

**GLOBAL BATTERY METALS LTD**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED JANUARY 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 | January 31,<br>2021<br>\$ | April 30,<br>2020<br>\$ |
|--|------|---------------------------|-------------------------|
| <b>Assets</b>                            |      |                           |                         |
| Current                                  |      |                           |                         |
| Cash                                     |      | 1,233,046                 | 753,905                 |
| Receivables                              |      | 4,963                     | 42,816                  |
| Prepaid expenses and deposits            |      | 53,285                    | 12,373                  |
|  |      | 1,291,294                 | 809,094                 |
| Mineral property interests               | 4    | 4,888,177                 | 5,786,481               |
|  |      | 6,179,471                 | 6,595,575               |
| <b>Liabilities</b>                       |      |                           |                         |
| Current                                  |      |                           |                         |
| Accounts payable and accrued liabilities | 7    | 36,484                    | 98,252                  |
| <b>Equity</b>                            |      |                           |                         |
| Share capital                            | 6    | 12,624,155                | 11,591,454              |
| Contributed surplus                      | 6    | 2,064,878                 | 1,948,441               |
| Accumulated other comprehensive income   |      | (264,562)                 | 193,761                 |
| Deficit                                  |      | (10,423,900)              | (9,795,921)             |
| Equity attributable to shareholders      |      | 4,000,571                 | 3,937,735               |
| Non-controlling interest                 |      | 2,142,416                 | 2,559,588               |
|  |      | 6,142,987                 | 6,497,323               |
|  |      | 6,179,471                 | 6,595,575               |

Contingencies (Note 11)

Subsequent events (Note 6 and 12)

**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 and nine months ended January 31,

*(Unaudited - Expressed in Canadian dollars)*

|  | Note | Three months ended |                  | Nine months ended  |                  |
|--|------|--------------------|------------------|--------------------|------------------|
|  |      | January 31         |                  | January 31         |                  |
|  |      | 2021               | 2020             | 2021               | 2020             |
|  |      | \$                 | \$               | \$                 | \$               |
| Business investigation costs   |      | 59,430             | 2,813            | 73,155             | 9,763            |
| Consulting fees  | 7    | 6,860              | 7,623            | 18,646             | 25,483           |
| Exploration costs  | 5, 7 | 8,126              | 37,178           | 60,455             | 239,612          |
| Investor relations   |      | 11,914             | 480              | 12,994             | 15,520           |
| Management salaries and benefits                                     | 7    | 38,417             | 38,417           | 113,844            | 113,746          |
| Office administration  |      | 24,305             | 31,556           | 73,001             | 96,370           |
| Professional fees  |      | 21,561             | 9,434            | 59,890             | 40,759           |
| Property Investigation   |      | 143,168            | -                | 166,573            | -                |
| Share-based payments   | 6    | -                  | -                | 59,686             | -                |
| Shareholders' information  |      | 10,121             | 6,841            | 31,990             | 54,422           |
| <b>Loss from operations for the period</b>                           |      | <b>(323,902)</b>   | <b>(134,342)</b> | <b>(670,234)</b>   | <b>(595,675)</b> |
| Interest income  |      | 28                 | 2,560            | 77                 | 13,001           |
| <b>Loss for the period</b>   |      | <b>(323,874)</b>   | <b>(131,782)</b> | <b>(670,157)</b>   | <b>(582,674)</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                |      | (236,333)          | (21,693)         | (833,317)          | (189,226)        |
| <b>Total comprehensive loss for the period</b>                       |      | <b>(560,207)</b>   | <b>(153,475)</b> | <b>(1,503,474)</b> | <b>(771,900)</b> |
| <b>Loss for the period attributable to:</b>                          |      |                    |                  |                    |                  |
| Shareholders of the Company  |      | (314,729)          | (109,460)        | (627,979)          | (542,956)        |
| Non-controlling interest (NCI)                                       |      | (9,145)            | (22,322)         | (42,178)           | (39,718)         |
|  |      | (323,874)          | (131,782)        | (670,157)          | (582,674)        |
| <b>Comprehensive loss for the period attributable to:</b>            |      |                    |                  |                    |                  |
| Shareholders of the Company  |      | (444,711)          | (120,932)        | (1,086,302)        | (647,824)        |
| Non-controlling interest (NCI)                                       |      | (115,496)          | (32,543)         | (417,172)          | (124,076)        |
|  |      | (560,207)          | (153,475)        | (1,503,474)        | (771,900)        |
| <b>Loss per share</b>  |      |                    |                  |                    |                  |
| Basic and diluted  |      | (0.01)             | (0.00)           | (0.02)             | (0.02)           |
| <b>Weighted average number of common shares outstanding</b>          |      |                    |                  |                    |                  |
| Basic and diluted  |      | 41,838,520         | 32,300,839       | 35,480,066         | 32,296,763       |

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 nine months ended January 31,

*(Unaudited - Expressed in Canadian dollars)*

|                                   | <b>Common<br/>Shares</b> | <b>Share<br/>Capital</b> | <b>Contributed<br/>Surplus</b> | <b>Shares to be<br/>issued</b> | <b>AOCI</b>      | <b>Deficit</b>      | <b>NCI</b>       | <b>Total</b>     |
|-----------------------------------|--------------------------|--------------------------|--------------------------------|--------------------------------|------------------|---------------------|------------------|------------------|
|                                   | <b>#</b>                 | <b>\$</b>                | <b>\$</b>                      | <b>\$</b>                      | <b>\$</b>        | <b>\$</b>           | <b>\$</b>        | <b>\$</b>        |
| <b>Balance, April 30, 2019</b>    | <b>25,869,539</b>        | <b>10,591,979</b>        | <b>1,948,441</b>               | <b>246,000</b>                 | <b>144,751</b>   | <b>(9,103,072)</b>  | <b>2,468,524</b> | <b>6,296,623</b> |
| Shares issued pursuant to         |                          |                          |                                |                                |                  |                     |                  |                  |
| Private Placement                 | 6,431,300                | 1,029,008                | -                              | (246,000)                      | -                | -                   | -                | 783,008          |
| Share issue costs                 | -                        | (29,533)                 | -                              | -                              | -                | -                   | -                | (29,533)         |
| Contributions by NCI              | -                        | -                        | -                              | -                              | -                | -                   | 66,658           | 66,658           |
| Net loss for the period           | -                        | -                        | -                              | -                              | -                | (542,956)           | (39,718)         | (582,674)        |
| OCI for the period                | -                        | -                        | -                              | -                              | (104,867)        | -                   | (84,359)         | (189,226)        |
| <b>Balance, January 31, 2020</b>  | <b>32,300,839</b>        | <b>11,591,454</b>        | <b>1,948,441</b>               | <b>-</b>                       | <b>39,884</b>    | <b>(9,646,028)</b>  | <b>2,411,105</b> | <b>6,344,856</b> |
| Property acquisition              | -                        | -                        | -                              | -                              | -                | -                   | -                | -                |
| Contributions by NCI              | -                        | -                        | -                              | -                              | -                | -                   | 31,485           | 31,485           |
| Net loss for the period           | -                        | -                        | -                              | -                              | -                | (149,893)           | (8,601)          | (158,494)        |
| OCI for the period                | -                        | -                        | -                              | -                              | 153,877          | -                   | 125,599          | 279,476          |
| <b>Balance, April 30, 2020</b>    | <b>32,300,839</b>        | <b>11,591,454</b>        | <b>1,948,441</b>               | <b>-</b>                       | <b>193,761</b>   | <b>(9,795,921)</b>  | <b>2,559,588</b> | <b>6,497,323</b> |
| Shares issued pursuant to         |                          |                          |                                |                                |                  |                     |                  |                  |
| Private Placement                 | 10,350,000               | 1,035,000                | -                              | -                              | -                | -                   | -                | 1,035,000        |
| Share issue costs                 | -                        | (110,632)                | 56,751                         | -                              | -                | -                   | -                | (53,881)         |
| Exercise of warrants              | 555,555                  | 83,333                   | -                              | -                              | -                | -                   | -                | 83,333           |
| Shares issued for consulting fees | 250,000                  | 25,000                   | -                              | -                              | -                | -                   | -                | 25,000           |
| Share-based payments              | -                        | -                        | 59,686                         | -                              | -                | -                   | -                | 59,686           |
| Net loss for the period           | -                        | -                        | -                              | -                              | -                | (627,979)           | (42,178)         | (670,157)        |
| OCI for the period                | -                        | -                        | -                              | -                              | (458,323)        | -                   | (374,994)        | (833,317)        |
| <b>Balance, January 31, 2021</b>  | <b>43,456,394</b>        | <b>12,624,155</b>        | <b>2,064,878</b>               | <b>-</b>                       | <b>(264,562)</b> | <b>(10,423,900)</b> | <b>2,142,416</b> | <b>6,142,987</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 and nine months ended January 31,

*(Unaudited - Expressed in Canadian dollars)*

|  | <b>Three months ended</b> |             | <b>Nine months ended</b> |             |
|--|---------------------------|-------------|--------------------------|-------------|
|  | <b>January 31,</b>        |             | <b>January 31,</b>       |             |
|  | <b>2021</b>               | <b>2020</b> | <b>2021</b>              | <b>2020</b> |
|  | <b>\$</b>                 | <b>\$</b>   | <b>\$</b>                | <b>\$</b>   |
| <b>Cash flows from operating activities</b>  |                           |             |                          |             |
| Net loss for the period                      | (323,874)                 | (131,782)   | (670,157)                | (582,674)   |
| Adjustments for:                             |                           |             |                          |             |
| Interest income                              | (28)                      | (2,560)     | (77)                     | (13,001)    |
| Share-based payments                         | -                         | -           | 59,686                   | -           |
| Shares issued for consulting fees            | 25,000                    | -           | 25,000                   | -           |
| Changes in non-cash working capital items:   |                           |             |                          |             |
| Receivables                                  | 2,021                     | (1,560)     | 37,853                   | (103)       |
| Prepaid expenses and advances                | (14,330)                  | (1,744)     | (40,912)                 | (10,887)    |
| Accounts payable and accrued liabilities     | (93,113)                  | (41,789)    | (61,768)                 | (161,492)   |
| Net cash used in operating activities        | (404,324)                 | (179,435)   | (650,375)                | (768,157)   |
| <b>Cash flows from investing activities</b>  |                           |             |                          |             |
| Interest received                            | 28                        | 2,560       | 77                       | 13,001      |
| Mineral property acquisition costs           | -                         | -           | -                        | (45,871)    |
| Net cash from (used in) investing activities | 28                        | 2,560       | 77                       | (32,870)    |
| <b>Cash flows from financing activities</b>  |                           |             |                          |             |
| Income from Option Agreement                 | -                         | -           | 74,490                   | -           |
| Proceeds of shares issued                    | 1,035,000                 | -           | 1,035,000                | 783,008     |
| Share issuance costs                         | (53,881)                  | -           | (53,881)                 | (29,533)    |
| Exercise of warrants                         | 83,333                    | -           | 83,333                   | -           |
| Contribution by non-controlling shareholder  | -                         | 21,802      | -                        | 66,658      |
| Net cash from financing activities           | 1,064,452                 | 21,802      | 1,138,942                | 820,133     |
| <b>Foreign exchange on cash</b>              | (3,132)                   | 1,426       | (9,503)                  | (1,569)     |
| <b>Change in cash for the period</b>         | 657,024                   | (153,647)   | 479,141                  | 17,537      |
| <b>Cash, beginning of period</b>             | 576,022                   | 919,427     | 753,905                  | 748,243     |
| <b>Cash, end of period</b>                   | 1,233,046                 | 765,780     | 1,233,046                | 765,780     |

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 and nine months ended January 31, 2021 and 2020

(Unaudited, expressed in Canadian dollars)

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

In March 2020, the World Health Organization declared coronavirus (“COVID-19”) a global pandemic. The COVID-19 outbreak has resulted in social and economic disruption and had a resultant impact on the mining and exploration industries and capital markets. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19. However, the duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time and could have a material impact on the Company’s future financial position, results of operation and cash flows. In particular, there may be heightened risk of mineral property impairment and liquidity or going concern uncertainty.

#### 2. Basis of presentation

These condensed interim consolidated financial statements for the three and nine months ended January 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, 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 April 1, 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 and nine months ended January 31, 2021, the Company recorded a loss of \$236,333 and \$833,317 respectively (2020 – \$21,693 and \$189,226) 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 Jan 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%  |
| Arizona Lithium Resources Ltd. ( <i>Dissolved</i> ) | -                        | -                        | 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.

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

For the three and nine months ended January 31, 2021 and 2020

*(Unaudited, expressed in Canadian dollars)***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.

**4. Mineral property interests**

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

|                                      | Lara             | NWL<br>Property | Total            |
|--------------------------------------|------------------|-----------------|------------------|
|                                      | \$               | \$              | \$               |
| <b>Balance, April 30, 2019</b>       | <b>5,514,107</b> | <b>133,645</b>  | <b>5,647,752</b> |
| Acquisition costs                    | -                | 47,621          | 47,621           |
| Foreign exchange on mineral property | 91,108           | -               | 91,108           |
| <b>Balance, April 30, 2020</b>       | <b>5,605,215</b> | <b>181,266</b>  | <b>5,786,481</b> |
| Option Agreement funding             | (74,490)         | -               | (74,490)         |
| Foreign exchange on mineral property | (823,814)        | -               | (823,814)        |
| <b>Balance, January 31, 2021</b>     | <b>4,706,911</b> | <b>181,266</b>  | <b>4,888,177</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.

| Milestone/Date  | Option Payments<br>(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                 |
| <b>Total (US\$)</b>   | <b>5,759,000</b>          |

During the nine months ended January 31, 2021, the Company received US\$59,000 (CAD - \$74,490) related to the option agreement.



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

For the three and nine months ended January 31, 2021 and 2020

*(Unaudited, expressed in Canadian dollars)***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 12<sup>th</sup>, 2022 an initial 17.5% interest can be acquired.
- 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, 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 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 be 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.

**5. Exploration expenditures**

During the three months ended January 31, 2021, the Company incurred the following exploration and expenditures, which were expensed as incurred:

|                       | <b>Lucky Mica</b> | <b>Lara</b>  | <b>Total</b> |
|-----------------------|-------------------|--------------|--------------|
|                       | \$                | \$           | \$           |
| Field work            | -                 | 323          | 323          |
| Geological consulting | -                 | 7,803        | 7,801        |
| <b>Total</b>          | <b>-</b>          | <b>8,126</b> | <b>8,126</b> |

During the nine months ended January 31, 2021, the Company incurred the following exploration and expenditures, which were expensed as incurred:

|                       | <b>Lucky Mica</b> | <b>Lara</b>   | <b>Total</b>  |
|-----------------------|-------------------|---------------|---------------|
|                       | \$                | \$            | \$            |
| Field work            | -                 | 38,528        | 38,528        |
| Geological consulting | -                 | 21,927        | 21,927        |
| <b>Total</b>          | <b>-</b>          | <b>60,455</b> | <b>60,455</b> |

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

|                             | <b>Lucky Mica</b> | <b>Lara</b>   | <b>Total</b>  |
|-----------------------------|-------------------|---------------|---------------|
|                             | \$                | \$            | \$            |
| Environmental and community | -                 | 2,145         | 2,145         |
| Field work                  | 810               | 26,839        | 26,839        |
| Geological consulting       | 1,425             | 5,959         | 7,384         |
| <b>Total</b>                | <b>2,235</b>      | <b>34,943</b> | <b>37,178</b> |

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

For the three and nine months ended January 31, 2021 and 2020

*(Unaudited, expressed in Canadian dollars)*

During the nine months ended January 31, 2020, the Company incurred the following exploration and expenditures, which were expensed as incurred:

|                             | <b>Lucky Mica</b> | <b>Lara</b>   | <b>Total</b>   |
|-----------------------------|-------------------|---------------|----------------|
|                             | <b>\$</b>         | <b>\$</b>     | <b>\$</b>      |
| Environmental and community | -                 | 2,145         | 2,145          |
| Field work                  | 148,260           | 32,669        | 180,929        |
| Geological consulting       | 38,667            | 17,871        | 56,538         |
| <b>Total</b>                | <b>186,927</b>    | <b>52,685</b> | <b>239,612</b> |

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

Unlimited common shares, without par value – 43,456,394

On November 10, 2020, the Company closed a non-brokered private placement of 10,350,000 units at a price of \$0.10 per unit, for gross proceeds of \$1,035,000. Each unit consists of one common share and one common share purchase warrant which is exercisable into one common share at an exercise price of \$0.15 for a period of 2 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 \$53,882. The Company issued 149,000 broker warrants in connection with the private placement. Each broker warrant is exercisable into one common share at an exercise price of \$0.15 for a period of 2 years. The broker warrants were attributed a value of \$10,830. The Company issued 302,000 compensation options in connection to the private placement. Each compensation options entitles the holder to acquire one unit which consists of one common share and one share purchase warrant. The warrant entitles the holder to purchase an additional common share at a price of \$0.15 for a period of 2 years. The compensation options were attributed a value of \$45,921.

Both the broker warrants and compensation options were valued using the Black Sholes option pricing model using the following assumptions: Risk free rate – 0.24%; expected life – 2 year; expected volatility – 149 %; expected forfeiture and dividends – 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 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**

For the three and nine months ended January 31, 2021 and 2020

*(Unaudited, expressed in Canadian dollars)***b) Stock options**

The balance of options outstanding and exercisable as at January 31, 2021 and April 30, 2020 and the changes for the periods then ended is as follows:

|                                 | Number of<br>options | Weighted<br>average<br>exercise price | Weighted average<br>remaining life<br>(years) |
|---------------------------------|----------------------|---------------------------------------|---|
| Balance April 30, 2019          | 2,571,000            | \$0.16                                | 3.25  |
| Balance April 30, 2020          | 2,571,000            | \$0.16                                | 2.24  |
| Granted                         | 660,000              | \$0.10                                |   |
| Expired                         | (272,000)            | \$0.10                                |   |
| <b>Balance January 31, 2021</b> | <b>2,959,000</b>     | <b>\$0.13</b>                         | <b>2.36</b>                                   |

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

| Expiry Date        | Exercise Price | Weighted average<br>remaining life (years) | Number of options<br>outstanding and exercisable |
|--------------------|----------------|--|--|
| April 4, 2021      | \$0.10         | 0.17                                       | 234,000  |
| August 9, 2021     | \$0.20         | 0.52                                       | 150,000  |
| February 24, 2022  | \$0.18         | 1.07                                       | 300,000  |
| November 30, 2022  | \$0.14         | 1.83                                       | 600,000  |
| May 30, 2023       | \$0.20         | 2.33                                       | 1,000,000  |
| November 26, 2023  | \$0.09         | 2.82                                       | 15,000   |
| September 27, 2025 | \$0.10         | 4.66                                       | 660,000  |
|                    | <b>\$0.13</b>  | <b>2.36</b>                                | <b>2,959,000</b>                                 |

Subsequent to January 31, 2021 a total of 1,234,000 options with a weighted average exercise price of \$0.15 were exercised for gross proceeds of \$186,400.

During the nine months ended January 31, 2021 the Company granted 660,000 options that vested immediately (nine months ended January 31, 2020 – nil). The fair value of the options granted was \$0.09 (January 31, 2020 - \$nil) per option and the Company recorded share-based payments expense of \$59,686 (nine months ended January 31, 2020 \$nil). The fair value was determined using the Black-Scholes option pricing model using the following assumptions: Risk free rate – 0.32%; expected life – 5 years; expected volatility – 149%; expected forfeiture and dividends – nil.

**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 options 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.

Subsequent to January 31, 2021 a total of 236,800 compensation options were exercised and 51,200 of the warrants were exercised for gross proceeds of \$31,360.

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

For the three and nine months ended January 31, 2021 and 2020

*(Unaudited, expressed in Canadian dollars)***d) Warrants**

The balance of warrants outstanding at January 31, 2021 and April 30, 2020 and the changes for the periods then ended is as follows:

|                                  | Number of<br>warrants | Exercise price | Weighted average<br>remaining life<br>(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  |
| Exercised                        | (555,555)             | \$0.15         |   |
| Issued                           | 10,499,000            | \$0.15         |   |
| <b>Balance, January 31, 2021</b> | <b>16,552,428</b>     | <b>\$0.17</b>  | <b>1.24</b>                                   |

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

| Expiry Date       | Exercise Price | Weighted average<br>remaining life (years) | Number of warrants<br>outstanding |
|-------------------|----------------|--|-----------------------------------|
| May 1, 2021       | \$0.24         | 0.25                                       | 3,215,650                         |
| June 29, 2021     | \$0.15         | 0.41                                       | 2,837,778                         |
| November 10, 2022 | \$0.15         | 1.78                                       | 10,499,000                        |
|                   | <b>\$0.17</b>  | <b>1.24</b>                                | <b>16,552,428</b>                 |

Subsequent to January 31, 2021 a total of 8,352,317 warrants with a weighted average price of \$0.18 were exercised for gross proceeds of \$1,540,000.

**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 and nine months ended January 31, 2021 and 2020 was as follows:

|                                  | Three months ended<br>January 31, |               | Nine months ended<br>January 31, |                |
|----------------------------------|-----------------------------------|---------------|----------------------------------|----------------|
|                                  | 2021                              | 2020          | 2021                             | 2020           |
|                                  | \$                                | \$            | \$                               | \$             |
| Management salaries and benefits | 37,500                            | 37,500        | 112,500                          | 112,500        |
| Business investigation           | 10,288                            | 9,000         | 21,913                           | 9,713          |
| Consulting fees                  | 6,860                             | 6,850         | 18,646                           | 25,645         |
| Exploration expenses             | -                                 | -             | -                                | 13,225         |
| Property Investigation           | 1,625                             | -             | 14,585                           | -              |
| Share-based payments             | -                                 | -             | 59,686                           | -              |
|                                  | <b>56,273</b>                     | <b>53,350</b> | <b>227,330</b>                   | <b>161,083</b> |

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

For the three and nine months ended January 31, 2021 and 2020

*(Unaudited, expressed in Canadian dollars)***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 January 31, 2021 and April 30, 2020 is as follows:

|                                   | January 31, 2021 | April 30, 2020   |
|-----------------------------------|------------------|------------------|
|                                   | \$               | \$               |
| <b>Mineral property interests</b> |                  |                  |
| Ireland                           | 181,266          | 181,266          |
| Peru                              | 4,706,911        | 5,605,215        |
| <b>Total</b>                      | <b>4,888,177</b> | <b>5,786,481</b> |

**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:

|                       | January 31,<br>2021 | April 30,<br>2020 |
|-----------------------|---------------------|-------------------|
|                       | \$                  | \$                |
| Current assets        | 37,568              | 71,364            |
| Long term assets      | 4,706,911           | 5,605,215         |
| Current liabilities   | (1,269)             | (6,912)           |
| Long term liabilities | (1,080,930)         | (1,268,167)       |

|  | Three months ended<br>January 31, |          | Nine months ended<br>January 31, |           |
|--|-----------------------------------|----------|----------------------------------|-----------|
|  | 2021                              | 2020     | 2021                             | 2020      |
|  | \$                                | \$       | \$                               | \$        |
| Loss for the period                            | (20,320)                          | (49,603) | (93,732)                         | (88,258)  |
| Other comprehensive loss for the period        | (236,333)                         | (22,711) | (833,317)                        | (187,467) |
| Comprehensive loss for the period              | (256,653)                         | (72,314) | (927,049)                        | (275,725) |
| Cash flows for the period:                     |                                   |          |                                  |           |
| Cash flows from (used in) operating activities | (20,386)                          | (49,146) | (99,375)                         | (143,429) |
| Cash flows from financing activities           | (321)                             | 49,278   | 112,956                          | 149,139   |
| Net increase decrease in cash                  | (20,707)                          | 132      | 13,581                           | 5,710     |
| Cash, beginning of period                      | 61,085                            | 14,509   | 33,168                           | 9,149     |
| Effect of foreign exchange rates on cash       | (2,810)                           | 406      | (9,181)                          | 188       |
| Cash, end of period                            | 37,568                            | 15,047   | 37,568                           | 15,047    |

**10. 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.

**GLOBAL BATTERY METALS LTD.**

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

For the three and nine months ended January 31, 2021 and 2020

*(Unaudited, expressed in Canadian dollars)*

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**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 January 31, 2021 no corporate acquisition or merger has been entered into and therefore no accrual for the compensation package has been recorded.

**12. Subsequent event**

On February 8, 2021, the Company closed a non-brokered private placement. The company issued 1,416,667 units resulting in proceeds of \$170,000. Each unit will consist of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase an additional common share at a price of \$0.18 per share for a period of two years.

The Company raised \$1,841,099 from the exercise of options, compensation options and warrants (Note 6).