BATTERY MINERAL RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

A.B.N. 79 612 991 116

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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DIRECTORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2018

The directors present their report together with the financial report of Battery Mineral Resources Limited ("the Company") for the period from July 1, 2017 until June 30, 2018 ("the full year" or "the period") and the independent auditor's report thereon.

The names of directors who held office during or since the end of the full year are:

Name	Appointed to the Board
Gary Lewis	14 June 2016
George Young	28 May 2018 (previously appointed 24 August 2016 and resigned 15 March 2018)
Ian Pringle	6 September 2016
Lazaros Nikeas	1 January 2018
George Pirie	23 May 2018
Stephen Dunmead	8 June 2018
James Hughes	8 June 2018

DETAILS OF THE ABOVE DIRECTORS:

Gary Lewis, BCOM, MBT, Executive Chairman

Founding Director with 30 years in capital markets and business and strategy development. Invested and/or operated resource projects or assets over the past ten years valued at more than US$350M, including the acquisition and ultimate sell-down or listing of high-value, multi-commodity resource projects in Australia, UK, SE Asia, Central Asia and the Americas.

Ian Pringle, Ph.D., BSc (Hons) Geology, Non-Executive Director

Senior mining executive with outstanding track record of successful mineral resource evaluation, discovery, project development and operations. As Managing Director of several Australian listed resource companies has gained considerable experience and high technical capability particularly in international cobalt, base and precious metals projects.

George Young, BS, JD, Non-Executive Director

35 years acquiring, financing and developing mines in North and South America, as a metallurgical engineer and as a lawyer. Instrumental in over US$600M in financing for both major and junior mining companies and in over US$9 billion in financing for the utilities industry. Co-founder of MAG Silver Corp. and International Royalty Corp.

Lazaros Nikeas, Director

Partner of Weston Energy LLC, a Yorktown Partners LLC portfolio company. Mr. Nikeas was previously a Partner of Traxys Capital Partners, a resource investment firm backed by the Carlyle Group. Mr. Nikeas has over 15 years of strategy and capital markets advisory experience for resource, chemicals, and industrial companies, with over US$25 billion of M&A transactions completed.

George Pirie, Non-Executive Director

Canadian-based international mining executive with over 35 years of experience in project development, mine building, asset optimisation, and operations. Mr Pirie was previously Chief Financial Officer for Placer Dome North America and Placer Dome Canada, President and Chief Executive Officer of Placer Dome Canada, Executive Vice President of Placer Dome Inc., President and Chief Executive Officer of Breakwater Resources Ltd., Northern Star Mining Corp. and San Gold Corp., and Director of Timmins Economic Development Corp.

DETAILS OF THE ABOVE DIRECTORS (CONTINUED):

Stephen Dunmead, Non-Executive Director

Industrial consultant and former senior global business executive with over 30 years of leadership experience in the advanced materials and specialty chemicals industries. Previously Chief Operating Officer at SWM International, Mr. Dunmead also spent 15 years at OM Group with significant leadership responsibilities. Mr. Dunmead has extensive experience in cobalt projects, including acting as Chairman of the Cobalt Development Institute (now the Cobalt Institute) for seven years.

James Hughes, Non-Executive Director

Chief Executive Officer and Managing Director of Prisma Energy Capital, a private entity focused on investments in energy storage and the former Chief Executive Officer and a director of First Solar, Inc. Mr. Hughes also served as Chief Executive Officer and director of AEI Services LLC, President and Chief Operating Officer of Prisma Energy International and in various capacities with Enron Corporation.

COMPANY SECRETARY

Gary Lewis, appointed 14 June 2016

Justin Clyne, appointed 1 September 2016 and resigned 31 October 2017.

Mr. Justin Bradley Clyne, M.Laws, LLB, Grad Dip ACG, ACIS, LLM (UNSW), AGIA, was Company Secretary of Battery Mineral Resources from 1 September 2016 until 31 October 2017. Mr. Clyne has over 15 years of experience in the legal profession acting for a number of the country's largest corporations, initially in the areas of corporate and construction law before developing an interest in mining investment and research.

DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR AND EACH DIRECTOR'S ATTENDANCE ARE AS FOLLOWS:

	Board	
Director	**Eligible**	**Attended**
Gary Lewis	12	12
Ian Pringle	12	12
George Young	12	12
Lazaros Nikeas	6	6
George Pirie	1	1
Stephen Dunmead	1	1
James Hughes	1	1

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The Company is an Australian public company, founded in June 2016 and is focused on the exploration and development of minerals critical to the lithium-ion battery market and energy storage sector. The Company's principal business activities since incorporation have been the acquisition and consolidation of underexplored cobalt-prospective properties in a 200-km long zone located between the prolific Abitibi gold and base-metal belt and the Sudbury nickel-copper-platinum-paladium mining district in Ontario, Canada referred to as the "Ontario Cobalt Belt", as well as the advancement of exploration activities across its portfolio of other cobalt, lithium and graphite assets. The Company believes it currently holds the largest number of unpatented mining claims in Ontario across all types of minerals. In August 2016, the Company made its first acquisition of two graphite deposits in South Korea, and since September 2016, the Company has acquired several cobalt assets through staking and acquisition, including high-grade deposits in the Ontario and Idaho Cobalt Belts, and lithium assets in Nevada and California. In May 2018, ESI Energy Services Inc. ("ESI") and BMR entered into an early stage process facility and cobalt supply agreement under which ESI agreed to make a $10 million payment to the Company and provide up to $90 million of capital to build a cobalt processing facility for material mined from the Cobalt District Exploration Project with the intention of achieving commercial mining operations.

LOSS AFTER TAX

The consolidated loss after tax for the period was $6,705,770 (2017: $2,235,472).

DIVIDEND

The Directors do not recommend the payment of a dividend.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

Financing

During the period, 34,382,999 ordinary shares were issued at USD 50 cents and 133,333 ordinary shares were issued at USD 75 cents to raise a total of $15.4m gross in cash and $7.3m issued as non-cash share based payments.

The total funds raised were used during the period to fund the acquisition of cobalt, lithium and graphite exploration permits, working capital and the costs of the prospectus offer.

Changes in controlled entities

Refer to details set out in Note 18 to the accompanying financial statements.

OPTIONS

During the period, 29,680 convertible notes of $100 each, totaling $2.968 million were issued pursuant to a Deed executed on 25 September 2017. The convertible notes were all converted on 15 May 2018 for 4,566,150 shares of the Company at an issue price $0.65 per share.

No other options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial period and there were no options outstanding at the date of this report.

Other than as set out above, no shares were issued during or since the end of the period as a result of the exercise of an option over unissued shares or interests.

EVENTS SUBSEQUENT TO BALANCE DATE

On 22 May 2018 the Company entered into an early stage Process Facility and Cobalt Supply Agreement (the "Agreement") with ESI Energy Services Inc. ("ESI"). If the project proceeds, ESI would finance, build and operate a cobalt processing facility that would be supplied by feedstock material mined by the Company from its cobalt properties in Ontario.

The Company would earn an initial 35% interest in the processing facility and related assets once sufficient quantities of feedstock material have been delivered such that ESI achieves a one-time return of capital. The Company would earn a further 40% interest once ESI achieves a two-times return of capital. If the Company earns a cumulative 75% interest, the Company and ESI would establish a joint venture to assume responsibility for purchasing feedstock material from the Company, operating the process facility and marketing cobalt concentrate.

The Company would have a right of first refusal to purchase ESI's interest if ESI wishes to sell to a third party and an option to purchase ESI's remaining 25% interest after the joint venture is formed. The Agreement contains various default and termination events. Certain events (failure to raise required financing, commence design and procurement activities or advance construction by determined dates) would entitle the Company to terminate the Agreement and receive a CAD 20 million fee.

Subsequent to year end, the Company received a CAD$10 million payment from ESI for the right to participate in the project on 16 July 2018 and is non-refundable unless the Company does not use commercially reasonable efforts to advance the development of its Ontario cobalt mineral properties.

On 19 June, 2018, the Company lodged a Preliminary Prospectus with the Ontario Securities Commission ("OSC") for the purposes of an Initial Public Offering ("IPO") on the Toronto Stock Exchange ("TSX"). Subsequent to year end, the Company is working with the Ontario, Canada regulatory authorities to finalise the TSX listing process.

On 9 August 2018, after considering a report commissioned from an independent compensation consultant and data from other pertinent sources, the Board approved a Compensation Matrix which sets out compensation levels and benefits and short term and long term incentive compensation for Directors, other key management personnel and other executives. The Compensation Matrix sets out the future issue of a total of 4,130,000 LTIP securities (shares and options) to those personnel at the IPO share price and with specific vesting time periods of up to 3 years. The Board also approved a Long Term Incentive Plan ("LTIP") document. Both the Compensation Matrix and LTIP shall apply to the first year of the Company's listing on TSX.

The Company has not yet produced any revenues from its resource interests and further funds will be required to fund existing levels of overhead, planned exploration expenditures and property payments over the course of the next twelve months. Accordingly, it is common that resource companies in the exploration phase are required to raise funds to meet these ongoing activities. The company intends issuing an IPO to finance these planned activities in the first quarter of calendar 2019. Additionally, a major shareholder has undertaken to provide financial support should necessary funds be delayed.

Other than as set out above, no other events occurred subsequent to balance date up to the date of this report that might affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company is planning on listing on the TSX and advancing its exploration projects - details of which are set at the Preliminary Prospectus filed in Canada. Other than the matters set out in that document, likely developments in the operations of the consolidated group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated group.

ENVIRONMENTAL REGULATION

The consolidated group’s operations are subject to significant environmental regulations under the laws of Australia, Canada, USA, and South Korea. During the reporting period the consolidated group did not fail to meet its obligations pursuant to any environmental legislation or regulations.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The Lead Auditor's Independence Declaration is set out on page 6.

Signed in accordance with a resolution of the Board of Directors.

Gary Lewis

Executive Chairman

Sydney, 21 November 2018

To the Board of Directors of Battery Mineral Resources Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit director for the audit of the financial statements of Battery Mineral Resources Limited and subsidiaries for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia Sydney Audit Pty Ltd

Stephen Fisher
Director

Date: 21 November 2018

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BATTERY MINERAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

Reported in AUD

	Note	2018 $	Period 14 June 2016 to 30 June 2017 $
Revenue		-	-
Expenses			
Accounting fees		256,051	97,918
Consulting fees		374,205	259,319
Depreciation of equipment		14,323	-
General and administration		416,177	298,843
Legal fees		553,225	565,635
Management fees		2,833,848	381,115
Marketing expenses		348,272	99,293
Rent		123,512	23,703
Travel expenses		820,016	461,899
Loss from operations		(5,739,629)	(2,187,725)
Interest income		43,280	11,733
Gains (losses) on settlements		(187,500)	-
Net impairment of investments in mineral property		(12,378)	-
Foreign exchange gains and (losses)		(151,939)	(59,481)
Finance cost on convertible notes		(657,604)	-
Loss before income tax		(6,705,770)	(2,235,473)
Income tax expense	12	-	-
Net loss for the year		(6,705,770)	(2,235,473)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to owners of the parent company		(6,705,770)	(2,235,473)
Basic and diluted loss per ordinary share		(0.07)	(0.06)
Basic and diluted weighted average number of ordinary shares outstanding		94,191,977	37,408,108

The accompanying notes form part of the financial statements

BATTERY MINERAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

Reported in AUD

	Note	2018 $	2017 $
ASSETS			
Current assets			
Cash and cash equivalents		6,583,680	1,847,694
Receivables	4	639,580	316,974
Other assets	5	1,201,451	20,967
Total current assets		8,424,711	2,185,635
Non-current assets			
Investment	6	-	187,500
Equipment		46,361	7,790
Exploration and evaluation	7	21,208,960	8,506,204
Total non-current assets		21,255,321	8,701,494
TOTAL ASSETS		29,680,032	10,887,129
LIABILITIES			
Current liabilities			
Trade and other payables	8	4,734,467	739,646
Total current liabilities		4,734,467	739,646
TOTAL LIABILITIES		4,734,467	739,646
NET ASSETS		24,945,565	10,147,483
EQUITY			
Share capital	10	33,886,807	12,382,956
Accumulated losses		(8,941,242)	(2,235,473)
TOTAL EQUITY		24,945,565	10,147,483
TOTAL LIABILITIES AND EQUITY		29,680,032	10,887,129

The accompanying notes form part of the financial statements

BATTERY MINERAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

Reported in AUD

2017	**Number of shares**	**Issued Capital $**	**Accumulated Losses $**	**Total $**
Balance at June 14, 2016	-	-	-	-
Share capital issues	78,833,936	12,743,250	-	12,743,250
Share issue costs	-	(360,294)	-	(360,294)
Total comprehensive loss	-	-	(2,235,473)	(2,235,473)
Balance at June 30, 2017	78,833,936	12,382,956	(2,235,473)	10,147,483

2018	**Number of shares**	**Issued Capital $**	**Accumulated Losses $**	**Total $**
Balance at June 30, 2017	78,833,936	12,382,956	(2,235,473)	10,147,483
Share capital issues	34,516,332	22,692,915	-	22,692,915
Share issue costs	-	(1,189,064)	-	(1,189,064)
Total comprehensive loss	-	-	(6,705,770)	(6,705,770)
Equity as at 30 June 2018	113,350,268	33,886,807	(8,941,243)	24,945,564

BATTERY MINERAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

Reported in AUD

	2018	Period 14 June 2016 to 30 June 2017
	$	$
Cash flows from (used in) operating activities		
Interest received	43,280	11,733
Taxes paid but refundable	(293,627)	(316,974)
Payments to suppliers and employees	(4,018,887)	(2,193,828)
Net cash flows from (used in) operating activities	(4,269,234)	(2,499,069)
Cash flows from (used in) investing activities		
Investment in shares of non-related company	-	(187,500)
Payments for equipment	(52,893)	(7,790)
Payments for resource interests	(8,416,219)	(6,133,966)
Net cash flows from (used in) investing activities	(8,469,112)	(6,329,256)
Cash flows from (used in) financing activities		
Proceeds from shares issued	12,600,567	11,029,060
Proceeds from convertible notes	2,800,000	-
Proceeds from deferred exploration expenditure reimbursement	2,662,400	-
Payments of share issue costs	(436,696)	(293,560)
Net cash flows from (used in) financing activities	17,626,271	10,735,500
Effect of exchange rate changes on cash and cash equivalents	(151,939)	(59,481)
Net cash increase (decrease) in cash and cash equivalents	4,735,986	1,847,694
Cash and cash equivalents at beginning of period	1,847,694	-
Cash and cash equivalents at end of period	6,583,680	1,847,694

The accompanying notes form part of the financial statements

1 NATURE OF OPERATIONS AND GOING CONCERN

The financial report covers Battery Mineral Resources Limited And Its Controlled Entities (the "group"). Battery Mineral Resources Limited (the “Company”) was incorporated on 14 June 2016 under the laws of Australia and has limited liability.

These financial statements were approved and authorised for issue by the Board of Directors on 21 November 2018.

The Company is an unlisted public Australian company with a portfolio of cobalt, lithium and graphite projects positioned to supply growing market demand for raw materials critical to the rechargeable and energy storage sectors. The company continues to build its project portfolio. On the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. The amounts shown as exploration and evaluation properties represent net costs to date, less amounts recovered or written off, and do not necessarily represent present or future values.

These financial statements have been prepared on a going concern basis. For the year ended June 30, 2018, the Company has incurred a net loss after tax of $6,705,770 (2017: $2,235,473) and net cash used in operating activities of $4,269,234 (2017: $2,499,069). The Company has not yet produced any revenues from its resource interests and further funds will be required to fund existing levels of overhead, planned exploration expenditures and property payments over the course of the next twelve months. Accordingly, it is common that resource companies in the exploration phase are required to raise funds to meet these ongoing activities. The company intends issuing an IPO to finance these planned activities in the first quarter of calendar 2019. Additionally, a major shareholder has undertaken to provide financial support should necessary funds be delayed.

The Company's registered office and principal place of business is located at Level 36, 1 Farrer Place, Sydney NSW 2000, Australia.

2 STATEMENT OF COMPLIANCE

The general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards (‘AASBs’) adopted by the Australian Accounting Standards Board (‘AASB’). The financial statements also comply with International Financial Reporting Standards (IFRS) and interpretations as issued by the International Accounting Standards Board (IASB). The Group is a for-profit entity for financial reporting purposes.

3 PRESENTATION OF FINANCIAL STATEMENTS

a. Basis of Preparation

The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. All amounts are presented in Australian dollars, unless otherwise noted.

b. New, revised or amending accounting standards and interpretations adopted

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period. The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current period. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Company's presentation of, or disclosure in, its financial statements. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

c. Significant accounting estimates and judgements

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of the assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the future periods if the revision affects both current and future periods.

Sources of estimation uncertainty

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The recoverability of the carrying value of resource interests from economically recoverable reserves.

ii) The nil provision for income taxes for the period.

Critical accounting judgments

i) The carrying value and recoverability of the Company's resource interests included in the statements of the financial position; and

ii) The determination of categories of financial assets, financial liabilities, and equity instruments which have been identified based on accounting policies for financial instruments and which involves assessments made by management as to the appropriate category to apply.

iii) Significant judgment was required by management to determine the correct classification and disclosure of the funds received from Weston Energy II LLC ("Weston") for the purpose of financing lithium exploration activity. Refer to note 14 for more details. Management's understanding of the terms and conditions of the funding agreement is that there is no financial liability to be recognised. Management have therefore concluded that until such time as the agreed exploration and evaluation activities are carried out the Weston funds shall be recognised as a current liability and classified as deferred reimbursed exploration expenditure.

3 PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

d. Significant accounting policies

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Battery Mineral Resources Limited ('company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Battery Mineral Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights 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 consolidated entity. They are de-consolidated from the date that control ceases.

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign Currency Translation

Foreign currency transactions are translated into Australian dollars 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 financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into Australian Dollars at the rate of exchange prevailing at the reporting date and their Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of comprehensive income.

Operating Segments

Operating segments are presented using the ‘management approach’, where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (‘CODM’), who have been identified as the Board of Directors. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

3 PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

d. Significant accounting policies (Continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

3 PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

d. Significant accounting policies (Continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

3 PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

d. Significant accounting policies (Continued)

Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the period in which the decision is made.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

3 PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

d. Significant accounting policies (Continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Refer also to Note 13.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

3 PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

d. Significant accounting policies (Continued)

Share-based payments

Equity-settled share-based compensation benefits are provided to key management personnel and some other employees. Equity-settled transactions are awards of shares that are provided to employees in exchange for the rendering of services.

Equity-settled share-based payments are also provided to certain suppliers in exchange for the acquisition of certain mineral exploration rights or rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date of the goods, services, assets and liabilities transacted. Alternatively, fair value is measured at the estimated market price of the entity's shares, adjusted to take into account the terms and conditions upon which the shares were granted. The estimated market price is determined with reference to the share price of shares issued to unrelated parties on an arm's length basis.

The cost of equity-settled transactions for employees are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Goods and services tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

4 RECEIVABLES

	2018 $	2017 $
Current		
Taxes receivable	639,580	316,974
Total	639,580	316,974

5 OTHER ASSETS

	2018 $	2017 $
Current		
Prepayments	1,201,451	20,967
Total	1,201,451	20,967

6 INVESTMENTS

	2018 $	2017 $
Non-current		
Available-for-sale shares in a private company	-	187,500
Total	-	187,500

The Company settled a dispute with its former Chief Operating Officer. In settling the deed, the above investment was disposed of for no consideration.

7 EXPLORATION AND EVALUATION

	Cobalt Project $	Lithium Project $	Graphite Project $	Other $	Total $
Balance at June 14, 2016	-	-	-	-	-
Additions	5,029,002	1,884,327	1,569,983	22,892	8,506,204
Impairment	-	-	-	-	-
Balance at June 30, 2017	5,029,002	1,884,327	1,569,983	22,892	8,506,204
Additions	8,818,970	2,901,128	1,005,550	-	12,725,648
Impairment	-	-	-	(22,892)	(22,892)
Balance at June 30, 2018	13,847,972	4,785,455	2,575,533	-	21,208,960

8 TRADE AND OTHER PAYABLES

	2018 $	2017 $
Current		
Accounts payable and accrued liabilities	2,072,067	739,646
Deferred reimbursed exploration expenditure	2,662,400	-
Total	4,734,467	739,646

i) The average credit provided on payables is 30 days. No interest applies to payables.

ii) The Deferred reimbursed exploration expenditure received relates to funding received for the Panamint Valley drilling activities. Refer to note 14 for more detail.

9 FINANCIAL LIABILITIES

	2018 $	2017 $
Issue of 29,680 convertible notes	2,968,000	-
Advisors' fees issued as convertible notes	(168,000)	-
Advisors' fees issued as shares	(489,604)	-
Net proceeds	2,310,396	-
Amortisation of transaction costs	657,604	-
Amount classified as equity upon conversion	(2,968,000)	-
Carrying amount of liability at June 30, 2018	-	-

On September 25, 2017, the Company issued a $2.968 million unsecured convertible notes financing transaction. Each note was valued at $100 and had a convertible feature up to 12 months. The Company received $2.8 million in cash and $168,000 was paid as advisors' fees. The Company also issued 769,697 ordinary shares as additional advisors' fees. The total transaction costs related to the notes totals $657,604. The transaction costs were off-set against the face value of the notes and were being amortised to the profit and loss account over the 12 month term of the notes. The notes were converted early to ordinary shares on 15 May 2018 at an issue price of $0.65 per share for each note per revised conversion terms agreed to by the noteholders. Accordingly, as at 30 June, 2018 the Company has expensed all the $657,604 of the transaction costs as financing costs in the profit and loss account relating to the convertible notes and has reclassified the net proceeds of $2.8m as share capital.

10 ISSUED CAPITAL

The details for the ordinary share issuances from date of incorporation on 14 June 2016 through to the period ended June 30, 2018 are as follows:

Ordinary Shares	Number	$
Balance at beginning of period	-	-
Issue of 1 share at $1.00	1	1
Issue of 18,475,000 shares at $0.01 per share	18,475,000	184,750
Issue of 7,250,000 shares at $0.05 per share	7,250,000	362,500
Issue of 11,150,000 shares at $0.10 per share	11,150,000	1,115,000
Issue of 23,212,500 shares at $0.16 per share	23,212,500	3,714,000
Issue of 10,056,435 shares at $0.20 per share	10,056,435	2,011,287
Issue of 1,175,000 shares at $0.30 per share	1,175,000	352,500
Issue of 7,515,000 shares at USD $0.50 per share	7,515,000	5,003,212
Less: Share issue costs	-	(360,295)
Balance at 30 June 2017	78,833,936	12,382,955
Issue of 34,382,999 shares at USD $0.50 per share	34,382,999	22,562,916
Issue of 133,333 shares at USD $0.75 per share	133,333	130,000
Less: Share issue costs	-	(1,189,064)
Balance at June 30, 2018	113,350,268	33,886,807

Ordinary shareholders participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to 1 vote.

11 RELATED PARTY TRANSACTIONS

Related parties include directors and key management personnel.

Transactions with directors and related entities are as follows:

(a) Consulting fees of $422,821 (2017 - $223,363) were paid to ACT2 Pty Ltd, an entity related to Director, Mr. Gary Lewis in respect of management services provided by Mr. Gary Lewis.

(b) Consulting fees of $188,659 (2017 - $80,069) were paid to Ian J Pringle & Associates Pty Ltd, an entity related to Director, Mr. Ian Pringle, for geology consulting services provided.

(c) Consulting fees of $137,674 (2017 - $66,840) were paid to Numis Consulting Inc., an entity related to Chief Financial Officer ("CFO"), Mr. Jack Cartmel, for management services provided.

(d) Consulting fees of $196,767 (2017 - $131,843) were paid to StoneBridge Analytics, LLC, an entity related to Chief Commercial Officer ("CCO"), Dr. Henry J. Sandri, for management services provided.

(e) Consulting fees of $104,578 (2017 - $72,898) were paid to Mr. George Young, Director, for director services provided.

(f) Consulting fees of $38,846 (2017 - $NIL) were paid to New Canaan Capital Advisors LLC, an entity related to Director, Mr. Lazaros Nikeas, for director services provided.

(g) On 15 November 2017, the Company issued 2,650,000 ordinary shares at a nominal issue price of USD $0.50 with a total issue value of $1,725,945 (USD $1.325m). The shares were issued to the executives and management of the Company for nil cash consideration. The cost of the issued shares was recognised as share based payments expense in the profit and loss account. The share issues included 1 million shares issued to ACT2 Pty Ltd, an entity related to a Director, Mr. Gary Lewis; 350,000 shares issued to Squingle Squilliions Pty Ltd, an entity related to a Director, Mr. Ian Pringle; 75,000 shares issued to the CFO, Mr. Jack Cartmel; 200,000 shares issued to the CCO, Dr. Henry J. Sandri; and 150,000 shares issued to a Director, Mr. George Young.

(h) On 4 April 2018, the Company issued bonus sign-on shares to two new Directors, being 250,000 shares issued to Mr. Lazaros Nikeas and 50,000 shares issue to Mr. George Pirie at a nominal issue price of USD $0.50 with a total issue value of $195,000 (USD $150,000).

(i) On 15 June 2018, the Company issued bonus sign-on shares to two new Directors, being 100,000 shares each issued to Mr. Stephen Dunmead and Mr. James Hughes at a nominal issue price of USD $0.50 with a total issue value of $135,290 (USD $100,000).

(j) In May 2018 Weston Energy LLC, a director-related entity of Lazaros Nikeas, provided $2,662,400 (USD 2m) to finance a lithium drilling program in Panamint Valley, California USA. Refer to Notes 8 and 14 for further details of this transaction.

12 INCOME TAX

	2018 $	2017 $
(a) Income tax expense		
Income tax expense for the year comprises:		
Current tax	-	-
Deferred tax	-	-
Reconciliation of income tax (benefit) expense:		
Loss from operations before tax	(6,705,770)	(2,235,472)
Tax (benefit) at Australian tax rate of 27.5%	(1,844,087)	(614,755)
Tax effect of non-deductible items	1,686,102	572,044
Effect of difference in tax rate	(39,496)	(10,678)
Effect of tax losses not recognised	197,481	53,389
Income tax expense	-	-
(b) Deferred tax liability comprises:		
Exploration expenditure – at 22%	566,617	350,433
Offset against tax losses recognised	(566,617)	(350,433)
(d) Tax Losses		
Unused tax losses for which no benefit has been recognised as a deferred tax asset	808,881	979,477
Tax effect		
Potential Income Tax Benefit – at 22%	177,954	215,484

Deferred Tax Assets not brought to account

The income tax return for fiscal year 2018 has not been lodged as at the date of this report. The benefit of these temporary differences and tax losses will only be obtained if:

I The consolidated entity derives future assessable income of a nature and of an amount sufficient enough to enable the benefit from the deductions for the losses to be realized.

II The consolidated entity continues to comply with the conditions for deductibility imposed by the tax legislation; and

III No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

13 FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

- **Treasury Risk Management**

The Board meets on a regular basis to review financial risk exposure and to evaluate treasury management strategies in the context of current economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Company to meet its financial targets while minimising potential adverse effects on financial performance.

- **Financial Risk Exposure and Management**

The main risks the company is exposed to through its financial instruments are interest rate risk, foreign exchange risk, and liquidity risk. Credit risk is minimal as bank balances or receivables are with financially sound entities.

The totals for each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to these financial statements, are as follows:

13 FINANCIAL INSTRUMENTS (CONTINUED)

2018		Weighted average interest	Floating interest rate	Non-interest bearing	Total
	Note	Rate	$	$	$
Financial Assets					
Cash and cash equivalents		1.90%	5,817,727	765,953	6,583,680
Receivables	4	n/a	-	639,580	639,580
Total financial assets			5,817,727	1,405,533	7,223,260
Financial Liabilities					
Trade and other payables	8	n/a	-	4,734,467	4,734,467
Total financial liabilities			-	4,734,467	4,734,467
Net financial assets			5,817,727	(3,328,934)	2,488,793

2017		Weighted average interest	Floating interest rate	Non-interest bearing	Total
	Note	Rate	$	$	$
Financial Assets					
Cash and cash equivalents		1.40%	213,954	1,633,740	1,847,694
Receivables	4	n/a	-	316,974	316,974
Available-for-sale financial assets	6	n/a	-	187,500	187,500
Total financial assets			213,954	2,138,214	2,352,168
Financial Liabilities					
Trade and other payables	8	n/a	-	739,646	739,646
Total financial liabilities			-	739,646	739,646
Net financial assets			213,954	1,398,568	1,612,522

13 FINANCIAL INSTRUMENTS (CONTINUED)

Interest Rate Sensitivity Analysis

Interest rate risk arises on financial assets with variable rates - primarily bank balances.

At June 30, 2018, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

Changes in profit and equity	$
Increase in interest rate by 1%	6,584
Decrease in interest rate by 1%	(6,584)

Currency risk

The Group is exposed to currency risk on bank accounts held by the Company that are denominated in a currency other than Australian dollars, being United States Dollars (USD) and Canadian Dollars (CAD). The Group is also exposed to currency risk on payables that are denominated in a currency other than Australian dollars, being USD, CAD and Korean Won (KRW), the latter being the functional currencies of the Group's subsidiary entities. During the year ended June 30, 2018, approximately 68% of the Group's purchases were in foreign currencies, being 23% in USD, 69% in CAD and 8% in KRW.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows, raising capital via share placements or other financing instruments when cash reserves need replenishing and matching the maturity profiles of financial assets and liabilities.

A sensitivity analysis based on the trade payables as at June 30, 2018 with currencies other than Australian dollars is provided:

	Amount $	Exchange rate June 30, 2018	AUD Equivalent $	10% Unfavourable Movement $
USD	$ 441,154	$ 1.352900	$ 596,837	$ 656,521
CAD	1,060,286	1.027400	1,089,338	1,198,272
KRW	11,930,353	0.001215	14,495	15,945
Total	-	-	1,700,670	1,870,738
Reduction in earnings	$ -	$ -	$ -	$ 170,068

The Group did not hedge any of its foreign currency exposure at June 30, 2018.

13 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair Value Measurement

One of the Group's financial assets was measured at fair value on a recurring basis at the end of each reporting period until it was disposed on 31 March, 2018. The financial asset, being an investment in an equity instrument that does not have a quoted price in an active market for an identical instrument, was recognised at fair value and there were no transaction costs. The following table and footnotes gives information about how the fair value of this financial asset was determined, in particular the valuation technique and inputs used.

Financial asset / liability	At	Fair value	Fair value hierarchy [1]	Valuation technique [2]	Significant unobservable inputs
Private equity investment – 18.75% shareholding in North West Nickel Pty Ltd	30 June 2017	187,500	Level 2	Market	-
Private equity investment – 18.75% shareholding in North West Nickel Pty Ltd	30 June 2018	-			-

[1] Fair Value Hierarchy

AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that is an input that is significant to the measurement can be categorised into as follows:

Level 1: Measurements based on quoted prices in active markets for identical assets that the entity can access at the measurement date.

Level 2: Measurements based on inputs other than the quoted prices included in Level 1, but that are observable for the asset, either directly or indirectly.

Level 3: Measurements based on unobservable inputs for the asset or liability.

The Group's management considers that the inputs used for the fair value measurement are Level 2 inputs. There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period.

[2] Valuation techniques

AASB 13 requires the valuation technique used to be consistent with one of the following valuation approaches:

Market approach: techniques that use prices and other information generated by market transactions for identical or similar assets.
Income approach: techniques that convert future cashflows or income and expenses into a single discounted present value;
Cost approach: techniques that reflect the current replacement cost of an asset at its current service capacity.

The Group's management has adopted the market approach to measure the fair value of its available-for-sale investment in private company shares.

Other financial assets and liabilities

The carrying amounts of other financial assets and liabilities approximate their fair values, given the short time frames to maturity.

14 COMMITMENTS

The Company executed an agreement during the prior period to pay USD$4 million to an unrelated party for a 20 year cancelable lease of the Panamint Valley project in California. Annual lease payments of USD$0.2 million and work commitments of USD $0.3 million are required. The lease is cancelable at any time by the Company, provided lease and work commitment payments are up to date. The Company has a purchase option under the lease to acquire the exploration rights for USD$4 million less cumulative lease payments made.

At balance date, the Company has obligations to spend a minimum of $15.1 million (2017: $14.5 million) on exploration in a substantial number of acquired exploration and evaluation tenements. These obligations may be varied from time to time in accordance with the tenement terms.

Property Commitment Summary	2019 $	2020 $	2021 $	2022 $	2023 $	Total
Property Work Commitments	2,584,280	2,130,170	2,438,390	270,580	270,580	7,694,000
Property Payment Commitments	1,375,040	743,180	527,430	270,580	270,580	3,186,810
Advance Minimum Royalties	20,550	46,230	56,510	56,510	56,510	236,310
Other Property Payments	875,540	840,030	891,400	685,920	685,920	3,978,810
Total property commitment	4,855,410	3,759,610	3,913,730	1,283,590	1,283,590	15,095,930

The Company has a contingent obligation to issue 1 million ordinary shares at USD $2.00 per share to Weston Energy, LLC in respect of $2,662,400 (USD$2 million) of funding received in May 2018 from Weston as a contribution by Weston to the lithium drilling program in Panamint Valley, California, USA in fiscal year 2018 and 2019. The shares will become issuable to Weston if the result of the completed drilling program is deemed successful by the parties and the Company chooses to pursue a joint venture with a third party for further exploration and development activity in Panamint Valley.

Operating Lease Commitments	2018 $	2017 $
Non-cancelable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
Not later than 12 months	94,600	113,520
Between 12 months and 5 years	-	94,600
Total	94,600	208,120

15 OPERATING SEGMENTS

The Company is organized into three operating segments, being the exploration and evaluation of early stage cobalt, lithium and graphite resources. This is based on the internal reports that are reviewed and used by the Board of Directors, who are identified as the Chief Operating Decision Makers ("CODM") in assessing performance and in determining the allocation of resources.

The following table presents loss information and certain asset and liability information regarding operating segments for the period ended June 30, 2017 and June 30, 2018.

	Cobalt $	Lithium $	Graphite / Other $	Corporate $	Total $
As at June 30, 2017					
Loss before taxes	-	-	-	(2,235,473)	(2,235,473)
Segment assets	5,029,002	1,884,327	1,592,875	-	8,506,204
Segment liabilities	382,079	320,944	28,744	7,879	739,646
As at June 30, 2018					
Loss before taxes	-	-	-	(6,705,770)	(6,705,770)
Segment assets	13,847,972	4,785,455	2,575,533	-	21,208,960
Segment liabilities	1,089,338	596,837	14,495	3,033,797	4,734,467
CAPITAL EXPENDITURE					
Exploration and evaluation	5,029,002	1,884,327	1,592,875	-	8,506,204
Equipment	-	-	4,557	3,233	7,790
Investment in shares	-	-	-	187,500	187,500
As at June 30, 2017	5,029,002	1,884,327	1,597,432	190,733	8,701,494
Exploration and evaluation	8,818,970	2,901,128	982,658	-	12,702,756
Equipment	-	-	21,937	16,634	38,571
Investment in shares	-	-	-	(187,500)	(187,500)
As at June 30, 2018	13,847,972	4,785,455	2,602,027	19,867	21,255,321

16 DIVIDENDS

No dividends have been declared or paid during the current period.

17 CASH FLOW INFORMATION

Reconciliation of Cash Flows from Operations with Loss from ordinary activities after Income Tax	2018 $	2017 $
Loss after income tax	(6,705,770)	(2,235,472)
Add: non-cash items		
Depreciation	14,323	-
Director fees	167,790	-
Finance costs	657,604	-
Foreign exchange loss	151,939	59,481
Impairment of exploration and evaluation asset	22,892	-
Management fees	1,725,945	-
Settlement disposals	187,500	-
Total non-cash items	2,927,993	59,481
Change in assets and liabilities:		
(Increase) in receivables	(322,606)	(316,974)
(Increase) in prepayments	(78,961)	(20,967)
(Decrease)/Increase in payables	(89,890)	14,863
Net cashflows used in operating activities	(4,269,234)	(2,499,069)

	2018 $	2017 $
Non-cash investing and financing activities		
Conversion of convertible notes into ordinary issued shares	2,968,000	-
Ordinary shares issued under share based payments arrangements for acquisition of assets (refer to Note 23)	5,398,614	1,664,440
Total non-cash investing and financing activities	8,366,614	1,664,440

Changes in liabilities arising from financing activities	Convertible notes $	Deferred reimbursed exploration expenditure $	Total $
Balance at 30 June 2017	-	-	-
Net cash from/(used in) financing activities	2,800,000	2,662,400	5,462,400
Other changes	(2,800,000)	-	(2,800,000)
Balance at 30 June 2018	-	2,662,400	2,662,400

18 PARTICULARS IN RELATION TO CONTROLLED ENTITIES

Parent Entity

Battery Mineral Resources Limited is an Australian unlisted public company.

Name of Controlled Entities	Principal Activity	Country of Incorporation	Proportion of Ownership Interest and Voting Power Held	
			June 30, 2018	June 30, 2017
			%	%
Battery Mineral Resources Limited	Intermediate Holding Company	Canada	100	-
Battery Mineral Resources (Ontario), Inc.	Resource Exploration	Canada	100	-
North American Cobalt Inc.	Resource Exploration	USA	100	100
Battery Mineral Resources (Nevada), Inc.	Resource Exploration	USA	100	-
Battery Mineral Resources (California), Inc.	Resource Exploration	USA	100	-
Opirus Minerals Group Pty Ltd	Intermediate Holding Company	Australia	100	100
Won Kwang Mines Inc.	Resource Exploration	South Korea	100	100

Subsidiary companies were incorporated in the year for nominal consideration. All subsidiaries have share capital consisting solely of ordinary shares held directly by the group. All subsidiary financial statements used in the preparation of the consolidated financial statements use the same reporting date and accounting policies. There are no signification restrictions over the group's ability to access the assets or settle the liabilities of group entities.

19 PARENT ENTITY DISCLOSURE

	2018 $	2017 $
Financial Position		
Assets		
Current assets	8,135,672	2,185,635
Non-current assets	21,529,865	8,701,494
Total Assets	29,665,537	10,887,129
Liabilities		
Current liabilities	4,719,972	739,646
Total Liabilities	4,719,972	739,646
Equity		
Issued capital	33,886,807	12,382,956
Accumulated losses	(8,941,242)	(2,235,473)
Total Equity	24,945,565	10,147,483
Financial Performance		
Loss for the year	(6,705,770)	(2,235,473)
Other comprehensive income	-	-
Total comprehensive loss for the year	(6,705,770)	(2,235,473)

20 REMUNERATION OF AUDITORS

	2018 $	2017 $
Remuneration of auditor and related or affiliated entities		
Audit and review of financial reports:		
Australia statutory auditor	62,000	20,000
Canada statutory auditor	15,000	-
Total audit and review of financial reports	77,000	20,000
Other services:		
Share registry	78,000	18,508
Other	57,700	17,015
Total other services	135,700	35,523
Total audit and other services	212,700	55,523

21 CONTINGENT LIABILITIES

In respect of a number of exploration and evaluation tenements acquired, the Company is obligated to pay to the vendors a net smelting royalty (“NSR”) of between 1-3% depending on the agreement. The NSR will commence upon extraction of minerals for sale.

In addition, a US company has continued legal proceedings against the Company in respect of 111 disputed claims staked in Idaho, USA. The Company is defending this action and the Directors expect the Company will be successful.

Other than as disclosed above, there are no contingent liabilities of the Company known to the Directors at the date of signing of this financial report.

22 EVENTS SUBSEQUENT TO BALANCE DATE

On 22 May 2018 the Company entered into an early stage Process Facility and Cobalt Supply Agreement (the "Agreement") with ESI Energy Services Inc. ("ESI"). If the project proceeds, ESI would finance, build and operate a cobalt processing facility that would be supplied by feedstock material mined by the Company from its cobalt properties in Ontario.

The Company would earn an initial 35% interest in the processing facility and related assets once sufficient quantities of feedstock material have been delivered such that ESI achieves a one-time return of capital. The Company would earn a further 40% interest once ESI achieves a two-times return of capital. If the Company earns a cumulative 75% interest, the Company and ESI would establish a joint venture to assume responsibility for purchasing feedstock material from the Company, operating the process facility and marketing cobalt concentrate.

The Company would have a right of first refusal to purchase ESI's interest if ESI wishes to sell to a third party and an option to purchase ESI's remaining 25% interest after the joint venture is formed. The Agreement contains various default and termination events. Certain events (failure to raise required financing, commence design and procurement activities or advance construction by determined dates) would entitle the Company to terminate the Agreement and receive a CAD 20 million fee.

Subsequent to year end, the Company received a CAD 10 million payment from ESI for the right to participate in the project on 16 July 2018 and is non-refundable unless the Company does not use commercially reasonable efforts to advance the development of its Ontario cobalt mineral properties.

On 19 June, 2018, the Company lodged a Preliminary Prospectus with the Ontario Securities Commission ("OSC") for the purposes of an Initial Public Offering ("IPO") on the Toronto Stock Exchange ("TSX"). Subsequent to year end, the Company is working with the Ontario, Canada regulatory authorities to finalise the TSX listing process.

On 9 August 2018, after considering a report commissioned from an independent compensation consultant and data from other pertinent sources, the Board approved a Compensation Matrix which sets out compensation levels and benefits and short term and long term incentive compensation for Directors, other key management personnel and other executives. The Compensation Matrix sets out the future issue of a total of 4,130,000 LTIP securities (shares and options) to those personnel at the IPO share price and with specific vesting time periods of up to 3 years. The Board also approved a Long Term Incentive Plan ("LTIP") document. Both the Compensation Matrix and LTIP shall apply to the first year of the Company's listing on TSX.

Other than as set out above, no other events occurred subsequent to balance date up to the date of this report that might affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

23 SHARE BASED PAYMENT

During the year, the following shares were issued under share-based payment arrangements:

	2018 $	2017 $
Share remuneration issued to key management personnel and other employees	1,725,945	49,750
Share remuneration issued to directors	167,790	-
Share based payments issued to suppliers as payment for acquisition of mineral exploration rights and services received	5,398,614	1,664,440
Total share based payments	7,292,349	1,714,190

24 KEY MANAGEMENT PERSONNEL ("KMP") DISCLOSURES

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2018 $	2017 $
Short-term employee benefits	1,095,526	575,013
Post-employment benefits	18,050	-
Long-term benefits	-	-
Share-based payments	1,725,945	49,750
Total compensation	2,839,521	624,763

Short term employee benefits

These amounts include fees and benefits paid to non-executive directors as well as salary, paid leave benefits, fringe benefits and cash bonuses awarded to the executive Chairman, executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's costs of providing for superannuation contributions under the Australian Government's superannuation guarantee scheme or similar retirement benefits contributions mandated in foreign jurisdictions.

Other long term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share based payment expense

These amounts represent the expense related to the participation of specified executives in equity-settled benefit schemes as measured by the fair value of the shares granted on grant date.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED JUNE 30, 2018

In the opinion of the Directors of Battery Mineral Resources Limited:

(a) the financial statements and notes set out on pages 7 to 34, are in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial period ended on that date; and

ii) complying with Accounting Standards which as stated in accounting policy note 2 to the financial statements constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

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

Signed at Sydney this 21st day of November 2018 in accordance with a resolution of the Board of Directors:

Gary Lewis

Executive Chairman

Nexia Australia

Independent Auditor's Report to the Members of Battery Mineral Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Battery Mineral Resources Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; 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.

Other information

The directors are responsible for the other information. The other information comprises the information in Battery Mineral Resources Limited's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon. 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 and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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Directors' responsibility 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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 Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_files/ar4.pdf. This description forms part of our auditor's report.

Nexia Sydney Audit Pty Ltd

Stephen Fisher
Director

Dated: 21 November 2018
Sydney