

**GLOBAL BATTERY METALS LTD**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED JULY 31, 2021 AND 2020**

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

## **Notice of no Auditor Review of Interim Financial Statements**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**GLOBAL BATTERY METALS LTD.**  
**Condensed Interim Consolidated Statements of Financial Position**

As at

*(Unaudited - Expressed in Canadian dollars)*

	Note	July 31, 2021 \$	April 30, 2021 \$
<b>Assets</b>			
Current			
Cash		2,663,650	2,674,570
Receivables		12,648	13,834
Prepaid expenses and deposits		65,286	62,421
		2,741,584	2,750,825
Mineral property interests	4	4,540,179	4,765,888
		7,281,763	7,516,713
<b>Liabilities</b>			
Current			
Accounts payable and accrued liabilities	7	247,957	109,451
<b>Equity</b>			
Share capital	6	14,874,943	14,738,489
Contributed surplus	6	2,952,226	2,907,789
Accumulated other comprehensive income		(571,907)	(463,092)
Deficit		(12,104,872)	(11,750,128)
Equity attributable to shareholders		5,150,390	5,433,058
Non-controlling interest		1,883,413	1,974,204
		7,033,803	7,407,262
		7,281,763	7,516,713

Contingencies (Note 11)

**On behalf of the Board:**

*"Alan Matthews"*

Director

*"Michael Murphy"*

Director

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

**GLOBAL BATTERY METALS LTD.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

For the three months ended July 31, 2021 and 2020

*(Unaudited - Expressed in Canadian dollars)*

	Note	2021	2020
		\$	\$
Business investigation costs		214,275	11,500
Consulting fees	7	7,779	4,449
Exploration costs	5	-	24,738
Investor relations		25,457	-
Property investigation		3,681	-
Management salaries and benefits	7	38,168	37,927
Office administration		36,987	26,557
Professional fees		13,615	17,834
Shareholders' information		16,541	10,101
<b>Loss for the period</b>		<b>(356,503)</b>	<b>(133,106)</b>
<b>Other comprehensive income (OCI)</b>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translating foreign operation		(197,844)	(438,804)
<b>Total comprehensive loss for the period</b>		<b>(554,347)</b>	<b>(571,910)</b>
<b>Loss for the year attributable to:</b>			
Shareholders of the Company		(354,744)	(117,249)
Non-controlling interest (NCI)		(1,759)	(15,857)
		<b>(356,503)</b>	<b>(133,106)</b>
<b>Total Comprehensive loss for the period attributable to:</b>			
Shareholders of the Company		(463,559)	(358,590)
Non-controlling interest (NCI)		(90,788)	(213,320)
		<b>(554,347)</b>	<b>(571,910)</b>
<b>Loss per share</b>			
Basic and diluted		(0.01)	(0.00)
<b>Weighted average number of common shares outstanding</b>			
Basic and diluted		55,322,510	32,300,839

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

**GLOBAL BATTERY METALS LTD.**  
**Condensed Interim Consolidated Statements of Equity**  
For the three months ended July 31, 2021 and 2020  
*(Unaudited - Expressed in Canadian dollars)*

	Common Shares #	Share Capital \$	Contributed Surplus \$	AOCI \$	Deficit \$	NCI \$	Total \$
<b>Balance, April 30, 2020</b>	<b>32,300,839</b>	<b>11,591,454</b>	<b>1,948,441</b>	<b>193,761</b>	<b>(9,795,921)</b>	<b>2,559,588</b>	<b>6,497,323</b>
Net loss for the period	-	-	-	-	(117,249)	(15,857)	(133,106)
OCI for the period	-	-	-	(241,341)	-	(197,463)	(438,804)
<b>Balance, July 31, 2020</b>	<b>32,300,839</b>	<b>11,591,454</b>	<b>1,948,441</b>	<b>(47,580)</b>	<b>(9,913,170)</b>	<b>2,346,268</b>	<b>5,925,413</b>
Shares issued pursuant to							
Private placement	11,766,667	1,205,000	-	-	-	-	1,205,000
Exercise of warrants	8,984,072	1,642,050	(5,030)	-	-	-	1,637,020
Exercise of options	1,234,000	349,851	(163,451)	-	-	-	186,400
Exercise of compensation options	236,800	40,891	(17,211)	-	-	-	23,680
Share issue costs	-	(115,757)	56,751	-	-	-	(59,006)
Shares issued for business investigation	250,000	25,000	-	-	-	-	25,000
Shares to be issued for business investigation	-	-	57,600	-	-	-	57,600
Share-based payments	-	-	1,030,689	-	-	-	1,030,689
Net loss for the period	-	-	-	-	(1,836,958)	(32,100)	(1,869,058)
OCI for the period	-	-	-	(415,512)	-	(339,964)	(755,476)
<b>Balance, April 30, 2021</b>	<b>54,772,378</b>	<b>14,738,489</b>	<b>2,907,789</b>	<b>(463,092)</b>	<b>(11,750,128)</b>	<b>1,974,204</b>	<b>7,407,262</b>
Exercise of warrants	904,611	136,454	(763)	-	-	-	135,691
Shares to be issued for business investigation	-	-	45,200	-	-	-	45,200
Net loss for the period	-	-	-	-	(354,744)	(1,759)	(356,503)
OCI for the period	-	-	-	(108,815)	-	(89,029)	(197,844)
<b>Balance, July 31, 2021</b>	<b>55,676,989</b>	<b>14,874,943</b>	<b>2,952,226</b>	<b>(571,907)</b>	<b>(12,104,872)</b>	<b>1,883,416</b>	<b>7,033,806</b>

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

**GLOBAL BATTERY METALS LTD.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
For the three months ended July 31, 2021 and 2020  
*(Unaudited - Expressed in Canadian dollars)*

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Net loss for the period	(356,503)	(133,106)
Adjustments for:		
Shares to be issued for business investigation	45,200	-
Changes in non-cash working capital items:		
Receivables	1,186	(25,013)
Prepaid expenses and advances	(2,865)	(10,827)
Accounts payable and accrued liabilities	138,506	(37,079)
Net cash used in operating activities	(174,476)	(206,025)
<b>Cash flows from investing activities</b>		
Mineral property acquisition costs	(216,249)	-
Cash received from option agreement	242,064	74,490
Net cash from (used in) investing activities	25,815	74,490
<b>Cash flows from financing activities</b>		
Proceeds from warrant exercises	135,691	-
<b>Foreign exchange on cash</b>	2,050	(3,659)
<b>Change in cash for the period</b>	(10,920)	(135,194)
<b>Cash, beginning of period</b>	2,674,570	753,905
<b>Cash, end of period</b>	2,663,650	618,711

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

## **GLOBAL BATTERY METALS LTD.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended July 31, 2021 and 2020

*(Unaudited - Expressed in Canadian dollars)*

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#### **1. Nature of operations and liquidity risk**

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 and the Frankfurt Stock Exchange under the symbol “3F2.F”.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months.

At July 31, 2021, the Company had a working capital of \$2,493,624 (April 30, 2021 – working capital of \$2,641,374), which the Company believes is sufficient to meet its obligations and continue its operations for at least the next twelve months.

Beyond the next 12 months, the Company’s ability to continue as a going concern will be dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

#### **2. Basis of presentation**

These condensed interim consolidated financial statements for the three months ended July 31, 2021 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, 2021 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, 2021.

These condensed interim consolidated financial statements were approved by the board of directors and authorized for issue on September 29, 2021.

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 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, 2021, the Company recorded a loss of \$197,844 (2020 – \$438,804) through other comprehensive income related to the translation of its foreign subsidiaries.

**GLOBAL BATTERY METALS LTD.****Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended July 31, 2021 and 2020

*(Unaudited - Expressed in Canadian dollars)*

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,	
		2021	2020
Compania Minera Oyamel, S.A de C.V	Mexico	100%	100%
Minas Dixon S.A ("Minas Dixon" or "Minas")	Peru	55%	55%
Michigan Battery Metals LLC	USA	100%	-
Utah Lithium LLC	USA	100%	-
Arizona Lithium Resources Ltd. ( <i>Dissolved</i> )	USA	-	100%

Intercompany balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation. On August 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, 2021.

**4. Mineral property interests**

Mineral property interests at July 31, 2021, the changes for the periods then ended, are as follows:

	Lara	NWL Property	Lithium King	Total
	\$	\$	\$	\$
<b>Balance, April 30, 2020</b>	<b>5,605,215</b>	<b>181,266</b>	<b>-</b>	<b>5,786,481</b>
Acquisition costs	-	32,162	207,147	239,309
Option agreement funds	(67,332)	-	-	67,332
Foreign exchange	(1,192,570)	-	-	(1,192,570)
<b>Balance, April 30, 2021</b>	<b>4,345,313</b>	<b>213,428</b>	<b>207,147</b>	<b>4,765,888</b>
Acquisition costs	-	216,249	-	216,249
Option Agreement funding	(242,064)	-	-	(242,064)
Foreign exchange	(199,894)	-	-	(199,894)
<b>Balance, July 31, 2021</b>	<b>3,903,355</b>	<b>429,677</b>	<b>207,147</b>	<b>4,540,179</b>

**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.



**GLOBAL BATTERY METALS LTD.****Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended July 31, 2021 and 2020

*(Unaudited - Expressed in Canadian dollars)*

	<b>Option Payments (US\$)</b>
<b>Payments received</b>	
Upon Registration of the Agreement before Public Notary	59,000
One year from Registration of the Agreement	200,000
<b>Milestone of potential future payments</b>	
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
<b>Total (US\$)</b>	<b>5,759,000</b>

During the three months ended April 30, 2021, the Company received US\$200,000 (CAD - \$242,064) 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 arm’s 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 12<sup>th</sup>, 2022 an initial 17.5% interest can be acquired by providing notice to LRHR (“1st Option Notice”). To date €146,911 (CAD \$248,411) of exploration expenditures have been incurred.
- The Company can exercise the second option by spending €500,000 on expenditures within two years following receipt by LRHR of the 1<sup>st</sup> 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, of which at least €5,000 is payable in cash. Upon the above, a further 37.5% interest can be acquired by providing notice to LRHR (“2<sup>nd</sup> Option Notice”).
- The Company can exercise the third option upon spending a further €1,000,000 on expenditures within two years following receipt by LRHR of the 2<sup>nd</sup> 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 will 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.

**GLOBAL BATTERY METALS LTD.****Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended July 31, 2021 and 2020

*(Unaudited - Expressed in Canadian dollars)***Lithium King Property**

On April 5, 2021 the Company acquired through staking the Lithium King Property. It is located on the west side of the Great Salt Lake Basin in western Utah, adjacent to the community of Wendover, Utah.

**5. Exploration expenditures**

During the three months ended July 31, 2021 the Company incurred \$nil exploration and evaluation expenditures.

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

	<b>Lara</b>
	<b>\$</b>
Field work	16,528
Geological consulting	8,210
<b>Total</b>	<b>24,738</b>

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

Unlimited common shares, without par value – 55,776,989

During the three months ended July 31, 2021 and 2020, the Company did not complete any financings.

**b) Stock options**

The balance of options outstanding and exercisable as at July 31, 2021 and 2020 and the changes for the periods then ended is as follows:

	<b>Number of options</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining life (years)</b>
Balance April 30, 2020	2,571,000	\$0.16	2.24
Granted	3,335,000	\$0.32	
Expired	(272,000)	\$0.10	
Exercised	(1,234,000)	\$0.14	
Balance April 31, 2021	4,400,000	\$0.29	3.98
<b>Balance July 31, 2021</b>	<b>4,400,000</b>	<b>\$0.29</b>	<b>3.73</b>

At July 31, 2021, the Company had the following stock options outstanding:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Weighted average remaining life (years)</b>	<b>Number of options outstanding and exercisable</b>
February 24, 2022	\$0.18	0.57	225,000
November 30, 2022	\$0.14	1.33	300,000
May 30, 2023	\$0.20	1.83	700,000
November 26, 2023	\$0.09	2.32	15,000
September 27, 2025	\$0.10	4.16	485,000
April 7, 2026	\$0.37	4.69	2,675,000
	<b>\$0.29</b>	<b>3.73</b>	<b>4,400,000</b>

**c) Compensation options**

A total of 302,000 compensation options were issued on November 10, 2020 pursuant to the private placement described in Note 6(a). Each compensation option entitles the holder to acquire one unit which consists of one common share and one warrant. The warrant entitles the holder to purchase an additional common share at a price of \$0.15 until November 10, 2022.

**GLOBAL BATTERY METALS LTD.****Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended July 31, 2021 and 2020

*(Unaudited - Expressed in Canadian dollars)***d) Warrants**

The balance of warrants outstanding at July 31, 2021 and 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, 2020	6,608,983	\$0.19	1.09
Expired	(8,984,072)	\$0.18	
Issued	12,152,467	\$0.15	
Balance, April 30, 2021	9,777,378	\$0.15	1.46
Exercised	(904,611)	\$0.15	
Expired	(100,000)	\$0.15	
<b>Balance, July 31, 2021</b>	<b>8,772,767</b>	<b>\$0.15</b>	<b>1.32</b>

At July 31, 2021, the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Weighted average remaining life (years)	Number of warrants outstanding
November 10, 2022	\$0.15	1.28	7,356,100
February 8, 2023	\$0.18	1.53	1,416,667
	<b>\$0.15</b>	<b>1.32</b>	<b>8,772,767</b>

**7. 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, 2021 and 2020 was as follows:

	2021	2020
	\$	\$
Management salaries and benefits	37,500	37,500
Business investigation	1,250	8,500
Consulting fees	7,779	4,449
Property investigation	1,125	-
Mineral property acquisition costs	1,313	-
	<b>48,967</b>	<b>50,449</b>

Included in accounts payable and accrued liabilities at July 31, 2021, is \$5,270 (April 30, 2021 - \$8,218) due to an officer of the Company. The amount owing is non-interest bearing and due on demand.

**8. 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, 2021 and April 30, 2021 is as follows:

	July 31, 2021	April 30, 2021
	\$	\$
<b>Mineral property interests</b>		
Ireland	429,677	213,428
Peru	3,903,355	4,345,313
USA	207,147	207,147
<b>Total</b>	<b>4,540,179</b>	<b>4,765,888</b>

**GLOBAL BATTERY METALS LTD.****Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended July 31, 2021 and 2020

*(Unaudited - Expressed in Canadian dollars)***9. 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:

	<b>July 31, 2021</b>	<b>April 30, 2021</b>
	<b>\$</b>	<b>\$</b>
Current assets	265,187	25,284
Long term assets	3,903,355	4,345,313
Current liabilities	(894)	(1,190)
Due to Joint Venture partners	(953,508)	(998,752)
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loss for the period	(3,914)	(106,573)
Other comprehensive income (loss) for the period	(197,844)	(1,194,280)
Comprehensive loss for the period	(201,758)	(1,300,853)
Cash flows for the period:		
Cash flows from (used in) operating activities	1,294	(79,333)
Cash flows from financing activities	242,064	67,332
Net increase (decrease) in cash	243,358	(12,001)
Cash, beginning of period	19,780	33,168
Effect of foreign exchange rates on cash	2,049	(1,387)
Cash, end of period	265,187	19,780

**10. Financial Instruments****Classification of 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 risks exposures and the impact on the Company's financial instruments are discussed in the consolidated financial statements for the year ended April 30, 2021.

**11. 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 April 30, 2021 no corporate acquisition or merger has been entered into and therefore no accrual for the compensation package has been recorded.