

# Interim report

JANUARY – SEPTEMBER 2019



EURO  
BATTERY  
MINERALS

## EUROBATTERY MINERALS AB

# Interim Report January – September 2019

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**Third quarter 2019** (same period previous year)

- ◆ Net sales amounted to SEK 0 thousand (SEK 0 thousand).
- ◆ Operating income after depreciation/amortisation and financial items totalled SEK –2,421 thousand (SEK –1,467 thousand).
- ◆ Earnings per share after depreciation/amortisation and financial items amounted to SEK –0.24 (SEK –0.58).
- ◆ Cash flow from operating activities was SEK –3,620 thousand (SEK –1,305 thousand).

**First nine months of 2019** (same period previous year)

- ◆ Net sales amounted to SEK 0 thousand (SEK 0 thousand).
- ◆ Operating income after depreciation/amortisation and financial items totalled SEK –9,261 thousand (SEK –2,138 thousand).
- ◆ Earnings per share after depreciation/amortisation and financial items amounted to SEK –0.96 (SEK –0.8).
- ◆ Cash flow from operating activities was SEK –9,284 thousand (SEK –3,488 thousand).

**Significant events during the period**

- ◆ During the quarter, the Company completed its preliminary, ground-based prospecting operations in the Castriz exploration area.
- ◆ The Company's prospecting operations did not only confirm the historical results but were also able to indicate further high-quality prospective areas. This provided an incentive for BAT to immediately begin drilling the most promising targets.
- ◆ Initial drilling has revealed the predicted rock formations, which is an extremely encouraging result for the Company, and supports its model for discovering sulphide deposits in the host rock sequences.
- ◆ The Company has a solid financial foundation to enable it to complete its first prospecting programme in Castriz. BAT is also planning to initiate preliminary investigations to evaluate development potential in Castriz.

### Significant events after the period

- ◆ In total, Eurobattery Minerals have 7 explorations permits in the northern parts of Sweden and all have recently been further investigated by geologists. In the field work, new samples have been taken for petrographic and chemical analysis and previously found and analyzed boulders and outcrops have been investigated further.

- ◆ **SÖRTJÄRN and BRÄNNKAMMEN**

In the company's permit areas Sörtjärn and Brännkammen in Västerbotten, a total of about 30 new rock samples have been collected for chemical analysis.

In addition to high gold levels (6-15 ppm Au in some boulders), new analyses at Brännkammen also shown elevated levels of nickel and cobalt.

Brännkammen is located in an area where previously conducted studies show elevated nickel and copper levels according ore maps from the Geological Survey of Sweden. In the coming field season in 2020, further investigations and samplings are planned to determine the area's ore potential, especially regarding nickel and cobalt.

- ◆ **FETSJÖN and RÖNNBERGET**

The bedrock within the exploration permits Fetsjön and Rönnerberget both consist of shales rich in many metals, e.g. rare earth elements (REE), molybdenum and vanadium.

Compilations and evaluations of 52 boreholes in Fetsjön and 4 boreholes in Rönnerberget have been carried out and a detailed analysis and description of the geological and metallogenic conditions can be found on the Eurobattery Minerals website. The mineralogical composition of the deposits and determinations of the graphite content of the shales have recently been investigated with electron microscope.

- ◆ **PAHTAVAARA and PIETARASJÄRVI**

In Norrbotten, the two exploration permits Pahtavaara and Pietarasjärvi east of Kiruna have been surveyed to assess previously performed analyses, collecting new samples and planning upcoming exploration efforts.

At Pahtavaara no further mineralized boulders or rock outcrops could be found and the area needs to be investigated more carefully with excavations and geophysical measurements.

At Pietarasjärvi, several boulders were examined and some additional, slightly mineralized boulders were found. An outcrop with copper mineralization, just outside the permit area was investigated. Information from the outcrop, from boulders, maps and previous investigations in the area indicate that the exploration permit should be extended to the north and northeast.

- ◆ **BRUKSBERGET**

In the survey area Bruksberget in Västernorrland, detailed magnetic measurements have been carried out. The results from the measurements will be carefully evaluated in a near future.

## EUROBATTERY MINERALS AB

## Interim Report July – September 2019

## SUMMARY OF OPERATIONS AND ACTIVITIES

**The Company**

The Company continues to implement its strategy to become a European explorer, developer and ultimately producer of raw materials critical to the growing battery and EV markets. With its vision of helping Europe become self-sufficient in ethical and fully traceable battery minerals for the electric vehicle industry, Eurobattery Minerals is the foundation of the battery value chain in Europe.

**Spain**

The results were received and interpretations completed from field activities at the Corcel Project (Fig. 1) during the reporting period. The extensive geochemical and geophysical survey completed at the Castriz prospect both confirmed and better defined the historic soil sampling. Ore grade nickel-in-soil anomalies up to 0.66% Ni have been recorded, and more than 52 samples returned assays of >0.2% Ni and 146 samples returned assays of >0.15% Ni. A typical economic cut-off grade for shallow mineralisation amenable to open pit mining is 0.15% Ni. Anomalous concentrations of Cu and Co were also recorded with the Cu anomalies coincident with the nickel anomalies.

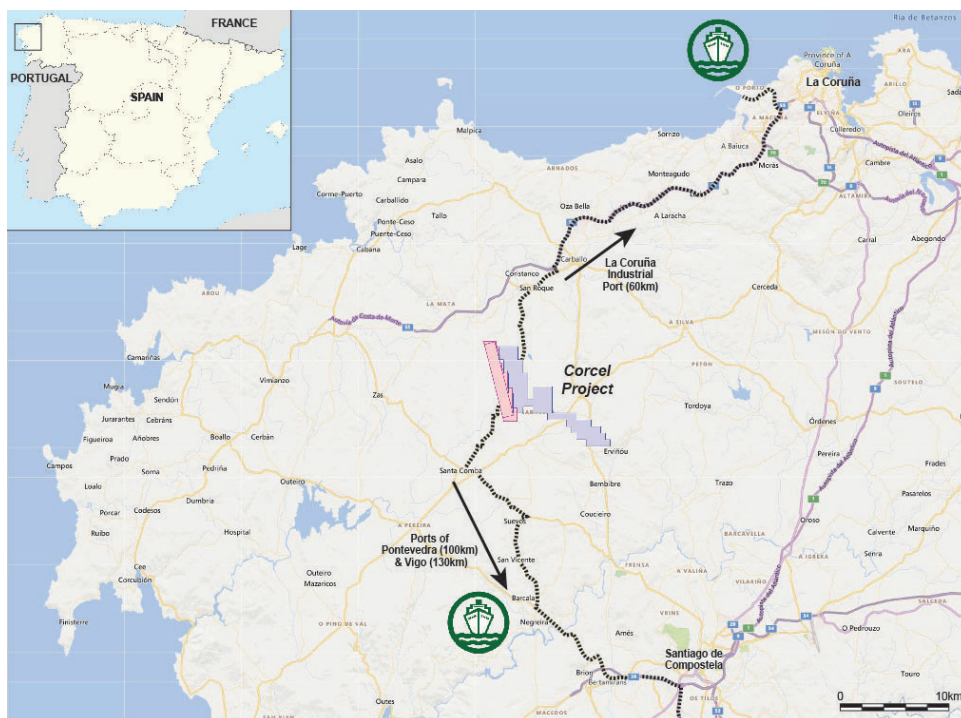


Figure 1. Location of the Corcel Project, Spain.

Based on the soil geochemistry and coincident magnetic anomalies, four priority areas have been identified at Castriz. Three of the four priority areas were selected for drill testing (Northern Anomaly, Western Anomaly and Central Anomaly; Figure 2). Drilling commenced at Castriz on September 17, initially testing the Central Anomaly and then the Northern Anomaly. The initial drilling has intersected a sequence of magnetic serpentinites (ultramafics) and banded and massive amphibolites (mafics) and altered fault zone rocks. Visible sulphides have been identified in both the mafic and ultramafic units (Figure 3). The serpentinites have been determined to be the source of the regional magnetism and prospective for containing sulphide mineral accumulations. The Company continues to assess the core as drilling continues.

The Company is encouraged by initial observations made in the drill core. The rocks intersected are similar in type to those that host the Touro Copper Project (46.5Mt @ 0.37% Cu), located ~60km southeast of the Castriz Project, owned by Antalaya Mining PLC. The Touro Project is currently waiting for the final approvals required for construction to commence on the 30ktpa copper mine.

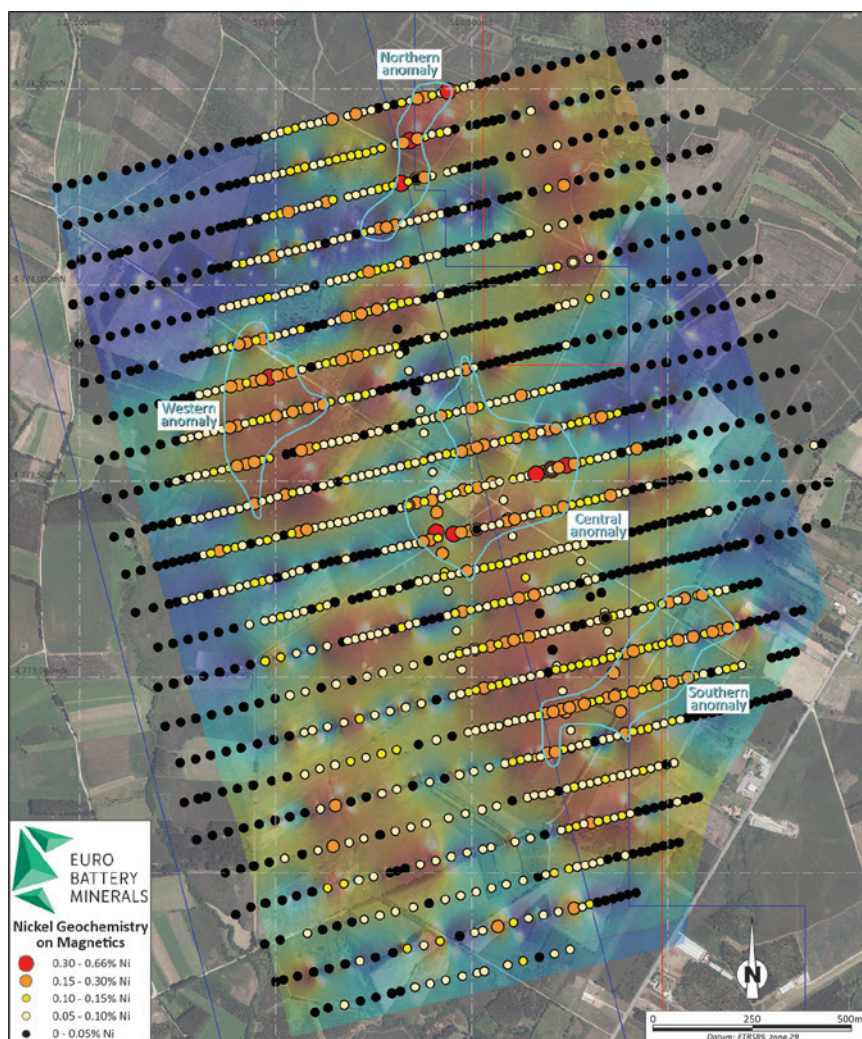


Figure 2. Plan view of nickel soil assay results. Background image is Total Magnetic Intensity (TMI). Main anomalies highlighted by blue polygons.



Figure 3. Photos of sulphides observed in the drilling at the Castriz prospect.

### Sweden

The Company is in the process of reviewing its project portfolio and looking at new opportunities with a focus on metals required for the battery and EV sectors.

### Project generation

BAT is continuing to assess early-stage exploration to near-term development project opportunities. The Company continues to focus on commodities critical to the battery and electric vehicle (EV) markets.



»We have a clear vision of helping Europe become self-sufficient in ethical and fully traceable battery minerals, and becoming the foundation of the battery value chain in Europe.«

**Roberto García Martínez**  
CEO

## CEO comments

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Dear Shareholder

Eurobattery Minerals AB (BAT:NGM; “BAT” or “the Company”), formerly Orezone AB, is pleased to provide the following update on the Company’s activities. BAT is implementing a strategy to become a European-based mining company targeting extraction of critical battery minerals that contain nickel (Ni), cobalt (Co) and copper (Cu), which are important for the electrification of Europe. We have a clear vision of helping Europe become self-sufficient in ethical and fully traceable battery minerals, and becoming the foundation of the battery value chain in Europe. The Company plans to achieve this by building a pipeline of projects across the exploration, development and production stages.

During the quarter, the Company completed preliminary ground-based exploration activities at the Castriz (“Castriz”) prospect, part of its flagship Corcel Ni-Co-Cu Project (“Corcel” or “the Project”), in Spain. Castriz was the highest ranked target identified in the project area by historical exploration activities, which identified an extensive zone of Ni-Co-Cu mineralisation. The Company’s own exploration activities not only confirmed the historical work but also defined additional high-quality prospects. This encouraged BAT to move straight into drilling the highest-ranking targets. The last time the Project was drilled was during the early 1990s. The Company is excited about drill testing this Project, which has not been touched since this time. Initial drilling has intersected the targeted rock sequences and the Company is encouraged by initial observations revealing the presence of sulphide minerals.

The Company is well-funded to complete its maiden exploration programme at Castriz. BAT also plans to commence preliminary tests to assess potential development scenarios at Castriz. The Company is looking forward to providing updates to shareholders in the coming weeks about the results of the drilling programme. BAT also looks forward to providing shareholders with an update on its strategy of becoming an important upstream supplier of raw materials critical to the electrification revolution.

Yours Faithfully

**Roberto García Martínez**  
CEO



1 JULY – 30 SEPTEMBER 2019

## Comments on the third quarter

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### Earnings and sales

The Company's net sales for the third quarter totalled SEK 0 thousand (SEK 0 thousand), and earnings after financial items totalled SEK –2,421 thousand (SEK –1,467 thousand). Operating expenses amounted to SEK –2,479 thousand (SEK –1,467 thousand). EBITDA for the second quarter totalled SEK –2,420 thousand (SEK –1,467 thousand). Finance costs for the quarter amounted to SEK –1 thousand (SEK 0 thousand).

### Investments

Investments in property, plant and equipment in the third quarter totalled SEK 0 thousand (SEK 0 thousand). Investments in non-current intangible assets amounted to SEK 1,649 thousand (SEK 0 thousand).

### Financial position

Cash and cash equivalents amounted to SEK 11,824 thousand (SEK 5,840 thousand) at 30 September. Equity totalled SEK 43,577 thousand (SEK 8,623 thousand).

### Cash flow and financing

Cash flow from operating activities in the third quarter was SEK –3,620 thousand (SEK –1,305 thousand). Cash flow from investing activities was SEK –1,649 thousand (SEK 0 thousand), while cash flow from financing activities was SEK –87 thousand (SEK 3,454 thousand).



1 JANUARY – 30 SEPTEMBER 2019

## Comments on the first nine months of the year

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### Earnings and sales

The Company's net sales for the first nine months of the year totalled SEK 0 thousand (SEK 0 thousand), and earnings after financial items totalled SEK –9,261 thousand (SEK –2,421 thousand). Operating expenses amounted to SEK –9,296 thousand (SEK –2,138 thousand). EBITDA for the first nine months of the year amounted to SEK –9,237 thousand (SEK –2,138 thousand). Finance costs for the period amounted to SEK –24 thousand (SEK 0 thousand).

### Investments

Investments in property, plant and equipment in the first half of the year totalled SEK 0 thousand (SEK 0 thousand). Investments in non-current intangible assets amounted to SEK 29,221 thousand (SEK 0 thousand).

### Financial position

Cash and cash equivalents amounted to SEK 11,824 thousand (SEK 5,840 thousand) at 30 September. Equity totalled SEK 43,577 thousand (SEK 8,623 thousand).

### Cash flow and financing

Cash flow from operating activities in the first nine months of the year was SEK –9,284 thousand (SEK –3,488 thousand). Cash flow from investing activities was SEK –29,221 thousand (SEK 0 thousand), while cash flow from financing activities was SEK 45,701 thousand (SEK 9,104 thousand).



## Share information

The share capital in Eurobattery Minerals AB (publ) at 30 September 2019 amounts to SEK 9,694,694. The total number of shares outstanding is 9,694,694.

The Company was listed on AktieTorget on 22 June 2015. On 17 April 2019, the share was moved to NGM, where trading began on 18 April 2019. The share's ticker symbol is BAT and its ISIN code is SE0012481570. According to Euroclear's register, Eurobattery Minerals had more than 2,800 shareholders at the close of the period.

### List of shareholders at 30 September 2019

Shareholder	Number of shares	Percentage (%)
Ulex Recursos S.L.	1,145,768	11.82%
Marbury Ridge Ltd*	1,073,116	11.07%
Andrew Randall	842,753	8.69%
Kimberly Wrixon	653,880	6.74%
Daniel Eddington	646,169	6.67%
He Shin Kim	359,723	3.71%
Avanza Pension	332,504	3.43%
Swedbank Försäkring	318,936	3.29%
Faviol AB	304,820	3.14%
JPMP Konsult AB	286,200	2.95%
Total, other shareholders	3,730,825	38.49%
	<b>9,694,694</b>	<b>100.00%</b>

\*Previously Caldera Ridge Capital Ltd

### Related-party transactions

During the period, earnings were affected by fees of SEK 456 thousand paid to Board member Martin Boldt Christmas's company Christmas Holding AB for work carried out.

Earnings in the period were also impacted by fees of SEK 2,207 thousand paid to CEO Roberto García Martínez's company Nazgero Consulting Service LTD for work carried out.

During the period, earnings were affected by fees of SEK 345 thousand paid to Board member Jan Arnbom's company Arnbom Geotrade HB for work carried out.



### **Accounting policies**

Eurobattery Minerals AB has been applying the Swedish Annual Accounts Act and Swedish Accounting Standards Board's general recommendation 2012:1 (K3) on the preparation of financial statements since 2014. Changes to accounting policies have not had any impact on the financial statements.

### **Audit report**

This interim report has not been subject to review by an auditor.

### **Mentor**

Augment Partners AB  
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### **Upcoming reporting dates**

The Year-end Report for 2019 will be published on 26 February 2020.

Reports and press releases, etc., are published on Nordic Growth Market's website [www.ngm.se](http://www.ngm.se) and on [www.eurobatteryminerals.com](http://www.eurobatteryminerals.com)

*21 November 2019*

**Eurobattery Minerals AB**  
*Board of Directors*

For further information, please contact CEO Roberto García Martínez  
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## Income statement

<i>SEK thousand</i>	2019 <i>Jan–Sep</i>	2018 <i>Jan–Sep</i>	2019 <i>Jul–Sep</i>	2018 <i>Jul–Sep</i>	2018 <i>Jan–Dec</i>
<b>Operating revenue</b>					
Net sales	0	0	0	0	0
Other operating income	59	0	59	0	0
<b>Operating costs</b>					
Other external expenses	-9,296	-1,665	-2,479	-994	-2,836
Personnel costs	0	-473	0	-473	-565
<b>Operating profit/loss</b>	<b>-9,237</b>	<b>-2,138</b>	<b>-2,420</b>	<b>-1,467</b>	<b>-3,401</b>
Net interest items	-24	0	-1	0	-82
<b>Earnings before tax</b>	<b>-9,261</b>	<b>-2,138</b>	<b>-2,421</b>	<b>-1,467</b>	<b>-3,483</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-9,261</b>	<b>-2,138</b>	<b>-2,421</b>	<b>-1,467</b>	<b>-3,483</b>

## Balance sheet

<i>SEK thousand</i>	30/09/2019	30/09/2018	31/12/2018
<b>Assets</b>			
Non-current intangible assets	31,981	2,761	2,761
Non-current financial assets	79	241	79
Other current assets	1,108	305	263
Cash and bank balances	11,824	5,840	4,628
<b>TOTAL ASSETS</b>	<b>44,992</b>	<b>9,147</b>	<b>7,731</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>	<b>43,577</b>	<b>8,623</b>	<b>7,137</b>
<b>Current liabilities</b>	<b>1,416</b>	<b>524</b>	<b>594</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>44,992</b>	<b>9,147</b>	<b>7,731</b>

## Change in equity

<i>SEK thousand</i>	2019 <i>Jan–Sep</i>	2018 <i>Jan–Sep</i>	2019 <i>Jul–Sep</i>	2018 <i>Jul–Sep</i>	2018 <i>Jan–Dec</i>
Equity at start of period	7,137	1,657	46,085	6,636	1,657
Rights issue	50,127	9,610	0	3,651	9,610
Cost of rights issue	-4,426	-506	-87	-197	-647
Profit/loss for the period	-9,261	-2,138	-2,421	-1,467	-3,483
<b>Equity at end of period</b>	<b>43,577</b>	<b>8,623</b>	<b>43,577</b>	<b>8,623</b>	<b>7,137</b>

## Cash flow statement

<i>SEK thousand</i>	2019 <i>Jan–Sep</i>	2018 <i>Jan–Sep</i>	2019 <i>Jul–Sep</i>	2018 <i>Jul–Sep</i>	2018 <i>Jan–Dec</i>
Operating profit/loss for the period	-9,237	-2,138	-2,420	-1,467	-3,401
Interest paid	-24	0	-1	0	-82
<b>Cash flow from operating activities before change in working capital</b>	<b>-9,261</b>	<b>-2,138</b>	<b>-2,421</b>	<b>-1,467</b>	<b>-3,483</b>
Change in operating receivables	-845	-150	-176	-81	-109
Change in operating liabilities	822	-1,200	-1,023	243	-380
<b>Cash flow from operating activities</b>	<b>-9,284</b>	<b>-3,488</b>	<b>-3,620</b>	<b>-1,305</b>	<b>-3,972</b>
Cash flow from investing activities	-29,221	0	-1,649	0	162
Cash flow from financing activities	45,701	9,104	-87	3,454	8,214
<b>Cash flow for the year</b>	<b>7,196</b>	<b>5,616</b>	<b>-5,356</b>	<b>2,149</b>	<b>4,404</b>
Cash and cash equivalents at start of period	4,628	224	17,180	3,691	224
Cash and cash equivalents at end of period	11,824	5,840	11,824	5,840	4,628

## Key performance indicators and share data

	2019 <i>Jan–Sep</i>	2018 <i>Jan–Sep</i>	2018 <i>Jan–Dec</i>
Average equity for the period (SEK thousand)	25,357	5,140	4,397
Average total capital for the period (SEK thousand)	26,362	6,264	5,556
Return on equity (%)	–37	–42	–79
Return on total capital (%)	–35	–34	–61
Equity/assets ratio (%)	97	44	92
Basic earnings per share (SEK)	–0.04	–0.01	–0.06
Diluted earnings per share (SEK)	–0.96	–0.008	–0.01
Equity per share (SEK)	4.49	0.03	0.03
Cash ratio (%)	913	1,173	823
Total number of shares	9,694,694	251,812,969	251,812,969
Average number of shares	6,106,412	155,704,352	155,704,352

### KPI definitions

Return on total capital:	Earnings after financial items plus finance costs as a percentage of average total capital.
Return on equity:	Net profit according to income statement as a percentage of average equity.
Equity/assets ratio:	Equity as a percentage of total assets.
Earnings per share:	Earnings after tax in relation to average number of shares.
Equity per share:	Equity in relation to number of shares at balance sheet date.
Cash ratio:	Current assets excluding stock in relation to current liabilities.

# Ethical and fully traceable minerals for the electric revolution



Eurobattery Minerals is a mining and prospecting company focused on battery minerals such as nickel, cobalt, copper and rare earth elements. Business activities and operations are conducted exclusively in Europe with a focus on Spain and northern Sweden. The company has one mining license and eight exploration licenses. The headquarters is located in Stockholm. Augment Partners AB, tel. +46 8 505 651 72, email: [info@augment.se](mailto:info@augment.se) is Eurobattery Minerals' Mentor.