

**ASIAN BATTERY MINERALS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**



ASIAN BATTERY MINERALS LIMITED

**Consolidated Financial Statements
31 December 2023**

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**ASIAN BATTERY MINERALS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

DIRECTORS' REPORT

The Directors submit the financial report of the Group consisting of Asian Battery Minerals Limited ("Company") and the entities it controlled during the financial year ended 31 December 2023 ("the period") and report as follows:

Directors

The names of Directors who held office during the period and until the date of this report are as follows.

David Paull	Non-Executive Chairman
Gan-Ochir Zunduisuren	Managing Director
Neil Young	Non-Executive Director
Kirsten Livermore	Non-Executive Director

Names, qualifications, experience and special responsibilities

Gan-Ochir Zunduisuren (Managing Director)

Qualifications: MSc in Finance (NYU-HKUST) and Member of AusIMM

Gan-Ochir has over 20 years of experience in a wide range of areas within the mining industry including mining operation, mineral exploration, and finance. Gan-Ochir held board roles with Aspire Mining Ltd and Oyu Tolgoi LLC. He obtained mining education from Haileybury School of Mines, Canada, and Mongolian University of Sci & Tech.

Gan-Ochir was appointed as a director on 26 April 2022 and managing director effective from 26 October 2022.

David Paull (Non-Executive Chairman and Joint Company Secretary)

Qualifications: B.Com, FSIA, MBA (Cornell)

David has over 30 years' experience in the mineral resource business. Over the last 10 years, David has been in Mongolia with Aspire Mining Ltd as Managing Director and Chairman and previous to that, held a marketing management position at Greenbushes lithium mine. David holds a Bachelor of Commerce from the University of Western Australia and an MBA (Cornell). He is a fellow of the Financial Services Institute of Australia

David was appointed as a director and chair on the Company's incorporation on 25 January 2022.

Neil Young (Non-Executive Director)

Qualifications: M.A. (Hons) joint degree in Economics/Politics from the University of Edinburgh.

Neil has more than twenty years' experience in senior management positions in the upstream and downstream parts of the energy sector, focusing on business development, new ventures, marketing and general commercial functions. He has worked for a range of companies in the UK and Australia including EY, Tarong Energy and Santos. Mr Young founded Golden Horde Ltd in 2011 with a view to exploring for gas on the Chinese border in Mongolia. He has also developed various new ventures in other countries including Kazakhstan, Japan and the USA.

Neil was appointed a non-executive director of the Company on 25 January 2022.

Kirsten Livermore (Non-Executive Director)

Qualifications: Holds a Law Degree from the University of Queensland and an MSc in Development Management from the London School of Economics.

Kirsten has over 25 years of experience in policy, regulation, and issue management relating to mining. She served 15 years in the Australian parliament as the member for Capricornia, Queensland. Kirsten led the Australia Mongolia Extractives Program, an Australian Government funded company working with the Government of Mongolia on mining investment in Mongolia.

Kirsten was appointed as a non-executive director on 14 July 2022.

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DIRECTORS' REPORT

Mr Philip Rundell Joint Company Secretary

Qualifications: Dip BS (Accounting) CA

Phil Rundell has had over 25 years' experience as a Partner and Director of Coopers & Lybrand and Ferrier Hodgson, respectively, specialising in company reconstructions and corporate recovery. Phil has provided management accounting and company secretarial services over the last 13 years to a number of ASX listed companies.

Interests in the Shares and Options of the Company and Related Bodies Corporate

As at the date of this report, the relevant interests of the current Directors in shares of the Company are as follows:

Directors	Number of fully paid ordinary shares
Gan-Ochir Zunduisuren	15,718,877
David Paull	3,833,332
Neil Young	3,766,666
Kirsten Livermore	466,666

There are no unpaid amounts on the shares issued.

There are no options or other securities that give rights to shares on issue as at 31 December 2023.

At the date of this report, there are no unissued ordinary shares of the Company under option.

Dividends

No dividends have been paid or declared during the period and the Directors do not recommend the payment of a dividend in respect of the financial period.

Principal Activity

The principal activity of the Group during the period was mineral exploration and evaluation of its following projects (together, the "Projects"):

- (a) the Blue Cap/Khukh Tag Graphite Project (100% owned by subsidiary, Innova Minerals LLC), a graphite project (comprising one tenement - mineral exploration tenement XV-019603) located in the Khukh Tag, Undurshil sub province, Dundgovi province (Graphite Project);
- (b) the White Grass/Tsagaan Ders Li Project (100% owned by Innova Minerals LLC), which comprised one tenement prospective for lithium (mineral exploration tenements XV – 021740 and XV-019341) located in the Tsagaan Ders, Khuld sub province, Dundgovi province (Lithium Project); and
- (c) the Yambat Oval Ni Project (100% owned by Ragnarok) comprising one tenement (tenement XV- 020515) prospective for nickel and is located in the Yambat, Yusunbulag and Taishir sub provinces, Gobi-Altai Province (Nickel Project).

Operating results for the period

The Group incurred a net loss of \$924,668 (2022: 675,891) and net cash outflows from operating activities of \$623,553 (2022: \$279,437).

DIRECTORS' REPORT

Significant events after balance date – DOR HOA

As announced to ASX on 2 January 2024, Doriemus PLC (DOR) (to be renamed Asian Battery Metals PLC), DOR and ABM have entered into a binding heads of agreement (HOA) for DOR to acquire 100% of the issued capital of ABM (Acquisition) for consideration securities.

If successful, the Acquisition will result in DOR increasing the scale of its operations and changing the focus of its oil and gas exploration activities from its current minority interests in onshore oil exploration fields in the UK to mineral exploration in Mongolia.

A summary of the material terms of the HOA is as follows:

- (a) The ABM major shareholders agree to sell all of their respective shares held in ABM, and DOR agrees to acquire those securities, on the terms and conditions set out in the HOA.
- (b) DOR agrees to make offers to acquire all of the shares in the capital of ABM held by the remaining ABM shareholders for the consideration apportioned between the respective remaining shareholders as set out in the HOA.
- (c) Completion of the Acquisition is subject to and conditional on the following conditions precedent:
 - (i) Completion of due diligence by DOR on ABM's business and operations, including its subsidiaries and the licences, to the satisfaction of DOR;
 - (ii) Completion of due diligence by ABM on DOR's business and operations, to the satisfaction of ABM;
 - (iii) ASX granting a waiver from ASX Listing Rule 2.1 condition 2 to allow the issue of CDIs pursuant to a \$6,000,000 capital raising at an issue price of less than 20 cents and a waiver from ASX Listing Rule 1.1 condition 12, to allow the consideration options and lead manager options to have an exercise price of less than 20 cents and ASX giving confirmation under Listing Rule 6.1 to allow the issue of performance rights;
 - (iv) DOR shareholders approving the transactions contemplated by the HOA, including:
 - A. issue of the lead manager options, performance rights, and consideration securities to the vendors and the disapplication of pre-emption rights, in accordance with the Companies Act 2006 (UK) and the ASX Listing Rules;
 - B. consolidation of DOR's issued share capital on a 43 for 50 basis (i.e. 43 securities for every 50 securities held); and
 - C. the adoption of new articles of association of DOR containing any amendments necessary to accommodate change to the ASX Listing Rules regarding escrow.
 - (v) DOR obtaining from ASX conditional approval to complete the Acquisition for reinstatement of its securities to official quotation subject to DOR's re-compliance with Chapters 1 and 2 of the ASX Listing Rules on terms and conditions reasonably acceptable to DOR, including:
 - A. Lodging a full form prospectus with ASIC, inclusive of all necessary independent technical reports; and
 - B. Receiving valid, binding, and irrevocable applications for a minimum of \$6,000,000 under the prospectus at an issue price of \$0.05 per CDI on a post-consolidation basis;
 - (vi) the ABM vendors (or their respective nominee/s) entering into such restriction agreements with respect to the consideration securities as required by ASX;
 - (vii) the parties obtaining all necessary third party consents and approvals necessary to lawfully complete the Acquisition;
 - (viii) DOR obtaining confirmation from the UK Takeovers Panel that it is exempt from the Takeovers Code or DOR obtaining such other relief as is necessary under the Takeovers Code to lawfully complete the Acquisition;
 - (ix) all of the ABM Remaining Shareholders accepting the offers (when made) in respect of 100% of their ABM shares;

DIRECTORS' REPORT

Significant events after balance date – DOR HOA (continued)

- (x) DOR shareholders representing no less than 40% of the total number of DOR shares on issue immediately prior to Settlement entering into voluntary restriction deeds for the escrow of 50% of their DOR shares for a period of six (6) months from settlement and 50% of their DOR shares for a period of 12 months from settlement; and
- (xi) ABM completing a private short term debt financing of A\$300,000 from lenders at an interest rate of 10% per annum from draw down until repayment and repayable on the earlier of 31 May 2024 or settlement, unless otherwise agreed between ABM and the relevant lender (See Note 12),

If the conditions precedent are not satisfied (or waived in accordance with the HOA) by 31 March 2024, the date of lodgement of the prospectus (in the case of the Conditions Precedent relating to completion of due diligence), or 31 May 2024 (for the other Conditions Precedent), or such other date as DOR and ABM may agree in writing, the agreement constituted by the HOA will be at an end and the parties will be released from their obligations thereunder.

The consideration to the ABM vendors will consist of the CDIs and options (Consideration Securities). The Consideration Securities are to be issued at settlement to the recipients pro-rata to their ABM holdings at settlement.

DOR has paid ABM a \$100,000 deposit following execution of the HOA. The deposit is non-refundable other than where either or both of the conditions precedent in (c)(ii) or (c)(xi) above are not satisfied (or waived in a manner permitted by the HOA) on or before the relevant date or ABM or a ABM major shareholder breaches a material term of the HOA.

With effect from settlement, the ABM directors, Gan-Ochir Zunduisuren, David Paull, Neil Young and Kirsten Livermore, will be appointed as directors of DOR and the current DOR directors will resign.

Settlement will occur on the date which is 5 business days after satisfaction (or waiver, if permitted) of the conditions precedent (or such other date as agreed between the parties in writing).

The HOA otherwise contains representations, warranties and conditions considered standard for agreements of their nature.

Likely developments and expected results

Settlement under the HOA is expected but irrespective and subject to alternate funding, the Group will continue with activities towards meeting its objective of developing its Projects

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001



**Gan-Ochir Zunduisuren
Managing Director
Mongolia
15 March 2024**

ASIAN BATTERY MINERALS LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2023

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Consolidated 31 Dec 2023 \$	Consolidated 31 Dec 2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	252,712	799,313
Trade and other receivables	4	11,812	7,293
Inventory		475	-
Prepaid payments		8,296	14,951
Total Current Assets		273,295	821,557
Non-Current Assets			
Property, Plant and Equipment	7	43,758	34,497
Right-of-Use assets	6	34,614	81,890
Exploration and evaluation expenditure	5	3,244,348	2,955,221
Total Non-Current Assets		3,322,720	3,071,608
Total Assets		3,596,015	3,893,165
LIABILITIES			
Current Liabilities			
Trade and other payables	8	156,818	101,680
Lease liabilities	9	31,566	43,492
Loans	12	300,000	-
Total Current Liabilities		488,384	145,172
Non-Current Liabilities			
Lease liabilities	9	-	31,580
Total Non-Current Liabilities		-	31,580
Total Liabilities		488,384	176,752
Net Assets		3,107,631	3,716,413
EQUITY			
Issued Capital	10	4,732,415	4,418,063
Foreign currency translation reserve	23	(24,225)	(25,759)
Accumulated losses		(1,600,559)	(675,891)
Total Equity		3,107,631	3,716,413

The accompanying notes form an integral part of these consolidated financial statements

ASIAN BATTERY MINERALS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated 31 December 2023 \$	Consolidated 31 December 2022 \$
Exploration and evaluation impaired	5	-	(241,534)
Exploration and evaluation expensed as incurred		(44,305)	(3,771)
General & administrative	11	(811,726)	(317,640)
Marketing expenses		(34,183)	-
Foreign exchange gain/(loss)		(6,541)	(88,815)
Finance Costs		(5,522)	-
Other expenses		(30,712)	(24,131)
Interest income		8,336	-
Loss before income tax expense		(924,653)	(675,891)
Income tax expense		(15)	-
Net loss for the period		(924,668)	(675,891)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		1,534	(25,759)
Other comprehensive income/(loss) for the period, net of tax		1,534	(25,759)
Total comprehensive income/(loss) for the period		(923,134)	(701,650)

The accompanying notes form an integral part of these consolidated financial statements.

ASIAN BATTERY MINERALS LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2023

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Issued and unissued capital	Accumulated losses	Currency translation reserve	Total owner's equity
	\$	\$	\$	\$
Opening balance	-	-	-	-
Loss for the period	-	(675,891)	-	(675,891)
Other comprehensive loss	-	-	(25,759)	(25,759)
Total comprehensive loss	-	(675,891)	(25,759)	(701,650)
Shares issued during the period	3,618,268	-	-	3,618,268
Shares to be issued following receipt of cash for capital raises before period end	872,735	-	-	872,735
Capital Raising Costs	(72,940)	-	-	(72,940)
Balance as at 31 December 2022	4,418,063	(675,891)	(25,759)	3,716,413
Loss for the period	-	(924,668)	-	(924,668)
Other comprehensive loss	-	-	1,534	1,534
Total comprehensive loss	-	(924,668)	1,534	(923,134)
Shares issued during the period	346,465	-	-	346,465
Capital Raising Costs	(32,113)	-	-	(32,113)
Balance as at 31 December 2023	4,732,415	(1,600,559)	(24,225)	3,107,631

The accompanying notes form an integral part of these consolidated financial statements.

ASIAN BATTERY MINERALS LIMITED
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CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Consolidated 31 December 2023 \$	Consolidated 31 December 2022 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(761,966)	(279,437)
Grants received		138,413	
Net cash flows used in operating activities	3	(623,553)	(279,437)
Cash Flows from Investing Activities			
Interest received		8,336	-
Payments for property, plant and equipment		(19,242)	(38,731)
Payments for exploration and evaluation expenditure	5	(898,878)	(602,547)
Receipt of non-recourse funding for exploration	5	596,754	-
Payment to acquire subsidiary, net of cash received		-	(116,401)
Net cash flows used in investing activities		(313,030)	(757,679)
Cash Flows from Financing Activities			
Proceeds from loans	12	300,000	-
Proceeds from the issue of share capital		176,500	1,917,735
Payments for share issue costs		(49,645)	(55,440)
Payments for lease liabilities		(44,221)	(32,354)
Net cash flows from financing activities		382,634	1,829,941
Net Increase/(decrease) in cash held		(553,949)	792,825
Cash and cash at equivalents at the beginning of the period		799,313	-
Effects of foreign exchange rate fluctuations on cash held		7,348	6,488
Cash and cash equivalent at the end of the period	3	252,712	799,313

The accompanying notes form an integral part of these consolidated financial statements.

**ASIAN BATTERY MINERALS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Operations and organization

1.1 Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations and complies with other requirements of the law. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian Dollars.

The Company is an unlisted public Company, incorporated in Australia and operating in Mongolia.

The consolidated financial statements as of and for the period ended 31 December 2023 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group").

The principal activity of the Group during the period was mineral exploration and evaluation of its following projects (together, the "Projects"):

- (d) the Blue Cap/Khukh Tag Graphite Project (100% owned by subsidiary, Innova Minerals LLC), a graphite project (comprising one tenement - mineral exploration tenement XV-019603) located in the Khukh Tag, Undurshil sub province, Dundgovi province (**Graphite Project**);
- (e) the White Grass/Tsagaan Ders Li Project (100% owned by Innova Minerals LLC), which comprised one tenement prospective for lithium (mineral exploration tenements XV – 021740 and XV-019341) located in the Tsagaan Ders, Khuld sub province, Dundgovi province (**Lithium Project**); and
- (f) the Yambat Oval Ni Project (100% owned by Ragnarok) comprising one tenement (tenement XV- 020515) prospective for nickel and is located in the Yambat, Yusunbulag and Taishir sub provinces, Gobi-Altai Province (**Nickel Project**).

1.2 Going Concern

For the period ended 31 December 2023, the Group incurred a net loss of \$924,668 (2023: \$675,891) and net cash outflows from operating activities of \$623,553 (2022:\$279,437).

The Company was able to raise more than sufficient equity capital to fund the exploration and evaluation activities and working capital incurred by the Group in the period. At 31 December 2023, the Group had a working capital deficit of \$215,089 (2022: surplus \$676,386).

However, the transaction described in the Significant events after balance date is reasonably assured of completion and on that basis, the Board and Management believe that as at the date of this report there are reasonable grounds to believe that the Group will continue as a going concern. Should the transaction not complete, additional sources of funding will be required. The above conditions give rise to material uncertainty that may cast doubt on the ability of the Group to continue as a going concern and whether it will be able to realise its assets and discharge its liabilities stated in the financial statements.

1.3 Adoption of new and revised standards

Standards and Interpretations applicable 31 December 2023

The Directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and therefore, no material change is necessary to Group accounting policies.

Standards and interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations on issue not yet adopted as at 31 December 2022. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations on issue not yet adopted by the Group.

ASIAN BATTERY MINERALS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
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2. Summary of significant accounting policies

2.1 Statement of compliance

The consolidated financial report was authorised for issue on 15 March 2024.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Asian Battery Minerals ("Company" or "Parent") and its subsidiaries as at 31 December 2023 ("the Group").

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the statement of profit or loss and other comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3 Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Exploration and evaluation costs carried forward

The Group's accounting policy for exploration and evaluation expenditure is set out at Note 2.16. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of the expectation that exploration costs incurred can be recouped through the successful development of the area (unless activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves). The estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditure incurred is unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be impaired or written off through the statement of profit or loss and other comprehensive income.

ASIAN BATTERY MINERALS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
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2. Summary of significant accounting policies (cont'd)

2.4 Cash and Cash Equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.5 Trade and Other Receivables

Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade and other receivables are estimated with reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

2.6 Financial instruments

Financial assets

A financial asset is recognised when the Group becomes a party to contractual promises of a financial instrument. Financial assets are initially measured at their fair value, adjusted for transaction costs (where applicable). Financial assets are subsequently measured in the following categories:

- Amortised cost
- Fair value through profit or loss
- Fair value through other comprehensive income

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

ASIAN BATTERY MINERALS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
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2. Summary of significant accounting policies (cont'd)

2.6 Financial instruments (cont'd)

Financial liabilities

A financial liability is recognised when the Group becomes a party to contractual promises of a financial instrument. Financial liabilities are initially measured at their fair value, adjusted for transaction costs (where applicable). Financial liabilities are subsequently measured in the following categories:

- Amortised cost
- Fair value through profit or loss
- Fair value through other comprehensive income

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

2.7 Foreign currency translation

The functional and presentation currency of Asian Battery Minerals is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to the statement of profit or loss and other comprehensive income with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the statement of profit or loss and other comprehensive income.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the Mongolian incorporated subsidiaries, Innova Minerals LLC and Ragnarok Investment LLC is Mongolian Tugriks (MNT).

As at the balance date the assets and liabilities of the subsidiaries are translated into the presentation currency of Asian Battery Minerals at the rate of exchange ruling at the balance date and its statement of profit or loss and other comprehensive income is translated at the average exchange rate for the period. The exchange differences arising from the translation are taken directly to the foreign currency translation reserve in equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the statement of profit or loss and other comprehensive income.

2.8 Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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2. Summary of significant accounting policies (cont'd)

2.8 Income tax (cont'd)

Deferred income tax liabilities are recognised for all taxable temporary differences except;

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

2.10 Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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2. Summary of significant accounting policies (cont'd)

2.11 Impairment of assets

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value.

In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.12 Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

2.13 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

The estimated useful life of each class of asset is:

- Equipment 10 years
- Furniture and fixtures 10 years
- Computers 2 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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2. Summary of significant accounting policies (cont'd)

2.13 Property, plant and equipment

For an asset that does not generate largely independent cash inflows, a recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

Impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the income statement in the cost of sales line item.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognised.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

2.15 Issued and unissued 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.

The Group classifies funds received for future share issues as equity when the subscription application is approved and will only be settled by a fixed number of shares.

2.16 Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

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2. Summary of significant accounting policies (cont'd)

2.16 Exploration and evaluation (cont'd)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

2.17 Parent entity financial information

The financial information for the parent entity, Asian Battery Minerals, disclosed in note 14 has been prepared on the same basis as the consolidated financial statements, other than investments in subsidiaries are accounted for at cost.

2.18 Lease liabilities and right-of-use assets

Where the Company is the lessee, the Group recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Group (i.e., commencement date). Each lease payment is allocated between the liability and the finance cost.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the rate implied in the lease. If this rate is not readily determinable, the Group uses its incremental borrowing rate.

Lease payments included in the initial measurement if the lease liability consist of:

- Fixed lease payments less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- Any amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of purchase options, if the Group is reasonably certain to exercise the options; and
- Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise any extension option. Extension options are only included in the lease term if, at commencement date, it is reasonably certain that the options will be exercised.

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there is a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate or expected payments under guaranteed residual values.

The finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs. These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of lease require the Group to restore the underlying asset, or the Group has an obligation to dismantle and remove a leased asset, the provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

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2. Summary of significant accounting policies (cont'd)

2.18 Lease liabilities and right-of-use assets (cont'd)

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on the commencement date of the lease.

Where leases have a term of less than 12 months or relate to low value assets, the Group has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. In valuing equity-settled transactions, account is taken of any performance conditions, and conditions linked to the price of the shares of the Company (market conditions) if applicable.

2.19 Share-based payment transactions

The Group measures the cost of equity-settled transactions with suppliers by reference to the fair value of the goods or service received, if the fair value cannot be reliably estimated the transaction is valued with reference to the fair value of the equity instruments at the date at which the Group obtains the goods or services.

The Group measures the cost of equity issued to settle liabilities at the fair value of the equity instruments at the date of settlement. If the fair value of the equity instruments issued cannot be reliably measured, then the equity instruments shall be measured to reflect the fair value of the financial liability extinguished.

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 Group's best estimate of the number of equity instruments that will ultimately vest. 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 on the grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If 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, as described in the previous paragraph.

2.20 Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with suppliers by reference to the fair value of the goods or service received, if the fair value cannot be reliably estimated the transaction is valued with reference to the fair value of the equity instruments at the date at which Group obtains the goods or services.

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2. Summary of significant accounting policies (cont'd)

2.20 Critical accounting judgements and key sources of estimation uncertainty (con'd)

The Group measures the cost of equity issued to settle liabilities at the fair value of the equity instruments at the date of settlement. If the fair value of the equity instruments issued cannot be reliably measured, then the equity instruments shall be measured to reflect the fair value of the financial liability extinguished.

Exploration and evaluation costs carried forward

The Group's accounting policy for exploration and evaluation expenditure is set out at note 2.16. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of the expectation that exploration costs incurred can be recouped through the successful development of the area (unless activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves). The estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditure incurred is unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be impaired or written off through the statement of profit or loss and other comprehensive income.

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	2023	2022
	\$	\$
3. <u>Cash & Cash Equivalents</u>		
Cash at bank and on hand	252,712	799,313
Cash at bank earns interest at floating rates based on daily bank deposit rates. All cash was available for use and no restrictions were placed on the use of it at any time during the period.		
Reconciliation of loss for the period to net cash flows from operating activities		
Operating activities		
Loss for the period	(924,668)	(675,891)
Interest receivable	(135)	-
Lease interest paid	(8,741)	-
Exploration and evaluation expenditure	-	241,534
Depreciation of non-current assets	9,865	1,674
Amortisation of right-of-use assets	48,057	24,453
Directors' fees paid by issue of shares	170,000	-
Interest income	(8,336)	-
Interest on lease liabilities	8,741	3,956
Unrealised loss from foreign exchange rate differences	-	88,815
Balance sheet movements:		
Current		
Receivables	2,136	(22,246)
Inventories	(475)	-
Creditors	80,023	58,268
Net cash flows used in operating activities	(623,553)	(279,437)
4. <u>Receivables</u>		
Tax and SIC receivables	6,029	2,948
Other receivables	5,782	4,345
	11,811	7,293
5. <u>Exploration and evaluation assets</u>		
Opening balance	2,955,221	
Exploration and evaluation expenditure acquired	-	2,658,327
Expenditure incurred in the period	898,878	602,547
Non-recourse funding for exploration	(596,754)	-
Impairment of expenditure – Nickel Project	-	(241,534)
Foreign exchange movement	(12,997)	(64,119)
Total exploration and evaluation expenditure	3,244,348	2,955,221
Total expenditure incurred and carried forward in respect of licence:		
Graphite Project XV-019603	2,199,820	2,061,616
Lithium Project XV-021740	690,755	619,221
Lithium Project XV-019341	170,347	126,031
Nickel Project XV-020515	183,426	148,353
	3,244,348	2,955,221

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5. **Exploration and evaluation assets (continued)**

Exploration and evaluation expenditure acquired and subsequently incurred by the Group on the Graphite Project and Lithium Project has been carried forward as that expenditure is expected to be recouped through successful development and exploration of the areas of interest, or alternatively, by sale. The Nickel Project exploration and evaluation expenditure at 31 December 2021 has been impaired as it may not be recouped by development or sale. The expenditure incurred post 31 December 2021 is carried forward. In the year non-recourse funding from the BHP Xplor Program was received and applied to further pre-development and exploration work on the Nickel Project and other qualifying activities.

6. **Right-of-use Assets**

	Warehouse \$	Office \$	Total \$
Cost:			
Additions	36,821	77,571	114,392
At 31 December 2022	36,821	77,571	114,392
Accumulated amortisation:			
Amortisation charge for the period	(7,610)	(16,843)	(24,453)
Foreign exchange movement	(2,614)	(5,435)	(8,049)
	(10,224)	(22,278)	(32,502)
Carrying amount at 31 December 2022	26,597	55,293	81,890
Cost:			
Additions	-	-	-
Accumulated amortisation:			
Amortisation charge for the period	(11,483)	(36,574)	(48,057)
Foreign exchange movement	195	586	781
	(11,288)	(35,988)	(47,276)
Carrying amount at 31 December 2023	15,309	19,305	34,614

The Group leases warehouse and office spaces for its operations. The lease terms are 24 to 36 months, and the lease agreements have no option to purchase the leased assets at the end of the lease terms.

7. **Property, plant and equipment**

	Equipment \$	Furniture \$	Computer \$	Total \$
Cost:				
Additions	1,212	25,925	11,274	38,411
At 31 December 2022	1,212	25,925	11,274	38,411
Accumulated depreciation:				
Depreciation charge for the period	(59)	(294)	(1,321)	(1,674)
Foreign exchange movement	(89)	(1,610)	(541)	(2,240)
	(148)	(1,904)	(1,862)	(3,914)
Carrying amount at 31 December 2022	1,064	24,021	9,412	34,497
Cost:				
Additions	14,240	469	4,533	19,242
Accumulated depreciation:				
Depreciation charge for the period	(457)	(2,492)	(6,916)	(9,865)
Foreign exchange movement	(331)	32	183	(116)
	13,452	(1,991)	(2,200)	9,261
Carrying amount at 31 December 2023	14,516	22,030	7,212	43,758

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8. Accounts and other payables

	2023	2022
	\$	\$
Trade payables	145,779	91,817
Tax payables	11,039	9,862
	156,818	101,679

Trade payables and accrued expenses are normally settled on 30 day terms.

9. Lease liabilities

	2023	2022
	\$	\$
Opening balance	75,073	-
Additions	-	114,392
Repayments	(52,963)	(32,354)
Interest	8,741	3,956
Foreign exchange movement	715	(10,921)
Closing balance	31,566	75,073
Maturity analysis:		
Within 1 year	34,112	52,138
Within 2 years	-	34,127
	34,112	86,265
Less: unearned interest	(2,546)	(11,192)
	31,566	75,073
Analysed as:		
Current	31,566	43,493
Non-current	-	31,580
	31,566	75,073

10. Issued and unissued capital

	2023		2022	
	No	\$	No.	\$
Ordinary Shares				
Issued and fully paid	88,643,358	4,837,468	79,165,365	3,618,268
Less share issue costs	-	(105,053)	-	(72,940)
Total issued capital	88,643,358	4,732,415	79,165,365	3,545,328
Funds received, shares not yet issued ¹	-	-	-	872,735
Total unissued capital	-	-	-	872,735
Total issued and unissued capital	88,643,358	4,732,415	79,165,365	4,418,063
Movement				
Opening balance	79,165,363	4,418,063		
Pre-seed capital raising at \$0.01	1,750,000	17,500	8,500,000	85,000
Seed 1 capital raising at \$0.05	-	-	19,200,000	960,000
Shares issued to settle liabilities ²	-	-	3,465,365	173,268
Shares issued to acquire subsidiaries ³	-	-	48,000,000	2,400,000
Seed 2 funds received, shares not yet issued ¹	5,818,329	15	-	872,735
Seed 2 capital raising at \$0.15	1,059,666	158,950	-	-
Shares issued to settle liabilities ⁴	849,998	170,000	-	-
Less share issue costs	-	(32,113)	-	(72,940)
	9,477,993	314,352	79,165,365	4,418,063
Closing balance	88,643,358	4,732,415	79,165,365	4,418,063

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10. Issued and unissued capital (continued)

¹At 31 December 2022, the Company had received subscription applications funds of \$872,735 for 5,818,329 shares to be issued at \$0.15. The shares were subsequently issued on 6 January 2023.

²During 2022 the Company issued 3,465,365 shares to settle a liability of \$173,268, the fair value of the equity at the date of settlement was also \$173,268.

³During 2022 the Company issued 48,000,000 shares to the Vendors of Innova Minerals LLC. As the fair value of Innova Minerals LLC was not available at the time of the acquisition, the shares were valued using the fair value of the Company's shares at the date of acquisition.

⁴During 2023 the Company issued 849,998 shares to settle accrued directors' fees of \$170,000, the fair value of the equity at the date of settlement was also \$170,000.

11. General and administration expenses

	2023	2022
	\$	\$
Audit fees	90,498	69,919
Bank fees	529	260
Bookkeeping	8,094	3,603
Company Secretarial	15,150	-
Consultants	66,000	18,000
Depreciation and amortisation	46,193	26,126
Directors Fees	255,000	-
Investor Relations	37,652	-
Legal fees	71,008	34,967
Office administration	7,129	3,631
Other expenses	-	2,158
Regulatory fees	2,369	1,086
Rent	6,000	12,877
Research	6,000	24,282
Employee wages and salaries	169,556	101,151
Supplies	4,940	1,687
Training	734	894
Transportation	8,124	3,004
Travel and accommodation	16,750	13,995
	811,726	317,640

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12. Transactions with related parties

The remuneration paid to directors of the Company is set out in the following table.

Director	Paid in cash \$	Settled by issue of shares in the Company \$	Accrued to 31 Dec 2023 \$	Total \$
2022				
Gan-Ochir Zunduisuren – Managing Director	26,290	-	-	26,290
	26,290	-	-	26,290
2023				
Gan-Ochir Zunduisuren – Managing Director	125,000	83,333	41,667	250,000
David Paull – NED & Chair	-	33,333	16,667	50,000
Neil Young – NON-Executive Director	-	26,667	13,333	40,000
Kirsten Livermore – Non-Executive Director	-	26,667	13,333	40,000
	125,000	170,000	85,000	380,000

Loans and advances

In 2022, advances of \$35,000 from each of the Directors, David Paull and Neil Young, to fund operating expenses prior to the issue of seed capital were repaid by the issue of shares in the Company.

In December 2023, a party related to Non-Executive Director, David Paull, Kingsland Corporate Pty Ltd as trustee for the Paull Family Trust (**Lender**), advanced the Company \$100,000 for use by the Company for project pre-development activities and general working capital. The Loan Amount (plus interest accrued at 10% per annum) will mature and become repayable in full on the earlier of (a) where the conditions precedent to the Heads of Agreement (HOA) with Dorimeus Limited (DOR) (see Note 22) have not been satisfied or waived on or before 31 May 2024, 31 May 2024; or (b) the date the securities of Dorimeus Limited are reinstated to official quotation following completion of the HOA (or any other binding agreement which replaces the HOA) (see Note 22 for further information on the HOA with DOR).

At the same time and on the same terms as the advance made by Kingsland Corporate Pty Ltd, Spectral Investments Pty Ltd, a shareholder of the Company, advanced the Company \$200,000.

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13. Tax Note

	2023	2022
	\$	\$
The major components of tax expense are:		
Current tax expense/(income)	-	-
Deferred tax expense / (income)	-	-
Total income tax expense/(income) attributable to continuing operations	-	-
Reconciliation		
Accounting profit/(loss) before tax from continuing operations	(924,668)	(675,891)
Income tax expense calculated at 30%	(277,400)	(202,768)
Non-deductible expenses	37,794	15,847
Tax losses for which no deferred tax was recognised	117,767	90,473
Other deferred tax assets and liabilities not recognised	37,403	31,664
Effect of tax rates of subsidiaries in different jurisdictions	84,436	64,784
Income tax expense	-	-
Deferred tax comprises:		
Losses available for offset against future taxable income	117,767	90,473
Accrued expenses	37,008	21,267
Other	395	10,397
Deferred tax assets not recognised	(155,170)	(122,137)
	-	-

14. Parent Entity Disclosures

	2023	2022
	\$	\$
Financial Position		
Assets		
Current assets	242,780	687,668
Non-current assets	1,937,163	2,558,423
Total assets	2,179,943	3,246,091
Liabilities		
Current liabilities	425,711	70,891
Total liabilities	425,711	70,891
Net assets	1,754,232	3,175,200
Equity		
Issued and unissued capital	4,732,415	4,418,063
Accumulated losses	(2,978,183)	(1,242,863)
Total equity	1,754,232	3,175,200
Financial Performance		
Operating loss for the period	(1,735,320)	(1,242,863)
Total comprehensive loss	(1,735,320)	(1,242,863)

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15. Subsidiaries

The consolidated financial statements include the financial statements of Asian Battery Minerals Limited and its below subsidiaries.

Subsidiary Name	Country of incorporation	Ownership
Innova Minerals LLC	Mongolia	100%
Ragnarok Investments LLC	Mongolia	100%

Asian Battery Minerals Limited is the ultimate Australian parent entity and ultimate parent of the Group. Transactions between these parties involved the provision of funding for operations. As at 31 December 2023, an amount of \$2,365,305 was owed by Innova Minerals LLC to Asian Battery Minerals Limited (2022: \$1,132,474). The loans have been impaired.

16. Auditors Remuneration

The auditor of Asian Battery Minerals Limited is HLB Mann Judd.

The auditor of the subsidiaries, Innova Minerals LLC and Ragnarok Investments LLC, is Onch & Company.

	2023	2022
	\$	\$
<i>Amount received or due and receivable by the auditors for:</i>		
- Audit or review of the financial reports		
- HLB Mann Judd	58,228	37,240
- Onch & Company	32,270	32,679
- Other services	-	-
	90,498	69,919

17. Share based payments

During 2022 the Company issued 48,000,000 shares at \$0.05 per share to the Vendors of Innova Minerals LLC with a fair value of \$2,400,000. As the fair value of Innova Minerals LLC was not available at the time of the acquisition, the shares were valued using the fair value of the Company's shares at the date of acquisition. The fair value of shares was determined based on capital raises that the Group was completing at the time of the acquisition.

During 2022 the Company also issued 3,465,365 shares to settle a liability of \$173,268, the fair value of the equity at the date of settlement was also \$173,268. The fair value of shares was determined based on capital raises that the Group was completing at the time of the settlement.

During 2022 the Company also issued 849,998 shares to settle a liability of \$170,000, the fair value of the equity at the date of settlement was also \$170,000. The fair value of shares was determined based on contract at an intended IPO share price of \$0.20 per share.

18. Contingent liabilities

There are no contingent liabilities at 31 December 2023.

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19. Commitments

Exploration commitments

The entity must meet minimum expenditure commitments on granted exploration tenements to maintain those tenements in good standing. If the relevant mineral tenement is relinquished the expenditure commitment also ceases. The following commitments exist at balance date but have not been brought to account.

	2023	2022
	\$	\$
Not later than 1 year	50,074	38,669
Between 1 year and 5 years	640,875	696,869
	690,949	735,538

20. Financial risk management

Exposure to interest rate, liquidity, and credit risk arises in the normal course of the Group's business. The Group does not hold or use derivative financial instruments. The Group's principal financial instruments comprise mainly of deposits with banks:

	2023	2022
	\$	\$
Cash and cash equivalents	252,712	799,313

The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

(a) Capital risk management

The Group's capital comprises share capital and reserves less accumulated losses. As at 31 December 2023, the Group has net assets of \$3,107,631 (2022:\$3,716,413). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing future capital needs include the cash position and future equity raising alternatives. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. The Board expects that, assuming no material adverse change in a combination of our sources of liquidity, present levels of liquidity will be adequate to meet expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables. As at 31 December 2023 any financial liabilities that are contractually maturing within 60 days have been disclosed as current.

Trade and other payables that have a deferred payment date of greater than 12 months have been disclosed as non-current.

(d) Foreign Currency Risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are \$xx (2022: \$13,078). The impact of 100 basis point movement Mongolian Tugriks (MNT) would be trivial to the statement of profit or loss and other comprehensive income.

(e) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

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20. Financial risk management (cont'd)

The Group's exposure to changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

	2023	2022
	\$	\$
Cash and cash equivalents	252,712	799,313

The impact of 100 basis point in interest rates would be trivial to the statement of profit or loss and other comprehensive income.

(f) Fair Value Measurement

The carrying value of Group's assets and liabilities approximate their fair value.

21. Foreign Currency Reserve

The purpose of the Foreign Currency Translation Reserve is to record movements in foreign currency transactions.

22. Events subsequent to reporting date

As announced to ASX on 2 January 2024, Doriemus PLC (DOR) (to be renamed Asian Battery Metals PLC), DOR and ABM have entered into a binding heads of agreement (HOA) for DOR to acquire 100% of the issued capital of ABM (Acquisition) for consideration securities.

If successful, the Acquisition will result in DOR increasing the scale of its operations and changing the focus of its oil and gas exploration activities from its current minority interests in onshore oil exploration fields in the UK to mineral exploration in Mongolia.

A summary of the material terms of the HOA is as follows:

- (a) The ABM major shareholders agree to sell all of their respective shares held in ABM, and DOR agrees to acquire those securities, on the terms and conditions set out in the HOA.
- (b) DOR agrees to make offers to acquire all of the shares in the capital of ABM held by the remaining ABM shareholders for the consideration apportioned between the respective remaining shareholders as set out in the HOA.
- (c) Completion of the Acquisition is subject to and conditional on the following conditions precedent:
 - (i) Completion of due diligence by DOR on ABM's business and operations, including its subsidiaries and the licences, to the satisfaction of DOR;
 - (ii) Completion of due diligence by ABM on DOR's business and operations, to the satisfaction of ABM;
 - (iii) ASX granting a waiver from ASX Listing Rule 2.1 condition 2 to allow the issue of CDIs pursuant to a \$6,000,000 capital raising at an issue price of less than 20 cents and a waiver from ASX Listing Rule 1.1 condition 12, to allow the consideration options and lead manager options to have an exercise price of less than 20 cents and ASX giving confirmation under Listing Rule 6.1 to allow the issue of performance rights;
 - (iv) DOR shareholders approving the transactions contemplated by the HOA, including:
 - A. issue of the lead manager options, performance rights, and consideration securities to the vendors and the disapplication of pre-emption rights, in accordance with the Companies Act 2006 (UK) and the ASX Listing Rules;
 - B. consolidation of DOR's issued share capital on a 43 for 50 basis (i.e. 43 securities for every 50 securities held); and
 - C. the adoption of new articles of association of DOR containing any amendments necessary to accommodate change to the ASX Listing Rules regarding escrow.

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23. Events subsequent to reporting date (continued)

- (v) DOR obtaining from ASX conditional approval to complete the Acquisition for reinstatement of its securities to official quotation subject to DOR's re-compliance with Chapters 1 and 2 of the ASX Listing Rules on terms and conditions reasonably acceptable to DOR, including:
 - A. Lodging a full form prospectus with ASIC, inclusive of all necessary independent technical reports; and
 - B. Receiving valid, binding, and irrevocable applications for a minimum of \$6,000,000 under the prospectus at an issue price of \$0.05 per CDI on a post-consolidation basis;
- (vi) the ABM vendors (or their respective nominee/s) entering into such restriction agreements with respect to the consideration securities as required by ASX;
- (vii) the parties obtaining all necessary third party consents and approvals necessary to lawfully complete the Acquisition;
- (viii) DOR obtaining confirmation from the UK Takeovers Panel that it is exempt from the Takeovers Code or DOR obtaining such other relief as is necessary under the Takeovers Code to lawfully complete the Acquisition;
- (ix) all of the ABM Remaining Shareholders accepting the offers (when made) in respect of 100% of their ABM shares;
- (x) DOR shareholders representing no less than 40% of the total number of DOR shares on issue immediately prior to Settlement entering into voluntary restriction deeds for the escrow of 50% of their DOR shares for a period of six (6) months from settlement and 50% of their DOR shares for a period of 12 months from settlement; and
- (xi) ABM completing a private short term debt financing of A\$300,000 from lenders at an interest rate of 10% per annum from draw down until repayment and repayable on the earlier of 31 May 2024 or settlement, unless otherwise agreed between ABM and the relevant lender (See Note 12),

If the conditions precedent are not satisfied (or waived in accordance with the HOA) by 31 March 2024, the date of lodgement of the prospectus (in the case of the Conditions Precedent relating to completion of due diligence), or 31 May 2024 (for the other Conditions Precedent), or such other date as DOR and ABM may agree in writing, the agreement constituted by the HOA will be at an end and the parties will be released from their obligations thereunder.

The consideration to the ABM vendors will consist of the CDIs and options (Consideration Securities). The Consideration Securities are to be issued at settlement to the recipients pro-rata to their ABM holdings at settlement.

DOR has paid ABM a \$100,000 deposit following execution of the HOA. The deposit is non-refundable other than where either or both of the conditions precedent in (c)(ii) or (c)(xi) above are not satisfied (or waived in a manner permitted by the HOA) on or before the relevant date or ABM or a ABM major shareholder breaches a material term of the HOA.

With effect from settlement, the ABM directors, Gan-Ochir Zunduisuren, David Paull, Neil Young and Kirsten Livermore, will be appointed as directors of DOR and the current DOR directors will resign.

Settlement will occur on the date which is 5 business days after satisfaction (or waiver, if permitted) of the conditions precedent (or such other date as agreed between the parties in writing).

The HOA otherwise contains representations, warranties and conditions considered standard for agreements of their nature.

**ASIAN BATTERY MINERALS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

DIRECTORS' DECLARATION

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

1. The financial statements and notes of the Group are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the period then ended; and
 - b. complying with Accounting Standards and Corporations Regulations 2001.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The financial statements and notes are in accordance with International Financial Standards issued by the International Accounting Standards Board.
4. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 31 December 2023.

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



**Gan-Ochir Zunduisuren
Managing Director
Mongolia**

15 March 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Asian Battery Minerals Ltd for the year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
15 March 2024

B G McVeigh
Partner

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INDEPENDENT AUDITOR'S REPORT

To the Members of Asian Battery Minerals Limited

Report on the Audit of the Financial Report*Opinion*

We have audited the financial report of Asian Battery Minerals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 auditor independence requirements of 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.2 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 and 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2024



B G McVeigh
Partner