

GLOBAL BATTERY METALS LTD

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JULY 31, 2020 AND 2019

(Unaudited, expressed in Canadian Dollars, unless otherwise noted)

GLOBAL BATTERY METALS LTD.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
As at

	Note	July 31, 2020 \$	April 30, 2020 \$
Assets			
Current			
Cash		618,711	753,905
Receivables		67,829	42,816
Prepaid expenses and advances		23,200	12,373
		709,740	809,094
Mineral property interests	4	5,276,846	5,786,481
		5,986,586	6,595,575
Liabilities			
Current			
Accounts payable and accrued liabilities		61,173	98,252
Equity			
Share capital	5	11,591,454	11,591,454
Contributed surplus	5	1,948,441	1,948,441
Shares to be issued	5	-	-
Accumulated other comprehensive income		(47,580)	193,761
Deficit		(9,913,170)	(9,795,921)
Equity attributable to shareholders		3,579,145	3,937,735
Non-controlling interest		2,346,268	2,559,588
		5,925,413	6,497,323
		5,986,586	6,595,575

Contingencies (Note 10)

On behalf of the Board:

“Alan Matthews”

Director

“Michael Murphy”

Director

GLOBAL BATTERY METALS LTD.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss***(Expressed in Canadian dollars)*

For the three months ended July 31,

	Note	2020	2019
		\$	\$
Business investigation costs		11,500	1,575
Consulting fees	6	4,449	8,010
Exploration costs	6	24,738	193,245
Investor relations		-	11,390
Management salaries and benefits	6	37,927	37,829
Office administration		26,557	30,478
Professional fees		17,834	12,199
Shareholders' information		10,101	21,507
Loss from operations for the period		(133,106)	(316,233)
Interest income		-	5,886
Loss for the period		(133,106)	(310,347)
Other comprehensive income (OCI)			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translating foreign operation		(438,804)	(95,076)
Total comprehensive income (loss) for the period		(571,910)	(405,423)
Loss for the period attributable to:			
Shareholders of the Company		(117,249)	(300,815)
Non-controlling interest (NCI)		(15,857)	(9,532)
		(133,106)	(310,347)
Comprehensive income (loss) for the period attributable to:			
Shareholders of the Company		(358,590)	(354,291)
Non-controlling interest (NCI)		(213,320)	(51,132)
		(571,910)	(405,423)
Loss per share			
Basic and diluted		(0.00)	(0.01)
Weighted average number of common shares outstanding			
Basic and diluted		32,300,839	32,231,685

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

GLOBAL BATTERY METALS LTD.
Condensed Interim Consolidated Statements of Equity
(Expressed in Canadian dollars)
For the three months ended July 31,

	Common Shares	Share Capital	Contributed Surplus	Shares to be issued	AOCI	Deficit	NCI	Total
	#	\$	\$	\$	\$	\$	\$	\$
Balance, April 30, 2019	25,869,539	10,591,979	1,948,441	246,000	144,751	(9,103,072)	2,468,524	6,296,623
Shares issued pursuant to								
Private Placement	6,431,300	1,029,008	-	(246,000)	-	-	-	783,008
Share issue costs	-	(29,733)	-	-	-	-	-	(29,733)
Contributions by NCI	-	-	-	-	-	-	35,021	35,012
Net loss for the period	-	-	-	-	-	(300,815)	(9,532)	(310,347)
OCI for the period	-	-	-	-	(53,476)	-	(41,600)	(95,076)
Balance, July 31, 2019	32,300,839	11,591,254	1,948,441	-	91,275	(9,403,887)	2,452,413	6,679,496
Shares issued pursuant to:								
Private placement	-	-	-	-	-	-	-	-
Share issue costs	-	200	-	-	-	-	-	200
Contributions by NCI	-	-	-	-	-	-	63,122	63,122
Net loss for the period	-	-	-	-	-	(392,034)	(38,787)	(430,821)
OCI for the period	-	-	-	-	102,486	-	82,840	185,326
Balance, April 30, 2020	32,300,839	11,591,454	1,948,441	-	193,761	(9,795,921)	2,559,588	6,497,323
Net loss for the period	-	-	-	-	-	(117,249)	(15,857)	(133,106)
OCI for the period	-	-	-	-	(241,341)	-	(197,463)	(438,804)
Balance, July 31, 2020	32,300,839	11,591,454	1,948,441	-	(47,580)	(9,913,170)	2,346,268	5,925,413

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

GLOBAL BATTERY METALS LTD.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
For the three months ended July 31,

	2020	2019
	\$	\$
Cash flows from operating activities		
Net loss for the period	(133,106)	(310,347)
Adjustments for:		
Interest income	-	(5,886)
Changes in non-cash working capital items:		
Receivables	(25,013)	849
Prepaid expenses and advances	(10,827)	3,925
Accounts payable and accrued liabilities	(37,079)	(52,632)
Net cash used in operating activities	(206,025)	(364,091)
Cash flows from investing activities		
Interest received	-	5,886
Mineral property acquisition costs	-	(45,871)
Net cash from (used in) investing activities	-	(39,985)
Cash flows from financing activities		
Income from Option Agreement	74,490	-
Issuance of common shares	-	783,008
Share issuance costs	-	(29,733)
Contribution by non-controlling shareholder	-	35,021
Net cash from financing activities	74,490	788,296
Foreign exchange on cash	(3,659)	(2,607)
Change in cash for the period	(135,194)	381,613
Cash, beginning of period	753,905	748,243
Cash, end of period	618,711	1,129,856

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

GLOBAL BATTERY METALS LTD.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in Canadian dollars)

For the three months ended July 31, 2020 and 2019

1. Nature of operations

The principal business activities of Global Battery Metals Ltd. (the “Company”) include the acquisition and exploration of mineral properties. The Company’s corporate head office is located at 1430-800 W Pender Street, Vancouver, British Columbia, Canada. The Company’s common shares are listed on the TSX Venture Exchange under the symbol GBML and the OTCQB under the symbol REZZF.

2. Basis of presentation

These condensed interim consolidated financial statements for the three months ended July 31, 2020 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s April 30, 2020 annual consolidated financial statements. The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended April 30, 2020.

These condensed interim consolidated financial statements were approved by the board of directors and authorized for issue on September 29, 2020.

The condensed interim consolidated financial statements include the results of the Company. The functional currency of the parent company, Global Battery Metals Ltd., is the Canadian dollar, the functional currency of the Company’s subsidiary Minas Dixon S.A is the Peruvian Nuevo Sol and the functional currency of the Company’s subsidiary Arizona Lithium Resources Ltd. and Compania Minera Oyamel, S.A de C.V is the US Dollar. The presentation currency of the Company is the Canadian dollar. The statement of financial position of each subsidiary is translated into Canadian dollars using the exchange rate at the statement of financial position date and the statement of operations is translated into Canadian dollars using the average exchange rate for the period. All gains and losses on translation from the functional currency to the presentation currency are charged to other comprehensive income. During the three months ended July 31, 2020, the Company recorded a loss of \$438,804 (2019 – \$95,076) through other comprehensive income related to the translation of its foreign subsidiaries.

The condensed interim consolidated financial statements include the results of the Company and its subsidiaries. Details of the Company’s subsidiaries are as follows:

Name	Country of incorporation	Percentage owned July 31,	
		2019	2018
Compania Minera Oyamel, S.A de C.V	Mexico	100%	100%
Minas Dixon S.A (“Minas Dixon” or “Minas”)	Peru	55%	55%
Arizona Lithium Resources Ltd.	USA	100%	100%

Intercompany balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation. Subsequent to July 31, 2020 the Company’s wholly owned subsidiary Arizona Lithium Resources Ltd was dissolved.

3. Critical accounting estimates and judgments

There have been no changes to the critical accounting estimates and judgements. Refer to the Company’s annual consolidated financial statements and notes for the year ended April 30, 2020.

GLOBAL BATTERY METALS LTD.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited, expressed in Canadian dollars)*

For the three months ended July 31, 2020 and 2019

4. Mineral property interests

Mineral property interests at July 31, 2020 and the changes for the periods then ended, are as follows:

	Lara	NWL Property	Total
	\$	\$	\$
Balance, April 30, 2019	5,514,107	133,645	5,647,752
Acquisition costs	-	47,621	47,621
Foreign exchange on mineral property	91,108	-	91,108
Balance, April 30, 2020	5,605,215	181,266	5,786,481
Option Agreement funding	(74,490)	-	(74,490)
Foreign exchange on mineral property	(435,145)	-	(435,145)
Balance, July 31, 2020	5,095,580	181,266	5,276,846

Lara Property

On February 4, 2013, the Company completed the requirements of the Lara option agreement with Lara Exploration Ltd. (“Lara Exploration”) and acquired 55% of Minas Dixon, the registered owner of the Lara property in southern Peru. Under the option agreement, a Joint Venture agreement was entered into with the 45% owner, Lara Exploration. The Lara property is subject to a payment of \$500,000 to a past owner at the start of commercial production.

On July 28, 2020, the Company entered into an Option Agreement (“Option Agreement”), together with Lara Exploration through Minas Dixon, for the sale of the Lara Property to Minsur S.A and a 1.5% NSR royalty. Under the terms of the Option Agreement the Company and Lara Exploration have granted Minsur S.A an exclusive option to acquire a 100% interest in the Lara Property by making staged cash payments of US\$5,759,000, to Minas Dixon based on the satisfaction of the below milestones.

Milestone/Date	Option Payments (US\$)
Upon Registration of the Agreement before Public Notary (July 21, 2020)	59,000
One year from Registration of the Agreement	200,000
Approval of Environmental Study and Start of Work (“DIA-IA”)	200,000
One year from approval of the DIA-IA	300,000
Approval of Semi-Detailed Environmental Study (“EIA-SD”)	500,000
One year from approval of the EIA-SD	1,500,000
Upon transfer of Title	3,000,000
Total (US\$)	5,759,000

During the three months ended July 31, 2020, the Company received US\$59,000 (CAD - \$74,490) related to the option agreement.

North West Leinster Lithium Property

On April 21, 2020, the Company entered into an amended Letter of Intent (the “LOI”) with LRH Resources Ltd (LRHR), an arms length private company. The LOI re-defines the option agreement as previously announced on October 28, 2018, in which the Company has the option to acquire up to 90% of the North West Leinster Lithium Property in the Republic of Ireland. The Company now has the right to exercise the following options:

- By spending €85,000 on exploration expenditures and up to €6,500 in license charges, fees and rents to keep the property in good standing by October 12th, 2022 an initial 17.5% interest can be acquired.

GLOBAL BATTERY METALS LTD.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited, expressed in Canadian dollars)*

For the three months ended July 31, 2020 and 2019

- The Company can exercise the second option by spending €500,000 on expenditures within two years following receipt by LRHR of the 1st Option Notice and paying LRHR €50,000 in either cash or a combination of cash and common shares of the Company, at the option of the Company, with at least €5,000 is payable in cash. Upon the above, a further 37.5% interest can be acquired.
- The Company can exercise the third option upon spending a further €1,000,000 on expenditures on the Project within two years following receipt by LRHR of the 2nd Option Notice and paying LRHR €200,000 in either cash or a combination of cash and commons shares of the Company, at the option of the Company, of which at least €20,000 is payable in cash. Upon this, an additional 35% interest can be acquired by the Company.

Pursuant to the original agreement with LRHR the Company made a cash payment of €10,000 (Paid – CAD \$15,438) and incurred €106,654 (CAD - \$165,828) of exploration expenses. This completed the due diligence required to enter into the LOI above.

Exploration expenditures

During the three months ended July 31, 2020 and 2019, the Company incurred the following exploration and expenditures, which were expensed as incurred:

	Lucky Mica	Lara	Total
	\$	\$	\$
Field work	-	16,528	16,528
Geological consulting	-	8,210	8,210
Environmental and community	-	-	-
Total	-	24,738	24,738

During the three months ended July 31, 2019, the Company incurred the following exploration and expenditures, which were expensed as incurred:

	Lucky Mica	Lara	Total
	\$	\$	\$
Field work	147,866	2,417	150,283
Geological consulting	35,010	7,952	42,962
Total	182,876	10,369	193,245

5. Share Capital**a) Authorized and issued**

Unlimited common shares, without par value – 32,300,839

Unlimited preferred shares, issuable in series – Nil

During the three months ended July 31, 2020, the company did not complete any financings.

On May 1, 2019, the Company closed a non-brokered private placement of 6,431,300 units at \$0.16 per unit, for gross proceeds of \$1,029,008. Each unit was comprised of one common share of the Company and one-half of one share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at an exercise price of \$0.24 for a period of two years. The Company applied the residual attribution approach and allocated a value of \$nil to the warrants. The Company incurred cash share issuance costs of \$29,533. A total of \$246,000 of the gross proceeds had been received prior to April 30, 2019.

GLOBAL BATTERY METALS LTD.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited, expressed in Canadian dollars)*

For the three months ended July 31, 2020 and 2019

b) Stock options

The balance of options outstanding and exercisable as at July 31, 2020 and April 30, 2020 and the changes for the periods then ended is as follows:

	Number of options	Weighted average exercise price	Weighted average remaining life (years)
Balance April 30, 2019	2,571,000	\$0.16	3.25
Balance April 30, 2020	2,571,000	\$0.16	2.24
Balance July 31, 2020	2,571,000	\$0.16	1.99

At July 31, 2020, the Company had the following stock options outstanding:

Expiry Date	Exercise Price	Weighted average remaining life (years)	Number of options outstanding and exercisable
October 13, 2020	\$0.10	0.20	272,000
April 4, 2021	\$0.10	0.68	234,000
August 9, 2021	\$0.20	1.02	150,000
February 24, 2022	\$0.18	1.57	300,000
November 30, 2022	\$0.14	2.33	600,000
May 30, 2023	\$0.20	2.83	1,000,000
November 26, 2023	\$0.09	3.32	15,000
		1.99	2,571,000

c) Warrants

The balance of warrants outstanding at July 31, 2020 and April 30, 2020 and the changes for the periods then ended is as follows:

	Number of warrants	Exercise price	Weighted average remaining life (years)
Balance, April 30, 2019	10,012,358	\$0.20	1.05
Expired	(6,619,025)	\$0.23	
Issued	3,215,650	\$0.24	
Balance, April 30, 2020	6,608,983	\$0.19	1.09
Balance, July 31, 2020	6,608,983	\$0.19	0.83

At July 31, 2020, the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Weighted average remaining life (years)	Number of warrants outstanding
May 1, 2021	\$0.24	0.75	3,215,650
June 29, 2021	\$0.15	0.91	3,393,333
	\$0.19	0.83	6,608,983

GLOBAL BATTERY METALS LTD.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited, expressed in Canadian dollars)*

For the three months ended July 31, 2020 and 2019

6. Related Party Transactions

Compensation paid or payable to Directors, the Chief Executive Officer and the Chief Financial Officer, for services provided during the three months ended July 31, 2020 and 2019 was as follows:

	2020	2019
	\$	\$
Management salaries and benefits	37,500	37,500
Business investigation	8,500	1,575
Consulting fees	4,449	8,010
Mineral property acquisition costs	-	4,000
Exploration expenses	-	7,425
	<u>50,449</u>	<u>58,510</u>

7. Segmented Information

The Company has one operating segment, which is mineral exploration and development. Geographic information related to the location of the Company's significant non-current assets as at July 31, 2020 and April 30, 2020 is as follows:

	July 31, 2020	April 30, 2020
	\$	\$
Mineral property interests		
Ireland	181,266	181,266
Peru	5,095,580	5,605,215
Total	<u>5,276,846</u>	<u>5,786,481</u>

8. Non-controlling interest

The Company owns a 55% controlling interest in Minas Dixon S.A; the remaining 45% is held by Lara Exploration and accounted for as a non-controlling interest. Financial information related to Minas Dixon S.A is as follows:

	July 31, 2020	April 30, 2020
	\$	\$
Current assets	102,010	71,364
Long term assets	5,095,580	5,605,215
Current liabilities	(1,377)	(6,912)
Long term liabilities	<u>(1,170,186)</u>	<u>(1,268,167)</u>

	2020	2020
	\$	\$
Loss for the period	(35,241)	(107,371)
Other comprehensive income (loss) for the period	(438,804)	91,637
Comprehensive loss for the period	<u>(474,045)</u>	<u>(15,734)</u>
Cash flows for the period:		
Cash flows from (used in) operating activities	(104,809)	(157,136)
Cash flows from financing activities	113,278	180,625
Net decrease in cash	<u>8,469</u>	<u>23,489</u>
Cash, beginning of period	33,168	9,149
Effect of foreign exchange rates on cash	(3,660)	530
Cash, end of period	<u>37,977</u>	<u>33,168</u>

GLOBAL BATTERY METALS LTD.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in Canadian dollars)

For the three months ended July 31, 2020 and 2019

9. Financial Instruments

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The Company classifies its cash and accounts payable and accrued liabilities as amortized cost. The fair value of these instruments approximates their carrying amounts due to their short-term to maturity.

There have been no changes to the Company's financial instruments and risk exposures. The Company's risk exposures and the impact on the Company's financial instruments are discussed in the consolidated financial statements for the year ended April 30, 2020.

10. Contingencies

The Company has approved a compensation package to the Chief Executive Officer. On the completion of a corporate acquisition or merger, bonuses of up to 500,000 stock options, restricted share units equal to 1% of the value of the transaction and cash in the amount equal to 0.25% of the value of the transaction would become payable. As at July 31, 2020 no corporate acquisition or merger has been entered into and therefore no accrual for the compensation package has been recorded.