

GLOBAL BATTERY METALS LTD
(Formerly, Redzone Resources Ltd.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JULY 31, 2019 AND 2018

(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. (Formerly, Redzone Resources Ltd.)**Condensed Interim Consolidated Statements of Financial Position***(Expressed in Canadian dollars)*

As at

	Note	July 31, 2019	April 30, 2019
		\$	\$
Assets			
Current			
Cash		1,129,856	748,243
Receivables		4,269	5,118
Prepaid expenses and advances		72,198	76,123
		1,206,323	829,484
Mineral property interests	5	5,601,154	5,647,752
		6,807,477	6,477,236
Liabilities			
Current			
Accounts payable and accrued liabilities	7	127,981	180,613
Equity			
Share capital	6	11,591,254	10,591,979
Contributed surplus	6	1,948,441	1,948,441
Shares to be issued	6	-	246,000
Accumulated other comprehensive income		91,275	144,751
Deficit		(9,403,887)	(9,103,072)
Equity attributable to shareholders		4,227,083	3,828,099
Non-controlling interest		2,452,413	2,468,524
		6,679,496	6,296,623
		6,807,477	6,477,236

Contingencies (Note 11)

On behalf of the Board:*"Alan Matthews"*

Director

"Michael Murphy"

Director

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

GLOBAL BATTERY METALS LTD. (Formerly, Redzone Resources Ltd.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
For the three months ended July 31,

	Note	2019	2018
		\$	\$
Business investigation costs	7	1,575	12,966
Consulting fees	7	8,010	3,273
Exploration costs	7	193,245	61,982
Investor relations		11,390	51,232
Management salaries and benefits	7	37,829	37,500
Office administration		30,478	43,521
Professional fees		12,199	17,387
Share-based payments	6	-	171,882
Shareholders' information		21,507	4,199
Loss from operations for the period		(316,233)	(403,942)
Interest income		5,886	5,163
Loss for the period		(310,347)	(398,779)
Other comprehensive income (OCI)			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translating foreign operation		(95,076)	32,921
Total comprehensive income (loss) for the period		(405,423)	(365,858)
Loss for the period attributable to:			
Shareholders of the Company		(300,815)	(385,673)
Non-controlling interest (NCI)		(9,532)	(13,106)
		(310,347)	(398,779)
Comprehensive income (loss) for the period attributable to:			
Shareholders of the Company		(354,291)	(367,846)
Non-controlling interest (NCI)		(51,132)	1,988
		(405,423)	(365,858)
Loss per share			
Basic and diluted		(0.01)	(0.02)
Weighted average number of common shares outstanding			
Basic and diluted		32,231,685	25,680,890

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

GLOBAL BATTERY METALS LTD. (Formerly, Redzone Resources 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, 2018	25,600,339	10,550,585	1,778,421	-	66,867	(7,743,527)	2,417,962	7,070,308
Shares issued pursuant to:								
Property acquisition	100,000	21,000	-	-	-	-	-	21,000
Warrant exercise	19,200	3,564	(492)	-	-	-	-	3,072
Share-based payments	-	-	171,882	-	-	-	-	171,882
Contributions by NCI	-	-	-	-	-	-	33,772	33,772
Net loss for the period	-	-	-	-	-	(385,673)	(13,106)	(398,779)
OCI for the period	-	-	-	-	17,827	-	15,094	32,921
Balance, July 31, 2018	25,719,539	10,575,149	1,949,811	-	84,694	(8,129,200)	2,453,722	6,934,176
Shares issued pursuant to:								
Property acquisition	150,000	14,250	-	-	-	-	-	14,250
Share-based compensation	-	-	1,210	-	-	-	-	1,210
Shares to be issued	-	-	-	246,000	-	-	-	246,000
Contributions by NCI	-	-	-	-	-	-	34,686	34,686
Net loss for the period	-	-	-	-	-	(973,872)	(66,437)	(1,040,309)
OCI for the period	-	-	-	-	60,057	-	46,553	106,610
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 issuance costs	-	(29,733)	-	-	-	-	-	(29,733)
Contributions by NCI	-	-	-	-	-	-	35,021	35,021
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

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

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

	2019	2018
	\$	\$
Cash flows from operating activities		
Net loss for the period	(310,347)	(398,779)
Adjustments for:		
Interest income	(5,886)	(5,163)
Share-based payments	-	171,882
Changes in non-cash working capital items:		
Receivables	849	2,074
Prepaid expenses and advances	3,925	(61,993)
Accounts payable and accrued liabilities	(52,632)	(69,003)
Net cash used in operating activities	(364,091)	(360,982)
Cash flows from investing activities		
Interest received	5,886	5,163
Mineral property acquisition costs	(45,871)	-
Net cash from (used in) investing activities	(39,985)	5,163
Cash flows from financing activities		
Proceeds of shares issued	783,008	3,072
Share issuance costs	(29,733)	-
Contribution by non-controlling shareholder	35,021	33,772
Net cash from financing activities	788,296	36,844
Foreign exchange on cash	(2,607)	(1,074)
Change in cash for the period	381,613	(320,049)
Cash, beginning of period	748,243	1,545,257
Cash, end of period	1,129,856	1,225,208
Non-cash investing activities		
Shares issued for mineral property acquisition	-	21,000

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

GLOBAL BATTERY METALS LTD. (Formerly, Redzone Resources Ltd.)

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in Canadian dollars)

For the three months ended July 31, 2019 and 2018

1. Nature of operations

The principal business activities of Global Battery Metals Ltd. (the “Company”) include the acquisition and exploration of mineral properties. On March 19, 2019 the Company changed its name from Redzone Resources Ltd. to Global Battery Metals Ltd. 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, 2019 have been prepared in accordance with 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, 2019 annual consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). The condensed interim consolidated financial statements have been prepared under the historical cost convention.

These condensed interim consolidated financial statements were approved by the board of directors and authorized for issue on September 30, 2019.

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, 2019, the Company recorded a loss of \$95,076 (2018 – gain of \$32,921) 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

3. Adoption of new accounting standards

IFRS 16 Leases

IFRS 16 – Leases is a new standard that became effective for the Company on May 1, 2019.

IFRS 16 specifies how an issuer will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The adoption of IFRS 16 did not have a significant impact on its financial statements as it does not have any material leases.

GLOBAL BATTERY METALS LTD. (Formerly, Redzone Resources Ltd.)
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited, expressed in Canadian dollars)
For the three months ended July 31, 2019 and 2018

4. 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, 2019.

5. Mineral property interests

Mineral property interests at July 31, 2019 and April 30, 2019, and the changes for the periods then ended, are as follows:

	Lara	NWL Property	Lucky Mica Claim Group	Wells Vanadium project	Total
	\$	\$	\$	\$	\$
Balance, April 30, 2018	5,375,404	-	203,558	-	5,578,962
Acquisition costs	-	133,645	21,000	24,250	178,895
Additional staking	-	-	-	8,000	8,000
Foreign exchange on mineral property	138,703	-	-	-	138,703
Write-off of mineral property	-	-	(224,558)	(32,250)	(256,808)
Balance, April 30, 2019	5,514,107	133,645	-	-	5,647,752
Acquisition costs	-	45,871	-	-	45,871
Foreign exchange on mineral property	(92,469)	-	-	-	(92,469)
Balance, July 31, 2019	5,421,638	179,516	-	-	5,601,154

Lara Property

On February 4, 2013, the Company completed the requirements of the Lara option agreement and acquired 55% of Minas Dixon, the registered owner of the Lara property. The Lara property is subject to a payment of \$500,000 to a past owner at the start of commercial production.

North West Leinster Lithium Property

On October 23, 2018 the Company entered into an option agreement (the "NWL Agreement") to acquire up to a 90% interest in the North West Leinster Lithium Property ("NWL Property") in the Republic of Ireland. Pursuant to the NWL Agreement the Company must make a cash payment of €10,000 (Paid – CAD \$15,438) and incur a minimum of €40,000, up to a maximum of €70,000, in due diligence expenses by April 23, 2020 (the "Due Diligence Period"). As at July 31, 2019 the Company had incurred €106,654 (CAD - \$164,078) of due diligence expenses and recorded them as acquisition costs.

Upon completion of the Due Diligence Period the Company can exercise three options to acquire up to a 90% interest in the NWL Property as follows:

- The Company can exercise the first option by making a payment of either €50,000 in cash or €5,000 in cash and €45,000 in shares of the Company, within 14 days of the end of the due diligence period. Upon making the payment the Company can acquire a 51% interest by incurring exploration expenditures of €1,000,000 by April 23, 2022.
- The Company can exercise the second option by making a payment €200,000 in cash or €20,000 in cash and €180,000 in common shares of the Company. Upon making the payment the Company can acquire an additional 24% interest by incurring an additional €2,000,000 in exploration expenditures by April 23, 2025.
- The Company can exercise the third option to earn an additional 15% interest by completing a preliminary economic assessment on the NWL Property and making a payment of €500,000 in cash or €50,000 in cash and €450,000 in common shares of the Company.

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

For the three months ended July 31, 2019 and 2018

Fortner and Boyd Lithium Property (Lucky Mica Claim Group)

On August 2, 2016 the Company entered into a binding letter agreement (the “original Agreement”) for the grant to the Company of an option to acquire up to a 100% interest in the Fortner and Boyd Lithium Property (“Lucky Mica Claim Group” or the “Property”) located in north central Maricopa County, Arizona. A related party held a 50% interest in the Property at the time the original Agreement was negotiated. On July 27, 2017 the Company entered into a new option agreement (the “Amended Agreement”). Under the terms of the Amended Agreement the Company could earn a 100% interest in the property, subject to a 0.667% NSR, by completing the following:

- Paying US \$7,500 on the date of execution of original Agreement (paid).
- Paying US \$10,000 within three business days of the approval date of the original Agreement (paid).
- Paying US \$30,000 on or prior to the earlier of i) 15 months following the date of the Amended Agreement or ii) the date of completion by the Company of an equity financing to raise aggregate gross proceeds of not less than \$500,000 (paid).
- The issuance and delivery of 300,000 common shares of the Company. (200,000 issued on September 29, 2016 and fair valued at \$28,000 and 100,000 issued on May 25, 2018 and fair valued at \$21,000.)

On May 25, 2018 the Company fulfilled its obligations as per the Amended Agreement and exercised its option to acquire a 100% interest in the property.

The Company completed a drilling campaign during the three months ended July 31, 2019. As a result, management decided not to continue with further exploration of the Property and did not renew the claims subsequent to July 31, 2019, hence losing title to the claims. As at April 30, 2019 the Company wrote-off \$224,558 of acquisition costs related to the Lucky Mica Claim Group.

Wells Vanadium project

On November 21, 2018 the Company entered into a purchase agreement to acquire a 100% interest in the Turks Nose and Popes Nose Claims (the “Nose Claims”) located near Wells, British Columbia Canada.

Pursuant to the agreement the Company could have acquired a 100% interest in the Nose Claims by completing the following requirements:

- Make cash payments of \$10,000 (paid) and issue 150,000 common shares upon execution of the agreement (issued and fair valued at \$14,250),
- Make further staged cash payments totalling \$90,000 and common share issuances totalling 950,000 common shares through to November 21, 2022

The Company also acquired an additional 4,438 hectares of prospective Vanadium mineral claims near Mackenzie, BC. The mineral rights were obtained by staking. At April 30, 2019 the Company wrote-off \$32,250 of acquisition costs related to the Wells Vanadium project as management has decided to not incur any exploration or further acquisition payments on the project.

Exploration costs for the three months ended July 31, 2019 and 2018 are as follows:

	Lucky Mica	Lara	Total 2019	Lucky Mica	Lara	Total 2018
	\$	\$	\$	\$	\$	\$
Field work	147,866	2,417		-	-	
Geological consulting	35,010	7,952		9,578	10,259	
Mining title permit payments	-	-		42,145	-	
Total	182,876	10,369	193,245	51,723	10,259	61,982

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

For the three months ended July 31, 2019 and 2018

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

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

Unlimited preferred shares, issuable in series – Nil

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 is 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 incurred cash share issuance costs of \$29,733. A total of \$246,000 of the gross proceeds had been received prior to April 30, 2019.

b) Stock options

The balance of options outstanding and exercisable as at July 31, 2019 and April 30, 2019 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, 2018	1,556,000	\$0.14	3.69
Granted	1,015,000	\$0.20	
Balance April 30, 2019	2,571,000	\$0.16	3.25
Balance July 31, 2019	2,571,000	\$0.16	2.99

At July 31, 2019 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	1.21	272,000
April 4, 2021	\$0.10	1.68	234,000
August 9, 2021	\$0.20	2.03	150,000
February 24, 2022	\$0.18	2.57	300,000
November 30, 2022	\$0.14	3.34	600,000
May 30, 2023	\$0.20	3.83	1,000,000
November 26, 2023	\$0.09	4.33	15,000
		2.99	2,571,000

During the three months ended July 31, 2019 the Company granted nil (three months ended July 31, 2018 – 1,000,000 stock options, vesting immediately, exercisable at \$0.20 and expiring on May 30, 2023) stock options. The fair value of the options granted is \$nil, (July 31, 2018 - \$0.17) per option and the Company recorded share-based payments expense of \$nil (three months ended July 31, 2018 - \$171,882). The fair value was determined using the Black-Scholes option pricing model using the following assumptions: Risk free rate – 2.11%; expected life – 5 years; expected volatility – 148%; expected forfeiture and dividends – nil.

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

For the three months ended July 31, 2019 and 2018

c) Warrants

The balance of warrants outstanding at July 31, 2019 and April 30, 2019 and the changes for the periods then ended is as follows:

	Number of warrants	Exercise price	Weighted average remaining life (years)
Balance, April 30, 2018	10,021,958	\$0.20	2.05
Exercised	(19,200)	\$0.16	
Issued	9,600	\$0.24	
Balance, April 30, 2019	10,012,358	\$0.20	1.05
Expired	(2,220,625)	\$0.24	
Issued	3,215,650	\$0.24	
Balance, July 31, 2019	11,007,383	\$0.21	1.27

At July 31, 2019 the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Weighted average remaining life (years)	Number of warrants outstanding
December 28, 2019	\$0.24	0.41	3,809,600
December 28, 2019 ¹	\$0.16	0.41	588,800
June 29, 2021	\$0.15	1.92	3,393,333
May 1, 2021	\$0.24	1.75	3,215,650
	\$0.21	1.27	11,007,383

¹ Each warrant consists of one common share of the Company and one-half common share purchase warrant

7. Related Party Transactions

Compensation paid or payable to Directors, the Chief Executive Officer and the Chief Financial Officer, for services provided during the years ended July 31, 2019 and 2018 was as follows:

	2019	2018
	\$	\$
Mineral property interests	4,000	-
Business investigation	1,575	15,000
Consulting fees	8,010	3,273
Exploration expenses	7,425	-
Management salaries and benefits	37,500	37,500
Share-based payments	-	130,630
	58,510	186,403

Included in accounts payable and accrued liabilities at July 31, 2019 is \$6,320 (April 30, 2019 - \$1,050) due to a director of the Company. The amount owing is non-interest bearing and due on demand.

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

For the three months ended July 31, 2019 and 2018

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, 2019 and April 30, 2019 is as follows:

	July 31, 2019	April 30, 2019
	\$	\$
Mineral property interests		
Ireland	179,516	133,645
Peru	5,421,638	5,514,107
Total	5,601,154	5,647,752

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:

	July 31, 2019	April 30, 2019
	\$	\$
Current assets	10,729	9,149
Long term assets	5,421,638	5,514,107
Current liabilities	(1,372)	(56,667)
Long term liabilities	(1,086,694)	(1,026,742)
	Three months ended July 31, 2019	Three months ended July 31, 2018
	\$	\$
Loss for the period	(21,183)	(29,122)
Other comprehensive income (loss) for the period	(92,444)	33,537
Comprehensive loss for the period	113,627	4,415
Cash flows for the period:		
Cash flows from (used in) operating activities	(76,488)	(82,484)
Cash flows from financing activities	78,049	75,349
Net decrease in cash	1,561	(7,135)
Cash, beginning of period	9,149	31,635
Effect of foreign exchange rates on cash	19	(460)
Cash, end of period	10,729	24,040

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 risk exposures and the impact on the Company's financial instruments are discussed in the consolidated financial statements for the year ended April 30, 2019.

GLOBAL BATTERY METALS LTD. (Formerly, Redzone Resources Ltd.)

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in Canadian dollars)

For the three months ended July 31, 2019 and 2018

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 unit's 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, 2019 no corporate acquisition or merger has been entered into and therefore no accrual for the compensation package has been recorded.