BATTERY
MINERALS

Annual Report 2017

About Battery Minerals

Battery Minerals Limited, an ASX listed company (ASX:BAT) is a mining development and minerals exploration company dedicated to exploring for and developing mineral deposits in Mozambique.

The Company is maintaining a focus on its two graphite development assets, Montepuez and Balama, which are located in Mozambique. The projects are expected to come into production in late 2018 and 2021 respectively.

Contents

Corporate Directory

Directors

Jeff Dowling – Chairman

David Flanagan – Managing Director

Ivy Chen – Non Executive Director

Gilbert George – Non Executive Director

Brett Smith – Non Executive Director

Paul Glasson – Non Executive Director

Company Secretary

Tony Walsh

Jeff Dawkins

ABN and Registered Office

ABN 75 152 071 095

Ground Floor, 10 Ord Street

West Perth WA 6005

T: +61 8 6148 1000

W: www.batteryminerals.com

Australian Solicitors

DLA Piper Australia

Level 31, Central Park

152-158 St Georges Terrace

Perth WA 6000

Auditors

BDO (WA) Pty Ltd

38 Station Street

Subiaco WA 6008

Share Registry

Automic Registry Services

Office Address: Level 2, 267 St Georges Terrace, Perth, Western Australia 6000

Postal Address: PO BOX 2226, Strawberry Hills, New South Wales 2012

P: +61 (0)8 9324 2099

F: +61 (0)8 9321 2337

E: info@automic.com.au

W: www.automic.com.au

Bankers

Westpac Banking Corporation

123 St Georges Tce

Perth WA 6000

Stock Exchange

Australian Securities Exchange

ASX Code: **BAT**

Chairman's and Managing Director's Report

Battery Minerals is on track to commence graphite flake concentrate production from its Montepuez project, with first shipment of concentrate due in the March 2019 Quarter.

Dear Shareholder

During the last 18 months, Battery Minerals Limited ("Battery Minerals") has evolved into a significant ASX listed graphite development company with two world-class graphite projects in Mozambique, being Montepuez and Balama Central.

Operations

Battery Minerals is planning to commence graphite flake concentrate production from its Montepuez graphite project, with first shipment in the March 2019 Quarter, at export rates of 45,000 to 50,000tpa with an average flake concentrate grade of 96.7% TGC.

In December 2017 and January 2018, Battery Minerals signed four binding offtake agreements for up to 41,000tpa of graphite concentrate, representing over 80% of Montepuez's forecast annual production.

In March 2018, the Mozambican Government granted Battery Minerals a Mining Licence for its Montepuez graphite project and accepted the Company's EIA for the same project.

As Battery Minerals executes subsequent expansions, it expects production to grow to over 100,000tpa graphite flake concentrate from its Montepuez graphite project by 2020.

Battery Minerals has also recently announced the delivery of a scoping study on its Balama Central project which comprises a Stage 1 production rate of 55,000tpa and a Stage 2 rate of an additional ~55,000tpa for an aggregate of 110,000tpa. Balama Central is currently the subject of a feasibility study expected to be delivered by August 2018.

Combined with Montepuez and subject to continued positive economic, social and technical investigations, Balama Central provides scope for self-funded growth from a ~50,000tpa production-rate in 2019 to more than 200,000tpa in 2022. (For full details on the Scoping Study on the Balama Central Graphite Project, see ASX announcement dated 1st March 2018).

Governance

During the year, the Company appointed experienced China based Independent Non-Executive director, Mr. Paul Glasson. Mr. Glasson was re-elected at the Annual General Meeting in May 2017.

In January 2018, Battery Minerals announced that as part of ongoing transition and rapid growth to become a graphite production company, the Board appointed two new Independent Non-Executive Directors, Mr. Jeff Dowling and Ms. Ivy Chen. With Mr. David Flanagan moving from Executive Chairman to Managing Director and Ms. Cherie Leeden stepping down from the Board, Battery Minerals, has moved to a more a traditional governance structure in line with corporate governance best practice. Battery Minerals now has a majority of Independent Non-Executive Directors, with an Independent Non-Executive Chairman and one Executive Director, being the Managing Director, David Flanagan.

Co-founder, Cherie Leeden has moved to the role of Consultant, Business Development and Technology. The Board would like to thank Cherie for her fantastic service to the Company and the Board since listing.

The Board would like to thank shareholders for their continued support during the year and it looks forward to making every effort to grow shareholder wealth through the development of its world class graphite projects in Mozambique.

Jeff Dowling
Chairman

David Flanagan
Managing Director

Operations Update

Montepuez Graphite Project

Value engineering study highlights

- Key findings of the study include:
    - Capex US$42.3m
    - Opex US$422/t of graphite concentrate
    - Payback less than two years
- Ore Grade mined 12% total graphitic carbon (TGC)
- Initial flake production rate of 45-50ktpa
- Mine life greater than 10 + 10 years [1].
- Average concentrate grade of 96.7% TGC

1. Based on the Ore Reserve released to ASX on 15 Feb 2017 –First 10+ years at 12% TGC and next 10+ years at 7-8% TGC.

During the December 2017 Quarter, Battery Minerals reported that a value engineering study (VES) had been completed on its Montepuez Graphite Project in Mozambique optimising the Montepuez Definitive Feasibility Study (DFS), which was released in February 2017 (see ASX release dated 15 February 2017). The value engineering study found the project would enjoy extremely strong economics if a series of key operating changes were adopted. The VES found that the project's capital cost could be slashed from US$126M projected in the DFS to just US$42.3M and operating costs could be cut from US$422/t to US$337/t.

The substantial cost reductions reported in the VES stemmed from a combination of a staged production ramp-up, a smaller infrastructure footprint, a refined mine plan producing a higher head grade, adopting an owner-operator mining strategy, lower water consumption and increased recoveries supported by additional metallurgical and processing test work.

A summary of the key Montepuez Value Engineering Study (VES) findings (compared to the February 2017 DFS findings) are shown below:

	October 2017 VES	February 2017 DFS
LoM years	10 + 10 [(1)]	30
Annual concentrate production tonnes	45,000 - 50,000t pa	100,000t pa
Project payback period years	<2 years	4.75 years
Grade of graphite mined (TGC %)	12%	8.8%
OPEX [(2)]	US$337/t	US$422/t
CAPEX estimate (pre-production)	US$42.3 million	US$126 million
Average annual EBITDA [(3)]	>US$20 million	US$27 million
Ave Grade of graphite concentrate shipped (TGC %)	96.7%	96%

Notes to table

1. Based on the Ore Reserve released by the Company to ASX on 15 February 2017 – First 10+ years at 12% TGC and next 10+ years at 7-8% TGC
2. Total cash costs FOB Pemba – all site costs plus transport, excluding royalties. Shipping costs to China est. at US$90 -100/t
3. Company used US $798/t as a long-term basket price for its concentrate in the Feb 2017 DFS. Current Independent market commentators supported by our detailed market analysis indicates long term basket price in a range US $847-950/t. The Company continues to use conservative long-term pricing assumptions while pursuing operating costs in the lower quartile of global operations.

In *Development*

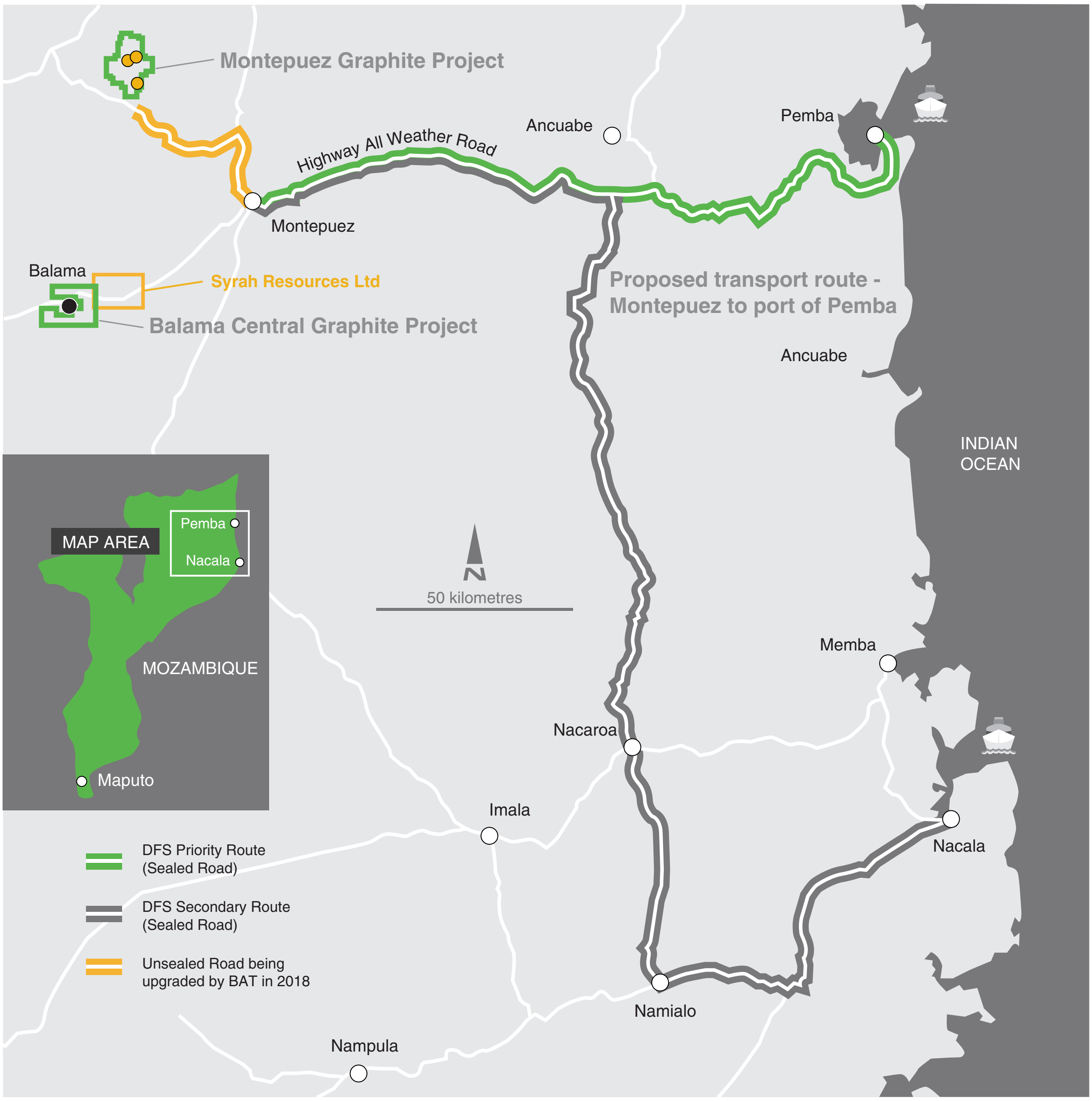


Figure 1: Montepuez Graphite Project - Mozambique Transport Route

Capitalising on *Experience*

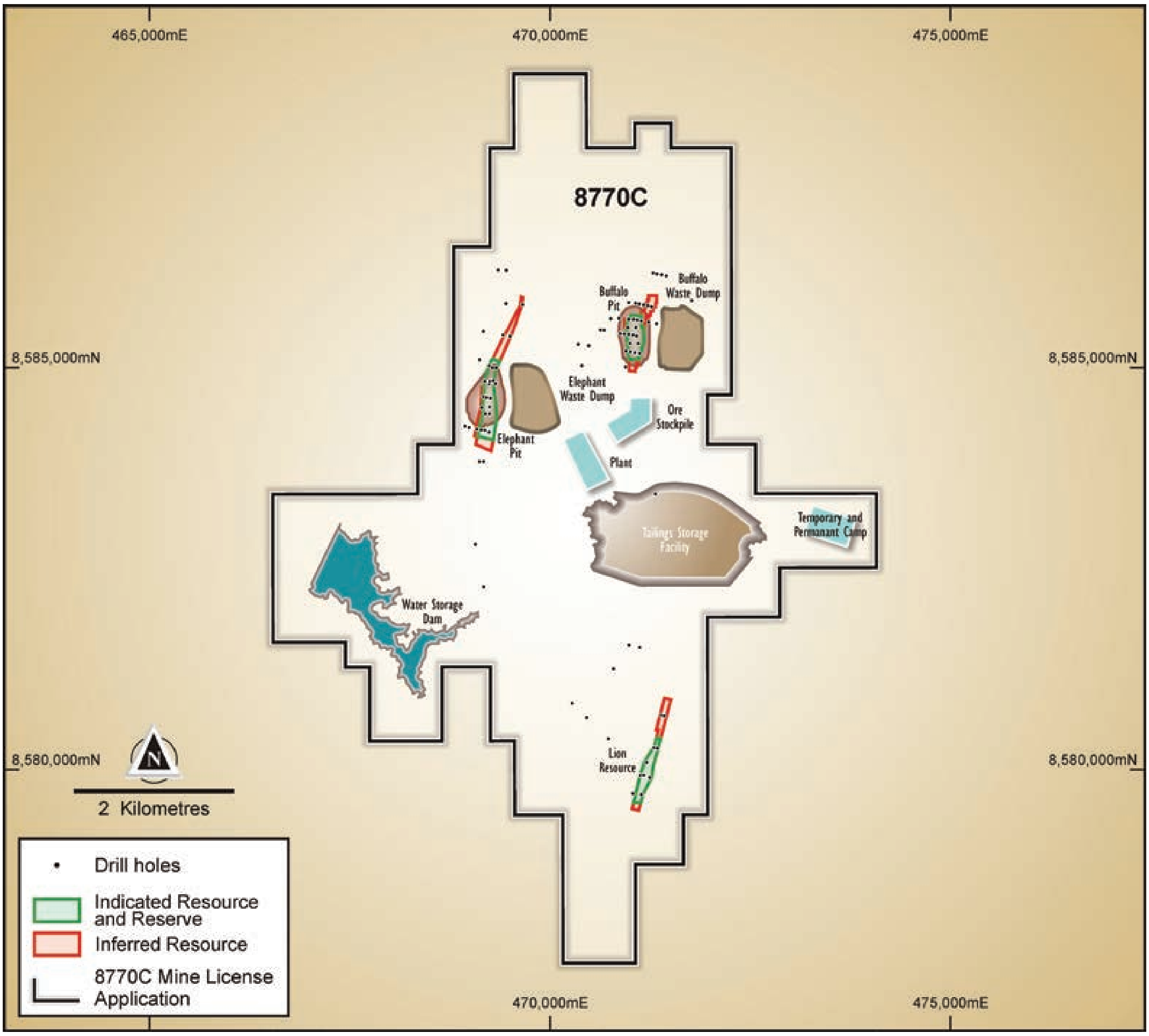


Figure 2: Montepuez Graphite Project DFS Mine Layout Elephant and Buffalo Pits

Montepuez Mine layout and design

The mine infrastructure items have been extensively and carefully designed to minimise environmental impact whilst maintaining efficient capital expenditure and ongoing life-of-mine operating costs. The processed tailings will be deposited in the Tailings Storage Facility (TSF) and process water will be recycled back into the processing plant for re-use. The TSF is expected to be centrally located adjacent to the processing plant. In the current model, lower grade stockpiles created during the mining of both Buffalo and Elephant in the first 10+ years will feed the plant for a further 10 years.

Montepuez Processing Facility

Under the VES, the Montepuez processing plant will initially process run of mine (ROM) ore at an average rate of ~500,000tpa at 12% TGC to produce 45,000 to 50,000 tonnes annually of dry graphite concentrate with an average grade of 96.7% TGC. The flowsheet has been developed based on the results of test work performed on representative samples. The Montepuez process flowsheet comprises:

- ROM pad, designated stockpile areas and ability to blend ore on pad or in ROM bin
- Primary jaw crusher and crushed ore stockpile (COS)
- Primary closed-circuit rod mill
- Rougher flotation
- Concentrate regrinding and concentrate cleaning
- Concentrate filtration
- Concentrate drying, screening, and bagging
- Tails thickening and disposal
- Water and Air services
- Reagents

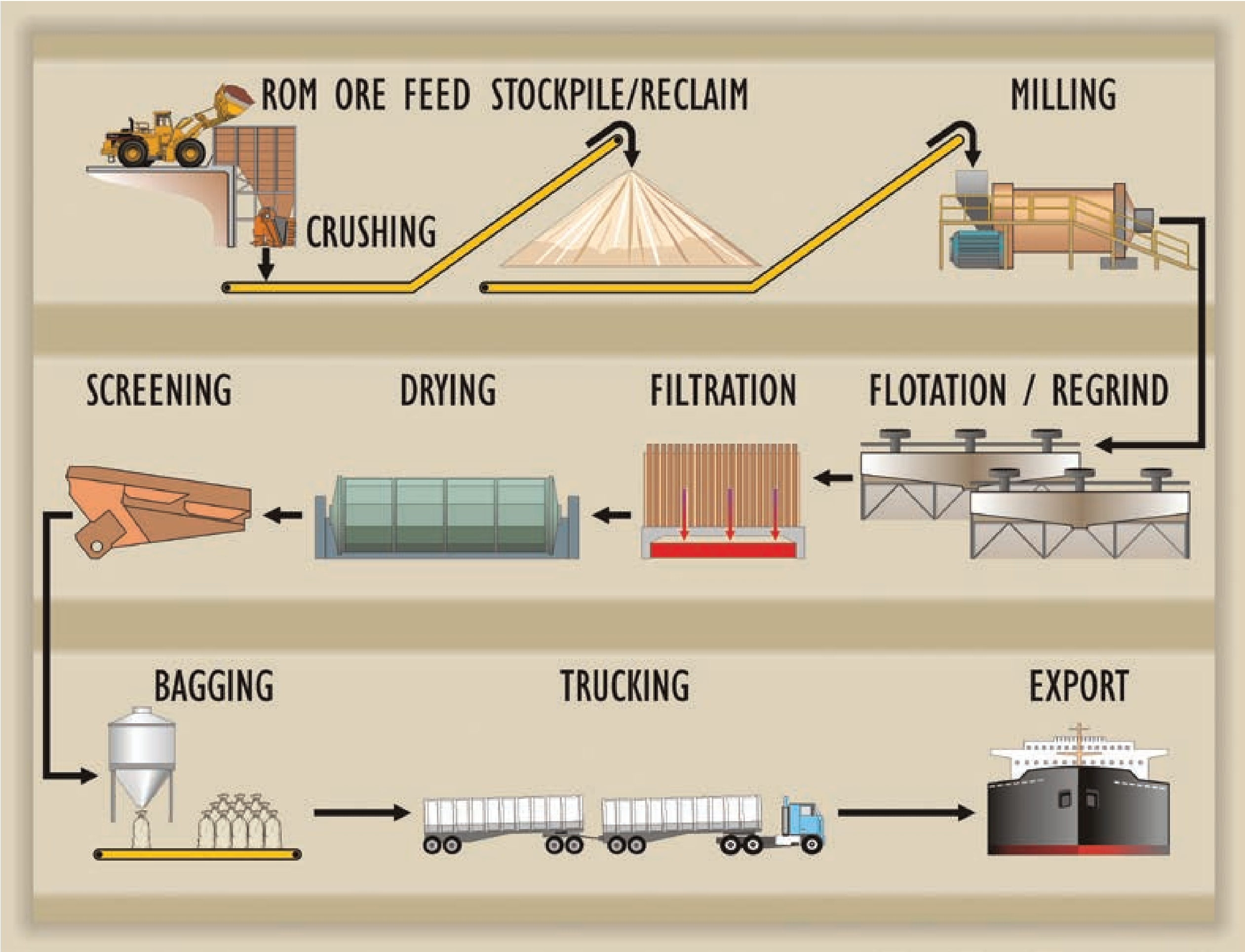


Figure 3: Montepuez Graphite Project Process Flowsheet and Transport

Development *Focus*

Montepuez CAPEX

Area	US$
Process Plant	20,869,000
Mining fleet and maintenance workshops	2,112,000
Camp infrastructure and fit-out	2,499,000
Tailings Storage Facility and other earthworks	2,751,000
Mine Offices and workshops	2,305,000
Owners costs	2,390,000
Pre-production Costs	4,488,000
Other	4,919,000
Total Capex	**42,333,000**

Montepuez OPEX

Area	US$ pa	US$/t
Mining	2,299,000	$46.32
Processing	6,370,000	$128.35
Maintenance	1,741,000	$35.07
G&A	3,235,000	$65.17
Logistics	3,070,000	$61.87
Total Operating Costs (excl. govt royalties) FOB Pemba	**$16,715,000**	**$336.78**

Note 1: Above table based on average blended ore of 45 to 50,000 tpa at 96.7% TGC production rate and ~1.1Mtpa mined and process run of mine (ROM) ore at an average rate of ~500,000tpa at 12% TGC

Montepuez Product size and specification

Montepuez Flake Graphite Concentrate Sizing				
Flake size	Flake size (mesh)	Flake size (micron)	% of concentrate	TGC grade
Fine	-100 Mesh	0 - 150	71.9%	97%
Medium	+100 Mesh	+150 -180	10.2%	96%
Large	+80 Mesh	+180 -300	13.5%	96%
Jumbo	+50 Mesh	+300	4.4%	96%

Montepuez Project Delivery Schedule

The Project Delivery Schedule for the Montepuez Mine & Concentrator is as follows:

	2017	2018				2019			
Activity	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Montepuez Graphite Mine									
Value Engineering Study completed	■								
Project Approvals	■	■							
Design	■	■							
Procurement		■	■						
Construction			■	■					
Commissioning					■				
Ramp Up					■	■			
Steady State Production and Shipping							■	■	■

Growing Community *Relationships*

Montepuez Development Update Highlights

In March 2018 Battery Minerals reported that it was well on track to produce graphite concentrate by Quarter 1 2019, with rapid progress being made on key construction items and supply contracts. Several long-lead items have been ordered, mining and civil equipment has already arrived onsite to build roads and prepare the camp accommodation and process plant areas. A temporary 70 man camp has been installed and the construction of the permanent 100 man accommodation camp has begun.

Mine Operations Manager Appointed

The appointment of Mine Operations Manager Dirk Coetzee, who has considerable graphite and Mozambique experience, will further assist in ensuring timely delivery of the projects.

Montepuez Project Crushing circuit being unloaded in Maputo

Access road upgrade as part of early earthworks contract prior to main camp installation at Montepuez Project


Fully installed temporary accommodation at Montepuez Project for advanced early earthworks team


Preparation of accommodation blocks at permanent camp

Montepuez Mining Licence Granted

Battery Minerals reported in late March 2018 that it had passed another major milestone in its path to becoming a significant graphite supplier with the Mozambican Government awarding the Mining Licence (called Concessão Mineira) for its Montepuez project. The Mining Licence was signed on behalf of the Government by Minister Ernesto Max Tonela.

With the Mining Licence granted, binding offtake agreements in place and work now having started on the ground, Montepuez is on track for commissioning in the December 2018 Quarter.

Summary of Montepuez Mineral Resources and Ore Reserves

Battery Minerals published Mineral Resources and Ore Reserves Estimations for the Montepuez Project on 15 February 2017 (For full details see ASX Announcement dated 15 February 2017).

Elephant Resource January 2017 @ 2.5% TGC cut off

Classification	Type	Elephant Mineral Resource				
		Tonnes	TGC	V2O5	Cont. Graphite	Cont. V2O5
		Mt	%	%	Mt	Kt
Indicated & Inferred	Weathered	7.80	7.70	0.19	0.60	15.00
	UnWeathered	59.40	7.50	0.19	4.50	114.00
	Total	**67.20**	**7.50**	**0.19**	**5.10**	**129.00**

Buffalo Resource December 2016 @ 2.5% TGC cut off

Classification	Type	Buffalo Mineral Resource December 2016				
		Tonnes	TGC	V2O5	Cont. Graphite	Cont. V2O5
		Mt	%	%	Mt	Kt
Indicated & Inferred	Weathered	5.20	8.14	0.22	0.40	11.30
	UnWeathered	33.50	7.90	0.21	2.60	70.90
	Total	**38.70**	**7.93**	**0.21**	**3**	**82**

Montepuez Graphite Project – Ore Reserve Statement @ 4% TGC cut-off - January 2017

Pits	Ore Type	Classification	Ore Reserve	TGC	Contained Graphite
			Mt	%	Mt
Buffalo & Elephant	Weathered	Proved	-	-	-
		Probable	8	8.5	0.68
	Fresh	Proved	-	-	-
		Probable	33.5	8.8	2.96
	Total	**Proved**	**-**	**-**	**-**
		Probable	**41.4**	**8.8**	**3.64**

Note: See ASX Announcement dated 15 February 2017 for full details and Competent Persons Statements.

Competent Persons Statement

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

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.

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.

The information in this Presentation that relates to Mineral Resources and Ore Reserves is extracted from the ASX Announcement titled 'Montepuez Graphite Project Mineral Resource and Ore Reserve Estimate' dated 15 February 2017 and DFS and PFS information is extracted from the ASX announcement entitled 'Lithium Ion Battery anode PFS and Montepuez Graphite DFS confirm robust economics' dated 15 February 2017, both of which are available at Battery Minerals website at http://www.batteryminerals.com.au in the ASX announcements page.

Battery Minerals confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. Battery Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Montepuez graphite project drilling results

Following drilling at Montepuez in the December 2017 Quarter, Battery Minerals reported in early April 2018 that new drilling results had highlighted the world-class quality of its Montepuez graphite project in Mozambique, with high-grade intersections of free-dig mineralisation from surface and some intersections recorded outside the current mine plan. This provides scope for further increases in the graphite inventory at Montepuez. The drilling programme, which was conducted at the Elephant deposit, comprised 240 holes for 4,968 metres drilled to refusal using blade RC aircore technique. The results include:

EL028A, 37 metres at 13.49% TGC from surface,
EL042A, 15 metres at 14.16% TGC from surface,
EL058A, 20 metres at 15.61%TGC from 2 metres,
EL078A, 24 metres at 16.07% TGC from surface,
EL137A, 21 metres at 16.7%TGC from 3 metres,
EL140A, 27 metres at 15.03% TGC from 3 metres and
EL165A, 16 metres at 15.78% TGC from surface

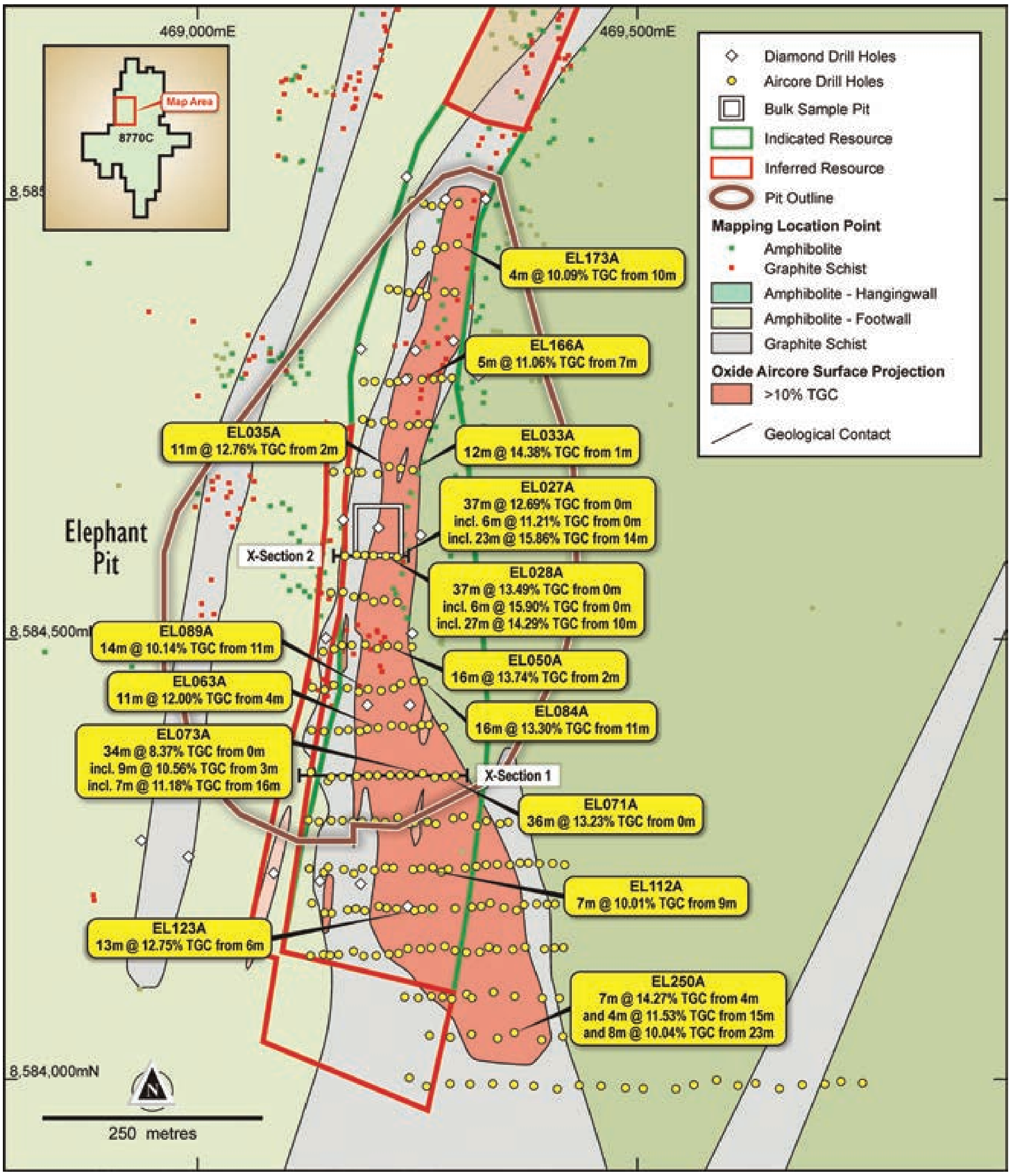


Figure 4: Montepuez Central Project Elephant Deposit Drill Collars and Geology

For full details on the Elephant deposit grade control programme, please see the ASX announcement dated 4 April 2018 (Note: The intercepts are set out in Appendix 2 – Significant drill hole intercept table and the collar details are set out in Appendix 3 – Elephant grade control drill hole collar table of the ASX announcement dated 4 April 2018).

Additional assay results are expected to be reported from drilling at the Buffalo deposit at Montepuez during the first half of 2018.

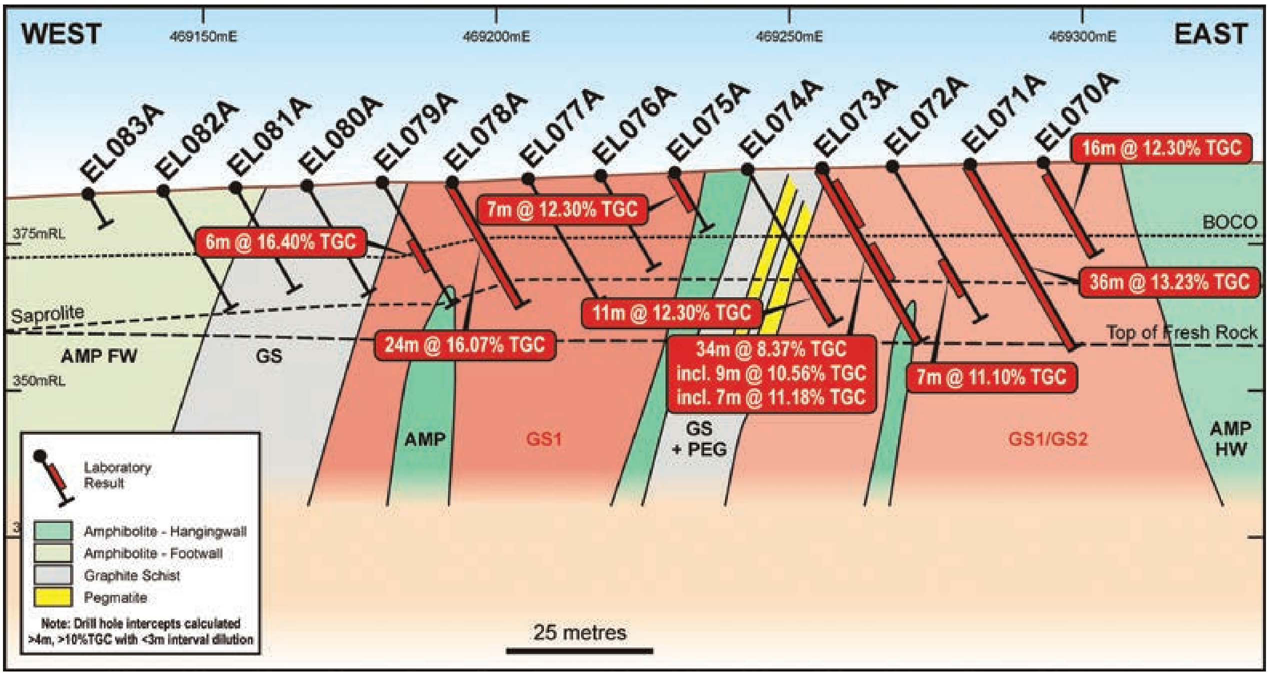


Figure 5: Montepuez Central Project Elephant Deposit Section 1 showing downhole significant total graphitic carbon percentages

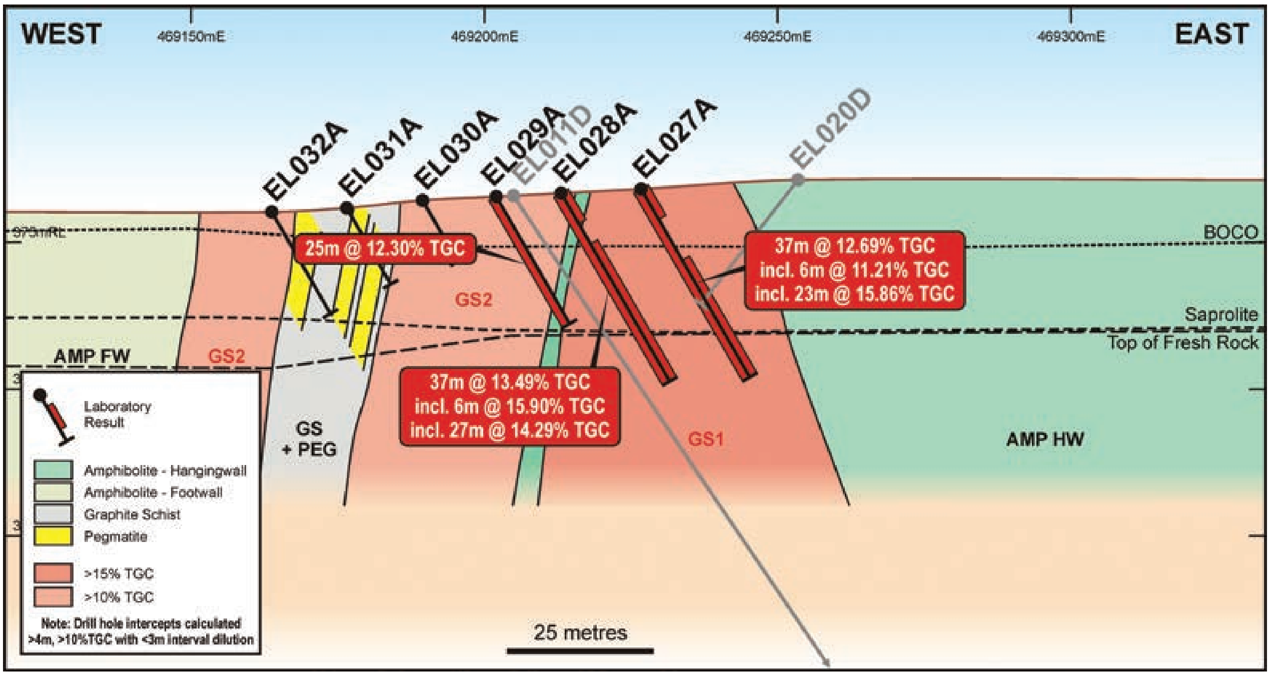


Figure 6: Montepuez Central Project Elephant Deposit Section 2 showing downhole significant total graphitic carbon percentages

The Buffalo and Lion deposits will also be subjected to the same infill grade control drilling to assist the Company in developing a detailed mine plan schedule. Drill results are expected by Quarter 3 2018.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr. Jason Livingstone, a Competent Person who is a member of both the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Jason Livingstone is a full-time employee of Battery Minerals Limited. Mr. Jason Livingstone has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Jason Livingstone consents to the inclusion of the matters based on his information in the form and context in which it appears.

Please see BAT 15 February 2017 and 29 March 2018 ASX announcements for full details and Competent Person Statements relating to Mineral Resources and Ore Reserves.

Balama Central Graphite Project

In March 2018, Battery Minerals reported it had completed a Scoping Study on the Company's Balama Central Graphite Project located in Mozambique. The Scoping Study describes a project with globally competitive, low operating costs and a high value concentrate with potential to deliver strong operating cashflows its mine life. (See 1 march 2018 ASX announcement for full details)

Highlights of Balama Central Scoping Study

- **Scoping study highlights the potential to generate significant financial returns from the Balama Central Graphite Project in Mozambique**
- **Key findings of the study include:**
    - **Capex* US$50m**
    - **Opex* US$372/t (includes blasting costs)**
    - **Payback less than 1.5 years ****
    - **Average Ore Grade – 10.6% total graphitic carbon (TGC)**
    - **Initial production rate 53,000 – 55,000tpa of graphite concentrate**
    - **Mine life of greater than 10 years based on Indicated Resources only**
    - **Concentrate grade 97% TGC**
    - **Concentrate recoveries of 93%**

* - See Appendix 2 of ASX Announcement dated 1 March 2018 for ranges used.
** - See Appendix 3 of ASX Announcement dated 1 March 2018 for sensitivity analysis.

The scoping study is an interim step towards completing a feasibility study which Battery Minerals expects to finish by August 2018. The scoping study targeted product specifications, operations costs, capital costs and a development strategy that would ideally complement the Company's other graphite development project, Montepuez. On completing this scoping study, the Company now has sufficient tonnes in the indicated resource category to support a highly commercial second mining operation at Balama Central.

A summary of the key Balama Central Scoping study findings are shown below:

	February 2018
LoM years	10 years
Annual concentrate production tonnes	55,000t pa
Project payback period years	<1.5 years
Grade of graphite mined (TGC %)	10.6%
OPEX [(1)]	US$372/t
CAPEX estimate (pre-production)	US$50 million
Ave Grade of graphite concentrate shipped (TGC %)	96-97%

4. Total cash costs FOB Pemba – all site costs plus transport, excluding royalties (see ranges used in Appendix 2)

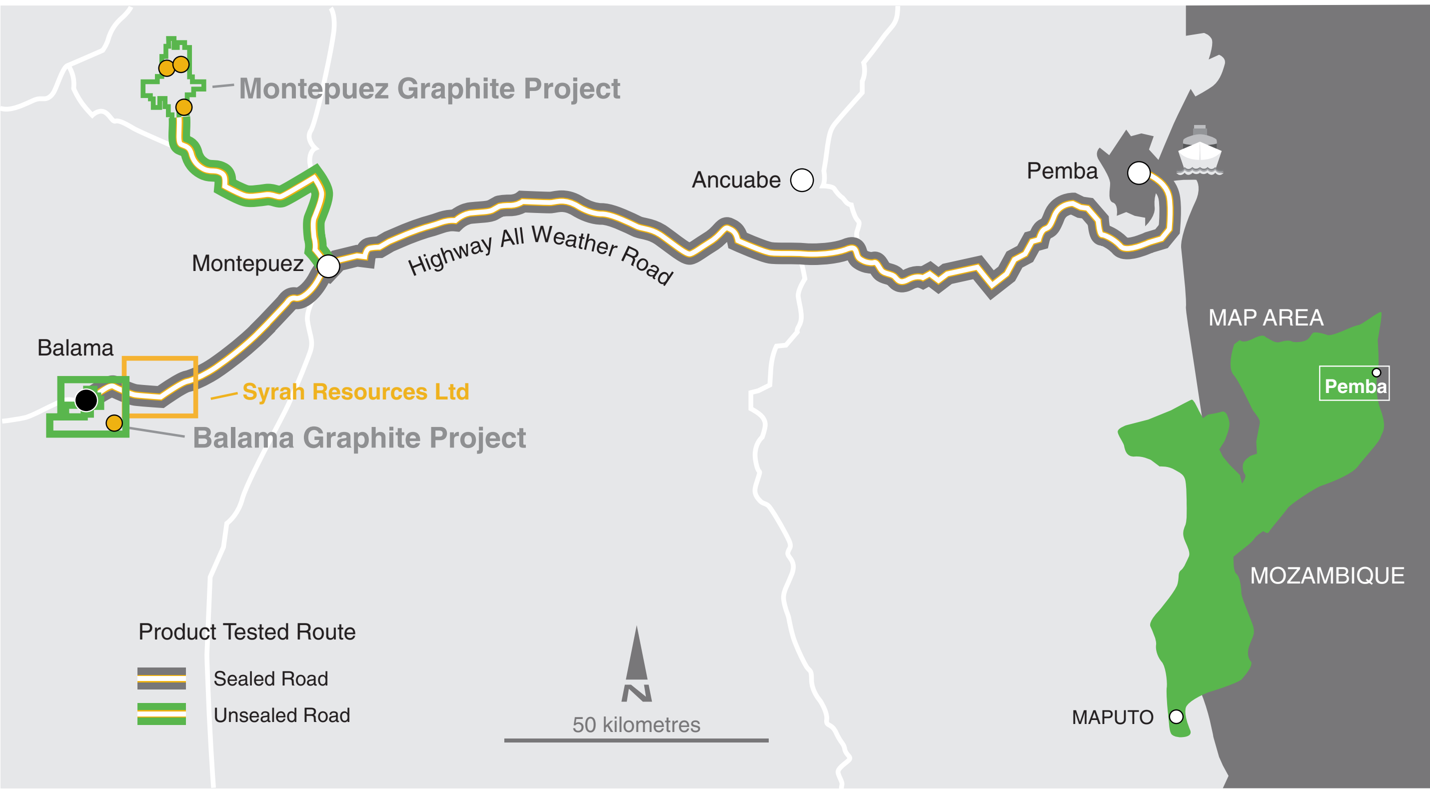


Figure 7: Balama Central Graphite Project - Mozambique Transport Route

The Scoping Study on the Balama Central Project is based on processing ~550,000t of ore at a grade of 10.6%TGC and producing 53,000 - 55,000t pa of graphite flake concentrate at up to 97% TGC. The objective of the Balama Central Scoping Study was to validate the decision to move into an immediate Feasibility Study, inclusive of environmental and mining concession applications, which is expected to be completed in August 2018.

Site preparation for permanent camp construction

Mine layout and design

The Scoping Study mine infrastructure has been designed to minimise environmental impact whilst maintaining efficient capital expenditure and ongoing life-of-mine operating costs. The processed tailings will be deposited in the TSF and process water will utilised from the mine dewatering into the process plant for re-use.

Production Target

The Scoping Study, proposes that the company will mine the Balama Central deposit at an average rate of ~550,000tpa at 10.6% TGC. It is proposed that 100% of this ore will be mined from the Indicated Resources. See Appendix 4 in the ASX announcement dated 1 March 2018 for details of the material modifying factors underpinning the production target.

Processing Facility

Under the Scoping Study, the Balama Central process plant will initially process run of mine (ROM) ore at an average rate of ~550,000tpa at 10.6% TGC to produce 53,000 to 55,000 tonnes annually of dry graphite concentrate with a grade of approximately 97% TGC. The flowsheet has been developed based on the results of test work performed on representative samples. The Balama Central process flowsheet is very similar to that of the Montepuez graphite project, it comprises:

- ROM pad, designated stockpile areas and ability to blend ore on pad or in ROM bin.
- Primary jaw crusher and crushed ore stockpile (COS)
- Primary closed-circuit mill.
- Rougher flotation.
- Concentrate regrinding and concentrate cleaning.
- Concentrate filtration.
- Concentrate drying, screening, and bagging.
- Tails thickening and disposal.

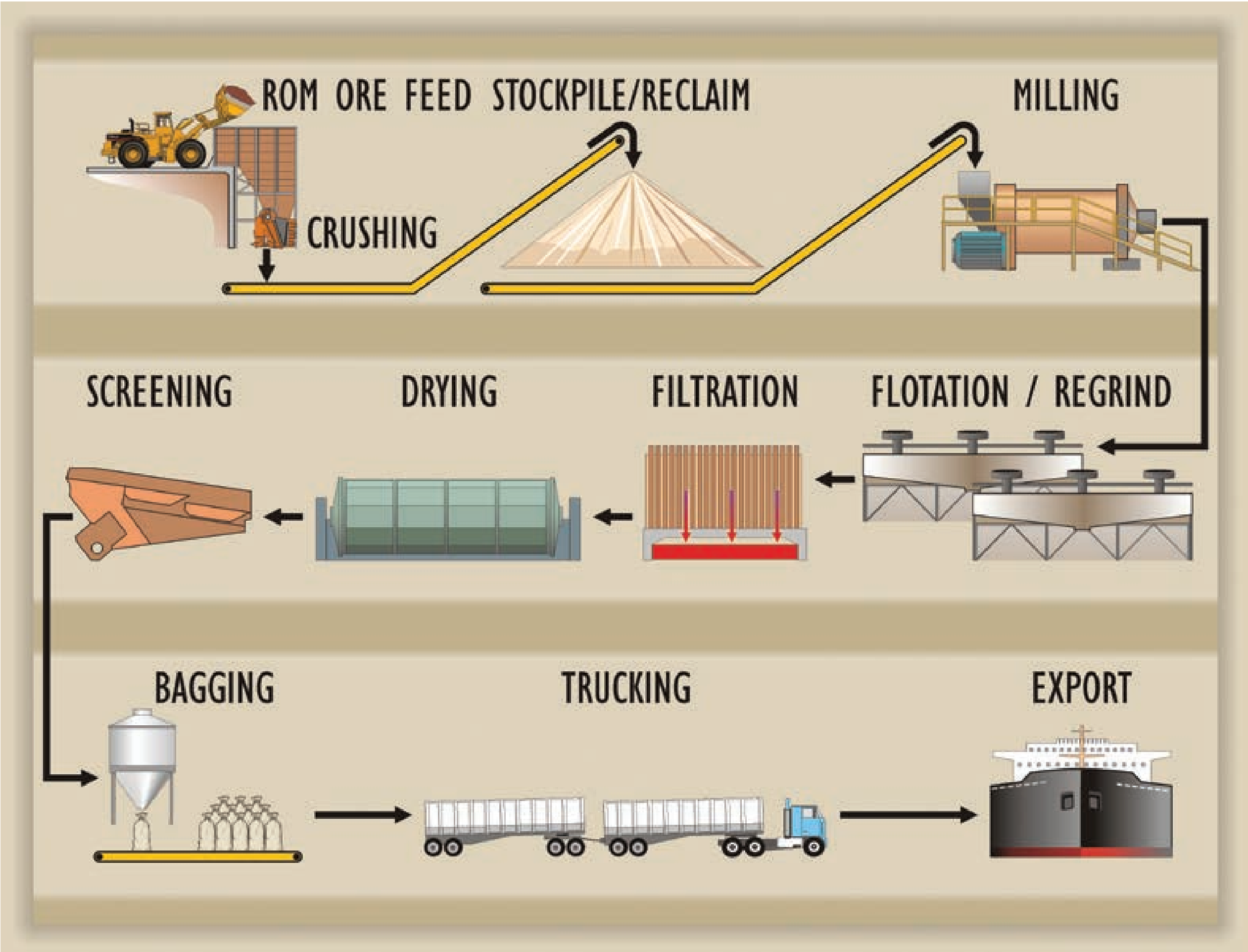


Figure 8: Balama Central Graphite Project Process Flowsheet and Transport

Balama Central CAPEX

CAPEX - AREA	US $mil Cost
Process Plant	$19.6
Mining fleet and maintenance workshops	$4.2
Camp infrastructure and fit-out	$2.8
Tailings Storage Facility and other earthworks	$4.6
Mine Offices and workshops	$2.4
Owners costs	$2.2
Pre-production Costs	$4.6
Other	$9.7
Total Capex	**$50.1**

Note 1: See Appendix 2 of 1 March 2018 announcement for ranges used

Balama Central OPEX

Area	Annual Cost US$mil	Unit Cost US$/t
Labour	4.6	82.88
Power	3.8	68.28
Reagents and Consumables	2.2	39.13
Maintenance Materials	0.7	12.71
General and Administration	2.3	40.99
Product Logistics	3.4	61.87
Mining and Earthworks (incl. Drill & Blast)	3.6	60.20
Total Opex FOB Pemba	**20.5**	**372.05**

Note 1: See Appendix 2 of 1 March 2018 announcement for ranges used

Balama Central Flake Structure

Flake size	Flake size (mesh)	Flake size (micron)	Product Size Split (%)
Fine	-100	-150	37%
Medium	+100-80	+150-180	9%
Large	+80 -50	+180 -300	25%
Jumbo	+50	+300	29%

Project Delivery Schedule

The Project Delivery Schedule for the Balama Central Mine in the scoping study is as follows:

	2018				2019				2020			
Balama Graphite Mine Activity	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Scoping Study Completed	■											
Feasibility Study	■	■										
Approvals and Community			■	■	■	■	■					
Design			■	■	■							
Procurement and Fabrication						■	■	■				
Construction									■	■		
Commissioning											■	
Ramp Up												■

Qualifications on the Balama Central Scoping Study

The following recommendations are made to provide additional confidence and add value to the development path for Balama.

1. Resource Development

Further resource development work at Balama Central should be scheduled and executed. The primary objective should be to prove up additional high grade material, which will have a direct impact on improving the returns on any operation over 600,000 t/y ore processed per annum. The secondary objective should be to increase the ore resource.

2. Metallurgical Testwork

Further metallurgical testwork campaigns should be completed to determine optimal conditions to maximise recovery and grade respectively and to better understand the impacts of the different ore lithologies on recovery and grade.

3. Feasibility Study

On completion of points 1 and 2 above a Feasibility Study should be completed to finalise to a more accurate level of confidence the development and operating costs of the Balama resource. The feasibility study should be done to an appropriate level of accuracy to support a reserve determination and mining license application.

4. Community

Due to the high density of community activities on the resource and license area, the ESIA process should be started as soon as possible to determine the process, impact and cost of transitioning the affected communities from the target mining areas to a mutually acceptable new location. This is a key risk area to project development and should not be ignored or underestimated.

5. Environmental Approval process

In the December 2017 Quarter, Battery Minerals commenced the environmental approvals process for its Balama Central graphite project.

As announced in October 2017, Battery Minerals plans to complete a feasibility study on its Balama Central graphite project in Quarter 3 2018 and will address the abovementioned five recommendations in the Balama Central feasibility study.

Mineral Resource Doubles at Balama Central Graphite Project

Battery Minerals reported in early April 2018 that its strategy to develop a second graphite project in Mozambique has taken a major step forward with total Mineral Resources doubling to 32.9 million tonnes at 10.2 per cent TGC following 1,600m of diamond drilling. As part of the Mineral Resource, Indicated Mineral Resources have almost tripled to 26.6Mt at 10.3 per cent TGC. This grade is up from 9.3 per cent in the previous Resource estimate. The Mineral Resource was estimated by independent mining consultants, RPMGlobal Holdings Limited ("RPM").

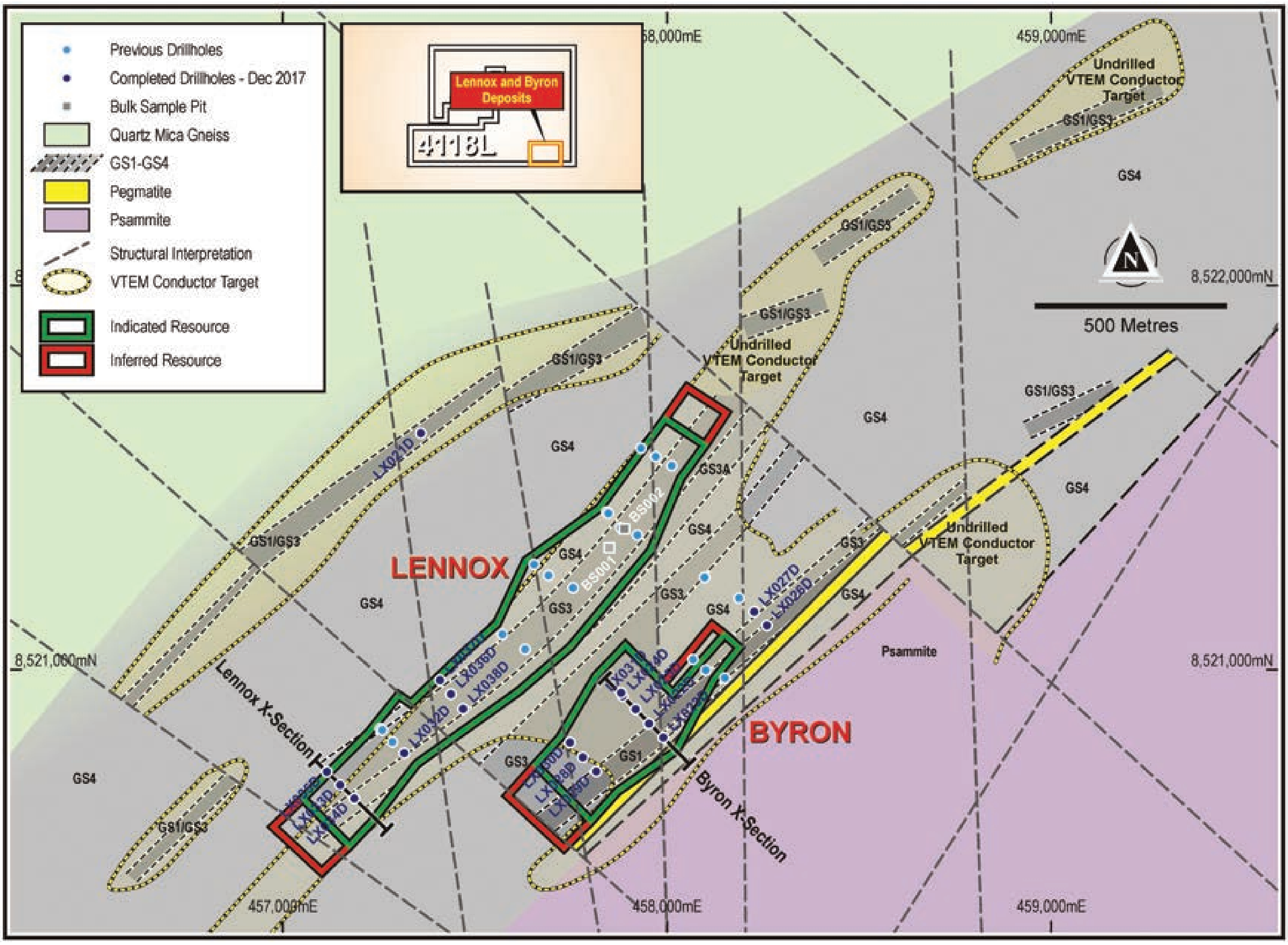


Figure 9: Balama Central Graphite Project - Lennox and Byron Resources Geology

Development *Focus*

Balama Graphite Project
March 2018 Mineral Resource Estimate (6% TGC Cut-off)

Type	Indicated Mineral Resource		
	Tonnage	TGC	Cont. Graphite
	Mt	%	kt
Weathered	6.0	10.7	644
Primary	20.6	10.1	2,089
Total	**26.6**	**10.3**	**2,733**

Type	Inferred Mineral Resource		
	Tonnage	TGC	Cont. Graphite
	Mt	%	kt
Weathered	1.3	10.7	142
Primary	4.9	9.8	482
Total	**6.3**	**10.0**	**624**

Type	Total Mineral Resource		
	Tonnage	TGC	Cont. Graphite
	Mt	%	kt
Weathered	7.3	10.7	786
Primary	25.6	10.1	2,571
Total	**32.9**	**10.2**	**3,357**

Notes:

1. Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.
2. Product flake sizes, concentrate grades and recoveries for the Mineral Resource are tabulated in the table below.
2. The Statement of Estimates of Mineral Resources has been compiled by Mr. Shaun Searle who is an associate of RPMGlobal and a Member of the AIG. Mr. Searle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code (2012).
4. All Mineral Resources figures reported in the table above represent estimates at 29th March 2018. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
5. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
6. Reporting cut-off grade selected based on an RPMGlobal cut-off calculator assuming an open pit mining method, a 90% metallurgical recovery for graphitic carbon and costs and product sales prices derived from the March 2018 Balama Scoping Study.
7. TGC = total graphitic carbon.

Competent Person's Statement

The Statement of Estimates of Mineral Resources has been compiled by Mr. Shaun Searle who is an associate of RPM Global and a Member of the AIG. Mr. Searle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code (2012). Mr Searle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

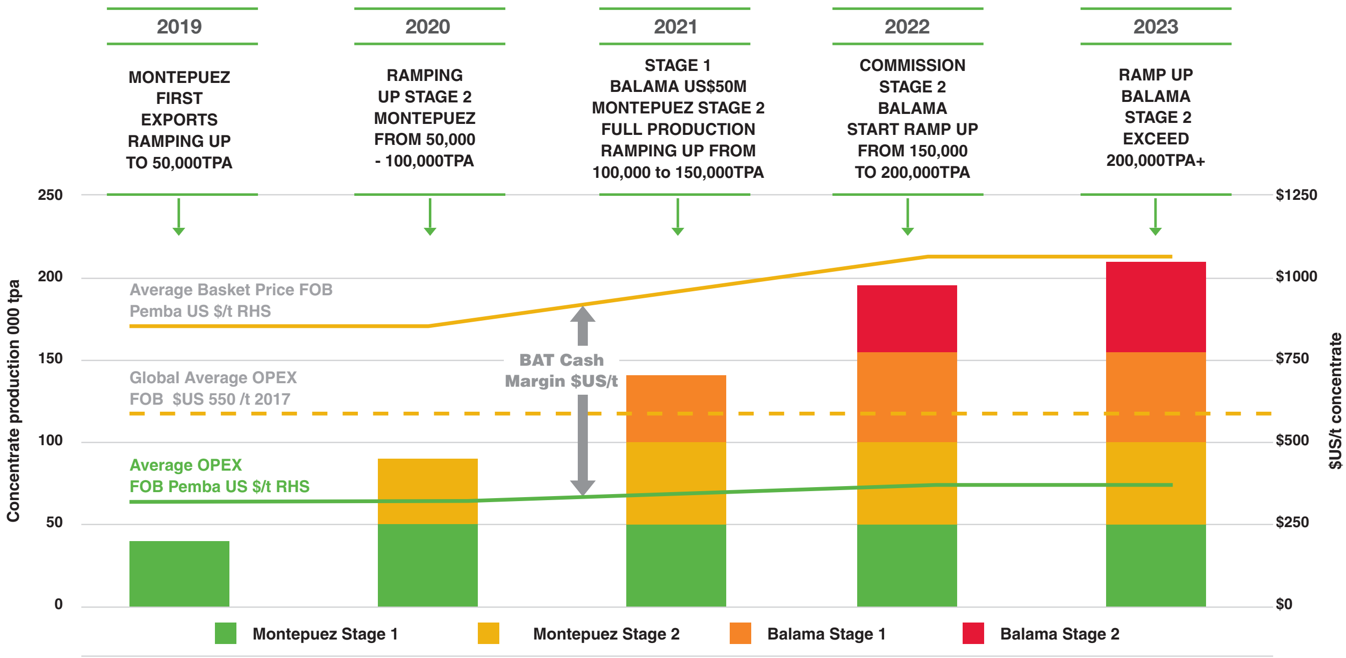
Statements and material contained in this document, particularly those regarding possible or assumed future performance, resources or potential growth of Battery Minerals Limited, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events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

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

Note: The results Balama Central Scoping Study were released on 1 March 2018. These releases are available on Battery Minerals' website & on ASX.

Project Growth

Production growth profile resulting from the recently disclosed Montepuez VES and the Balama Scoping Study reports (all US Dollars)



Note: Battery Minerals released the results of a DFS on its Montepuez Project on 15 Feb 2017 and its Value Engineering Study results for Montepuez on 18 Oct 2017. The results Balama Central Scoping Study were released on 1 March 2018. These releases are available on Battery Minerals' website & on ASX.

Montepuez & Balama Central Projects and Vanadium

Battery Minerals has disclosed comprehensive Mineral Resource estimates for the Montepuez and Balama Central Projects (see 15 February 2017 and 29 March 2018 ASX announcements for full details and Competent Person Statements). These Mineral Resource estimates included 0.28Mt of total contained V2O5. In the processing flowsheets being implemented for the Montepuez Project and contemplated for the Balama Central feasibility study, the graphite is recovered and all V2O5 reports to tailings. Both projects present a potentially significant upside commercial opportunity in the absence of any value currently attributed to the vanadium.

In response to customer interest, Battery Minerals has started test work to scope potential recovery of a saleable V2O5 concentrate from these tailings. The Company will keep the market informed as results of the test work comes to hand.

Building *Relationships*

Offtake and product marketing

Offtake

In December 2017 and January 2018 Battery Minerals announced that it is moving rapidly towards development and production at its Montepuez graphite project in Mozambique, signing four binding offtake agreements summarised in the table below:

Date	Customer and nature of agreement	Tonnes contracted and period
Jan 2018	Black Dragon - Binding offtake agreement	10,000tpa for 3 years
Jan 2018	Keshuo - Binding offtake agreement	10,000tpa for 3 years
Jan 2018	GEM - Binding offtake agreement	10,000tpa for 3 years
Dec 2017	Urbix - Binding offtake term sheet	up to 11,000tpa** for 3 years
	TOTAL OFFTAKE SIGNED TO DATE	41,000tpa
	TOTAL % OF 2019 PRODUCTION*	100%
	TOTAL % OF 2020 AND 2021 PRODUCTION*	82%

Background Information on Offtake partners

Keshuo

Qingdao Keshuo New Materials Technology Co., Ltd ("Keshuo") is a privately-owned company based in Shandong, China, and is a specialized spherical graphite and anode production company in. Utilising it's own IP technology it produces a range of high quality spherical graphite products for anode customers, in addition to their own anode materials for China 's major lithium ion battery manufacturers. Keshuo will supply 30,000 tonnes of spherical graphite and 30,000 tonnes of anode products in 2018, growing to 50,000 tonnes per annum of each in 2019. Keshuo is also an important supplier to international markets.

Black Dragon

Qingdao Black Dragon Graphite Co. Ltd is a privately-owned company based in Shandong China, and is one of the China's largest consolidated graphite companies. Established in 1987 Black Dragon has four mining operations in both Heilongjiang and Shandong producing 50,000 tons of concentrate per year. It also produces over 300 specifications of various downstream graphite products and is one of the few companies in China which has the complete industry value chain of mining, concentrate production, coated spherical graphite, expandable, graphite paper and a range of other high value products delivered to first tier global companies.

GEM

Qingdao Guangxing Electronic Materials Co. Ltd ("GEM") is a privately-owned company based in Shandong in China and is one of China's largest graphite players. It has a long history with extensive expertise in the mining of natural graphite and production of graphite flake concentrate, high purity graphite, high carbon graphite, expandable graphite and spherical graphite production. GEM's concentrate output in 2017 was more than 40,000 tons. For many years, GEM has supplied a large volume of spherical graphite to anode producers globally. GEM has a widely developed network both domestically and internationally.

Urbix

Urbix Resources LLC (Urbix) is a privately-owned company based in Arizona, USA. Urbix Resources creates radical change in the way natural graphite is refined and commercialized. Urbix specializes in all aspects of the graphite value chain, and is a premier provider of refined graphite powders, pristine graphene, "graphenesque" products, expanded graphite, and specialty graphite products. Urbix advanced technology includes unique environmentally/cost conscious purification methods and significant intellectual property developments in a wide range of applications including proprietary li-ion battery cells, graphene products, cements, and other composites and energy storage materials. Urbix's state-of-the-art laboratory is located in Mesa, Arizona with commercial milling operations outside Hermosillo, Sonora MX.

Memorandum of Understanding ("MoU")

Battery Minerals signs MoU with leading Japanese flake and spherical graphite trader and producer, MEIWA Corporation

In October 2017 Battery Minerals announced that it had signed a non-binding Memorandum of Understanding ("MoU") with Meiwa Corporation, a Tokyo Stock Exchange listed Japanese public corporation with extensive expertise in marketing graphite flake concentrate and purified spherical graphite across Asia. The non-binding and non-exclusive MoU establishes a framework for cooperation in the following areas:

- Developing and executing a product marketing strategy in which Battery Minerals will supply Meiwa with graphite flake concentrate.
- The parties will engage in good faith commercial negotiations in relation to graphite sales, including off-take and other sales arrangements.
- the terms of cooperation include the provision of samples, technical data and the establishment of a technical understanding of Meiwa's customer's product requirements.

Background on Meiwa

Meiwa Corporation is a Tokyo Stock Exchange listed Japanese public corporation with extensive expertise in marketing graphite flake concentrate and purified spherical graphite ("PSG") in Japan and throughout Asia. Meiwa has a comprehensive marketing network and a joint venture PSG processing plant in China. Meiwa has tested Battery Minerals' flake concentrate and PSG, and these tests have indicated there is potential to develop a market for anode material products for Lithium Ion Batteries and other end uses, due to the characteristics of Battery Minerals' products. Meiwa Corporation has extensive experience in the graphite and anode materials market, and over the past 70 years.

Financial Report

Contents

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 2017.

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	Managing Director	11 October 2016	-
Cherie Leeden	Executive Director	19 July 2013	25 January 2018
Gilbert George	Non-Executive Director	1 August 2012	-
Brett Smith	Non-Executive Director	1 August 2012	-
Paul Glasson	Non-Executive Director	19 April 2017	-
Ivy Chen	Non-Executive Director	25 January 2018	-
Jeff Dowling	Non-Executive Chairman	25 January 2018	-

Dividends

No dividends were paid during the year (31 December 2016: Nil).

Principal Activities

The principal continuing activities of the Group comprised of

- completion of a definitive feasibility study of the Montepuez Graphite Mine in February 2017, value engineering study in October 2017 on the Montepuez Graphite Mine in Mozambique;
- building relationships with potential customers and entering into sales arrangements with customers;
- completion of a concept study on the Balama Graphite Project in October 2017 and commencing a feasibility study for delivery in mid 2018

Review of Operations

The Company has had another significant year as it continues to rapidly progress towards the development of its 100% owned Montepuez Graphite Project.

In February 2017, the Company released a definitive feasibility study ("DFS") on the Montepuez Graphite Project ("Project" or ("Montepuez Project") demonstrating the project to have extremely robust economics at an annual production rate of 100,000 tonnes of graphite concentrate per annum.

In March 2017, the company appointed David Flanagan as it Executive Chairman.

On the 18th October 2017, the Company announced the completion of a Value Engineering Study ("VES") which showed that by adopting key changes to the assumptions and parametres applied in the DFS, the Montepuez Project could be developed on a staged production basis with even better economics than shown by the DFS. The VES found that under a 50,000 tonne per annum concentrate production scenario, the capital costs could be slashed from US$126m under the DFS to US$42m whilst the operating costs could be reduced from US$422/t to just US$337/t.

Directors’ Report (continued)

The Company entered into several binding offtake agreements in December 2017 and January 2018. In November 2017 successfully raised AU$20m in an oversubscribed equity capital raising to underpin the construction of the Montepuez project.

During 2017, the Company has also been progressing towards the development of its second graphite project, the Balama Graphite Project and in November 2017, begun a drilling program to support a definitive feasibility study.

The Company is pleased to report that the progress of the Montepuez Project is going extremely well and since the end of the 2017 year, the Company has undertaken an infill drilling program, entered into four binding offtake agreements, placed orders for all of the long lead plant items and recruited many of the key roles required to take the Project through construction and into production, which is now forecast to begin in the first quarter of 2019.

The Company’s longer term growth strategy is a staged development of the Montepuez and Balama projects in the next five years and grow production to 200,000 tonnes of graphite concentrate per annum.

Significant Changes in State Of Affairs

Other than as outlined above, there were no significant changes in the state of affairs of the Group during the year ended 31 December 2017.

Likely Developments and Expected Results of Operations

The objective and likely developments will be to progress towards development of the Montepuez graphite project and accelerate the feasibility study of its Balama Graphite Project.

The Company will continue to build its operational team and systems and processes to become a production company.

The Group will continue to promote the development of its projects and ensure all activities are carried out in a transparent and responsible way, which contributes to the well-being of local communities in addition to increasing Shareholder value.

Directors' Report (continued)

After Reporting Date Events

On 11 January 2018 Battery Minerals entered into a binding term sheet with Trek Metals Limited ("Trek") to sell Trek 100% of the Kroussou Zinc-Lead Project for consideration of

- US200,000 cash; and
- US$200,000 of TKM Shares ("Purchase Shares"); and
- 1 option for every Purchase Consideration shares issued with an exercise price of $0.10; and
- Deferred consideration of US$2.5m worth of Trek shares on Trek confirming an Indicated Resource of more than 250,000 tonnes of Zn/Pb metal ("Deferred Consideration Shares"); and
- 1 option for every 2 Deferred Consideration Shares issued with a exercise price of 150% of the 5 day VWAP; and
- A 2.5% net smelter royalty.

The sale transaction is subject to the satisfaction of a due diligence process with completion expected by end of March 2018. The agreement, once finalised will supersede the farm in agreement announced on 2 November 2016.

On 12 January 2018 Battery Minerals announced successful completion of Tranche 2 funding, raising an additional $13.4M before costs.

On 18, 19 & 20 January Battery Minerals announced it had signed binding offtake agreements with Qingdao Guangxing Electronic Materials Co. Ltd (GEM), Qingdao Black Dragon Graphite Co Ltd (Black Dragon) and Qingdao Keshuo New Materials Technology Co. Ltd (Keshuo).

On 25 January 2018 Mr Jeff Dowling was appointed Non-Executive Chairman and Ms Ivy Chen was appointed Non-Executive Director. Executive Director Cherie Leeden resigned on the same day 25 January 2018.

On 26 March 2018, the Company announced that the Mozambican Government had awarded the Mining Licence for its Montepuez Graphite Project.

With the exception of the above, there are no material events that have occurred that would require disclosure.

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 the shareholders, employees and suppliers. The Group's exploration activities are currently regulated by significant environmental regulation under laws of the Commonwealth and states and territories of Australia, Mozambique & Gabon. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Company is in compliance with the National Greenhouse and Energy Reporting Act 2007.

The Directors are mindful of the regulatory regime in relation to the impact of the organisational activities on the environment.

There have been no known breaches by the Group during the year.

Directors' Report (continued)

Information on Directors

Jeff Dowling (appointed 25 January 2018)	Chairman
Qualifications	Bachelor of Commerce from the University of Western Australia and is a fellow of the Institute of Chartered Accountants, the Australian Institute of Company Directors and the Financial Services Institute of Australasia
Experience	Jeff is a proficient corporate leader with 37 years' experience in the professional services with Ernst & Young. Jeff has held numerous leadership roles within Ernst & Young including at national level being a member of the executive management team and a Board Member. Jeff's professional expertise centres around audit, risk and financial acumen derived from acting as lead partner on large public company audits, capital raisings and corporate transactions principally in the resources, retail and insurance industries. Jeff's career with Ernst & Young culminated in his appointment as Managing Partner of the Ernst & Young Western Region for a period of 5 years. Jeff also led Ernst & Young's Oceania China Business Group, Ernst & Young's management including at national level, and was responsible for building Ernst & Young's Oceania relationships with Chinese Corporations.
Current Directorships	Non-Executive Chairman, S2 Resources Limited Non-Executive Director, NRW Holdings Limited Non-Executive Director, Fleetwood Corporation Ltd
Former directorships in last 3 years	Chairman, Sirius Resources NL (Resigned 23 September 2015) Chairman, Pura Vida Energy NL (Resigned 16 May 2016) Non-Executive Director, Atlas Iron Limited (Resigned 4 May 2016)
Number of shares held	400,000 (as at 31 December 2017)
Number of options held	Nil

David Flanagan (appointed 11 October 2016)	Managing Director
Qualifications	BSc, WASM, MAusIMM, FAICD
Experience	Mr Flanagan is a geologist with more than 25 years' experience in the mining and mineral exploration industry in Australia, Indonesia and Africa. Mr Flanagan was the founding Managing Director at Atlas Iron. During his tenure at Atlas Iron he oversaw its growth from a junior exploration company, to an ASX top 100 listed iron ore exporter, and the operator of three iron mines producing at a rate of 12Mtpa. Mr Flanagan is the Chancellor of Murdoch University, and during 2014 was named Western Australian of the Year.
Current Directorships	Non-Executive Director, Northern Star Resources Limited (Appointed 1 September 2016)
Former directorships in last 3 years	Non-executive Chairman, Atlas Iron Limited (Resigned 11 June 2015) Managing Director, Atlas Iron Limited (Resigned 28 June 2016)
Number of shares held	1,561,111 (as at 31 December 2017)
Number of options held	5,000,000 unlisted options (0.10, 23/12/2021) 5,000,000 unlisted options (0.15, 23/12/2021) 5,000,000 unlisted options (0.20, 23/12/2021) 5,000,000 unlisted options (0.25, 23/12/2021) 10,000,000 unlisted options (0.941 26/05/2022)

Directors' Report (continued)

Information on Directors (cont'd)

Cherie Leeden Executive Director – Technology and Business Development
(appointed 19 July 2013)
(resigned 25 January 2018)

Qualifications: BSc Applied Geology (Hons)

Experience: Ms Leeden is a member of the Australian Institute of Geoscientists. Ms Leeden has been involved in mining and exploration for the past 15 years and was responsible for pegging the Company's Montepuez graphite project in Mozambique. Ms Leeden has developed significant knowledge in the last three years in the battery minerals space.

Current Directorships: Nil

Former directorships in last 3 years: Nil

Number of shares held: 4,658,964 (as at 31 December 2017)

Number of options held:
1,000,000 unlisted ($0.26, 4/02/2018).
10,000,000 unlisted ($0.15, 23/12/2021).
3,500,000 performance rights
5,000,000 unlisted ($0.20, 21 June 2022)

Gilbert George Non-Executive Director (previously Non-Executive Chairman up to 11 October 2016)
(appointed 1 August 2012)

Qualifications: BSc (Hons) MEc

Experience: With a Masters Degree in Economics from a prestigious Japanese university, Gilbert has a wide range of experience in international business development and management. In addition to exceptional business credentials he has worked hard for the charities sector including Anglicare, as well as supporting music, art, theatre and film promoting up-and-coming new talent.

Formerly a senior bilingual Australian embassy official in Tokyo, he established his own business development consultancy in 1988. He is the principal of Gilbert George & Associates Pty Ltd which has provided strategic advice to companies in Australia, Africa, Japan, the US and Europe and been involved in over $950 million of new investment in Australia, in the resource, IT, food processing and service sectors. Resource experience includes Iron, Gold, Manganese, oil and heavy mineral sands.

He was formerly a director of Tokyo Gas Australia and Tokyo Electric Australia and has been a long standing member of the Australia Japan Business Co-operation Committee.

Current directorships: Nil

Former directorships in last 3 years: Nil

Number of shares held: 6,698,656 (as at 31 December 2017)

Number of options held:
3,000,000 unlisted (0.15, 23/12/2021)
1,000,000 unlisted (0.092, 30/05/2020)

Brett Smith Non-Executive Director
(appointed 1 August 2012)

Qualifications: BSc (Hons), MAUSIMM MAIG

Experience: Brett Smith has acquired over 20+ years of experience in the mining and exploration industry as a geologist, manager, consultant and director. His industry experience is broad, dominated by exploration and resource definition.

Current Directorships:
Managing Director, Corazon Mining Limited
Non-Executive Director, Pacific Bauxite Limited

Former directorships in last 3 years: Executive Director, Cauldron Energy Limited (Resigned 23 June 2015)

Number of shares held: 478,522 (as at 31 December 2017)

Number of options held:
3,000,000 unlisted (0.15, 23/12/2021)
1,000,000 unlisted (0.092, 30/05/2020)

Directors' Report (continued)

Information on Directors (cont'd)

Paul Glasson (appointed 19 April 2017)	Non-Executive Director
Qualifications	BSc La Trobe University, Melbourne, Australia
Experience	Mr Glasson is a highly regarded China strategy specialist. He has lived in Shanghai for the past 20 years and is currently Executive Chairman of Satori Investments, a China focused investment advisory and private equity firm. He is a board member of the Australian China Chamber of Commerce (Shanghai) and Life Member of the Australia China Business Council. Paul is well known as a foremost expert on Chinese outbound investment, having been recognised with Deal of the Year by Mines and Money in 2014 for his origination and lead on the Baosteel-Aurizon on-market hostile takeover of Aquila, as well as being Young Leader of Asia by the Boao Forum for three years. He was also the Australia China Business Council's key proponent in engaging with key Chinese government and enterprise from 2008-2014
Current Directorships	Nil
Former directorships in last 3 years	Nil
Number of shares held	Nil (as at 31 December 2017)
Number of options held	3,000,000

Ivy Chen (appointed 25 January 2018)	Non-Executive Director
Qualifications	BSc (Geology), MAUSIMMM AICD
Experience	Ivy is a corporate governance specialist with more than 30 years' experience in mining and resource estimation. She served as the national geology and mining adviser for the Australian Securities and Investments Commission (ASIC) from 2009-2015 and is currently Principal Consultant at CSA Global. Ivy's experience in the mining industry in Australia and China, as an operations and consulting geologist includes open pit and underground mines for gold, manganese and chromite. As a consulting geologist she has conducted mineral project evaluation, strategy and development and implementation, through to senior corporate management roles. Ivy has been a member of the VALMIN committee since 2015.
Current Directorships	Nil
Former directorships in last 3 years	Nil
Number of shares held	Nil (as at 31 December 2017)
Number of options held	Nil

Directors' Report (continued)

Information on Directors (cont'd)

Director Meetings

The number of directors' meetings and number of meetings attended by each of the Directors of the Group during the year are:

	Number of Meetings Eligible to Attend	Number of Meetings directors' attended
Director		
Mr David Flanagan	6	6
Mr Gilbert George	6	6
Ms Cherie Leeden	6	6
Mr Brett Smith	6	6
Mr Paul Glasson	2	2

Note: Mr Dowling and Ms Chen were appointed after the year end.

Retirement, election and continuation in office of directors

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

Company Secretary

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

Jeff Dawkins was appointed as Joint Company Secretary on 18 December 2017. Jeff Dawkins is an Australian Chartered Accountant with over 25 years' experience in professional and corporate roles in Australia, London and Singapore predominantly in the mining sector and focusing on capital management, financial modelling, offshore structuring, project financing, developing finance teams and reporting systems and corporate governance. Prior to joining Battery Minerals, Jeff was CFO at Blackham Resources for 2 years during which time the Company's Wiluna Gold Project was taken from feasibility to production. Previously Jeff has held the CFO and Company secretary roles of several junior mining companies developing gold and rare earth projects in Australia, Africa and Indonesia including Hanking Mining, Peak Resources, Archipelago Resources and Lynas Corporation

Mr Steven Wood, BCom. CA, resigned as Joint Company Secretary 18 December 2017.

Directors' Report (continued)

Financial Position

The net assets of the Group have increased from $15,108,274 as at 31 December 2016 to $17,846,393 as at 31 December 2017. The Group's working capital, being current assets less current liabilities, has decreased from $9,028,053 as at 31 December 2016 to $6,806,911 as at 31 December 2017, primarily due to a lower cash & cash equivalents due to higher exploration & evaluation activity for the year.

Shares under Option and Performance Rights

Unissued ordinary shares of Battery Minerals Limited under option and performance rights at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number Under Option
30 May 2016	31 May 2020	$0.092	2,500,000
30 May 2016 (Performance Rights)	30 May 2018	-	3,500,000
21 December 2016	23 December 2021	$0.10	5,000,000
21 December 2016	23 December 2021	$0.15	27,400,000
21 December 2016	23 December 2021	$0.20	5,000,000
21 December 2016	23 December 2021	$0.25	5,000,000
26 May 2017	26 May 2022	$0.09	10,000,000
26 May 2017	26 May 2022	$0.20	5,000,000
26 May 2017	26 May 2022	$0.13	3,000,000
15 Feb 2017	23 December 2021	$0.15	1,500,000
6 April 2017	22 May 2022	$0.20	2,500,000
8 April 2017	22 May 2022	$0.20	1,000,000
12 January 2018	31 July 2018	$0.10	333,469,513
12 January 2018	12 Jan 2021	$0.1125	7,800,000
12 January 2018	12 Jan 2021	$0.15	7,800,000
			420,469,513

Options issued are summarised as follows

- Directors – 41,000,000, average exercise price - $0.14
- Employees – 25,900,000, average exercise price -$0.17
- Service Providers – 15,600,000, average exercise price -$0.13
- Shareholders – 333,469,513, average exercise price -$0.10

Directors' Report (continued)

Shares Issued on the Exercise of Options

There were no options exercised during the financial year.

Insurance of Officers

The Group has executed a policy with an appropriate level of Directors and Officers Liability Insurance and paid a premium of $15,675 during the year.

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.

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.

Directors' Report (continued)

Audited Remuneration Report

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 share and option holdings
F Additional information

The names of the Directors in office during the period are as follows:

Director	Position	Appointed	Resigned
David Flanagan	Managing Director	11 October 2016	-
Cherie Leeden	Executive Director	19 July 2013	25 January 2018
Gilbert George	Non-Executive Director	1 August 2012	-
Brett Smith	Non-Executive Director	1 August 2012	-
Paul Glasson	Non-Executive Director	19 April 2017	-

Note: Mr Dowling and Ms Chen were appointed after the year end.

A <u>Principles Used to Determine the Nature and Amount of Remuneration</u>

(i) Board Oversight

For 2017, the Board elected not to establish a remuneration committee based on the size of the organisation and had instead agreed to meet as deemed necessary and allocate the appropriate time at its board meetings.

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

- The remuneration of directors and senior officers;
- 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; and
- Board structure and Director evaluation; and
- Consideration of Non-Executive Directors remuneration.

Following the end of the year, the Board has elected a Remuneration Committee.

Directors' Report (continued)

Remuneration Report (cont'd)

A Principles Used to Determine the Nature and Amount of Remuneration (cont'd)

(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.

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 executives 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.

New non-executive directors have up to the date of this report, been offered, subject to shareholder approval, "sign-on" out of the money incentive 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 of up to 24 months.

Non-executive directors do not receive performance-based pay.

b) Base Fees

The current base fees paid to non-executive directors were last reviewed with effect from 6 February 2015. Prior to this they were based on rates set at the listing of the Company on the ASX, being 24 October 2012. No remuneration is performance based. 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.

The maximum currently stands at $300,000 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

Non-executive directors are subject to shareholder approval issued options as part of their overall remuneration package.

d) Additional Fees

A 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.

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

Directors' Report (continued)

Remuneration Report (cont'd)

A Principles Used to Determine the Nature and Amount of Remuneration (cont'd)

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.

f) Transition From Explorer to Development Company Through to Production Company and Director Remuneration

The Company expects to evolve from exploration and project evaluation to project development company, through to production company over the next 15 months with its goal to have its first shipment of graphite concentrate during the March 2019 Quarter.

With this evolution, the Board believes that the Company's remuneration policies and procedures for director remuneration will also evolve to a more tradition corporate governance model and in line with ASX Corporate Governance guidelines.

iv) Executive Remuneration

In determining executive remuneration, the Board aims to ensure that remuneration practices are:
- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The executive remuneration framework has two components:
- Base pay and benefits, including superannuation; and
- Long-term incentives through participation in the Battery Minerals Limited Employee Share Option Plan. ("ESOP")

To ensure that the interests of the Company's executives is aligned with the interests of the Company and its shareholders, and to ensure the Company attracts talented people, executives have up to the date of this report, been offered, under the ESOP, "sign-on" out of the money incentive options, of which 40% vest on completion of 12 months service and 60% vest on the commencement of commercial production for Stage 1 of the Montepuez Graphite Project.

Since year end, the Board approved the issue of zero exercise priced options (ZEPOs) to executives and staff with specific vesting hurdles being
- 50% vest only on the commencement commercial production for Stage 1 at the Montepuez Graphite Project and
- 50% vest only on the commencement of commercial production for Stage 2 at the Montepuez Graphite Project.

The issue of ZEPOs in 2018 is designed by the Board to:
- align executives and other employees objectives with the Company's publicly stated objectives of developing stages 1 and 2 of the Company's Montepuez graphite project;
- be granted in lieu of any salary review increases;
- be granted in lieu of a 2018 short term incentive programme.
- align employees to shareholders by connecting cash flow generation to the vesting of benefits

v) Other Benefits

No benefits other than noted above are paid to Directors or Management except as incurred in normal operations of the business.

Directors' Report (continued)

Remuneration Report (cont'd)

A *Principles Used to Determine the Nature and Amount of Remuneration (cont'd)*

vi) Remuneration consultants

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

vii) Transition from explorer to development company through to production and Executive Remuneration

The Company expects to evolve from exploration and project evaluation activities to project development company and production activities over the next 15 months with its goal to export its first shipment of graphite concentrate during the March 2019 Quarter.

Currently executives have received "sign-on" incentive options which include time based and performance based vesting conditions and zero exercise priced options which include only performance based vesting conditions incentivising executives to meet the Company's objectives of developing states 1 and 2 of the Company's Montepuez graphite project. These options ensure executive goals are aligned with the Company and its shareholders as its transitions through development to steady state production.

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 a more traditional performance based short term and long term incentive plans, which will be considered by the Remuneration Company and recommended to the Board for its consideration.

Directors' Report (continued)

Remuneration Report (cont'd)

B *Details of Remuneration Paid*

Amounts of Remuneration

Details of the remuneration of the directors and the key management personnel of the Group are found below:

	Fixed Remuneration				Variable Remuneration				
	Short- term employee benefits			Post-employment benefits	Share-based payments			Total	Percentage of variable remuneration
31 December 2017	**Cash salary & fees**	**Other**	**Non monetary benefits**	**Super-annuation & other**	**Options**	**Shares**	**Rights**		
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-executive directors									
Gilbert George	57,100	-	-	-	187,646	-	-	244,746	81
Brett Smith	45,000	-	-	-	187,646	-	-	232,646	81
Paul Glasson	31,500	-	-	-	57,223	-	-	88,723	64
Sub-total	**133,600**	-	-	-	**432,515**	**-**	**-**	**566,115**	76
Executive directors									
David Flanagan	334,935	-	-	15,241	1,310,924	-	-	1,661,100	79
Cherie Leeden	301,045	-	-	-	194,916	-	101,500	597,461	50
Sub-total	**635,980**	**-**	**-**	**15,241**	**1,505,840**	**-**	**101,500**	**2,258,561**	**71**
Key Management Personnel									
Tony Walsh	150,854	-	-	-	34,343	-	-	185,197	19
Ben Van Roon	89,825	-	-	7,046	-	-	-	96,871	-
Jeff Dawkins	115,175	-	1,454	8,459	-	-	-	125,088	-
Andy Cardoso	212,342	-	-	-	53,230	-	-	265,572	20
Sub-total	**568,196**	**-**	**1,454**	**15,505**	**87,573**	**-**	**-**	**672,728**	**13**
Total key management personnel compensation (Group)	**1,337,776**	**-**	**1,454**	**30,746**	**2,025,928**	**-**	**101,500**	**3,497,404**	**58**

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

Directors' Report (continued)

Remuneration Report (cont'd)

31 December 2016	Fixed Remuneration				Variable Remuneration			Total	Percentage of variable remuneration
	Short- term employee benefits			Post-employment benefits	Share-based payments				
	Cash salary & fees	Other	Non monetary benefits	Super-annuation & other	Options	Shares	Rights		
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-executive directors									
Gilbert George	55,000	-	-	-	41,360	-	-	96,360	43
David Flanagan	12,226	-	-	-	35,524	-	-	47,750	74
Brett Smith	46,042	-	-	-	41,360	-	-	87,402	47
Sub-total	**113,268**	-	-	-	**118,244**	**-**	**-**	**231,512**	**51**
Executive directors									
Cherie Leeden	267,459	-	-	-	4,629	50,000	59,788	381,876	30
Sub-total	**267,459**	**-**	**-**	**-**	**4,629**	**50,000**	**59,788**	**381,876**	**30**
Total key management personnel compensation (Group)	**380,727**	**-**	**-**	**-**	**122,873**	**50,000**	**59,788**	**613,388**	**38**

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

Directors' Report (continued)

Remuneration Report (cont'd)

C Service agreements

Key Management Personnel
Remuneration and other terms of employment for certain key management are formalized in service agreements. Employees are eligible for long term incentive benefits under the Battery Minerals Employee Option Plan.

Mr David Flanagan, Managing Director
- Base Remuneration - $465,000 inclusive of superannuation.
- Short Term Incentive – Nil until first commercial export and sale, thereafter 50% TFR
- Long Term Incentive – 10,000,000 five year options vesting on achieving sales agreements and a commercial rate of production as agreed by the board
- Termination – 6 months' notice

Ms Cherie Leeden, Executive Director Technology and Business Development - (Resigned 25 January 2018)
- Base Remuneration – USD $230,000 (*equivalent AUD$295,000 as at 31 December 2017*)
- Short Term Incentive – Nil
- Long Term Incentive – 5,000,000 five year options vesting on achieving commercial production and sale from the proposed Company owned, US based SPG processing plant
- Termination – Relevant notice periods apply, being 1 months' notice with reason or 3 months without reason.

Mr Tony Walsh, Joint Company Secretary
- Base Remuneration - $300,000 including superannuation (pro-rata)
- Short Term Incentive – Nil
- Long Term Incentive – Issue of 1,500,000 Options under the Employee Share Option Plan, 500,000 vesting on 12 months anniversary of commencement date and 1,000,000 vesting on the commencement of commercial production
- Termination – Nil notice

Mr Ben Van Roon, Chief Operating Officer
- Base Remuneration - $325,000 inclusive of superannuation
- Short Term Incentive – Nil until first commercial export and sale, thereafter 20% of TFR
- Long Term Incentive – Issue of 3,000,000 Options under the Employee Share Option Plan, 1,000,000 vesting on 12 months anniversary of commencement date and 2,000,000 vesting on the commencement of commercial production, thereafter 30% TFR
- Termination – One month notice

Mr Jeff Dawkins, Chief Financial Officer & Joint Company Secretary
- Base Remuneration - $300,000 inclusive of superannuation.
- Short Term Incentive – Nil until first commercial export and sale, thereafter 20% of TFR
- Long Term Incentive – Issue of 2,500,000 Options under the Employee Share Option Plan, 1,000,000 vesting on 12 months anniversary of commencement date and 1,500,000 vesting on the commencement of commercial production, thereafter 30% TFR
- Termination – 3 months' notice

Mr Andy Cardoso, Project Director
- Base Remuneration – USD $260,000 (*equivalent AUD$333,000 as at 31 December 2017*)
- Short Term Incentive – Nil until first commercial export and sale, thereafter 20% TFR
- Long Term Incentive – Issue of 2,500,000 Options under the Employee Share Option Plan, 1,000,000 vesting on 12 months anniversary of commencement date and 1,500,000 vesting on the commencement of commercial production, thereafter 30% TFR
- Termination – One month notice

Directors' Report (continued)

Remuneration Report (cont'd)

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 the director.

Name Non-Executive	Term of Agreement	Base Salary including Superannuation	Termination Benefit
Director – Gilbert George	Open	$45,000	Nil. Subject to re-election by shareholders.
Director – Brett Smith	Open	$45,000	Nil. Subject to re-election by shareholders.
Director – Paul Glasson	Open	$45,000	Nil. Subject to re-election by shareholders.
Director - Ivy Chen	Open	$45,000	Nil. Subject to re-election by shareholders.
Chairman – Jeff Dowling	Open	$90,000	Nil. Subject to re-election by shareholders.

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

D Share-based compensation

Options

The following options were issued to Directors and Key Management Personal as remuneration during the year:

	Date Options Granted	Number of Options Granted	Vesting Date	Expiry Date	Exercise Price	Value per option at grant date	Total Fair Value	% vested
Mr David Flanagan	21 May 17	10,000,000	Various[1]	26 May 2022	$0.09	$0.0456	$455,638	0%
Ms Cherie Leeden	21 May 17	5,000,000	Various[2]	26 May 2022	$0.20	$0.0380	$190,124	0%
Mr Paul Glasson	21 May 17	3,000,000	Various[3]	26 May 2022	$0.13	$0.0424	$127,262	0%
Mr Tony Walsh	15 Feb 17	1,500,000	Various[4]	23 Dec 2021	$0.15	$0.0636	$95,384	0%
Mr Andy Cardoso	06 Apr 17	2,500,000	Various[4]	22 May 2022	$0.20	$0.0604	$150,984	0%
	Total	**22,000,000**			$0.14	$.0463	$1,019,392	

1. 10,000,000 subject to the Company's Montepuez project achieving sales agreements and a commercial rate of production as agreed by the board. Management believe that there is a high probability in achieving the vesting conditions attached to the options. As a result, a probability of 100% should be applied to this particular risk security. Exercise Price based on 150% of 5 day VWAP of $0.06
2. 5,000,000 options are subject to commercial production and sale from the proposed Company owned, US based SPG processing plant. Management believe that there is a high probability in achieving the vesting conditions attached to the options. As a result, a probability of 100% should be applied to this particular risk security.
3. 1/2 granted options subject to 12 months continuous engagement, 1/2 options subject to 24 months continuous engagement. Exercise Price based on higher of 130% of 5 day VWAP ($0.06) and $0.13.
4. 1/3 granted options subject to 12 months continuous engagement, 2/3 on commencement of commercial production.

Mr Gilbert George, Mr Brett Smith, Mr Jeff Dawkins and Mr Ben Van Roon were not granted employee options in the 2017 year.

Directors' Report (continued)

Remuneration Report (cont'd)

All options issued during the period were valued using Black-Scholes option pricing models with the following inputs:

Recipient	Dividend Yield	Expected Volatility	Risk Free Rate	Expected Life of Options	Exercise Price	Share Price at Grant Date	FV per option
Mr David Flanagan	-	100%[1]	1.94%	5 years	$0.09	$0.0700	$0.0456
Ms Cherie Leeden	-	100%[1]	1.94%	5 years	$0.20	$0.0700	$0.0380
Mr Paul Glasson	-	100%[1]	1.94%	5 years	$0.13	$0.0700	$0.0424
Mr Tony Walsh	-	100%[1]	1.94%	4.85 years	$0.15	$0.0940	$0.0636
Mr Andy Cardoso	-	100%[1]	1.94%	5.13 years	$0.20	$0.9300	$0.0604

1. The expected volatility is based on historic volatility (based on remaining life of the options), adjusted for any expected chances to future volatility due to publicly available information.

Options granted carry no dividend or voting rights.

No shares were provided on the exercise of remuneration options for the year. When exercised each option is convertible into one ordinary share of Battery Minerals Limited.

Shares

During the prior year shares were issued to Directors in lieu of fees and salary and were measured at fair value on the grant date (date shareholder approval was obtained).

	Date Shares Issued	Number of Shares Issued/Granted	Fair Value per share at grant date (13/11/2015)	Total fair value
Ms Cherie Leeden	22 July 2016	909,091	0.055	50,000

Shares issued in advance for fees and salary for the month of January 2016
No such arrangement occurred in the current financial year.

E Director and key management 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.

31 December 2017 Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes[1]	Balance at the end of the year
Directors				
Gilbert George	6,698,656	-	-	6,698,656
Cherie Leeden	4,658,964	-	-	4,658,964
Brett Smith	492,922	-	(14,400)	478,522
David Flanagan	1,111,111	-	450,000	1,561,111
Total	**12,961,653**	**-**	**435,6000**	**13,397,253**

[1]. Shares acquired & disposed on-market during the financial year.

Directors' Report (continued)

Remuneration Report (cont'd)

Option & performance rights holdings

The numbers of options & performance rights over ordinary 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.

31 December 2017 Name	Balance at the start of the year	Granted as Remuneration	Exercised	Expired	Balance at the end of the year	Vested and exercisable	Unvested
Directors							
Paul Glasson	-	3,000,000	-	-	3,000,000	-	3,000,000
Gilbert George	5,644,208	-	-	(1,644,208)	4,000,000	2,500,000	1,500,000
Cherie Leeden[1]	16,186,911	5,000,000	-	(1,686,911)	19,500,000	-	19,500,000
Brett Smith	4,124,513	-	-	(124,513)	4,000,000	2,500,000	1,500,000
David Flanagan	20,000,000	10,000,000	-	-	30,000,000	10,000,000	20,000,000
Tony Walsh	-	1,500,000	-	-	1,500,000	1,500,000	-
Andy Cardoso	-	2,500,000	-	-	2,500,000	2,500,000	-
Total	**45,955,632**	**22,000,000**	**-**	**(3,455,632)**	**64,500,000**	**19,000,000**	**45,500,000**

[1]Cherie Leeden includes 3,500,000 performance rights granted 30 May 2016

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 2017.

There were no other transactions with key management personnel during the year ended 31 December 2017.

Adoption of Key Management Personnel Remuneration Report

Voting of shareholders at last year's annual general meeting Battery Minerals Limited received more than 92% of "yes" votes on its remuneration report for the 2016 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of the Audited Remuneration Report

Directors' Report (continued)

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

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

The lead auditor's independence declaration is set out on page 50 for the year ended 31 December 2017.

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

David Flanagan
Managing Director

Perth, Western Australia, 27 March 2018

Auditor's Independence Declaration

BDO

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF BATTERY MINERALS LIMITED

As lead auditor of Battery Minerals Limited for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Battery Minerals Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 27 March 2018

Independent Auditor's Report

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members 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) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year ended on that date; and

(ii) 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

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.

Independent Auditor’s Report (continued)

BDO

Capitalised Exploration & Evaluation Expenditure

Key audit matter	*How the matter was addressed in our audit*
At 31 December 2017 the carrying value of Exploration and Evaluation Assets was $10,433,531 (2016: $5,854,955) as disclosed in Note 9. The Group’s accounting policy with respect to Exploration and Evaluation assets is disclosed in Note 9. The carrying value of exploration and evaluation expenditures represents a significant asset of the Group and judgement is applied in considering whether facts and circumstances indicate that the exploration expenditure should be tested for impairment. As a result, the asset was required to be assessed for impairment indicators in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*. In particular whether facts and circumstances indicate that the capitalised exploration and evaluation expenditure should be tested for impairment.	Our procedures included but were not limited to: ➢ Obtaining from the Group a schedule of areas of interest held by the Group and assessing whether the Group had rights to tenure over those areas of interest by comparing the schedule to supporting documentation including license agreements; ➢ Holding discussions with management with respect to the status of ongoing exploration programmes in the respective areas of interest and assessing the Group’s cashflow budget for the level of budgeted spend on exploration projects; ➢ Considering whether any areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; ➢ Considering whether there are any other facts or circumstance that existed to indicate impairment testing was required; Assessing the adequacy of the related disclosures in note 9 to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information contained in in the Group’s annual report for the year ended 31 December 2017, but does not include the financial report and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report, and the annual report, which is expected to be made available to us after that date.

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

In connection with our audit of the financial report, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor’s report, 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.

Independent Auditor's Report (continued)

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

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 has 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 the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 39 - 48 of the directors' report for the year ended 31 December 2017.

In our opinion, the Remuneration Report of Battery Minerals Limited, for the year ended 31 December 2017, complies with section 300A of the *Corporations Act 2001*.

Independent Auditor's Report (continued)

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

BDO Audit (WA) Pty Ltd

BDO
J Prue

Jarrad Prue

Director

Perth, 27 March 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

	Note	Consolidated 31-Dec-17 $	Consolidated 31-Dec-16 $
Interest income		36,341	40,137
Accounting and audit fees		(74,980)	(94,905)
Corporate and investor relations costs	2	(753,819)	(1,019,523)
Salaries and wages		(1,291,997)	(106,369)
Share based payment expense	21	(2,402,609)	(465,936)
Travel and entertainment		(583,945)	(221,890)
Compliance fees		(95,862)	(177,152)
Directors' fees		(133,600)	(377,501)
Equipment hire		(2,460)	(16,497)
Legal fees		(114,062)	(49,217)
Office costs		(129,306)	(45,055)
Rent		(61,369)	(12,000)
Exploration expenditure		(74,400)	(1,245,103)
Other expenses		(140,583)	(199,228)
Exploration and Evaluation write off		-	(3,533,708)
Loss before income tax		(5,822,651)	(7,523,947)
Income tax expense	3	-	-
Net Loss after Income Tax or the year attributable to the owners of Battery Minerals Limited		(5,822,651)	(7,523,947)
Other Comprehensive Income/(Loss): Items that will be reclassified to profit or loss			
Exchange differences on translation of disposed subsidiaries		-	-
Exchange difference on translation of foreign operations		186,447	(640,420)
Other Comprehensive Income net of tax		186,447	(640,420)
Total Comprehensive Loss for the year attributable to the owners of Battery Minerals Limited		**(5,636,204)**	**(8,164,367)**
Loss per share attributable to ordinary shareholders of the Group			
Basic and diluted loss (cents per share)	4	(1.330)	(2.660)

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

Consolidated Statement of Financial Position

As at 31 December 2017

	Note	Consolidated 31-Dec-17 $	Consolidated 31-Dec-16 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	7,723,112	9,755,258
Trade and other receivables	7	702,269	582,084
Total Current Assets		8,425,381	10,337,342
Non-Current Assets			
Property, plant and equipment	8	605,951	225,266
Exploration & Evaluation Expenditure	9	10,433,531	5,854,955
Total Non-Current Assets		11,039,482	6,080,221
Total Assets		19,464,863	16,417,563
LIABILITIES			
Current Liabilities			
Trade and other payables	10	1,618,470	1,309,289
Total Current Liabilities		1,618,470	1,309,289
Total Liabilities		1,618,470	1,309,289
NET ASSETS		**17,846,393**	**15,108,274**
EQUITY			
Issued Capital	11	41,516,848	35,545,134
Reserves	13	4,445,206	1,884,969
Accumulated Losses		(28,115,661)	(22,321,829)
TOTAL EQUITY		**17,846,393**	**15,108,274**

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 2017

	Note	Consolidated 31-Dec-17 $	Consolidated 31-Dec-16 $
Cash flows from operating activities			
Payments to suppliers and employees		(3,779,528)	(2,836,695)
Net interest received		36,341	28,113
Net cash (outflow) from operating activities	14	**(3,743,187)**	**(2,808,582)**
Cash flows from investing activities			
Partial sale of Kroussou Zinc-Lead project		302,939	-
Payments made for property, plant and equipment		(411,278)	-
Payments for exploration & evaluation expenditure		(4,158,384)	(2,826,493)
Net cash (outflow) from investing activities		**(4,266,723)**	**(2,826,493)**
Cash flows from financing activities			
Proceeds from share issue		6,375,497	14,636,459
Capital raising costs		(403,783)	(737,747)
Net cash inflow from financing activities		**5,971,714**	**13,898,712**
Net increase/(decrease) in cash and cash equivalents		(2,038,196)	(8,263,637)
Cash and cash equivalents at beginning of year		9,755,258	1,479,605
Effect of FX on cash held		6,050	(12,016)
Cash and cash equivalents at end of year		**7,723,112**	**9,755,258**

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 2017

Consolidated 31-Dec-16	Issued Capital	Share based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 Jan 2016	**21,073,643**	**2,107,370**	**20,092**	**(14,797,882)**	**8,403,223**
Loss for the year	-	-	-	(7,523,947)	(7,523,947)
Other Comprehensive Income	-	-	(640,420)	-	(640,420)
Total comprehensive income/loss for the year	**-**	**-**	**(640,420)**	**(7,523,947)**	**(8,164,367)**
Transactions with owners directly recorded in equity					
Shares issued net of transaction costs	13,898,712	-	-	-	13,898,712
Share based payments	572,779	397,927	-	-	970,706
Balance at 31 December 2016	**35,545,134**	**2,505,297**	**(620,328)**	**(22,321,829)**	**15,108,274**

Consolidated 31-Dec-17	Issued Capital	Share based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total
	$		$	$	$
Balance at 1 Jan 2017	**35,545,134**	**2,505,297**	**(620,328)**	**(22,321,829)**	**15,108,274**
Loss for the year	-	-	-	(5,822,651)	(5,822,651)
Other Comprehensive Income	-	-	186,447	-	186,447
Total comprehensive income/loss for the year	**-**	**-**	**186,447**	**(5,822,651)**	**(5,636,204)**
Transactions with owners directly recorded in equity					
Shares issued net of transaction costs	5,971,714	-	-	-	5,971,714
Share based payments	-	2,373,790	-	28,819	2,402,609
Balance at 31 December 2017	**41,516,848**	**4,879,087**	**(433,881)**	**(28,115,661)**	**17,846,393**

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

Notes to the consolidated Financial Statements

For the year ended 31 December 2017

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Battery Minerals Limited and its subsidiaries.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

Changes in accounting policy

In the year ended 31 December 2017, the Group has reviewed all 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 change is necessary to the Group’s accounting policies.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Battery Minerals Limited (‘’**Company**’’ or ‘’**Parent Entity**’’) as at 31 December 2017 and the results of all subsidiaries for the year then ended. Battery Minerals Limited and its subsidiaries together are referred to in this financial report as “**the Group**” or “**the consolidated entity**”.

Subsidiaries are all those entities (including special purpose 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 the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. 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, balance and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction proves 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 Battery Minerals Limited. 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.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

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

(c) Foreign Currency Translation

(i) 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'). The consolidated financial statements are presented in Australian dollars, which is Battery Minerals Limited's functional and presentation currency.

(ii) 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 of loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit of 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. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(d) Impairment of Assets

At each reporting date, or more frequently if events or changes in circumstances indicate might be impaired, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exits, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is 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.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

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

(e) Critical Accounting Estimates and Judgements

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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definitions, seldom equal the related actual results.

Share Based Payment Transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. If the share based payment is subject to an approval process, grant date is the date when that approval is obtained. The fair value of listed options and shares is determined by the market price of those instruments and the fair value of unlisted options is determined by an internal valuation using Black-Scholes or binomial option pricing model.

Exploration and Evaluation Expenditure
The Group capitalises expenditure in relation to exploration and evaluation where the group has current tenure and it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. During the year, a write off of $74,400, ($3,533,708; 2016) was recognised in relation to capitalised exploration and evaluation expenditure. Refer to note 9 for details.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

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

(f) Standards issued not yet effective

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by company
IFRS 15 (issued June 2014) Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Based on an initial impact assessment, the new standard is not expected to have a material impact on the group.	Must be applied for annual reporting periods beginning on or after 1 January 2018. Therefore application date for the Company will be 31 December 2017.
AASB 9 Financial Instruments (issued December 2014)	Classification and measurement AASB 9 amendments the classification and measurement of financial assets: • Financial assets will either be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). • Financial assets are measured at amortised cost or FVTOCI if certain restrictive conditions are met. All other financial assets are measured at FVTPL. All investments in equity instruments will be measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in OCI. Dividends will be recognised in profit or loss. The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9: • Classification and measurement of financial liabilities, and • Derecognition requirements for financial assets and liabilities. However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income. Impairment The new impairment model in AASB 9 is now based on an 'expected loss' model rather than an 'incurred loss' model. A complex three stage model applies to debt instruments at amortised cost or at fair value through other comprehensive income for recognising impairment losses. A simplified impairment model applies to trade receivables and lease receivables with maturities that are less than 12 months. For trade receivables and lease receivables with maturity longer than 12 months, entities have a choice of applying the complex three stage model or the simplified model.	Adoption of AASB 9 is only mandatory for the year ending 31 December 2018. Based on an initial impact assessment, the new standard is not expected to have a material impact on the group.	Annual reporting periods beginning on or after 1 January 2018

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

	Hedge accounting Under the new hedge accounting requirements: • The 80-125% highly effective threshold has been removed • Risk components of non-financial items can qualify for hedge accounting provided that the risk component is separately identifiable and reliably measurable • An aggregated position (i.e. combination of a derivative and a non-derivative) can qualify for hedge accounting provided that it is managed as one risk exposure • When entities designate the intrinsic value of options, the initial time value is deferred in OCI and subsequent changes in time value are recognised in OCI • When entities designate only the spot element of a forward contract, the forward points can be deferred in OCI and subsequent changes in forward points are recognised in OCI. Initial foreign currency basis spread can also be deferred in OCI with subsequent changes be recognised in OCI • Net foreign exchange cash flow positions can qualify for hedge accounting.		
AASB 16 (issued February 2016) Leases	AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.	To the extent that the entity, as lessee, has significant operating leases outstanding at the date of initial application, 1 January 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments. Thereafter, earnings before interest, depreciation, amortisation and tax (EBITDA) will increase because operating lease expenses currently included in EBITDA will be recognised instead as amortisation of the right-of-use asset, and interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under AASB 117 Leases. This trend will reverse in the later years. There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.	Annual reporting periods beginning on or after 1 January 2019.

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

The financial report was authorised for issue on 27 March 2017 by the Board of Directors.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

2. Corporate and investor relations costs

	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Expenses		
Company secretarial costs	154,209	131,000
Consulting and investor relations costs	489,009	843,023
Corporate advisory costs	110,601	45,500
	753,819	1,019,523

3. Income Tax

(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Reconciliation of income tax expense to prima facie tax payable:		
Loss before income tax	(5,822,651)	(7,523,947)
Prima facie income tax at 27.5% (30% 2016)	(1,601,229)	(2,257,184)
Tax effect of amounts not deductible in calculating taxable income	1,183,729	850,663
Temporary differences not recognised	417,500	1,406,521
Income tax expense/ (benefit)	**-**	**-**
(c) Unrecognised deferred tax assets arising on timing difference and losses		
Timing differences relating to foreign operations	2,899,586	3,240,808
Tax Losses	1,733,276	1,015,962
Other	184,209	142,801
Total	**4,817,071**	**4,399,571**

The income tax expense (revenue) 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.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

3. Income Tax (continued)

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

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

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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

4. Earnings per Share

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

	Consolidated 31 Dec 2017	**Consolidated 31 Dec 2016**
Loss after income tax ($)	(5,822,651)	(7,523,947)
Basic loss per share attributable to equity holders (cents)	(1.330)	(2.660)
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	436,897,632	283,018,154

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

As the Group is loss making there is no diluted EPS calculated.

Basic earnings per share is calculated by dividing:

- the profit (loss) attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

5. Dividends Paid or Proposed

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

6. Cash and Cash Equivalents

	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Current		
Cash at bank and in hand	7,723,112	9,755,258
	7,723,112	**9,755,258**

Cash at bank and in hand earns interest at floating rates based on daily bank rates. Refer note 15 for Financial Risk Management.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

7. Trade and Other Receivables

	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Current		
Prepaid expenses	67,118	20,000
GST & VAT Receivable	592,459	556,255
Other receivable	42,692	5,829
	702,269	**582,084**

There is no impairment of trade and other receivables that are past due but not impaired. Refer note 15 for Financial Risk Management.

Due to their short term nature, the carrying amounts of current receivables, trade and other payables are assumed to approximate their fair value.

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash-flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

8. Property, Plant & Equipment

	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Office equipment		
Cost	189,813	109,557
Accumulated depreciation	(8,743)	(4,408)
Total office equipment	**181,070**	**105,149**
Light vehicles		
Cost	144,794	68,442
Accumulated depreciation	(64,443)	(42,132)
Total light vehicles	**80,351**	**26,310**
Field equipment		
Cost	417,884	163,214
Accumulated depreciation	(73,354)	(69,408)
Total field equipment	**344,530**	**93,807**
Total property, plant & equipment	**605,951**	**225,266**

Movements in the carrying amounts of each class of assets at the beginning and end of the current financial period is as set out below

	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Office equipment		
Balance at beginning of year	105,149	112,494
Additions / (disposals)	80,256	(8,710)
Depreciation expense	(4,335)	(1,365)
Carrying amount at the end of the year	**181,070**	**105,149**
Light vehicles		
Balance at the beginning of year	26,310	40,225
Additions / (disposals)	76,352	(15,943)
Depreciation expense	(22,311)	(2,028)
Carrying amount at the end of the year	**80,351**	**26,310**
Field equipment		
Balance at the beginning of year	93,807	139,802
Additions / (disposals)	254,670	(84,708)
Depreciation expense	(3,947)	(38,713)
Carrying amount at the end of the year	**344,530**	**93,807**
Carrying amount at the end of the year	**605,951**	**225,266**

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

8. Property, Plant & Equipment (continued)

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

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

Depreciation on other assets 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 term as follows:

- Light vehicles: 3-5 years
- Office equipment: 3-8 years
- Field equipment: 2-5 years

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.

9. Exploration and evaluation expenditure

	Note	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Non-Current			
Exploration and Evaluation at cost		**10,433,531**	**5,854,955**
Movement			
Opening balance		5,854,955	6,697,811
E&E attributable to asset acquisition	12	257,537	-
Net exploration expenditure capitalised during the year		3,884,793	3,517,783
Option payment received for the Kroussou Zinc-Lead project		(302,939)	-
Exploration expenditure written off during the year		(74,400)	(3,533,708)
Refund Received		-	(47,928)
Foreign exchange difference		813,585	(779,003)
		10,433,531	**5,854,955**

For further information for the acquisitions during the prior year, refer to note 12.

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

9. Exploration and evaluation expenditure (continued)

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable are of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs on relation to an abandoned are written off in full against profit or loss in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant are of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs 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 have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of the site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

10. Trade and Other Payables

	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Current		
Trade and other payables	813,639	513,034
Accrued expenses	804,831	796,255
	1,618,470	**1,309,289**

Trade payables are non-interest bearing and are normally settled on 60-day terms. Information about the Group’s exposure to foreign exchange risk is provided in note 16.

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period 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

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

11. Issued Capital

(a) Ordinary Shares

	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Ordinary shares fully paid	41,516,848	35,545,134
	41,516,848	**35,545,134**

Date	Details	No. of Shares	Issue Price	$
1 January 2017	Opening Balance	425,622,490		35,545,134
22 June 2017	Share issue final tranche Balama licence[1]	4,440,293	$0.058	257,577
29 November 2017	Placement – Tranche 1	101,965,330	$0.060	6,117,920
29 November 2017	Less: Share Issue Costs	-	-	(403,783)
		532,028,113		**41,516,848**

Date	Details	No. of Shares	Issue Price	$
1 January 2016	Opening Balance	210,916,509		21,073,643
18 April 2016	Shares issued to Mitchell Drilling	1,938,352	-	-
16 May 2016	Placement – Tranche 1	53,213,714	$0.055	2,926,754
27 June 2016	SPP	29,424,528	$0.055	1,618,349
22 July 2016	Placement – Tranche 2	19,513,558	$0.055	1,073,246
22 July 2016	Shares issued in lieu of directors fees	909,091	$0.055	50,000
22 July 2016	Shares issued in lieu of salary	327,273	$0.055	18,000
19 October 2016	Shares issued to Minnovo & Mitchell Drilling	9,177,798	$0.055	504,779
11 November 2016	Placement – Tranche 1	78,512,778	$0.09	7,066,150
23 December 2016	Placement – Tranche 2	21,688,889	$0.09	1,952,000
31 December 2016	Less: Share Issue Costs	-	-	(737,787)
		425,622,490		**35,545,134**

[1]Final consideration to acquire 100% of exploration Licence 4118 named the Balama Central Graphite Project (“Balama”) in Mozambique.

Ordinary shares entitle the holder to participate in dividends and the 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.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

11. Issued Capital (continued)

(b) Contibuted equity

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.

(c) Options

Information relating to the 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 reporting period is set out in note 13 and note 21.

(d) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they 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. The Group's capital includes ordinary share capital, partly paid shares and financial liabilities, supported by financial assets.

The Group's capital includes mainly ordinary share capital and financial liabilities supported by financial assets.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Due to the nature of the Group's activities, being mineral exploration & 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 programmes 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.

12. Asset Acquisition

There were no new asset acquisitions during the 2017 financial year.

Balama Central Project

On 22 August 2014 the Group entered into a binding licence agreement to acquire 100% of exploration Licence 4118 named the Balama Central Graphite Project ("Balama") in Mozambique, subject to completion of due diligence and other conditions precedent. The Balama project is located along strike and immediately adjacent to the Syrah Resources (ASX: SYR) major Balama graphite project. The Balama Project was acquired from Mozambican company Dombeya Mineracao Lda.

Purchase consideration comprises:

	Note	Number	Value per Share	Total value $
First cash payment (paid US $50,000)				53,845
Second cash payment (paid US $200,000)				257,404
Total consideration paid to date				**311,249**
Shares issued during the year (US $200,000)		4,440,293	0.058	257,537
Total consideration				**568,786**

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

12. Asset Acquisition (continued)

The Company announced to the ASX on 5 February 2015 that it had completed the acquisition of the Balama Central Project by making payment of the first and second cash consideration components of the acquisition. Final consideration of shares to a value of US$200,000 was delayed until the current year due to the relevant Mozambican regulatory authorities providing final clearance for the transaction.

Shareholder approval was received at the Company's 2016 AGM for the issue of these shares (*subject to the receipt of regulatory approval*). The quantum of shares issued was calculated as a market value of US$200,000 using the lower of the volume-weighted average mid-market share price for the period of 10 trading days prior to the Signature Date (22 August 2014) and 10 trading days prior to the Completion Date (5 February 2015), and using the US$/AUD$ exchange rate on the Signature Date and Completion Date as appropriate, such issuance being the second part payment for transfer of the Licence.

Net assets acquired:

	$
Cash and cash equivalents	-
Trade and other receivables	-
Property, plant and equipment	-
Exploration and evaluation assets	568,786
Trade and other payables	-
Net assets acquired	**568,786**

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

13. Reserves

		Note	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
a)	**Reserves**			
	Foreign currency translation reserve		(433,881)	(620,328)
	Share based payment reserve	21	4,879,087	2,505,297
			4,445,206	**1,884,969**

Foreign currency reserves

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1(c) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Date	Details	No. of Options & Rights	$
1 January 2017	Opening Balance	111,954,396	2,505,297
7 January 2017	Expiry listed options	(57,854,396)	-
15 February 2017	Options issued to employees	1,500,000	34,343
31 March 2017	Expiry unlisted options	(2,500,000)	-
6 April 2017	Options issued to employees	2,500,000	53,230
8 April 2017	Options issued to employees	1,000,000	20,935
26 May 2017	Options issued to directors	10,000,000	54,647
26 May 2017	Options issued to directors	5,000,000	22,802
26 May 2017	Options issued to directors	3,000,000	57,223
30 November 2017	Options forfeit	(2,000,000)	(28,821)
31 December 2017	Expiry unlisted options	(2,200,000)	-
31 December 2017	Vesting expense of prior year options	-	2,057,931
31 December 2017	Vesting expense of prior year performance rights	-	101,500
31 December 2017		**70,400,000**	**4,879,087**

Date	Details	No. of Options & Rights	$
1 January 2016	Opening Balance	66,359,563	2,107,370
31 May 2016	Issue of options	2,500,000	90,131
21 December 2016	Director options	36,000,000	50,769
23 December 2016	Employee options	6,400,000	184,081
31 December 2016	Existing options vesting expense	-	13,158
31 December 2016	Performance rights vesting expense	3,500,000	59,788
31 December 2016	Expired options for the year	(2,805,167)	-
31 December 2016		**111,954,396**	**2,505,297**

Options reserve

The option reserve recognises options issued as share based payments. Refer to note 21 for details of share based payments.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

14. Operating Cash Flow Reconciliation

	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Reconciliation of operating cash flows to profit/(loss)		
Loss from ordinary activities after income tax	(5,822,651)	(7,523,947)
Add/(less) non-cash items:		
Depreciation	-	66,536
Other	226	-
Share based payments	2,402,608	465,936
Exploration and evaluation expenditure written off	-	3,533,708
Net cash provided by operating activities before change in assets and liabilities (carried forward)	**(3,419,817)**	**(3,457,767)**
Changes in assets and liabilities during the financial year:		
(Increase)/decrease in trade and other receivables	107,629	(27,535)
Increase/(decrease) in trade and other payables	(431,000)	676,720
Net cash outflow from operating activities	**(3,743,188)**	**(2,808,582)**

15. Non-cash Investing and Financing Activities

	Note	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Issue of vendor shares	12	257,537	504,779
Total		**257,537**	**504,779**

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

16. Financial Instruments

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 does not use derivative financial instruments; however 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 interest rate and other price 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. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

(a) Foreign exchange risk

The Group is exposed to minimal currency risks that are denominated in currency other than the respective functional currency of the Group entities. Transactions are pre-dominantly denominated in AUD, USD and MZN.

The Group's exposure to foreign currency risk at the end of the reporting period was as follows:

	2017		2016	
	USD	MZN	USD	MZN
Cash & equivalents	371,350	3,758,083	12,251	3,041,179

Sensitivity

Based on the financial instruments held at 31 December 2017, had the Australian dollar weakened/strengthened by 10% against the MZN with all other variables held constant, the Group's post-tax loss for the year would have been $Nil higher/$Nil lower (2016 - $56,290 higher/$56,290 lower), the effect on equity would have been $668,784 lower/$547,253 higher (2016 - $56,290/$56,290 higher). This is mainly as a result of foreign exchange gains/losses on translation of Mozambique New Meticals (MZN) denominated financial instruments as detailed in the above table. The loss is more sensitive to movements in the AUD/MZN exchange rates in 2017 than 2016 because of the increased amount of MZN denominated financial assets. The Group's exposure to other foreign exchange movements is not material

(b) Interest rate risk

The Group is not exposed to cash flow and fair value interest rate risk as at the reporting date. Cash and cash equivalents held at reporting date are subject to floating interest rates and carried at amortised cost.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

16. Financial Instruments (cont'd)

(c) Credit risk

Credit risk refers to the risk that 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.

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

	Consolidated 31 Dec 2017 $	**Consolidated 31 Dec 2016 $**
Westpac Bank AA-	7,141,419	9,760,879
Unrated	581,693	(5,621)
Total	**7,723,112**	**9,755,258**

(d) 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 profits of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade & other payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

At the end of the reporting period, the Group has $1,618,470 (31 December 2016: $1,309,288) due within 30-60 days.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

16. Financial Instruments (cont'd)

(e) Market risk

As at the end of the financial year, the Group had the following variable rate financial assets:

Consolidated	Weighted average Interest rate	31 December 2017 Carrying Amount $	31 December 2016 Carrying Amount $
Financial assets			
Cash & cash equivalents	0.49%	7,723,112	9,755,258
Total		**7,723,112**	**9,755,258**

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact of how profit at reporting date would have been affected by changes in the interest rate that management considers being reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Change in profit/ (loss) $	
	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Increase in interest rate by 100 basis points	77,231	97,552
Decrease in interest rate by 100 basis points	(77,231)	(97,552)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

(f) Fair value

There were no financial assets or liabilities at 31 December 2017 (31 December 2016: Nil) requiring fair value estimation and disclosure.

17. Commitments and Contingent Liabilities

In order to maintain mining tenement licences, the economic entity is committed to meet the prescribed conditions under which tenement licences were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment. In respect of the Company's Kroussou licence in Gabon there is a US4.5m expenditure commitment in the licence to be met prior to 30 June 2018. There is currently expenditure being spent on the licence by the Company's JV partner, and it is understood the Gabonese mines ministry will consider this current expenditure and historical expenditure when reviewing this historical commitment.

Commitments as at 31 December 2017 relating to tenements held in Mozambique A$1,967,212 (31 December 2016; A$47,334).

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

18. Related Party Disclosure

(a) Parent entities and subsidiaries

Battery Minerals Limited is the ultimate Australian parent entity.

(b) Subsidiaries

Interests in subsidiaries are set out below:

	Country of Incorporation	% Equity Interest 31 December 2017	% Equity Interest 31 December 2016
Rio Mazowe Limited	Mauritius	100	100
Afriminas Minerais Limitada	Mozambique	90[1]	90[1]
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
Select Exploration Limited	Mauritius	100	100
Tanga Resources Limited	Mauritius	100	100
Rovuma Resources Limited	Mauritius	100	100
Jorc Resources Limited	Mauritius	100	100
Assain Investments Limited	Mauritius	100	100
Greenstone Resources Limited	Mauritius	100	100
Niassa Metals SA	Mozambique	100	100
Suni Resources SA	Mozambique	100	100
Niassa Gold SA	Mozambique	100	100
Goldcrest Resources Sa	Mozambique	100	100
Peregrine Resources SA	Mozambique	100	100
Select Explorations Gabon SA	Gabon	90[1]	90[1]

[1] This is direct equity interest. The balance of 10% for each respective subsidiary is held indirectly (on trust for the Company) thus resulting in 100% ownership.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

18. Related Party Disclosure (cont'd)

(c) Key Management Personnel

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

Director	Position	Appointed	Resigned
David Flanagan	Executive Chairman	11 October 2016	-
Cherie Leeden	Executive Director	19 July 2013	25 January 2018
Gilbert George	Non-Executive Director	1 August 2012	-
Brett Smith	Non-Executive Director	1 August 2012	-
Paul Glasson	Non-Executive Director	19 April 2017	-

(d) Other key management personnel

Name	Position
Tony Walsh	Company Secretary
Ben Van Roon	Chief Operating Officer
Jeff Dawkins	Chief Financial Officer
Andy Cardoso	Project Director

(e) Key management personnel compensation

	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Short-term employee benefits	1,369,976	380,727
Share based payments	2,127,428	232,661
Total	**3,497,404**	**613,388**

(f) 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.

(g) Other transactions with key management personnel

There were no other transactions with key management personnel other than share based payments, note 21.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

19. Events after the Reporting Date

On 11 January 2018 Battery Minerals entered into a binding term sheet with Trek Metals Limited ("Trek") to sell Trek 100% of the Kroussou Zinc-Lead Project for consideration of

- US200,000 cash; and
- US$200,000 of TKM Shares ("Purchase Shares"); and
- 1 option for every Purchase Consideration shares issued with an exercise price of $0.10; and
- Deferred consideration of US$2.5m worth of Trek shares on Trek confirming an Indicated Resource of more than 250,000 tonnes of Zn/Pb metal ("Deferred Consideration Shares"); and
- 1 option for every 2 Deferred Consideration Shares issued with a exercise price of 150% of the 5 day VWAP; and
- A 2.5% net smelter royalty.

The sale transaction is subject to the satisfaction of a due diligence process with completion expected by end of March 2018. The agreement, once finalised will supersede the farm in agreement announced on 2 November 2016.

On 12 January 2018 Battery Minerals announced successful completion of Tranche 2 funding, raising an additional $13.4M before costs.

On 18, 19 & 20 January Battery Minerals announced it had signed binding offtake agreements with Qingdao Guangxing Electronic Materials Co. Ltd (GEM), Qingdao Black Dragon Graphite Co Ltd (Black Dragon) and Qingdao Keshuo New Materials Technology Co. Ltd (Keshuo).

On 25 January 2018 Jeff Dowling was appointed Non-Executive Chairman and Ivy Chen was appointed Non-Executive Director. Executive Director Cherie Leeden resigned on the same day 25 January 2018

On 26 March 2018, the Company announced that the Mozambican Government had awarded the Mining Licence for its Montepuez Graphite Project.

With the exception of the above, there are no material events that have occurred that would require disclosure.

20. Auditor's Remuneration

	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Audit Services		
Amounts received or accrued by BDO Audit (WA) Pty Ltd		
- An audit or review of the financial reports of the consolidated entity	49,232	56,760
Total remuneration for audit services	**49,232**	**56,760**

No non-audit services were provided by the auditor during the year.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

21. Share-based payments

(a) Option Issue

A summary of the options issued during the year is below.

Option	Recipient	Number of Options	Issue Date	Vesting Date	Expiry Date	Exercise Price	Total Fair Value
A	Employee	1,500,000	15/02/2017	Various[1,2]	23/12/2021	$0.15	$95,384
B	Employee	2,500,000	6/04/2017	Various[3,4]	22/05/2022	$0.20	$150,984
C	Employee	1,000,000	8/04/2017	Various[5,6]	22/05/2022	$0.20	$58,766
D	David Flanagan	10,000,000	26/05/2017	Various[7]	26/05/2022	$0.09	$455,638
E	Cherie Leeden	5,000,000	26/05/2017	Various[8]	26/05/2022	$0.20	$190,124
F	Paul Glasson	3,000,000	26/05/2017	Various[9,10]	26/05/2022	$0.13	$127,162

1. 500,000 options subject to 12 months continuous engagement
2. 1,000,000 subject to commencement of commercial production at the Company's graphite project in Mozambique. Management believe that there is a high probability in achieving the vesting conditions attached to the options. As a result, a probability of 100% should be applied to this particular risk security.
3. 833,333 options 1/3 is subject to 12 months continuous engagement
4. 1,666,667 subject to commencement of commercial production at the Company's graphite project in Mozambique. Management believe that there is a high probability in achieving the vesting conditions attached to the options. As a result, a probability of 100% should be applied to this particular risk security.
5. 333,000 options subject to 12 months continuous engagement
6. 667,667 subject to commencement of commercial production at the Company's graphite project in Mozambique. Management believe that there is a high probability in achieving the vesting conditions attached to the options. As a result, a probability of 100% should be applied to this particular risk security.
7. 10,000,000 subject to the Company's Montepuez project achieving sales agreements and a commercial rate of production as agreed by the board. Management believe that there is a high probability in achieving the vesting conditions attached to the options. As a result, a probability of 100% should be applied to this particular risk security.
8. 5,000,000 options are subject to commercial production and sale from the proposed Company owned, US based SPG processing plant. Management believe that there is a high probability in achieving the vesting conditions attached to the options. As a result, a probability of 100% should be applied to this particular risk security.
9. 1,500,000 options subject to 12 months continuous engagement
10. 1,500,000 options subject to 24 months continuous engagement

All options issued during the period were valued using Black-Scholes option pricing models with the following inputs:

Option	Recipient	Dividend Yield	Expected Volatility	Risk Free Rate	Expected Life of Options	Exercise Price	Share Price at Grant Date	FV per option
A	Employee	-	100%[1]	1.94%	4.85 years	$0.15	$0.09	$0.06
B	Employee	-	100%[1]	1.94%	5.13 years	$0.20	$0.09	$0.06
C	Employee	-	100%[1]	1.94%	5.12 years	$0.20	$0.09	$0.06
D	David Flanagan	-	100%[1]	1.94%	5 years	$0.09	$0.07	$0.05
E	Cherie Leeden	-	100%[1]	1.94%	5 years	$0.20	$0.07	$0.04
F	Paul Glasson	-	100%[1]	1.94%	5 years	$0.13	$0.07	$0.04

1. The expected volatility is based on historic volatility (based on remaining life of the options), adjusted for any expected chances to future volatility due to publicly available information.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

21. Share-based payments (continued)

A summary of the options issued during the 2016 year is below.

Option	Recipient	Number of Options	Issue Date	Vesting Date	Expiry Date	Exercise Price	Total Fair Value
A	Gilbert George	1,000,000	30/05/2016	Various[1]	30/05/2020	$0.092	$36,053
B	Brett Smith	1,000,000	30/05/2016	Various[1]	30/05/2020	$0.092	$36,053
C	Steve Wood	500,000	30/05/2016	Various[1]	30/05/2020	$0.092	$10,025
D	David Flanagan	5,000,000	21/12/2016	Various[2]	21/12/2021	$0.10	$464,387
E	David Flanagan	5,000,000	21/12/2016	Various[2]	21/12/2021	$0.15	$433,199
F	David Flanagan	5,000,000	21/12/2016	Various[3]	21/12/2021	$0.20	$408,961
G	David Flanagan	5,000,000	21/12/2016	Various[3]	21/12/2021	$0.25	$389,108
H	Cherie Leeden	10,000,000	21/12/2016	Various[4]	21/12/2021	$0.15	$861,040
I	Brett Smith	3,000,000	21/12/2016	Various[5]	21/12/2021	$0.15	$258,312
J	Gilbert George	3,000,000	21/12/2016	Various[5]	21/12/2021	$0.15	$258,312
K	Employees	6,400,000	21/12/2016	Various[5]	21/12/2021	$0.15	$554,494

1. Options vested immediately
2. Options vest on 12 months continuous service
3. Options vest on 24 months continuous service
4. The options are subject to the first commercial scale production and shipment of graphite ore from either of the Company's Mozambique graphite projects
5. Options vest 1/2 on 12 months continuous service, 1/2 on 24 months continuous service

All options issued during the period were valued using Black-Scholes option pricing models with the following inputs:

Option	Recipient	Dividend Yield	Expected Volatility	Risk Free Rate	Expected Life of Options	Exercise Price	Share Price at Grant Date	FV per option
A	Gilbert George	-	100%[1]	2.25%	4 years	$0.092	$0.058	$0.036
B	Brett Smith	-	100%[1]	2.25%	4 years	$0.092	$0.058	$0.036
C	Steve Wood	-	100%[1]	2.25%	4 years	$0.092	$0.058	$0.036
D	David Flanagan	-	100%[1]	2.28%	5 years	$0.10	$0.12	$0.0929
E	David Flanagan	-	100%[1]	2.28%	5 years	$0.15	$0.12	$0.0866
F	David Flanagan	-	100%[1]	2.28%	5 years	$0.20	$0.12	$0.0818
G	David Flanagan	-	100%[1]	2.28%	5 years	$0.25	$0.12	$0.0778
H	Cherie Leeden	-	100%[1]	2.28%	5 years	$0.15	$0.12	$0.0861
I	Brett Smith	-	100%[1]	2.28%	5 years	$0.15	$0.12	$0.0861
J	Gilbert George	-	100%[1]	2.28%	5 years	$0.15	$0.12	$0.0861
K	Employees	-	100%[1]	2.28%	5 years	$0.15	$0.12	$0.0866

1. The expected volatility is based on historic volatility (based on remaining life of the options), adjusted for any expected chances to future volatility due to publicly available information.

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

21. Share-based payments (continued)

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

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 during the year Number	Balance at end of the year Number	Vested & exercisable at end of the year Number
31 Mar 14	31 Mar 17	$0.093	$0.042	2,500,000	-	-	2,500,000	-	-
29 Jul 14	7 Jan 17	$0.15	$0.076	637,778	-	-	637,778	-	-
12 Aug 14	7 Jan 17	$0.15	-	184,616	-	-	184,616	-	-
15 Jan 15	4 Feb 18	$0.26	$0.0013	333,333	-	-	-	333,333	-
16 Jan 15	5 Feb 18	$0.26	$0.01	666,667	-	-	-	666,667	666,667
1 Apr 15	31 Dec 17	$0.15	$0.026	2,300,000	-	-	2,300,000	-	-
1 Apr 15	31 Dec 17	$0.15	$0.026	150,000	-	-	150,000	-	-
30 May 16	30 May 20	$0.092	$0.0361	2,500,000	-	-	-	2,500,000	2,500,000
21 Dec 16	21 Dec 21	$0.10	$0.0929	5,000,000	-	-	-	5,000,000	5,000,000
21 Dec 16	21 Dec 21	$0.15	$0.0866	5,000,000	-	-	-	5,000,000	5,000,000
21 Dec 16	21 Dec 21	$0.20	$0.0818	5,000,000	-	-	-	5,000,000	-
21 Dec 16	21 Dec 21	$0.25	$0.0778	5,000,000	-	-	-	5,000,000	-
21 Dec 16	21 Dec 21	$0.15	$0.0861	10,000,000	-	-	-	10,000,000	-
21 Dec 16	21 Dec 21	$0.15	$0.0861	3,000,000	-	-	-	3,000,000	3,000,000
21 Dec 16	21 Dec 21	$0.15	$0.0861	6,400,000	-	-	-	6,400,000	4,200,000
21 Dec 16	21 Dec 21	$0.15	$0.0861	3,000,000	-	-	-	3,000,000	-
15 Feb 17	23 Dec 21	$0.15	$0.0636	-	1,500,000	-	-	1,500,000	-
6 Apr 17	22 May 22	$0.20	$0.0604	-	2,500,000	-	-	2,500,000	-
8 Apr 17	22 May 22	$0.20	$0.0588	-	1,000,000	-	-	1,000,000	-
26 May 17	26 May 22	$0.94	$0.0456	-	10,000,000	-	-	10,000,000	-
26 May 17	26 May 22	$0.20	$0.0380	-	5,000,000	-	-	5,000,000	-
26 May 17	26 May 22	$0.13	$0.0424	-	3,000,000	-	-	3,000,000	-
				51,672,394	**23,000,000**	**-**	**5,772,394**	**68,900,000**	**20,366,667**

(c) Performance rights outstanding at the end of the year have the following terms and conditions.

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 during the year Number	Balance at end of the year Number	Vested & exercisable at end of the year Number
30 May 16	30 May 18	-	$0.0600	3,500,000	-	-	-	3,500,000	-

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

21. Share-based payments (continued)

Share based payment arrangements

Equity-settled share-based payments to directors, employees, consultants and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed immediately where they vest immediately or on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. For options with non-market based vesting conditions, at each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the option reserve.

The Group from time to time may enter into share based payment arrangements with suppliers or vendors in settlement for goods and services received or acquired. For these equity settled share based payment transactions the Group measures the value of the goods, assets or services received and the corresponding increase in equity, directly, at the fair value of the goods, assets or services received, unless the fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of goods, assets or services received the entity shall measure its value and the corresponding increase in equity, directly, by reference to the fair value of equity instruments granted

22. Segment Reporting

For management purposes the Group operates as a single segment, exploration and evaluation of mineral tenements within East Africa. Segment information that is evaluated by the chief operating decision maker is prepared in conformity with the accounting policies adopted for preparing the financial statements of the Group.

Segment Performance

The Group's loss for the year was mostly attributable to the unallocated segment. Loss for the year for the East Africa segment is immaterial for disclosure.

Segment Assets 31 December 2017	Exploration & Evaluation East Africa $	Unallocated $	Total $
Segment assets			
Cash	594,910	7,128,202	7,723,112
Exploration and evaluation	10,433,531	-	10,433,531
Other	1,062,926	245,294	1,308,220
Total segment assets	**12,091,367**	**7,373,496**	**19,464,863**

Segment Liabilities 31 December 2017	Exploration East Africa $	Unallocated $	Total $
Segment liabilities			
Creditors and other creditors	889,207	729,263	1,618,470
Total segment liabilities	**889,207**	**729,263**	**1,618,470**

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

22. Segment Reporting (continued)

Segment Performance 31 December 2016	Exploration & Evaluation East Africa $	Unallocated $	Total $
Interest revenue	2,024	38,113	40,137
Reportable segment (loss)	**(4,846,572)**	**(2,677,375)**	**(7,327,265)**

Segment Assets 31 December 2016	Exploration & Evaluation East Africa $	Unallocated $	Total $
Segment assets			
Cash	62,235	9,693,023	9,755,258
Exploration and evaluation	5,854,955	-	5,854,955
Other	547,851	259,499	807,350
Total segment assets	**6,465,041**	**9,952,522**	**16,417,563**

Segment Liabilities 31 December 2016	Exploration East Africa $	Unallocated $	Total $
Segment liabilities			
Creditors and other creditors	990,317	318,972	1,309,289
Total segment liabilities	**990,317**	**318,972**	**1,309,289**

23. Parent Entity Disclosure

The following details information related to the parent entity, Battery Minerals Limited, as at 31 December 2017. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	Company 31 Dec 2017 $	Company 31 Dec 2016 $
Current assets	7,236,779	9,909,230
Non-Current assets	8,062,789	3,749,440
Total assets	**15,299,568**	**13,658,670**
Current liabilities	729,263	318,971
Total liabilities	**729,263**	**318,971**
Contributed equity	41,516,848	35,545,174
Share based payments reserve	4,879,086	2,505,297
Accumulated losses	(31,825,629)	(24,710,772)
Total equity	**14,570,305**	**13,339,699**
(Loss) after income tax	(10,525,672)	(10,269,626)
Other comprehensive income/ (loss) for the year	-	-
Total comprehensive (loss) for the year	**(10,525,672)**	**(10,269,626)**

Notes to the consolidated Financial Statements (continued)

For the year ended 31 December 2017

23. Parent Entity Disclosure (continued)

Guarantees

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

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 report.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001, and:

(i) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the financial position as at 31 December 2017 and of the performance for the year ended on that date of the consolidated entity; and

(iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements.

(b) In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

David Flanagan – Managing Director

Perth, Western Australia, 27 March 2018

Corporate Governance Statement

The Company's corporate governance statement and Appendix 4G can be found on the Company's website at https://www.batteryminerals.com/corporate/corporate-governance/.

The Board of Directors ("the Board") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

This statement outlines the main Corporate Governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments 3rd edition unless otherwise stated.

The Company's Corporate Governance Plan can also be found on the Company's website at https://www.batteryminerals.com/corporate/corporate-governance/ and it includes all of the Company's Corporate Governance policies, charters and codes of conduct.

ASX Additional Information

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

1. Shareholdings

The issued capital of the Company as at 12 April 2018 is:

- 767,704,603 ordinary fully paid shares; and
- 417,641,820 unlisted options

All issued ordinary fully paid shares carry one vote per share.

2. Distribution of Equity Securities as at 12 April 2018

Ordinary Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	107	5,584	0.00%
1,001 - 5,000	69	300,207	0.04%
5,001 - 10,000	388	3,180,455	0.41%
10,001 - 100,000	1,625	77,870,795	10.14%
100,001 - 9,999,999,999	1,017	686,347,562	89.40%
Totals	**3,206**	**767,704,603**	**100.00%**

Unmarketable parcels

There were 282 holders of less than a marketable parcel of ordinary shares.

3. Top 20 Largest Holders of Listed Securities as at 12 April 2018

Ordinary shares

	Holder Name	Holding	%
1	FARJOY PTY LTD	95,799,911	12.48%
2	MITCHELL GROUP HOLDINGS PTY LTD <ANDALA A/C>	27,044,381	3.52%
3	BNP PARIBAS NOMS PTY LTD <UOB KH P/L AC UOB KH DRP>	26,888,431	3.50%
4	SAS INVESTMENTS PTY LTD <SHEPHERD SUPER FUND A/C>	21,000,000	2.74%
5	PACIFIC DEVELOPMENT CORPORATION PTY LTD	15,000,000	1.95%
6	CITICORP NOMINEES PTY LIMITED	14,622,021	1.90%
7	BNP PARIBAS NOMS PTY LTD <DRP>	14,529,267	1.89%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	10,636,791	1.39%
9	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	8,040,909	1.05%
10	TRANSORE INTERNATIONAL (FZE)	7,687,311	1.00%
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,605,450	0.99%
12	BOUSSAL PTY LTD <JOHNSTON SUPER FUND ACCOUNT>	7,000,000	0.91%
13	SEGALS PTY LTD	6,000,000	0.78%
14	MINNOVO PTY LTD	5,544,545	0.72%
15	SKER HOLDINGS PTY LTD <SKERMAN INVESTMENT A/C>	4,500,000	0.59%
16	J P MORGAN NOMINEES AUSTRALIA LIMITED	4,361,920	0.57%
17	IGNITION CAPITAL NO2 PTY LTD <IGNITION SUPER FUND A/C>	4,000,000	0.52%
18	ROCHAS RESOURCES LIMITED	3,720,922	0.48%
19	KRYPTONITE LLC	3,500,000	0.46%
20	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	3,498,658	0.46%
	Total	**290,980,517**	**37.90%**
	Total issued capital - selected security class(es)	**767,704,603**	**100.00%**

ASX Additional Information (continued)

4. Voting Rights

All ordinary shares fully paid have the same voting rights of one vote per ordinary shares fully paid. See also the Company Constitution and note 11 of the financial statements for further details.

5. Unquoted securities

The names of the security holders holding more than 20% of an unlisted class of security are listed below:

Exercise Price	$0.092	$0.093	$0.10	$0.15	$0.20	$0.25	$0.20	$0.13	$0.20	$0.1125	$0.15	$0.94
Expiry	**31 May 2020**	**31 Mar 2017**	**23 Dec 2021**	**23 Dec 2021**	**23 Dec 2021**	**23 Dec 2021**	**21 June 2022**	**21 June 2022**	**22 May 2022**	**16 Jan 2021**	**16 Jan 2021**	**16 Jan 2021**
M = Millions	**M**	**M**	**M**	**M**	**M**	**M**	**M**	**M**	**M**	**M**	**M**	**M**
David Flanagan	-	-	5.0	5.0	5.0	5.0						10.0
Cherie Leeden	-	-	-	10.0	-	-	5.0					
Gilbert George	1.0	-	-	-	-	-						
Brett Smith	1.0	-	-	-	-	-						
Nardie Group Pty Ltd	0.5	-	-	-	-	-						
Jetosea Pty Ltd	-	2.5	-	-	-	-						
Sartori Investments	-	-	-	-	-	-		3.0				
Andre Cardoso	-	-	-	-	-	-			2.5			
Graham Fyfe									1.0			
Berne No 132 Nominees										3.9	3.9	
Zenix Nominees										3.9	3.9	
Total number of holders	3	1	1	16	1	1	1	1	2	2	2	1
Holders less than 20%	-	-	-	18.9	-	-	-	-	-			
Total	**2.5**	**2.5**	**5.0**	**28.9**	**5.0**	**5.0**	**5.0**	**3.0**	**3.5**	**7.8**	**7.8**	**10.0**

6. Substantial shareholder notices received as at 12 April 2018

Name	Number of Shares	% Holding
FARJOY PTY LTD	95,799,911	12.48

7. Restricted Securities Subject to Escrow as at 12 April 2018

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 2017 consistent with its business objective and strategy.

ASX Additional Information (continued)

10. Tenure

The Company has an interest in the following projects as at 12 April 2018:

Mining Tenements Held

Tenement Reference	Location	Nature of interest	Interest
8770C	Mozambique	Granted Mining Licence	100%
4118	Mozambique	Granted	100%
8555	Mozambique	Granted	100%
8609	Mozambique	Granted	100%
Kroussou G4-569 & G4-588	Gabon JV	Granted	100%

1. Trek Minerals have an option to earn 30% of the Gabon Kroussou Project through the expenditure of US$1M within 12 months of the option exercise date. Option agreement contemplates Trek earning up to 70% via additional expenditure. Subsequent to the end of December 2017, Trek Metals and Battery Minerals signed a binding term sheet for Trek Metals to acquire 100% of the Kroussou Project from Battery Minerals for an up-front consideration of US$400,000 in a mix of cash and securities and a deferred consideration of shares and options subject to the definition of an Indicated Resource at Kroussou. In additional, Battery Minerals will retain a 2.5% NSR subject to a 1% buyback option by Trek Metals. See Trek Metals' ASX announcement dated 11 January 2018 for full details.

Note: As advised in the March 2017 Quarterly Report, the Company has agreed to dispose of its interest in the tenement numbered 5572 in Mozambique in exchange for a royalty interest. The transfer for the divestment of this tenement is currently being processed in Mozambique and is expected to be concluded in due course

Competent Persons Statement

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

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

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.

The information in this Presentation that relates to Montepuez Mineral Resources and Ore Reserves is extracted from the ASX Announcement titled 'Montepuez Graphite Project Mineral Resource and Ore Reserve Estimate' dated 15 February 2017 and DFS and PFS information is extracted from the ASX announcement entitled 'Lithium Ion Battery anode PFS and Montepuez Graphite DFS confirm robust economics' dated 15 February 2017, both of which are available at Battery Minerals website at http://www.batteryminerals.com in the ASX announcements page.

The information in this presentation that relates to Balama Central Mineral Resources in the ASX announcement dated 29 March 2018 and entitled "Resources double at Balama Central graphite project in Mozambique " which is available at Battery Minerals website at http://www.batteryminerals.com in the ASX announcements page

Battery Minerals confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. Battery Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Scoping Study Parameters - Cautionary Statements in 1 March 2018 announcement

This Scoping Study has been undertaken to determine the potential viability of an open pit mine and graphite processing plant constructed onsite at the Balama Central Project and to form a view of the order of magnitude potential and a basis on which to complete further studies. The Scoping Study has been prepared to an accuracy level of ±35%. The results should not be considered a profit forecast or production forecast.

The Scoping Study is a preliminary technical and economic study of the potential viability of the Balama Central Project. In accordance with the ASX Listing Rules, the Company advises it is based on low-level technical and economic assessments that are not sufficient to support the estimation of ore reserves. Further evaluation work including infill drilling and appropriate studies are ongoing and they will contribute to our ability to estimate any ore reserves or to provide any assurance of an economic development case. This study does not warrant that reserves will be reported.

ASX Additional Information (continued)

The total production target is based on Indicated resource exclusively. The Company has concluded that it has reasonable grounds for disclosing a production target.

The Scoping Study is based on the material assumptions outlined elsewhere in this announcement. These include assumptions about the availability of funding. While Battery Minerals considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the range outcomes indicated in the Scoping Study, additional funding will likely be required. Investors should note that there is no certainty that Battery Minerals will be able to raise funding when needed. It is also possible that such funding may only be available on terms that dilute or otherwise affect the value of the Battery Minerals' existing shares. It is possible that Battery Minerals could fund development of Balama Central from cashflow from its Montepuez graphite project, approximately 60kms north of Balama Central, which is currently in the early stages of construction. It is also possible that Battery Minerals could pursue other 'value realisation' strategies such as sale, partial sale, or joint venture of the Project. If it does, this could materially reduce Battery Minerals' proportionate ownership of the Project.

The Company has concluded it has a reasonable basis for providing the forward looking statements included in this announcement and believes that it has a reasonable basis to expect it will be able to fund the development of the Project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

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