Options expiring 16/07/2023 @ \$0.20 - vested
500,000	Unquoted Options expiring 16/07/2023 @ \$0.20 - vested
200,000	Unquoted Options 16/07/2023 @ \$0.20 - vested
75,000	Unquoted Options expiring 16/07/2023 @ \$0.15 - vested
3,000,000	Unquoted Options expiring 16/07/2023 @ \$0.20 - vest on Montepuez commercial production
75,000	Unquoted Options expiring 16/07/2023 @ \$0.15 - Vest on Montepuez commercial production
10,800,000	Unquoted ZEPO Options expiring 13/07/2023 NIL EXERCISE subject to performance milestones
15,500,000	Unquoted ZEPO Options expiring 20/06/2024 NIL EXERCISE subject to performance milestones.
24,000,000	Unquoted ZEPO Options expiring 20/06/2024 NIL EXERCISE subject to performance milestones
70,000,000	Unquoted ZEPO Options expiring 22/10/2025 NIL EXERCISE subject to performance milestones outlined in the Notice of Meeting for the 13 May 2020 AGM
5,000,000	Unquoted 4 cent unlisted ESOP options expiring 31 March 2026
5,000,000	Unquoted 5.5 cent unlisted ESOP options expiring 31 March 2026

6. Substantial shareholder notices received

Name	Number of Shares	% Holding
FARJOY PTY LTD	199,133,245	8.48%

7. Restricted Securities Subject to Escrow

There are no shares subject to escrow.

8. On-market buy back

There is currently no on-market buyback program for any of Battery Minerals Limited's listed securities.

ASX Additional Information (continued)

9. Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets for the year ended 31 December 2021 consistent with its business objective and strategy.

10. Tenure

See Review of Operations.

11. Competent Persons Statement

See Review of Operations.

Important Notice

This Report does not constitute an offer to acquire or sell or a solicitation of an offer to sell or purchase any securities in any jurisdiction. In particular, this ASX Announcement does not constitute an offer, solicitation or sale to any U.S. person or in the United States or any state or jurisdiction in which such an offer, tender offer, solicitation or sale would be unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and neither such securities nor any interest or participation therein may not be offered, or sold, pledged or otherwise transferred, directly or indirectly, in the United States or to any U.S. person absent registration or an available exemption from, or a transaction not subject to, registration under the United States Securities Act of 1933.

Forward Looking Statements

Statements and material contained in this document, particularly those regarding possible or assumed future performance, resources or potential growth of Battery Minerals Limited, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Such forecasts and information are not a guarantee of future performance and involve unknown risk and uncertainties, as well as other factors, many of which are beyond the control of Battery Minerals Limited. Information in this presentation has already been reported to the ASX.

All references to future production and production & shipping targets and port access made in relation to Battery Minerals are subject to the completion of all necessary feasibility studies, permit applications, construction, financing arrangements, port access and execution of infrastructure-related agreements. Where such a reference is made, it should be read subject to this paragraph and in conjunction with further information about the Mineral Resources and Ore Reserves, as well as the relevant competent persons' statements.