BATTERY MINERALS

and its Controlled Entities

ABN 75 152 071 095

Annual Report
31 December 2022

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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
Ms Nerida Schmidt

Registered Office
Ground Floor, 72 Kings Park Road
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
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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 2022.

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

The Company continues to finalise the completion of the sale of the Montepuez and Balama Graphite Projects to Tirupati Graphite (TGR: LSE or 'Tirupati'). The deal provides exposure to the development of the projects and the broader graphite market via Tirupati's rapidly expanding production profile, being 30,000tpa by Q1 2023, 84,000tpa by 2024 and 400,000tpa by 2030 (TGR: LSE 23 September 2022).

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

Exploration activity included 415 aircore drill holes for 14,465 metres, 7-line kilometres of pole-dipole IP Geophysics, and a key petrographic study characterising the high-grade gold mineralisation at the Coxs Find Prospect.

The Australian exploration portfolio also includes the Azura 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). Activity was restricted to geological mapping, heritage clearance and environmental permitting activities.

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

The Stavely-Stawell Project comprises a single exploration licence (EL6871) covering a 65km strike of the Stawell Gold Corridor and northern extents of the Stavely-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-Arete Capital) and VMS/porphyry copper-gold mineralisation, given the emerging along strike discoveries within the Stavely Volcanics.

During 2022, our exploration activity transitioned from building foundation datasets to the ranking and prioritizing of target opportunities. In particular, the petrography work at Coxs Find Prospect, where high-grade surface gold up to 430g/t Au, previously thought to have an alluvial origin, is now considered to represent likely primary hardrock mineralisation with IP geophysics successfully utilised to define a discrete chargeability anomaly and compelling drill target (Figure 1).

Review of Operations (continued)

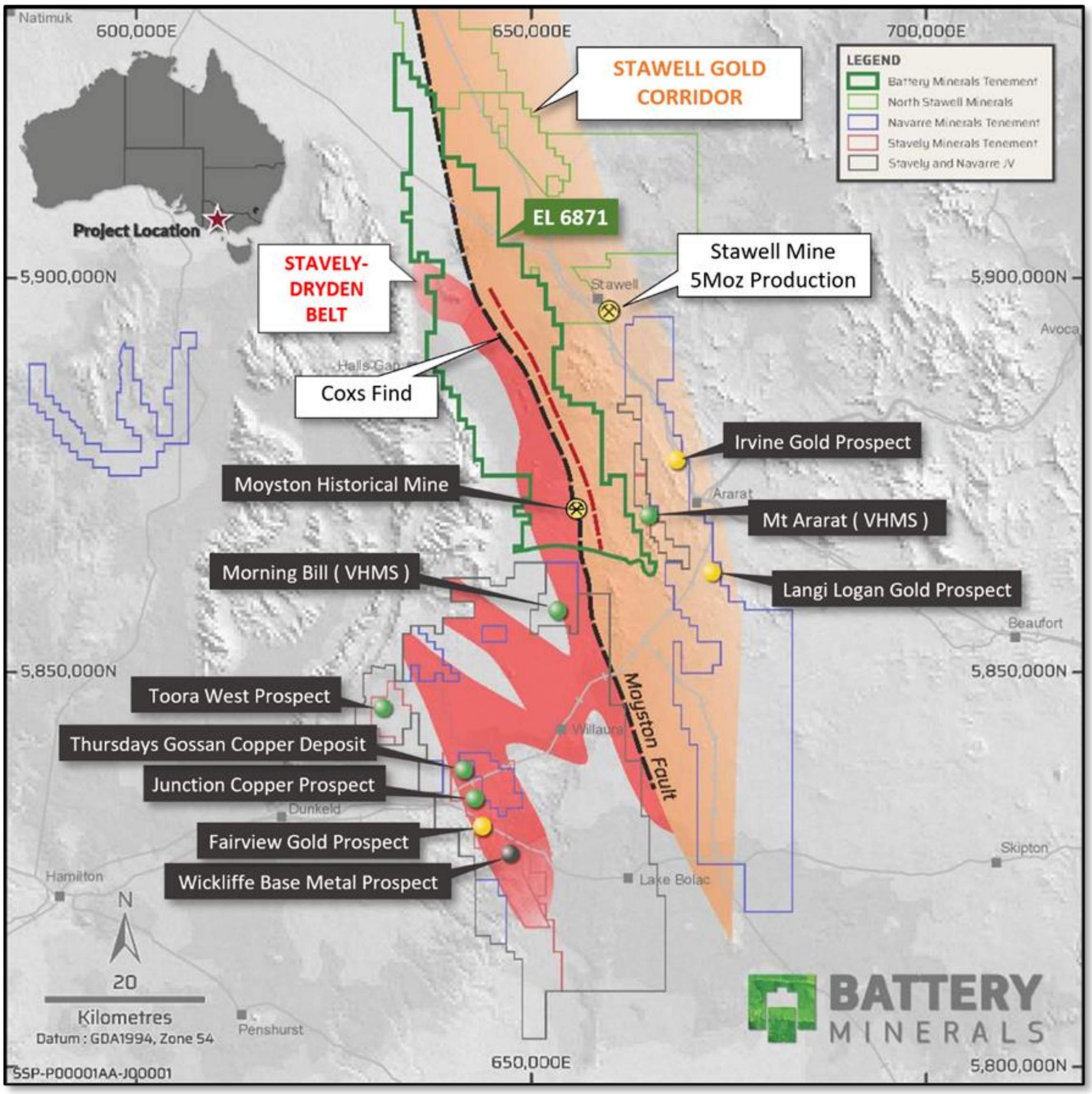

Figure 1: Stavely-Stawell Project regional location map

Coxs Find Prospect

The Coxs Find target is defined by multiple high-grade rockchip results, up to 430g/t Au associated with sericite-silica-pyrite altered siltstone (ASX: BAT 14 October 2021). The mineralisation has been characterised using scanning electron microscope (SEM) and laser ablation ICPMS mineral chemistry (La-ICPMS), which indicates an association between gold and bedrock (primary) sulphides (galena, sphalerite, chalcopyrite) (ASX: BAT 2 May 2022).

Given the sulphide association and likely bedrock source of the high-grade surface gold, an Induced Polarisation (IP) geophysical survey was designed to map the distribution of sulphides and define priority drill targets. The effectiveness of the technique has resulted in a planned extension of the survey along with commencing plans to drill test priority targets (ASX: BAT 21 November 2022) (Figure 3).

Review of Operations (continued)

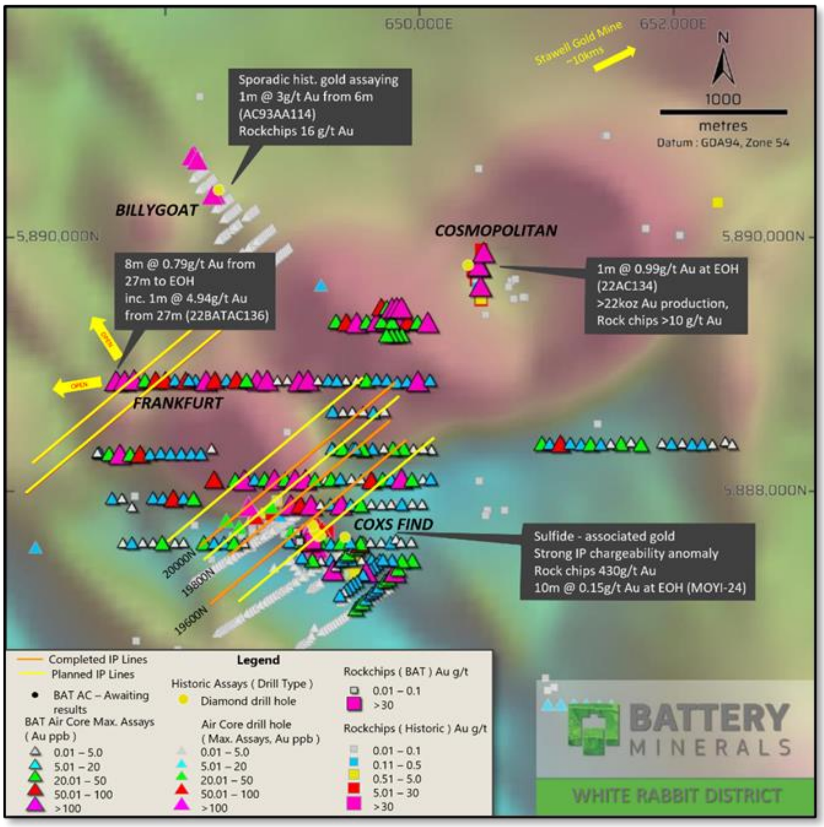

Figure 2: Coxs Find District, showing AC drilling coverage, rockchip geochem, IP coverage over RTP magnetics

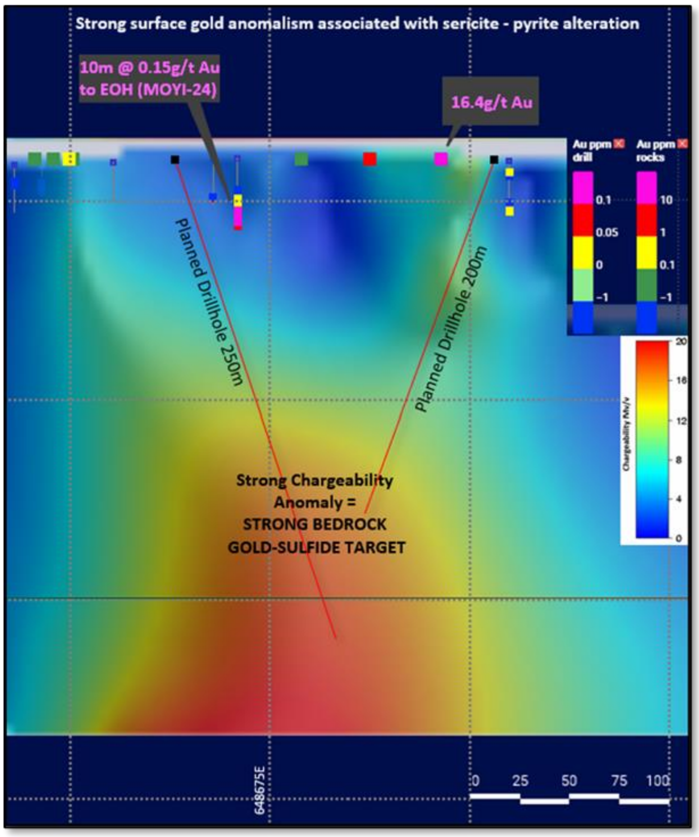

Figure 3: IP Chargeability Inversion, Section 20000N, showing strong, discrete IP chargeability anomaly beneath high grade gold-sulphide mineralisation in rockchips, AC anomalism to the EOH (historical data in ASX: BAT 14 October 2021) (200m window)

Review of Operations (continued)

Frankfurt Prospect

The Frankfurt Prospect is characterised by strong multipoint AC gold anomalism (8m @ 0.79g/t Au from 27m to EOH) associated with a 'fertile' gold-multielement signature (Au-Te-Bi-Mo-Sb-As) and defining an open >160m wide target zone (Figure 2). Follow-up AC drilling and IP geophysics will fully define the extents of the target zone for follow-up bedrock drill testing.

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

The Azura Project comprises three granted exploration licences (E80/4944, E80/5116, E80/5347) and one application (E80/5348), covering 258km^2 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 29.9% in rock chips, with the Company currently planning a drilling program targeting recently identified strong VTEM conductors and areas of surface anomalism.

The drilling program planned for the Azura Copper-Nickel-Gold Project comprises a nominal 6 diamond holes for 1,170m and has been designed to test priority EM and geochemical targets. Several contingency drill sites will also be prepared to allow for flexibility in the drilling schedule based on ongoing results.

Heritage clearance has been completed and the report received, with additional environmental permitting requested by the regulator prior to the Company being permitted to commence drilling activity.

The timing of exploration activity at the project will be reassessed once the Mozambique transaction has been completed and the Company is able to rank its discovery opportunities across the portfolio.

During the year, 5 tenure units were relinquished from E80/4944, whilst retaining all the areas of key exploration focus.

Review of Operations (continued)

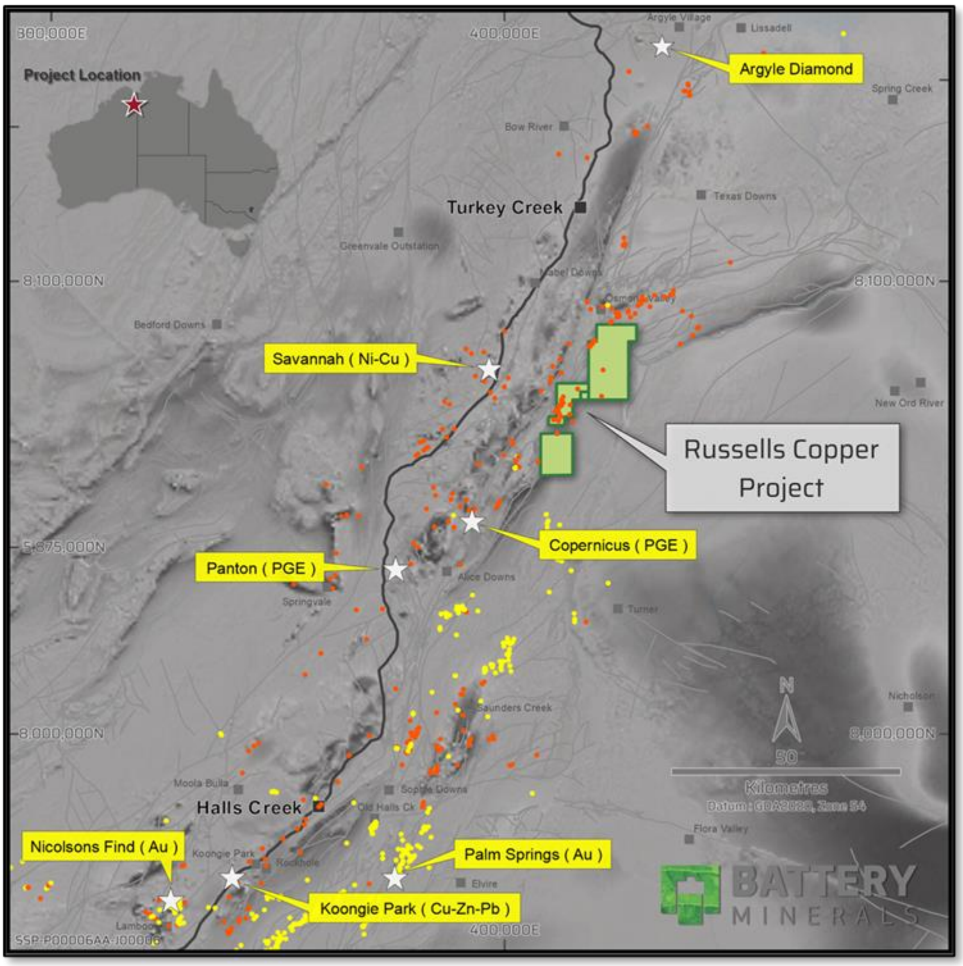

Figure 4: Project regional location map

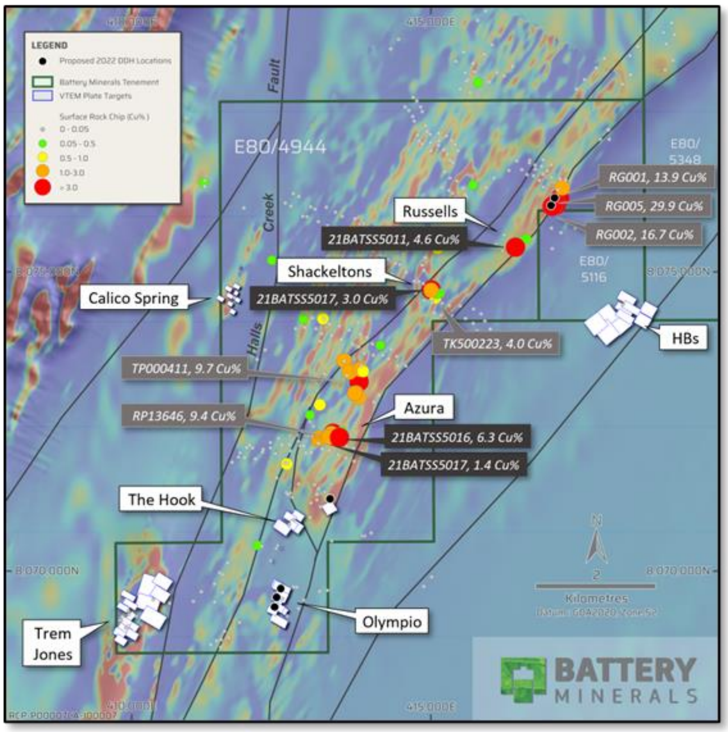

Figure 5: Azura Project: Targets Summary with rockchip geochemistry, RTP magnetics, modelled VTEM conductor plates

Review of Operations (continued)

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

Sale Agreement with Tirupati Graphite (TGR:LSE)

In August 2021, the Company, together with its subsidiary Rovuma Resources Limited, negotiated the conditional sale of its Montepuez and Balama Graphite Projects in Mozambique through the sale of all the shares and debt in its subsidiary Suni Resources SA and intellectual property to London Stock Exchange listed company, Tirupati Graphite plc (Tirupati, TGR:LSE) for $11.0 million in shares in Tirupati and $1.5 million in cash respectively.

During 2022, variations were made to the original agreement to enable obtaining all necessary Mozambique government approvals for the transaction. The Mozambique Government advised that prior to conditional approval of the sale of the Montepuez and Balama graphite projects to Tirupati the following conditions precedent were required to be satisfied:

- Agreement to pay A$2.5 million capital gains tax (CGT) assessment to the Mozambique Tax Office; and
- Putting in place a performance bond for the development of the Balama Graphite Project.

The Deed of Variation states that the capital gains tax liability will be shared equally between Tirupati at A$1.25 million and Battery Minerals at A$1.25 million. It also provides that the obligation of Battery Minerals will be settled out of a reduction in the proceeds to be paid by Tirupati from A$12.5 million to A$11.25 million. On completion and after payment of the CGT, the variation provides that Battery Minerals would receive total consideration of A$9.75 million in Tirupati Graphite shares and A$1.5 million in cash with no outstanding liabilities. The share consideration would comprise between 2,511,639 and 5,023,278 Tirupati shares at completion date and 2,511,639 and 5,023,278 Tirupati shares 8 months after the completion date with the issue price per share to be equal to 110% of the VWAP of Tirupati shares for the five trading days prior to the completion date, with these shares being escrowed for 6 months and 14 months respectively. As such, 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 noting that as the shares are subject to escrow the ultimate proceeds to be received would be determined after expiration of the respective escrow periods . Refer to the subsequent event disclosure with respect to the value of the share consideration as at the date of this report.

Transaction Rationale

- Tirupati is:
  - rapidly increasing graphite production across two mining operations at Sahamamy and Vatomina in Madagascar, with plans to increase production to 30,000tpa by Q1 2023, 84,000tpa by 2024 and 400,000tpa 2030 (TGR: LSE 23 September 2022);
  - 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 capitalisation of ~AUD$50m;
  - 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 receive exposure to;

Review of Operations (continued)

  - 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 and 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
- The transaction is advantageous for both Mozambique and the local communities.

OTHER PROJECTS

Sale Agreement with Trek Metals (ASX:TKM) and Apollo Minerals (ASX:AON)

During the period Battery Minerals entered into a Deed of Termination and Release with Trek Metals (ASX Code: TKM) and Apollo Minerals (ASX Code: AON) to sell its remaining interests in the Kroussou zinc-lead project in Gabon to Apollo Minerals for $250,000 cash. The Deed released Apollo from various vendor payment obligations, namely decision to mine and royalty payments (ASX: BAT 25 March 2022).

CORPORATE

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

In November 2022, Mr Tony Walsh resigned as Company Secretary and was replaced by Ms Nerida Schmidt.

During the June 2022 Quarter the Company announced a capital raising via a share placement, raising $2m across two tranches and including participation by the Board (ASX: BAT 6 June 2022). The funds raised were primarily used to advance the Company's Australian exploration activities at the Stavely-Stawell Project in Victoria and Azura Project in Western Australia and for general working capital.

As of 31 December 2022, the Company had cash and liquid assets of $720k. The Company continues to reduce overhead costs as it pivots from African graphite developer to an Australian focused gold-copper explorer.

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.

Review of Operations (continued)

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 interact with the environments in which we operate 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 its activities are conducted in a manner that meets relevant statutory legislation and represents best practice.

The Company values strong and positive relationships within the local communities where we operate. During the year the Company was proud to be involved in supporting the Halls Gap Zoo 'Rhino Rumble' Program.

Figure 6: Battery Minerals sponsorship of the Halls Gap Zoo 'Rhino Rumble' program

Review of Operations (continued)

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 29 March 2023 and is current as at 29 March 2023. 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.

Tenement Summary as at 31 December 2022

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%	100%
E80/5116	WA, Australia	Exploration License Granted	100%	100%
E80/5347	WA, Australia	Exploration License Granted	100%	100%
E80/5348	WA, Australia	Exploration License Pending	100%	100%

Note 1: These tenements are subject to the Sale Agreement with Tirupati Graphite announced on 17 August 2021.

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:** Battery Minerals entered into a Deed of Termination and Release with Trek Metals (ASX Code: TKM) and Apollo Minerals (ASX Code: AON) to sell its remaining minor interests in the Kroussou zinc-lead project in Gabon to Apollo Minerals for $250,000 cash. The Deed released Apollo from various vendor payment obligations, namely decision to mine and royalty payments (ASX: BAT 25 March 2022).

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 2022.

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 2021: 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 prior year, the Company negotiated the sale of its two graphite projects Montepuez and Balama located in Mozambique. The Company continues to explore the Stavely-Stawell Gold Project in western Victoria and the Azura Copper Project in the Kimberley region of Western Australia.

Review of Operations

a. Group Overview

In August 2021, the Company, together with its subsidiary Rovuma Resources Limited, negotiated the conditional sale of its Montepuez and Balama Graphite Projects in Mozambique through the sale of all the shares and debt in its subsidiary Suni Resources SA and intellectual property to London Stock Exchange listed company, Tirupati Graphite plc (Tirupati, TGR:LSE) for $11.0 million in shares in Tirupati and $1.5 million in cash respectively.

During 2022, variations were made to the original agreement to enable obtaining all necessary Mozambique government approvals for the transaction. The Mozambique Government advised that prior to conditional approval of the sale of the Montepuez and Balama graphite projects to Tirupati the following conditions precedent were required to be satisfied:

- Agreement to pay A$2.5 million capital gains tax (CGT) assessment to the Mozambique Tax Office; and
- Putting in place a performance bond for the development of the Balama Graphite Project.

The Deed of Variation states that the capital gains tax liability will be shared equally between Tirupati at A$1.25 million and Battery Minerals at A$1.25 million. It also provides that the obligation of Battery Minerals will be settled out of a reduction in the proceeds to be paid by Tirupati from A$12.5 million to A$11.25 million. On completion and after payment of the CGT, the variation provides that Battery Minerals would receive total consideration of A$9.75 million in Tirupati Graphite shares and A$1.5 million in cash with no outstanding liabilities. The share consideration would comprise between 2,511,639 and 5,023,278 Tirupati shares at completion date and 2,511,639 and 5,023,278 Tirupati shares 8 months after the completion date with the issue price per share to be equal to 110% of the VWAP of Tirupati shares for the five trading days prior to the completion date, with these shares being escrowed for 6 months and 14 months respectively. As such, 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 noting that as the shares are subject to escrow the ultimate proceeds to be received would be determined after expiration of the respective escrow periods. Refer to the subsequent event disclosure in regard to the value of the share consideration as at the date of this report.

Directors' Report (continued)

The Balama performance bond has been put in place and funded by Tirupati and the capital gains tax assessment has been paid.

Full details of the transaction are included in Appendix 1 of the ASX announcement by the Company dated 5 December 2022, which tracks the changes to the original agreements and the various Deeds of Variation.

The Group incurred a profit after tax for the year of $866,521 (2021: loss of $6,109,524) which included exploration and evaluation costs of $2,896,721 (2021: $2,635,759), reversal of mine development impairment of $6,079,481 and care and maintenance costs on the Mozambique graphite projects of $795,743 (2021: $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 ongoing holding costs in relation to the Mozambique projects are expensed as care and maintenance costs pending the completion of the sale.

b. Highlights & Significant Changes in State of Affairs

Refer to the Group Overview above in relation to the disposal of the Mozambique graphite assets and intellectual property to Tirupati Graphite plc.

In June 2022 the Company completed a capital raising via a share placement, raising $1.95m before costs and including participation by the Board to fund the Company's ongoing Australian exploration and administrative activities and general working capital (ASX: BAT 6 June 2022).

On 22 June 2021, Battery Minerals announced that it had agreed to acquire the Azura (formerly 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 (61,553,992 shares) to the vendor. In order to retain the tenements, within 12 months of the completion date, Battery was required to 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). On 27 June 2022, the Company issued 277,777,778 ordinary shares at $0.0045 per share for a total consideration of $1.25M to the vendors to retain ownership of the tenements. The issue of the shares was approved by shareholders at the Company's AGM held on 31 May 2022.

Likely Developments and Expected Results

The Company intends to continue to actively explore its Stavely-Stawell Project in Western Victoria and its Azura 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.

Factors and Business Risks Affecting Future Business Performance

The following factors and business risks could have a material impact on the Company's ability to deliver its strategy:

Access to funding
The Company's ability to continue to explore and evaluate its projects is contingent upon its ability to source timely access to additional equity funding as it is required. The Company closely monitors and controls its available funding and actions equity raising activities as required. Refer also note 2B is relation to going concern.

Commodity demand and pricing
The Company is exposed to adverse global demand for commodities and/or adverse commodity price movements. This could affect the Company's ability to raise equity to fund its activities or successful exploration and evaluation of its assets.

Directors' Report (continued)

Tenure risks
The Company is exposed to loss of its tenure holding if it is unable to meet its tenement commitments due to lack of funding or the inability to meet any of the other tenement requirements . The Company actively manages its tenure holding and exploration budgets to ensure that funds are available to meet commitments and engages with external tenement management consultants as required.

Operational risks
The Company is exposed to several operational risks including unsuccessful exploration efforts, environmental issues and health and safety issues. The Company has policies in place to manage these risks where possible.

Climate risks
The Company is committed to being an effective environmental steward and managing our climate impacts, whilst fulfilling our corporate social responsibilities. The Company is committed to positive environmental management outcomes. The Company acknowledges the threat posed by climate change and works to interact with the environments in which we operate in a measured, proportionate and sustainable manner.

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.
- A Risk Management Policy to help identify and manage risks.

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

In January 2023, $500,000 was paid to Battery Minerals by Tirupati Graphite plc as partial consideration proceeds for the purchase of the Mozambique assets (refer Note 31). Tirupati has also put in place the performance bond for the Balama Graphite Project. The payment of the capital gains tax assessment issued by the Mozambique Government has also been finalised.

Subsequent to 31 December 2022, the Tirupati Graphite plc share price on the London Stock Exchange has fallen from £0.34 to around £0.27 as at the date of this report. Consistent with the Deed of Variation dated 5 December 2022, at this share price Battery Minerals will be entitled to receive the maximum aggregate consideration of 10,046,556 Tirupati shares in two equal tranches of 5,023,278 shares which will be valued by the Company at the Tirupati share price on the date of issue. This decrease in share price subsequent to 31 December 2022 to the date of signing these financial statements would have reduced the value of the consideration received and thus the impairment reversal gain (refer Note 31) by $1,285,557.

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 30 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	Executive Chairman, Red Dirt Metals Limited (appointed 29 August 2022)
Former Directorships in last 3 years	Non-Executive Director, MACA Limited (resigned 28 October 2022) 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	Mr Dowling is a proficient corporate leader with 38 years' experience in professional services with Ernst & Young. He held numerous leadership roles within Ernst & Young including at national level being a member of the executive management team and a Board Member. His 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. Mr Dowling's career with Ernst & Young culminated in his appointment as Managing Partner of the Ernst & Young Western Region for a period of 5 years. He also led Ernst & Young's Oceania China Business Group 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	Mr Clark 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, Mr Clark spent several years in Executive Operations roles, initially with Cameco as the CEO of the JV Inkai Uranium Operation in Kazakhstan. Subsequently, he 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) Non-Executive Director, Terra Uranium Limited (appointed 12 May 2022, resigned 28 January 2023)

Directors' Report (continued)

Information on Directors (continued)

Mr Peter Duerden	Managing Director (appointed 10 January 2022)
Qualifications	BSc Hons (EconGeo), M (EconGeo), RPGeo
Experience	Mr Duerden 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	7	7
Mr Jeff Dowling	7	7
Dr Darryl Clark	7	7
Mr Peter Duerden	7	7

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

Ms Nerida Schmidt was appointed as Company Secretary on 25 November 2022. Ms Schmidt has more than 30 years' professional experience as the CFO and Company Secretary of a number of ASX, TSX and AIM listed companies in a variety of industries. She holds a Bachelor of Commerce from the University of Western Australia, is a Certified Practising Accountant and a Fellow of Finsia. She is also a Chartered Secretary and holds a Graduate Diploma in Company Secretarial Practice.

Mr Tony Walsh resigned as Company Secretary on 25 November 2022.

Directors' Report (continued)

Financial Performance and Financial Position

Financial Performance / Position	31-Dec-22 $	31-Dec-21 $	Change %
Cash and cash equivalents	693,082	3,914,463	(81.5%)
Net assets	23,065,637	18,795,108	22.8%
Profit/(Loss) for the period	866,521	(6,109,524)	114%
Profit/(Loss) per share (cents)	0.03	(0.29)	110%

The net assets of the Group have increased from $18,795,108 as at 31 December 2021 to $23,065,637 as at 31 December 2022 predominantly due to the profit for the year arising from the reversal of the mine development impairment of $6,079,481. The Group's working capital (current assets less current liabilities) has increased from $2,238,304 as at 31 December 2021 to $8,167,322 as at 31 December 2022, due predominantly to the reversal of mine development impairment.

Shares under Options

Unissued ordinary shares of Battery Minerals Limited under options as at 31 December 2022 are summarised as follows:

	Non-Vested	Vested	Total
Directors (current)	198,000,000	12,000,000	210,000,000
Directors (former)	-	1,500,000	1,500,000
Employees (current)	23,000,000	3,500,000	26,500,000
Employee (former)	24,875,000	3,775,000	28,650,000
Project Acquisition	70,000,000	-	70,000,000
Shareholders (listed options, ASX:BATO)	-	274,484,066	274,484,066
	315,875,000	**295,259,066**	**611,134,066**

Refer to Note 27 for the exercise prices and the expiry dates for the 336,650,000 unlisted options detailed in the table above. The 274,484,066 listed options have an exercise price of $0.10 and an expiry date of 31 July 2023.

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 26 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 26 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 2022 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	25 November 2022

Ms Nerida Schmidt assumed the role of Company Secretary effective 25 November 2022. Ms Schmidt is not considered KMP as she does not have authority and responsibility for planning, directing and controlling the activities of the entity.

Directors' Report (continued)

Audited Remuneration Report (continued)

A Principles Used to Determine the Nature and Amount of Remuneration

(i) Board Oversight

For 2022, the Board elected not to establish a Remuneration Committee based on the size of the organisation and has 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 Personal 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. 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

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.

Additional Information

The earnings of the Group and the factors that are considered to affect total shareholders return for the five years to 31 December 2022 are summarised below:

	2022	2021	2020	2019	2018
Sales revenue	Nil	Nil	Nil	Nil	Nil
Profit/(Loss) after income tax	866,521	(6,109,524)	(6,546,835)	(36,774,169)	(7,243,165)
Share price at financial year end	$0.004	$0.011	$0.02	$0.006	$0.023
Total dividends declared (cents per share)	Nil	Nil	Nil	Nil	Nil
Basic earnings per share (cents per share)	0.03	(0.29)	(0.46)	(2.93)	(0.76)

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 Boards 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.

Directors' Report (continued)

Audited Remuneration Report (continued)

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.

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 2022 are summarised in the table below:

	Fixed Remuneration $				Performance Based Remuneration $			Total	% of variable remuneration
	Short- term employee benefits			Post-employment benefits	Share-based payments				
31 December 2022	Salary & fees	Termination benefit	Non-monetary benefits	Super-annuation	Options	Shares	Rights		%
Directors									
Non-Executive Directors									
David Flanagan	75,587	-	-	7,751	45,741	-	-	129,079	35%
Jeff Dowling	50,000	-	-	-	37,570	-	-	87,570	43%
Darryl Clark	45,352	-	-	4,648	30,494	-	-	80,494	38%
Sub-total	**170,939**	**-**	**-**	**12,399**	**113,805**	**-**	**-**	**297,143**	**38%**
Executive Directors									
Peter Duerden (appointed 10 January 2022)	302,543	-	-	31,026	157,796	-	-	491,365	32%
David Flanagan [(1)]	16,770	-	-	1,677	-	-	-	18,447	0%
Sub-total	**319,313**	**-**	**-**	**32,703**	**157,796**	**-**	**-**	**509,812**	**32%**
Key Management Personnel (KMP)									
Tony Walsh (resigned 25 November 2022)	136,667	-	-	-	36,633	-	-	173,300	21%
Sub-total	**136,667**	**-**	**-**	**-**	**36,633**	**-**	**-**	**173,300**	**21%**
Total Directors and KMP compensation (Group)	**626,919**	**-**	**-**	**45,102**	**308,234**	**-**	**-**	**980,255**	**31%**

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

(1) On 10 January 2022, Mr Flanagan changed roles from Executive Chairman to 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 2021 are summarised in the table below:

31 December 2021	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	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%**
Executive Director									
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.

(2) During the period Mr Flanagan was remunerated for additional time worked over and above the role of Non-Executive Chairman.

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 2022.

Name	Term of Agreement	Base Salary including Superannuation	Termination Benefit [2]
Non-Executive			
Chairman – David Flanagan	Open	\$85,000[1]	Nil. Subject to re-election by shareholders.
Director – Jeff Dowling	Open	\$50,000	Nil. Subject to re-election by shareholders.
Director – Darryl Clark	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 the 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 Peter Duerden**, Managing Director (appointed 10 January 2022)*
- Base Remuneration - $341,000 inclusive of superannuation.
- Termination – six months' notice by either party.

D Share-based Compensation

Options

A total of 170,000,000 options in five tranches were issued to Directors 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
Peter Duerden (T1)	28-Feb-22	10,000,000	10-Jan-23	31-Jan-27	Nil	0.008	80,000	0%	0%
Peter Duerden (T2)	28-Feb-22	10,000,000	10-Jan-24	31-Jan-27	Nil	0.008	80,000	0%	0%
Peter Duerden (T3)	28-Feb-22	10,000,000	10-Jan-25	31-Jan-27	Nil	0.008	80,000	0%	0%
Peter Duerden (T4)	28-Feb-22	17,500,000	Ref. Note 1	31-Jan-27	Nil	0.0063	109,375	0%	0%
Peter Duerden (T5)	28-Feb-22	17,500,000	Ref. Note 2	31-Jan-27	Nil	0.0059	104,081	0%	0%
David Flanagan (T4)	28-Feb-22	22,500,000	Ref. Note 1	31-Jan-27	Nil	0.0063	140,626	0%	0%
David Flanagan (T5)	28-Feb-22	22,500,000	Ref. Note 2	31-Jan-27	Nil	0.0059	133,819	0%	0%
Jeff Dowling (T4)	28-Feb-22	15,000,000	Ref. Note 1	31-Jan-27	Nil	0.0063	93,750	0%	0%
Jeff Dowling (T5)	28-Feb-22	15,000,000	Ref. Note 2	31-Jan-27	Nil	0.0059	89,212	0%	0%
Darryl Clark (T4)	28-Feb-22	15,000,000	Ref. Note 1	31-Jan-27	Nil	0.0063	93,750	0%	0%
Darryl Clark (T5)	28-Feb-22	15,000,000	Ref. Note 2	31-Jan-27	Nil	0.0059	89,212	0%	0%
		170,000,000					1,093,825		

Note 1 – Options vest when the 20-day VWAP of shares is greater than the tranche 4 strike price for a minimum period of 20 continuous ASX trading days during the life of the tranche 4 options. The tranche 4 strike price is 150% above the 5-day VWAP of the Company's shares prior to the date of the General Meeting held on 28 February 2022, being 2.5 cents.

Note 2 – Options vest when the 20-day VWAP of shares is greater than the tranche 5 strike price for a minimum period of 20 continuous ASX trading days during the life of the tranche 5 options. The tranche 5 strike price is 200% above the 5-day VWAP of the Company's shares prior to the date of the General Meeting held on 28 February 2022, being 3.0 cents.

Directors' Report (continued)

Audited Remuneration Report (continued)

The following options have been granted in previous years. All options unvested at 31 December 2022 may also have an impact on future year's remuneration. Conditions are 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
David Flanagan	21-May-19	8,000,000	Various (1)	20-Jun-24	Nil	0.022	176,000	0%	0%
Jeff Dowling	21-May-19	7,500,000	Various (2)	20-Jun-24	Nil	0.022	165,000	100%	0%
Tony Walsh	21-May-19	10,000,000	Various (3)	20-Jun-24	Nil	0.022	220,000	0%	0%
David Flanagan	27-Jun-18	20,000,000	Various (4)	3-Jul-23	Nil	0.031	465,000	0%	0%
Jeff Dowling	27-Jun-18	4,500,000	Various (5)	30-Jun-23	0.13	0.0166	74,861	100%	0%
Tony Walsh	27-Jun-18	4,000,000	Various (6)	13-Jul-23	Nil	0.031	124,000	0%	0%
Tony Walsh	23-Mar-21	2,000,000	23-Mar-22	31-Mar-26	0.04	0.0215	43,093	100%	0%
Tony Walsh	23-Mar-21	2,000,000	23-Mar-23	31-Mar-26	0.055	0.0207	41,385	0%	0%
		58,000,000					1,309,339		

(1) Options issued to David Flanagan have vesting conditions linked to a financial close and equity funding for the Montepuez project stage 1.
(2) 7,500,000 options issued to Jeff Dowling vested in three equal tranches on completion of 12 months, 24 months and 36 months of continuous service.
(3) 4,000,000 options issued to Tony Walsh will vest on financial close and equity funding for the Montepuez project stage 1; 3,000,000 options have vesting conditions linked to commencement of commercial production of the Montepuez project stage 1 and 3,000,000 options will vest on commencement of commercial production of the Montepuez project stage 2.
(4) Option vesting conditions are linked to commencement of commercial production being 25% linked to Montepuez project stage 1, 50% linked to Montepuez project stage 2 and 25% linked to Balama project stage 1.
(5) 50% of options vested upon 12 months and 50% vested upon 24 months of continuous service.
(6) Option vesting conditions are linked to commencement of commercial production being 50% linked to Montepuez project stage 1 and 50% linked to Montepuez project stage 2.

A total of 70,350,000 Director and KMP options were on issue at the start of the year. Of this balance 10,000,000 options held by Mr Flanagan expired during the period and 2,350,000 listed options were issued under a prior period Placement (Mr Flanagan 1,425,000 options, Mr Dowling 550,000 options and Mr Walsh 375,000 options) and were therefore not granted as remuneration, equating to the 58,000,000 options listed in the table above.

Options granted carry no dividend or voting rights.

No shares were issued on the exercise of options during the financial year. When exercised each option is convertible into one ordinary share of Battery Minerals Limited.

Shares

During the financial year no shares were issued to Directors or Key Management Personnel in lieu of fees and salary.

E Director and Key Management Personnel Share and Option Holdings

Shareholdings

The numbers of shares in the Group held during the financial period by each Director of Battery Minerals Limited and other Key Management Personnel of the Group, including their personally related parties are set out below.

Directors' Report (continued)

Audited Remuneration Report (continued)

31 December 2022 Name	Balance at the start of the year, number of shares	Participation in share placement	Held upon termination (1)	Balance at the end of the year, number of shares
Directors				
David Flanagan	6,997,492	3,846,153	-	10,843,645
Peter Duerden	-	3,846,153	-	3,846,153
Jeff Dowling	2,681,818	7,692,307	-	10,374,125
Darryl Clark	9,813,636	2,307,692	-	12,121,328
KMP				
Tony Walsh	1,250,000	3,076,923	(4,326,923)	-
Total	**20,742,946**	**20,769,228**	**(4,326,923)**	**37,185,251**

(1) Shares held upon resignation on 25 November 2022.

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 of the Group, including their personally related parties are set out below.

31 December 2022	Balance at start of the year (1)	Granted as Remuneration	Placement Options	Exercised	Expired/Other Changes	Balance at end of the year(4)	Vested and exercisable	Unvested
Directors								
David Flanagan	39,425,000	45,000,000	-	-	(10,000,000)(2)	74,425,000	1,425,000	73,000,000
Peter Duerden	-	65,000,000	-	-	-	65,000,000	-	65,000,000
Jeff Dowling	12,550,000	30,000,000	-	-	-	42,550,000	12,550,000	30,000,000
Darryl Clark	-	30,000,000	-	-	-	30,000,000	-	30,000,000
KMP								
Tony Walsh	18,375,000	-	-	-	(18,375,000)(3)	-	-	-
Total	**70,350,000**	**170,000,000**	**-**	**-**	**(28,375,000)**	**211,975,000**	**13,975,000**	**198,000,000**

(1) Includes 10,000,000 options held by Mr Flanagan that expired during the period and listed options issued under a prior period Placement (Mr Flanagan 1,425,000 options, Mr Dowling 550,000 options and Mr Walsh 375,000 options).
(2) Options expired unexercised on 21 June 2022.
(3) Options held upon resignation on 25 November 2022. The Board is likely to exercise its discretion for these options to be retained due to Mr Walsh's provision of ongoing assistance and advice as required.
(4) Includes listed options issued under a prior period Placement.

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 2022.

There were no other transactions with Key Management Personnel during the year ended 31 December 2022.

-End of the Audited Remuneration Report-

Adoption of Key Management Personnel Remuneration Report

At the 2022 Annual General Meeting, Battery Minerals received 77% of votes for the adoption of the Remuneration Report for the 2021 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 Results 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 67 for the year ended 31 December 2022.

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

Peter Duerden
Managing Director

Perth, Western Australia

29 March 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Note	Consolidated 31-Dec-22 $	Restated Consolidated 31-Dec-21 $
Continued operations			
Other Income	4	620,329	-
Gain on sale of assets		-	273
Net foreign exchange gain		15,299	39,959
Corporate and administrative costs		(573,076)	(639,582)
Personnel costs		(859,416)	(950,199)
Exploration and evaluation costs		(2,896,721)	(2,635,759)
Share based payment expense	21,27(c)	(368,733)	(148,521)
Loss on disposal of assets		(23,511)	-
Other expenses	5	(439,710)	(572,708)
		(4,525,539)	**(4,906,537)**
Interest income		6,020	3,542
Loss before tax from continued operations		**(4,519,519)**	**(4,902,995)**
Income tax expense	6	-	-
Loss from continued operations		**(4,519,519)**	**(4,902,995)**
Profit/(Loss) after tax from discontinuing operations	31	5,386,040	(1,206,529)
Profit/(Loss) for the period		**866,521**	**(6,109,524)**
Other comprehensive income/(loss):			
Items that will be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		(14,895)	321,997
Total comprehensive profit/(loss) for the period		**851,626**	**(5,787,527)**
Profit/(Loss) for the year attributable to:			
Owners of Battery Minerals Limited		**866,521**	**(6,109,524)**
Total comprehensive profit/(loss) for the year attributable to:			
Owners of Battery Minerals Limited		**851,626**	**(5,787,527)**
Earnings per share			
Basic and diluted profit/(loss) per share from continued operations (cents)	7	(0.17)	(0.24)
Basic and diluted loss per share from discontinuing operations (cents)	7	0.20	(0.05)
Total profit/(loss) per share	7	0.03	(0.29)

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

Comparative information has been re-presented due to a discontinued operation and a change in classification. See Note 31.

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	Consolidated 31-Dec-22 $	Consolidated 31-Dec-21 $
ASSETS			
Current Assets			
Cash and cash equivalents	9	693,082	3,914,463
Other receivables	10	115,650	256,792
Assets held for sale	31	7,809,731	-
Total Current Assets		**8,618,463**	**4,171,255**
Non-Current Assets			
Other receivables	10	-	1,498,609
Property, plant and equipment	11	87,431	172,072
Intangible assets	12	-	4,866
Right-of-use Asset	13	11,724	190,542
Exploration and evaluation expenditure	14	14,799,160	14,799,160
Mine development expenditure	15	-	-
Total Non-Current Assets		**14,898,315**	**16,665,249**
Total Assets		**23,516,778**	**20,836,504**
LIABILITIES			
Current Liabilities			
Trade and other payables	16	317,167	580,204
Provisions	17	56,128	72,312
Finance Liability	18	-	1,193,090
Lease liabilities	19	12,250	87,345
Liabilities held for sale	31	65,596	-
Total Current Liabilities		**451,141**	**1,932,951**
Non-Current Liabilities			
Lease liabilities	19	-	108,445
Total Non-Current Liabilities		**-**	**108,445**
Total Liabilities		**451,141**	**2,041,396**
NET ASSETS		**23,065,637**	**18,795,108**
EQUITY			
Issued Capital	20	102,859,686	99,809,516
Reserves	21	(919,590)	(1,063,836)
Accumulated Losses	22	(78,874,459)	(79,950,572)
TOTAL EQUITY		**23,065,637**	**18,795,108**

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 2022

	Note	Consolidated 31-Dec-22 $	Consolidated 31-Dec-21 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,751,143)	(2,190,014)
Payments for exploration and evaluation		(3,071,562)	(2,493,639)
Payments for care and maintenance		(795,772)	(1,119,338)
Government grant received		363,636	-
Interest received		126,776	69,822
Net cash outflow from operating activities	23	**(5,128,065)**	**(5,733,169)**
Cash flows from investing activities			
Proceeds from disposal of Gabon interests	4	250,000	-
Proceeds from sale of assets		599	273
Payments made for property, plant and equipment		(32,620)	(71,689)
Payments to acquire entity (including costs)		-	(121,445)
Payments for security deposits		(3,249)	(14,497)
Net cash inflow/(outflow) from investing activities		**214,730**	**(207,358)**
Cash flows from financing activities			
Proceeds from share issue		1,950,000	2,683,949
Capital raising costs		(167,905)	(172,990)
Net cash inflow from financing activities		**1,782,095**	**2,510,959**
Net decrease in cash and cash equivalents		(3,131,240)	(3,429,568)
Cash and cash equivalents at beginning of year		3,914,463	7,303,942
Effect of exchange rate fluctuations on cash held		(62,794)	40,089
Cash and cash equivalents at end of year	9	**720,429**	**3,914,463**

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 2022

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**

Consolidated for the year ended 31 December 2022	**Issued Capital** $	**Share based payment reserve**	**Foreign currency translation reserve** $	**Accumulated losses** $	**Total** $
Balance at 1 January 2022	**99,809,516**	**619,872**	**(1,683,708)**	**(79,950,572)**	**18,795,108**
Profit for the year	-	-	-	866,521	866,521
Other comprehensive income	-	-	(14,895)	-	(14,895)
Total comprehensive income/(loss) for the year	**-**	**-**	**(14,895)**	**866,521**	**851,626**
Transactions with owners of Battery Minerals Limited					
Shares issued net of transaction costs	3,050,170	-	-	-	3,050,170
Share based payments	-	368,733	-	-	368,733
Lapse of options during the period	-	(209,592)	-	209,592	-
Transfer of prior year lapsed options	-	-	-	-	-
Total transactions with owners of Battery Minerals Limited	**3,050,170**	**159,141**	**-**	**209,592**	**3,418,903**
Balance at 31 December 2022	**102,859,686**	**779,013**	**(1,698,603)**	**(78,874,459)**	**23,065,637**

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 29 March 2023.

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 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 2022 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 Group 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 2022, the consolidated entity has net assets of $23,065,637 of which $14,799,160 is capitalised exploration expenditure (2021: $18,795,108). During the financial year the consolidated entity had cash outflows from operating activities of $5,128,065 (2021: $5,733,169). The consolidated entity has expenditure commitments as set out in Note 29.

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 realise proceeds from the sale of the Mozambique graphite assets and raise capital from equity 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.

Refer to Note 31 for a summary of the Company's agreements to sell its Mozambique graphite assets to Tirupati Graphite plc.

Based on the cash flow forecasts, 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 raising further capital or the sale of the 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.

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.

Notes to the Consolidated Financial Statements (continued)

2. Basis of Accounting (continued)

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.

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.

Notes to the Consolidated Financial Statements (continued)

2. Basis of Accounting (continued)

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:

- Going Concern – Note 2B
- Impairment of exploration and evaluation expenditure– Note 14
- Estimation of Fair Value less cost to sell of the disposal group – Note 31.

Measurement of fair values
Some of the Group's accounting policies and disclosures require the measurement of fair values, for non-financial assets and liabilities. The Board reviews all significant fair value measurements.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 27: Share-based payments
- Note 31: Asset held for sale.

G. Changes in Accounting Policy

In the year ended 31 December 2022, 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. Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative Statement of Profit or Loss and Other Comprehensive Income is re-presented as if the operation had been discontinued from the start of the comparative year.

I. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment reversal on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit and loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

Notes to the Consolidated Financial Statements (continued)

2. Basis of Accounting (continued)

J. Standards issued not yet effective

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by company
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections AASB 2021-7(a-c) Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.	The amendments require the full gain or loss to be recognised when the assets transferred meet the definition of a 'business' under AASB 3 *Business Combinations* (whether housed in a subsidiary or not). AASB 2017-5 defers the mandatory effective date of amendments to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* 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. AASB 2021-7(a-c) further defers the mandatory effective date to periods beginning on or after 1 January 2025.	When these amendments are first adopted for the year ending 31 December 2025, there will be no material impact on the financial statements.	Annual reporting periods beginning on or after 1 January 2025.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	AASB 2020-1 amends AASB 101 *Presentation of Financial Statements* 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. 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 2024 instead of 1 January 2023.	When these amendments are first adopted for the year ending 31 December 2024, there will be no material impact on the financial statements.	Annual reporting periods beginning on or after 1 January 2024.

Notes to the Consolidated Financial Statements (continued)

2. Basis of Accounting (continued)

J. Standards issued not yet effective (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by company
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.
AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards.	AASB 2022-7 makes editorial corrections to AASB 7 *Financial Instruments Disclosures*, AASB 116 *Property, Plant and Equipment*, AASB 124 *Related Party Disclosures*, AASB 128 *Investments in Associates and Joint Ventures*, AASB 134 *Interim Financial Reporting*, AASB 1054 *Australian Additional Disclosures* and AASB Practice Statement 2 *Making Materiality Judgements*. The amendments do not change the requirements of Australian Accounting Standards.	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 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	AASB 2022-6 specified that only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. AASB 2022-6 further defers the mandatory effective date of amendments that were originally made in AASB 2020-1 and AASB 2020-6 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2024 instead of 1 January 2023.	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 2024.

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

K. Finance income and finance costs

The Group's finance income and finance costs include interest income and the fair value loss on contingent consideration classified as a financial liability. Interest income is recognised using the effective interest method.

L. Government grant

The Group has recognised an unconditional government grant related to exploration expenditure in profit or loss as other income. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

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 2022	Mozambique* (Discontinued) $	Australia $	Total $
Interest revenue	102,302	6,020	108,322
Reversal of mine development impairment	6,079,481	-	6,079,481
Other segment income	-	620,329	620,329
Net foreign exchange gain/(loss)	2,445	12,854	15,299
Corporate and administration overhead	-	(2,124,584)	(2,124,584)
Exploration and evaluation costs	-	(2,896,721)	(2,896,721)
Depreciation	(14,162)	(116,351)	(130,513)
Loss on disposal of assets	-	(23,511)	(23,511)
Care and maintenance costs	(781,581)	-	(781,581)
Total segment expenses	**(795,743)**	**(5,161,167)**	**(5,956,910)**
Reportable segment profit/(loss)	5,388,485	(4,521,964)	866,521
Segment Assets			
Cash	5,537	687,545	693,082
Exploration and evaluation	-	14,799,160	14,799,160
Asset held for sale	7,809,731	-	7,809,731
Other	51,198	163,607	214,805
Total segment assets	**7,866,466**	**15,650,312**	**23,516,778**
Segment Liabilities			
Creditors and other payables	(9,089)	(364,205)	(373,294)
Liabilities held for sale	(65,596)	-	(65,596)
Lease liability	-	(12,251)	(12,251)
Total segment liabilities	**(74,685)**	**(376,456)**	**(451,141)**

Notes to the Consolidated Financial Statements (continued)

3. Segment Reporting (continued)

Capital Expenditure during the year	Mozambique (Discontinued) $	Australia $	Total $
Exploration and evaluation	-	-	-
Plant & equipment and intangible assets	-	25,071	25,071
Total capital expenditure	**-**	**25,071**	**25,071**

* The Mozambique operation has been discontinued. Refer to Note 31.

31 December 2021	Mozambique (Discontinued) $	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 (Discontinued) $	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 (Discontinued) $	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)**

Capital Expenditure during the year	Mozambique (Discontinued) $	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**

Notes to the Consolidated Financial Statements (continued)

4. Other Income

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Government exploration grant received [1]	363,636	-
Proceeds from disposal of Gabon interests [2]	250,000	-
Sundry income	6,693	-
Total other income	**620,329**	**-**

[1] The Group received a TARGET Minerals Exploration Initiative grant from the Victorian Department of Jobs, Precincts and Regions. The grant is for a total of $500,000 (GST inclusive) payable over three milestone instalments. The Group received two of the instalments during the period with the remaining instalment of $100,000 (GST inclusive) to be paid upon meeting of the third instalment requirements which have not been completed as at 31 December 2022.

[2] During the period the Company entered into a Deed of Termination and Release with Trek Metals (ASX Code: TKM) and Apollo Minerals (ASX Code: AON) to sell its remaining interests in the Kroussou zinc-lead project in Gabon to Apollo Minerals for $250,000 cash. The Deed released Apollo from various vendor payment obligations, namely decision to mine and royalty payments.

5. Other Expenses

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Office and administrative expenses	193,194	267,045
Depreciation	116,352	153,587
IT consultants and website	66,490	101,549
Subscriptions	6,764	50,527
Accretion expense	56,910	-
Total other expenses	**439,710**	**572,708**

6. 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 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.

Notes to the Consolidated Financial Statements (continued)

6. Income Tax (continued)

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.

		Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
(a)	**Income tax expense**		
	Current tax	-	-
	Deferred tax	-	-
		-	-
(b)	**Reconciliation of income tax expense to prima facie tax payable:**		
	Profit/(Loss) before income tax	866,521	(6,109,524)
	Prima facie income tax at 25% (30% in 2021 FY)	216,630	(1,832,857)
	Foreign tax rate differential	376,914	(19,537)
	Non-deductable/taxable items - Australia	144,416	67,031
	Non-deductable/taxable items – foreign operations	-	-
	Income tax benefits not brought to account	(737,960)	1,785,363
	Income tax expense/ (benefit)	**-**	**-**

The tax rate applicable to the Group changed from 30% in 2021 to 25% in 2022 due to the Group satisfying the base rate entity requirements.

(c)	**Unrecognised deferred tax assets arising on timing difference and losses**		
	Carried forward tax losses – Australia	8,021,416	8,949,488
	Carried forward tax losses – foreign operations	4,656,818	4,421,921
	Other	1,671,351	(275,018)
	Total	**14,349,585**	**13,096,391**

Notes to the Consolidated Financial Statements (continued)

7. 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.

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

	Consolidated 31 Dec 2022	Consolidated 31 Dec 2021
Profit/(Loss) attributable to the owners of Battery Minerals Limited ($)	866,521	(6,109,524)
Basic and diluted profit/(loss) per share from continued operations (cents)	(0.17)	(0.24)
Basic and diluted loss per share from discontinuing operations (cents)	0.20	(0.05)
Total basic and diluted profit/(loss) per share attributable to equity holders (cents)	**0.03**	**(0.29)**
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	2,655,561,279	2,077,953,236
Weighted average number of ordinary shares used in calculation of diluted loss per share	2,655,561,279	2,077,953,236

The diluted earnings per share is the same as the basic earnings per share and is therefore not separately disclosed. Options are not taken into account as the options on issue throughout the current financial year are not dilutive in effect.

8. Dividends Paid or Proposed

No amount has been paid or declared by way of a dividend to the date of this report (2021: $nil).

Notes to the Consolidated Financial Statements (continued)

9. Cash and Cash Equivalents

For the consolidated 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 2022 $	Consolidated 31 Dec 2021 $
Cash at bank and on hand	693,082	3,914,463
	693,082	**3,914,463**

Cash at bank and on hand earns interest at floating rates based on daily bank rates. Refer to Note 24(c) for additional details on the impact of interest rates on cash and cash equivalents for the period. Cash of $27,347 has been reclassified to assets held for sale.

10. 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 2022 $	Consolidated 31 Dec 2021 $
Current		
Prepaid expenses	61,458	75,518
GST receivable	4,972	36,709
Other receivables	49,220	144,565
	115,650	**256,792**

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Non-Current		
Other receivables [(1)]	-	1,498,609
	-	**1,498,609**

(1) The non-current other receivable is the mine performance bond for MZN 69.5 million kept on deposit with Nedbank in Mozambique. The receivable has been reclassified to assets held for sale.

The carrying amounts disclosed above represent their fair value.

Notes to the Consolidated Financial Statements (continued)

11. Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation less accumulated impairment. 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 that it's 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.

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Plant and equipment at cost	314,814	679,090
Accumulated depreciation	(227,383)	(507,018)
Net carrying amount	**87,431**	**172,072**

Movements in carrying amounts

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Balance at beginning of the year	172,072	157,372
Additions during the year	25,071	79,238
Disposals during the year	(24,110)	-
Depreciation expense	(48,346)	(79,707)
Foreign currency translation movement	4,657	15,169
Reclassification to assets held for sale	(41,913)	-
Net carrying amount at the end of the year	**87,431**	**172,072**

Notes to the Consolidated Financial Statements (continued)

12. 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 2022 $	Consolidated 31 Dec 2021 $
Software at cost	186,905	186,905
Accumulated amortisation	(186,905)	(182,039)
Net carrying amount	**-**	**4,866**

Movements in carrying amounts

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Balance at beginning of the year	4,866	62,492
Additions during the year	-	-
Amortisation expense	(4,866)	(57,626)
	-	**4,866**

13. Right-of-use Asset

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Buildings – Right-of-use	35,171	250,148
Accumulated depreciation	(23,447)	(59,606)
Net carrying amount	**11,724**	**190,542**

Movements in carrying amounts

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Balance at beginning of the year	190,542	-
Disposals during the year	(101,517)	-
Additions during the year	-	250,148
Depreciation expense	(77,301)	(59,606)
	11,724	**190,542**

During the year the Company terminated the lease on its Perth office resulting in a reduction to the right-of-use asset of $214,977 and the accumulated depreciation of $113,460. There were no additions during the year.

The Group leases a building for its office in Stawell, Victoria under an agreement of two years with the option to extend. The lease has various escalation clauses. On renewal, the terms of the lease are renegotiated.

Notes to the Consolidated Financial Statements (continued)

14. 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.

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made. In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Acquisition
On 22 June 2021, Battery Minerals announced that it had agreed to acquire the Azura (formerly 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 (61,553,992 shares) to the vendor.

In order to retain the tenements, within 12 months of the completion date, Battery was required to 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). On 27 June 2022, the Company issued 277,777,778 ordinary shares at $0.0045 per share for a total consideration of $1.25M to the vendors to retain ownership of the tenements. The issue of the shares was approved by shareholders at the Company's AGM held on 31 May 2022.

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).

Notes to the Consolidated Financial Statements (continued)

14. Exploration and Evaluation Expenditure (continued)

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Non-Current		
Exploration and evaluation at cost	**14,799,160**	**14,799,160**
Movement		
Balance at beginning of the year	14,799,160	12,242,754
Acquisition costs capitalised during the year	-	2,556,406
Closing exploration and evaluation net carrying amount	**14,799,160**	**14,799,160**

Assessment of Impairment
At each reporting date the Group assesses whether impairment indicators exist that would require it to estimate the recoverable amount of the capitalised exploration and evaluation expenditure.

15. 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.

Assessment of Impairment
The Group assesses the carrying value of assets, or groups of assets, at each reporting date. Refer to Note 31 for the reversal of impairment of the mine development.

Notes to the Consolidated Financial Statements (continued)

16. 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 2022 $	Consolidated 31 Dec 2021 $
Current		
Trade and other payables	120,533	357,994
Accrued expenses	196,634	222,210
	317,167	**580,204**

17. 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 2022 $	Consolidated 31 Dec 2021 $
Current		
Provisions – employee benefits	56,128	72,312
	56,128	**72,312**
Movement		
Balance at beginning of the year	72,312	113,321
Employee benefits provision accrued during the year	105,183	39,837
Employee benefits paid during the year	(94,903)	(80,846)
Reclassification to liabilities held for sale	(26,464)	-
Balance at the end of the year	**56,128**	**72,312**

Notes to the Consolidated Financial Statements (continued)

18. Finance liability

On 22 June 2021, Battery Minerals announced that it had agreed to acquire the Azura (formerly 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 (61,553,992 shares) to the vendor.

In order to retain the tenements, within 12 months of the completion date, Battery was required to 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 valued at $1,193,090 was recognised as a finance liability as at 31 December 2021. On 27 June 2022, the Company issued 277,777,778 ordinary shares at $0.0045 per share for a total consideration of $1.25M to the vendors to retain ownership of the tenements. The issue of the shares was approved by shareholders at the Company's AGM held on 31 May 2022. An accretion expense of $56,910 was recognised.

19. Lease liabilities

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Lease liabilities - current	12,250	87,345
Lease liabilities – non-current	-	108,445
Net carrying amount	**12,250**	**195,790**

Movements in carrying amounts

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Balance at beginning of the year	195,790	-
Additions during the year	-	250,148
Repayments during the year	(75,331)	(54,358)
Lease terminated during the year	(108,209)	-
	12,250	**195,790**

The Company leases office premises in Stawell, Victoria. The weighted average lessee's incremental borrowing rate applied to the lease liability recognised in the statement of financial position at the date of inception is 5%. The lease liability recognised at inception of the lease was $35,171.

During the year the Company terminated the lease on its Perth office resulting in a reduction to the lease liability of $108,209.

Notes to the Consolidated Financial Statements (continued)

20. 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 2022 $	Consolidated 31 Dec 2021 $
Ordinary shares fully paid	102,859,686	99,809,516
	102,859,686	**99,809,516**

Movements in ordinary share capital

2022		No. of Shares	Issue Price	Amount $
01-Jan-2022	Opening Balance	2,347,464,571	-	99,809,516
10-Jun-2022	Share issue – Share placement	279,230,768	$0.0065	1,815,000
27-Jun-2022	Share issue – Tremjones tenement acquisition	277,777,778	$0.0045	1,250,000
10-Aug-2022	Share issue – Share placement	20,769,228	$0.0065	135,000
	Less: Share issue costs		-	(149,830)
		2,925,242,345		**102,859,686**

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**

Notes to the Consolidated Financial Statements (continued)

20. Issued Capital (continued)

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 out in Note 21 and Note 27.

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.

21. 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 granted by the Company.

Reserves	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Foreign currency translation reserve	(1,698,603)	(1,683,708)
Share- based payments reserve [1]	779,013	619,872
	(919,590)	**(1,063,836)**

(1) Share based payment reserve comprises options issued as share-based payments. Refer to Note 27 for more details.

Notes to the Consolidated Financial Statements (continued)

21. Reserves (continued)

Movements in share-based payments reserve

2022	Details	No. of Options	Amount $
01-Jan-22	Opening Balance	180,650,000	619,872
02-Mar-22	Options issued to Directors (1)	170,000,000	264,524
24-Mar-22	Options issued to employee (2)	5,000,000	13,307
22-May-22	Options expired(3)	(1,000,000)	-
21-Jun-22	Options expired(4)	(18,000,000)	-
	Vesting expense of prior years' options	-	90,902
	Transfer expired option expense to retained earnings	-	(209,592)
31-Dec-22	**Balance at end of year**	**336,650,000**	**779,013**

(1) Options issued to Directors in five tranches as follows:

- Tranche 1 – 10,000,000 options issued to Managing Director, nil exercise price, expiring 31 January 2027 and vesting one year from commencement of employment subject to continuing employment with the Company.
- Tranche 2 – 10,000,000 options issued to Managing Director, nil exercise price, expiring 31 January 2027 and vesting two years from commencement of employment subject to continuing employment with the Company.
- Tranche 3 – 10,000,000 options issued to Managing Director, nil exercise price, expiring 31 January 2027 and vesting three years from commencement of employment subject to continuing employment with the Company.
- Tranche 4 – 70,000,000 options issued to Directors, nil exercise price, expiring 31 January 2027. Options vest when the 20-day VWAP of shares is greater than the tranche 4 strike price for a minimum period of 20 continuous ASX trading days during the life of the tranche 4 options. The tranche 4 strike price is 150% above the 5-day VWAP of the Company's shares prior to the date of the General Meeting held on 28 February 2022, being 2.5 cents.
- Tranche 5 – 70,000,000 options issued to Directors, nil exercise price, expiring 31 January 2027. Options vest when the 20-day VWAP of shares is greater than the tranche 5 strike price for a minimum period of 20 continuous ASX trading days during the life of the tranche 5 options. The tranche 5 strike price is 200% above the 5-day VWAP of the Company's shares prior to the date of the General Meeting held on 28 February 2022, being 3.0 cents.

(2) Options issued to employee in two equal tranches exercisable at 2.5 cents each and expiring on 31 March 2027. Tranche 1 options lapse if employee leaves within one year of grant and Tranche 2 options lapse if employee leaves within two years of grant.

(3) Vested options exercisable at $0.20 expired on 22 May 2022.

(4) Vested options exercisable at $0.094 (10M), $0.13 (3M) and $0.20 (5M) expired on 21 June 2022.

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 1 – 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)

22. Accumulated Losses

Movement in accumulated losses	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Balance at beginning of the year	(79,950,572)	(78,679,830)
Transfer of expired option expense from share-based payments reserve	209,592	4,838,782
Profit/(Loss) attributable to the owners of Battery Minerals Limited	866,521	(6,109,524)
Balance at end of the year	**(78,874,459)**	**(79,950,572)**

23. Operating Cash Flow Reconciliation

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Reconciliation of operating cash flows to operating loss:		
Profit/(Loss) from ordinary activities after income tax	866,521	(6,109,524)
Adjustment for non-cash items:		
Depreciation and amortisation	116,352	196,467
Reversal of impairment of mine development	(6,079,481)	-
Interest on right-of-use asset	6,624	-
Net gain on disposal of asset	(250,000)	-
Accretion expense on finance liability settlement	56,910	-
Share- based payments	368,733	148,521
Foreign currency (gain)/loss	(53,921)	(42,572)
Changes in operating assets and liabilities during the year:		
Decrease/(Increase) in trade and other receivables	28,201	(72,123)
(Decrease)/Increase in trade and other payables	(188,004)	146,062
Net cash outflow from operating activities	**(5,128,065)**	**(5,733,169)**

24. 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.

Notes to the Consolidated Financial Statements (continued)

24. Financial Risk Management (continued)

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), which are part of the discontinued operations.

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:

Financial assets	**Consolidated 31 Dec 2022 $**	**Consolidated 31 Dec 2021 $**
Cash and cash equivalents	12,210	544,924
Total financial assets	**12,210**	**544,924**

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

- USD/AUD 0.68131 (2021: 0.72678)

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 2022 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.

Impact on post tax profits and equity	**Consolidated 31 Dec 2022 $**	**Consolidated 31 Dec 2021 $**
USD/AUD +10%	(1,110)	(49,539)
USD/AUD -10%	1,357	60,547

Notes to the Consolidated Financial Statements (continued)

24. Financial Risk Management (continued)

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 (2021: 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 2022, the Group had interest-bearing assets in the form of cash and cash equivalents of $720,429 (2021: $3,914,463) and a mine performance bond of $1,548,049 (2021: $1,498,609). 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.

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 2022 $**	**Consolidated 31 Dec 2021 $**
Hypothetical 80 basis points increase in interest	18,148	43,305
Hypothetical 80 basis points decrease in interest	(18,148)	(43,305)

The weighted average interest rate received on cash, cash equivalents and mine performance bond of the Group is 6.53% (2021: 2.51%).

(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 2022 $**	**Consolidated 31 Dec 2021 $**
Cash and cash equivalents	720,429	3,914,463
Other receivables	228,590	256,792
Non-current receivables	1,548,049	1,498,609
Total financial assets	**2,497,068**	**5,669,864**

Notes to the Consolidated Financial Statements (continued)

24. Financial Risk Management (continued)

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 2022 $	Consolidated 31 Dec 2021 $
Westpac Bank AA- rated	690,774	3,883,666
Mozambique banks BBB – rated [(1)]	1,577,701	1,529,403
Unrated	228,589	256,795
	2,497,064	**5,669,864**

(1) Includes mine performance bond of MZN69.5 million (A$1.54 million equivalent) (2021: MZN69.5 million (A$1.49 million equivalent)) held with Nedbank in Mozambique, which has been reclassified to held for sale.

(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.

2022	Less than 1 month $	1-3 months, $	3months - 1 year $	No set date of repayment	Total $
Trade creditors & other payables	38,524	342,552	57,815	-	438,891
Lease liabilities	1,510	3,038	7,702	-	12,250
	40,034	**345,590**	**65,517**	**-**	**451,141**
2021					
Trade creditors & other payables	32,737	569,161	50,618	-	652,516
Lease liabilities	6,933	13,950	66,462		87,345
	39,670	**583,111**	**117,080**	**-**	**739,861**

(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.

(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.

Notes to the Consolidated Financial Statements (continued)

24. Financial Risk Management (continued)

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

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Cash and cash equivalents	720,429	3,914,463
Current trade and other receivables	228,590	256,792
Current trade and other payables	(356,299)	(580,204)
Current provisions	(82,592)	(72,312)
	510,128	**3,518,739**

25. 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 2022	% Equity 31 December 2021
Tremjones Pty Ltd	Australia	100	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
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

Notes to the Consolidated Financial Statements (continued)

25. 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
Peter Duerden	Managing Director	10 January 2022	-
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	25 November 2022

(c) Key Management Personnel compensation

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Short-term employee benefits	626,919	615,284
Share based payments	308,234	76,760
Post-employment benefit	45,102	44,186
Total	**980,255**	**736,230**

(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 27).

Notes to the Consolidated Financial Statements (continued)

26. Auditors' Remuneration

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Audit fees - BDO Mozambique	16,784	17,575
Audit and review fees - KPMG Australia	51,591	58,349
Total remuneration for auditors' services	**68,375**	**75,924**

27. 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 175,000,000 options to Directors and employees of the Company. The following table discloses the details of the options issued:

Tranche	Recipient	Number of Options	Issue Date	Vesting Date	Expiry Date	Exercise Price $	Total Fair Value $
1	Managing Director	10,000,000	02/03/2022	10/01/2023	31/01/2027	Nil	80,000
2	Managing Director	10,000,000	02/03/2022	10/01/2024	31/01/2027	Nil	80,000
3	Managing Director	10,000,000	02/03/2022	10/01/2025	31/01/2027	Nil	80,000
4	Directors	70,000,000	02/03/2022	Ref. Note 1	31/01/2027	Nil	437,501
5	Directors	70,000,000	02/03/2022	Ref. Note 2	31/01/2027	Nil	416,324
A	Employee	2,500,000	24/03/2022	22/02/2023	31/03/2027	$0.025	10,645
B	Employee	2,500,000	24/03/2022	22/02/2024	31/03/2027	$0.025	10,645
		175,000,000					**1,115,115**

Note 1 – Options vest when the 20 day VWAP of shares is greater than the tranche 4 strike price for a minimum period of 20 continuous ASX trading days during the life of the tranche 4 options. The tranche 4 strike price is 150% above the 5 day VWAP of the Company's shares prior to the date of the General Meeting held on 28 February 2022, being 2.5 cents.

Note 2 – Options vest when the 20 day VWAP of shares is greater than the tranche 5 strike price for a minimum period of 20 continuous ASX trading days during the life of the tranche 5 options. The tranche 5 strike price is 200% above the 5 day VWAP of the Company's shares prior to the date of the General Meeting held on 28 February 2022, being 3.0 cents.

Notes to the Consolidated Financial Statements (continued)

27. Share-based payments (continued)

For the Tranche 1, 2 and 3 options the Black Scholes option pricing model was used in the valuation of the options which is suitable for options without market based vesting conditions which can be exercised at any time following vesting and up to the expiry date. The key assumptions used in the model included, an underlying share price of $0.008, share price volatility of 80%, a risk-free interest rate of 1.813% and a dividend yield of nil.

For the Tranche 4 and 5 options Monte Carlo simulations were used to incorporate a probability-based value impact of the market condition in the fair value of the options. The key assumptions used in the model included, an underlying share price of $0.008, share price volatility of 80%, a risk-free interest rate of 1.813% and a dividend yield of nil.

For the Tranche A and B options the Black Scholes option pricing model was used. The key assumptions used in the model included, an underlying share price of $0.009, share price volatility of 83%, a risk-free interest rate of 2.21% and a dividend yield of nil.

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

31 December 2022

Grant Date	Expiry Date	Exercise Price $	FV per security $	Balance at start of year Number	Granted during the year Number	Exercised during the year Number	Forfeited / expired during the year Number	Balance at end of the year Number	Vested & exercisable at end of the year Number
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	-	-
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	10,800,000	-	-	-	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	24,000,000	-	-	-	24,000,000	-
21-May-19	20-Jun-24	0.00	0.022	15,500,000	-	-	-	15,500,000	7,500,000
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	-
23-Mar-21	31-Mar-26	0.04	0.0215	5,000,000	-	-	-	5,000,000	5,000,000
23-Mar-21	31-Mar-26	0.055	0.0207	5,000,000	-	-	-	5,000,000	-
28-Feb-22	31-Jan-27	0.00	0.008	-	10,000,000	-	-	10,000,000	-
28-Feb-22	31-Jan-27	0.00	0.008	-	10,000,000	-	-	10,000,000	-
28-Feb-22	31-Jan-27	0.00	0.008	-	10,000,000	-	-	10,000,000	-
28-Feb-22	31-Jan-27	0.00	0.0063	-	70,000,000	-	-	70,000,000	-
28-Feb-22	31-Jan-27	0.00	0.0059	-	70,000,000	-	-	70,000,000	-
22-Feb-22	31-Mar-27	0.025	0.0043	-	2,500,000	-	-	2,500,000	-
22-Feb-22	31-Mar-27	0.025	0.0043	-	2,500,000	-	-	2,500,000	-
				180,650,000	**175,000,000**	**-**	**19,000,000**	**336,650,000**	**20,775,000**

For the vesting conditions related to the unvested options refer to Section D 'Share-based Compensation' of the Remuneration Report, Note 21 and Note 27(a).

Notes to the Consolidated Financial Statements (continued)

27. Share-based payments (continued)

The vesting conditions for the unvested 70,000,000 options expiring on 22 October 2025 are as follows:

- 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 EL6871 at a minimum average grade of 1 gram per tonne of gold (or equivalent).
- 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 EL6871 at a minimum average grade of 1 gram per tonne of gold (or equivalent).
- 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.

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**

(c) The expense recognised in profit and loss

The share-based payment expense recognised in profit and loss is $368,733 (2021: $148,521).

Notes to the Consolidated Financial Statements (continued)

28. Parent Entity Disclosure

The following table details information related to the parent entity, Battery Minerals Limited, as at 31 December 2022. The information has been prepared on the same basis as the consolidated financial statements.

	Company 31 Dec 2022 $	Company 31 Dec 2021 $
Current assets	772,723	4,001,357
Non-Current assets	22,222,280	18,773,068
Total assets	**22,995,003**	**22,774,425**
Current liabilities	364,205	1,758,044
Non-Current liabilities	12,251	195,790
Total liabilities	**376,456**	**1,953,834**
Contributed equity	102,859,686	99,809,516
Share based payments reserve	779,013	619,872
Accumulated losses	(81,020,152)	(79,608,797)
Total equity	**22,618,547**	**20,820,591**
Loss after income tax	(1,620,947)	(2,496,615)
Other comprehensive income/(loss) for the year	-	-
Total comprehensive income/(loss) for the year	**(1,620,947)**	**(2,496,615)**

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)

29. Commitments and Contingent Liabilities

(a) Exploration and mining licence commitments

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

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Within one year	3,600,000	2,262,000
Later than one year but no later than five years	5,500,000	12,179,500
	9,100,000	**14,441,500**

30. Events After the End of the Reporting Period

Sale of Mozambique assets
In January 2023, $500,000 was paid to Battery Minerals by Tirupati Graphite plc as partial consideration proceeds for the purchase of the Mozambique assets (refer Note 31). Tirupati has also put in place the performance bond for the Balama Graphite Project. The payment of the capital gains tax assessment issued by the Mozambique Government has been finalised.

Subsequent to 31 December 2022, the Tirupati Graphite plc share price on the London Stock Exchange has fallen from £0.34 to around £0.27 as at the date of this report. Consistent with the Deed of Variation dated 5 December 2022, at this share price Battery Minerals will be entitled to receive the maximum aggregate consideration of 10,046,556 Tirupati shares in two equal tranches of 5,023,278 shares which will be valued by the Company at the Tirupati share price on the date of issue. This decrease in share price subsequent to 31 December 2022 to the date of signing these financial statements would have reduced the impairment reversal gain (Refer note 31) by $1,285,557.

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

31. Asset held for sale

In August 2021, the Company, together with its subsidiary Rovuma Resources Limited, negotiated the conditional sale of its Montepuez and Balama Graphite Projects in Mozambique through the sale of all the shares and debt in its subsidiary Suni Resources SA and intellectual property to London Stock Exchange listed company, Tirupati Graphite plc (Tirupati, TGR:LSE) for $11.0 million in shares in Tirupati and $1.5 million in cash respectively.

During 2022, variations were made to the original agreement to enable obtaining all necessary Mozambique government approvals for the transaction. The Mozambique Government advised that prior to conditional approval of the sale of the Montepuez and Balama graphite projects to Tirupati the following conditions precedent were required to be satisfied:

- Agreement to pay A$2.5 million capital gains tax (CGT) assessment to the Mozambique Tax Office; and
- Putting in place a performance bond for the development of the Balama Graphite Project.

The Deed of Variation states that the capital gains tax liability will be shared equally between Tirupati at A$1.25 million and Battery Minerals at A$1.25 million. It also provides that the obligation of Battery Minerals will be settled out of a reduction in the proceeds to be paid by Tirupati from A$12.5 million to A$11.25 million. On completion and after payment of the CGT, the variation provides that Battery Minerals would receive total consideration of A$9.75 million in Tirupati Graphite shares and A$1.5 million in cash with no outstanding liabilities. The share consideration would comprise between 2,511,639 and 5,023,278 Tirupati shares at completion date and 2,511,639 and 5,023,278 Tirupati shares 8 months after the completion date with the issue price per share to be equal to 110% of the VWAP of Tirupati shares for the five trading days prior to the completion date, with these shares being escrowed for 6 months and 14 months respectively. As such, 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 noting that as the shares are subject to escrow the ultimate proceeds to be received would be determined

Notes to the Consolidated Financial Statements (continued)

31. Asset held for sale (continued)

after expiration of the escrow periods. Refer to the subsequent event disclosure in regard to the value of the share consideration as at the date of this report.

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. As a result the Company has determined that its Mozambique graphite assets are held for sale and a reversal of the previous impairment of the carrying value totalling $6,079,481 has been recognised, which has been determined by reference to the value of the sale consideration per the Deed of Variation, as at 31 December 2022. All material conditions precedent have been met, apart from the final Mozambique Government approval. Until Mozambique Government approval is received, there remains a level of uncertainty surrounding completion of the transaction.

Results of discontinued operation

	31 Dec 2022 $	31 Dec 2021 $
Interest received	102,302	100,645
Reversal of mine development impairment expense	6,079,481	-
Corporate and administration overhead	-	(187,836)
Care & maintenance expenses	(795,743)	(1,119,338)
Profit/(Loss) before tax from discontinued operation	**5,386,040**	**(1,206,529)**
Income tax expense	-	-
Profit/(Loss) from discontinued operation	**5,386,040**	**(1,206,529)**

Cash flows used in discontinued operation

	31 Dec 2022 $	31 Dec 2021 $
Net cash used in discontinued operation	(675,016)	(1,053,058)
Net decrease in cash and cash equivalents from discontinued operation	**(675,016)**	**(1,053,058)**

Assets and liabilities of disposal group held for sale

	31 Dec 2022 $	31 Dec 2021 $
Cash and cash equivalents	27,347	-
Other receivables	1,660,990	-
Mine development asset	6,079,481	-
Property, plant and equipment	41,913	-
Total assets held for sale	**7,809,731**	**-**
Trade and other payables	39,132	-
Provisions	26,464	-
Total liabilities held for sale	**65,596**	**-**
Net assets held for sale	**7,744,135**	**-**

Measurement of fair values
Fair value hierarchy
The non-recurring fair value measurement for the asset held for sale of $7,744,135 has been categorised as a Level 1 fair value based on the inputs to the valuation technique used (refer Note 2(f)).

Valuation technique and significant unobservable inputs
The valuation technique used in measuring the fair value of the asset held for sale is the cost approach.

Directors' Declaration

1. In the opinion of the Directors of Battery Minerals Limited (the 'Company'):

   (a) the consolidated financial statements and notes that are set out on pages 32 to 65 and the Remuneration Report on pages 17 to 26 in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and the Group Financial Controller for the financial year ended 31 December 2022.

3. The Directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Reporting Standards.

Signed in accordance with a resolution of the Directors:

Peter Duerden
Managing Director

Perth, Western Australia

29 March 2023

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 2022 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

R Gambitta
Partner

Perth

29 March 2023

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 2022 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 2022;
- 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; and
- 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 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, above we have determined the matters described below to be the ***Key Audit Matters***:

- Valuation of capitalised exploration and evaluation expenditure.
- Accounting for Mozambique graphite assets as assets held for sale.

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.

<table>
<tr><th colspan="2">Valuation of capitalised exploration and evaluation expenditure ($14,799,160)</th></tr>
<tr><td colspan="2">Refer to Note 14 to the Financial Report</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The valuation of capitalised exploration and evaluation expenditure is a key audit matter due to:
the significance of the balance to the balance sheet (being 63% 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 Exploration for and Evaluation of Mineral Resources, 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.
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.
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.</td><td>Our procedures included:
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 consistency with documentation such as planned work programmes;
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 to government registries and evaluating agreements in place with other parties. We also tested for compliance with conditions, such as minimum expenditure requirements, on a sample of licences;
Evaluating the Group’s documents for consistency with their stated intentions for continuing exploration and evaluation activities in certain areas. This included:
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
corroboration through interviews with key personnel;
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; and
Analysing the Group’s determination of recoupment of resources through successful development and exploitation of the area by evaluating the Group’s documentation of planned future/continuing activities including work programmes and corporate budgets for each area.</td></tr>
</table>

KPMG

Accounting for Mozambique graphite assets as assets held for sale ($7,744,135)	
Refer to Note 31 to the Financial Report.	
The key audit matter	**How the matter was addressed in our audit**
The Group presents assets and liabilities relating to Mozambique graphite assets as held for sale in accordance with AASB5 *Non-current Assets Held for Sale and Discontinued Operations*, resulting in their classification as current. The assets held for sale is considered a key audit matter due to the: • financial significance of the transaction to the Group's financial statements (being 34% of net assets); • identification of assets and liabilities as held for sale and the reclassification of the disposal group in the financial statements as a discontinued operation; and • judgement involved by the Group in determining the fair value of the asset and liabilities being held for sale which resulted in an impairment reversal. In particular, the determination of the fair value of the sale consideration, involved judgement because the sale consideration is based on the future share price of the purchaser. The above judgements increased our audit effort in this area and involved senior team members and accounting specialists to assess the Group's classification and disclosure of assets held for sale.	Our procedures included: • Reading the relevant transaction documents and correspondence to understand the key terms and conditions of the sale; • Assessing the Group's identification of assets and liabilities held for sale against the transaction documents and underlying financial records; • Working with our accounting specialists we assessed the Group's key judgement in relation to the sale consideration against the last active traded sale price of the purchaser's shares as a proxy for the future share price of the purchaser. We then compared the sale consideration as a proxy for the fair value of assets and liabilities held for sale to the carrying value of the previously impaired assets and liabilities held for sale; • Recalculating the impairment reversal of assets held for sale, against the amount recognised by the Group; • Assessing the Group's presentation of its assets held for sale and discontinued operations including the impairment reversal recorded, against the requirements of the accounting standards; and • Assessing the disclosures in the financial report using our understanding obtained from our testing and against 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 2022 complies with *Section 300A* of the *Corporations Act 2001*.

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 pages 17 to 26 the Directors' report for the year ended 31 December 2022.

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

KPMG.

KPMG

R Gambitta
Partner

Perth

29 March 2023

ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Financial Report as at 9 March 2023 is set out below.

1. Share Capital

The issued capital of the Company is:

- 2,935,242,345 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	ICOPPER PTY LTD	339,331,770	11.56
2	FARJOY PTY LTD	199,133,245	6.78
3	CITICORP NOMINEES PTY LIMITED	166,280,381	5.67
4	GLADSTONE MINING (WA) PTY LTD <STUART TONKIN INVEST A/C>	130,000,000	4.43
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	92,553,933	3.15
6	MR DAVID MARK ROCCI	82,690,289	2.82
7	BNP PARIBAS NOMS PTY LTD <DRP>	66,451,653	2.26
8	PACIFIC DEVELOPMENT CORPORATION PTY LTD	65,446,741	2.23
9	MR WILLIAM ROBERT RICHMOND	65,000,001	2.21
10	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	33,992,379	1.16
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	28,982,555	0.99
12	MITCHELL FAMILY INVESTMENTS (QLD) PTY LTD <MITCHELL FAMILY INV A/C>	27,204,381	0.93
13	CRANPORT PTY LTD <NO 7 - AB A/C>	26,153,846	0.89
14	JNW SFUND PTY LTD <JNW SUPER FUND A/C>	19,962,944	0.68
15	BOND STREET CUSTODIANS LIMITED <TRYLAN - D83486 A/C>	18,000,000	0.61
16	E-TECH CAPITAL PTY LTD <ASF SUPER FUND A/C>	17,622,377	0.60
17	SKER HOLDINGS PTY LTD <SKERMAN INVESTMENT A/C>	17,000,000	0.58
18	MR KENNETH JOSEPH HALL <HALL PARK A/C>	16,818,181	0.57
19	MR DAVID LAWRENCE ORTH & MRS RACHEL MARIE ORTH <ORTH FAMILY SUPER A/C>	16,563,508	0.56
20	MR MAN CHUN KUNG	15,375,542	0.52
	Total held by top 20 registered shareholders	**1,444,563,726**	**49.21**
	Total issued capital - selected security class	**2,935,242,345**	**100.00**

Distribution of Ordinary Shares (ASX Code: BAT)

Holding Ranges	Holders	Total Units	%
1 - 1,000	152	9,575	0.00
1,001 - 5,000	57	228,964	0.01
5,001 - 10,000	223	1,818,361	0.06
10,001 - 100,000	1,608	82,270,176	2.80
100,001 - 9,999,999,999	1,718	2,850,915,269	97.13
Totals	**3,758**	**2,935,242,345**	**100.00**

ASX Additional Information (continued)

Unmarketable parcels of Ordinary Shares

There were 2,371 holders of less than a marketable parcel of ordinary shares.

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	11,164,883	4.07
3	SEYMOUR GROUP PTY LTD	10,000,000	3.64
4	PACIFIC DEVELOPMENT CORPORATION PTY LTD	10,000,000	3.64
5	MR STAN TADEUZ BRZEZOWSKI	10,000,000	3.64
6	RESOURCE & LAND MANAGEMENT SERVICES PTY LTD <THE SKERMAN SUPER FUND A/C>	9,249,999	3.37
7	M & K KORKIDAS PTY LTD <M & K KORKIDAS PTY LTD A/C>	7,350,000	2.68
8	MR ANTHONY GEORGE WARD	7,100,062	2.59
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,900,040	2.51
10	SKER HOLDINGS PTY LTD <SKERMAN INVESTMENT A/C>	6,249,999	2.28
11	JOHNSTON CORPORATION PTY LTD	5,499,999	2.00
12	MISS ENKHJARGAL ULZII-ORSHIKH	4,859,112	1.77
13	MR STEVEN RAY BLAIR	4,665,535	1.70
14	MR BENJAMIN FITZGERALD	4,598,706	1.68
15	MR LACHLAN JAMES MALLOY	3,495,000	1.27
16	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,263,317	1.19
17	MS ELIZABETH KATRINA WARES	3,226,676	1.18
18	UURO PTY LTD	3,000,000	1.09
19	MR SEWA SINGH	3,000,000	1.09
20	MR DAVID ARITI	3,000,000	1.09
	Total held by top 20 registered option holders	**168,289,995**	**61.31**
	Total issued capital - selected security class	**274,484,066**	**100.00**

Distribution of Listed Options (ASX Code: BATO)

Holding Ranges	Holders	Total Units	%
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	1	9,149	0.01
10,001 - 100,000	109	6,103,775	2.22
100,001 - 9,999,999,999	199	268,371,142	97.77
Totals	**309**	**274,484,066**	**100.00**

Unmarketable parcels of Listed Options

There were 210 holders of less than a marketable parcel of listed options.

ASX Additional Information (continued)

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.

The listed options and unlisted incentive options have no voting rights.

5. Unquoted Securities

Number	+Class
20,000,000	Unquoted ZEPO Options expiring 03/07/2023, nil exercise price, subject to performance milestones
6,000,000	Unquoted options expiring 30/06/2023) @ $0.13
160,000,000	Unquoted ZEPO Options expiring 31/01/2027, nil exercise price, subject to performance milestones.
ESOP	
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 expiring 16/07/2023 @ $0.20 - vested
75,000	Unquoted Options expiring 16/07/2023 @ $0.15 - vested
1,000,000	Unquoted Options expiring 16/07/2023 @ $0.20 - vest on Montepuez commercial production
8,200,000	Unquoted ZEPO Options expiring 13/07/2023, nil exercise price, subject to performance milestones
10,500,000	Unquoted ZEPO Options expiring 20/06/2024, nil exercise price, subject to performance milestones.
20,000,000	Unquoted ZEPO Options expiring 20/06/2024, nil exercise price, subject to performance milestones
5,000,000	Unquoted ZEPO Options expiring 20/06/2024, nil exercise price - vested
70,000,000	Unquoted ZEPO Options expiring 22/10/2025, nil exercise price, subject to performance milestones outlined in the Notice of Meeting for the 13 May 2020 AGM
5,000,000	Unquoted Options expiring 31 March 2026 @ $0.04
5,000,000	Unquoted Options expiring 31 March 2026 @ $0.055
2,500,000	Unquoted Options expiring 31 March 2027 @ $0.025
2,500,000	Unquoted Options expiring 31 March 2027 @ $0.025
2,000,000	Unquoted Options expiring 28 February 2028 @ $0.0086
2,000,000	Unquoted Options expiring 28 February 2028 @ $0.0086

ASX Additional Information (continued)

6. Substantial shareholder notices received

Name	Number of Shares	% Holding
ICOPPER PTY LTD	339,331,770	11.56%
FARJOY PTY LTD	199,133,245	6.78%

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.

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 2022 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 Report 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.