

Year End Report

JANUARY – DECEMBER 2019



EURO
BATTERY
MINERALS

EUROBATTERY MINERALS AB

Year End Report January – December 2019

Fourth quarter 2019 (same period previous year)

- ◆ Net sales amounted to KSEK 0 (KSEK 0).
- ◆ Operating income after depreciation/amortisation and financial items totalled KSEK -2,547 (KSEK -1,737).
- ◆ Earnings per share after depreciation/amortisation and financial items amounted to SEK -0.26 (SEK -0.58).
- ◆ Cash flow from operating activities was KSEK -3,494 (KSEK -1,305).

Year of 2019 (same period previous year)

- ◆ Net sales amounted to KSEK 0 (KSEK 0).
- ◆ Operating income after depreciation/amortisation and financial items totalled KSEK -11,808 (KSEK -3,483).
- ◆ Earnings per share after depreciation/amortisation and financial items amounted to SEK -1.21 (SEK -0.8).
- ◆ Cash flow from operating activities was KSEK -12,504 (KSEK -1,308).

Significant events during the period

- ◆ During the Quarter, the Company completed a 4 hole, 998m drill programme testing several large geochemical and geophysical anomalies previously defined under the Castriz prospect, part of its flagship Corcel nickel-cobalt-copper (Ni-Co-Cu) project in northwest Spain.
- ◆ Diamond drilling commenced at Castriz on 17 September and was completed on 7 November. Geological logging and geochemical sampling of the drill holes has determined there to be large areas of ultramafic rock with elevated Ni-Co-Cu metal contents. Mineral and rock studies have commenced to determine any potential for economic extraction.
- ◆ During the Quarter, the Company completed new samples for petrographic and chemical analysis on our Swedish projects and previously found and analysed bouldes and outcrops have been investigated further.
- ◆ The Company welcomed the election of Monia Benbouzid as Chairman. Monia is a market and green tech expert and has held senior roles with several large groups including the UN, the Green Party, and the African Union.

- ◆ The Company is in a solid financial position to complete the preliminary studies at Castriz and continue its growth strategy to produce the raw materials in Europe needed for the booming EV market.

Significant events after the period

- ◆ The Company released the final results from the remaining two diamond drill holes at Castriz. Results now show that the anomalous levels of nickel intersect for over 700m in strike and 700m in width. This is a much larger area than previous analyses and drilling activities indicated.
- ◆ The Company has been inserted as a partner in the EU project S3-MINE. S3-MINE's main objective is the development and implementation of a mining pilot at ten different facilities in six different EU countries. The aim is to demonstrate the feasibility of innovative digital technologies throughout the mining life cycle as a powerful tool to increase efficiency, selectivity and profitability of the mining operations, while minimizing environmental impacts and associated health & safety issues. As a selected member in the S3-MINE project, the Company can apply for monetary funding from a fund assigned to this project.

EUROBATTERY MINERALS AB

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 to become self-sufficient in ethical and fully traceable battery minerals for the electric vehicle industry, Eurobattery Minerals is the cornerstone of the battery value chain in Europe.

BAT implemented its new communications strategy in the second half of 2019. To increase awareness of the Company and its strategy, BAT has been active across social media platforms and presented at two retail investor days in Stockholm.

As a pathway to helping Europe become self-sufficient in ethical battery minerals, the Company joined the European Battery Alliance (EBA) during the reporting period. The EBA was formed in 2017 by the European Commission with the purpose of promoting collaboration to build a strong and competitive European battery industry. The Company is pleased to join more than 250 stakeholders who are in the Alliance.

BAT was pleased to elect Monia Benbouzid as a new Board Member and Chairman during the reporting period. As a market and green tech expert, Monia has led many organisation expansions through sustainable partnerships and knowledge exchange. Monia has vast experience in both the public and private sectors, having served in the UN, the Green Party, the African Union, Clavister, and Sensys, among others. Monia currently serves as VP Marketing and Sales in EMEA at the green tech company Nanol.

Spain

Corcel Project

Drilling was completed in the Corcel Project (*Fig. 1*) during the reporting period. The Company drill tested three of the four coincident geochemical and geophysical anomalies identified at the Castriz prospect in the previous quarter, the Northern Anomaly, Western Anomaly and Central Anomaly¹ (*Fig 2*). Numerous nickel-in-soil anomalies in excess of 0.2% Ni were detected, with a maximum of 0.66% Ni recorded at the Central Anomaly. The Company interprets the source of the anomalies to be metal-rich mafic and ultramafic rocks deeply buried at Castriz. BAT is targeting potential nickel-copper-cobalt sulphide deposits in these host rocks.

A total of four diamond drill holes for 988m were completed at Castriz (*Fig. 3*). Assay results from the first two drill holes were received during the reporting period², with the results of the final two drill holes received subsequent to the reporting period³ (*Table 1*). Assay highlights included:

¹ *Strong Nickel Assays Received with Coincident Geophysical Anomalies at Corcel. Press release 04/09/19.*

² *First Results from Drilling Confirm High Level of Nickel. Press release 10/09/19.*

³ *Final Results from Drilling Show Larger Prospect Zone Than Expected in Castriz Drill Results. Press release 28/01/20.*

- 69m @ 0.30% Ni, 0.04% Cu & 0.01% Co from 78m (19DD0001)
- 24.5m @ 0.30% Ni, 0.12% Cu & 0.01% Co from 14.5m (19DD0002)
- 75m @ 0.24% Ni, 0.04% Cu & 0.01% Co from 131.5m (19DD0003)
 - including 9m @ 0.44% Ni, 0.14% Cu and 0.02% Co from 191.5m
- 28.8m @ 0.20% Ni, 0.14% Cu & 0.01% Co from 6.8m (19DD0004)



Figure 1. Location of the Corcel Project, Spain.

Table 1. Assay highlights from diamond drilling at the Castriz prospect.

Hole ID	From	To	Int (m)	Ni%	Cu%	Co%
19DD0001	45.0	147.0	102.0	0.282	0.037	0.012
including	78.0	147.0	69.0	0.301	0.038	0.011
including	78.0	99.0	21.0	0.345	0.045	0.011
including	129.0	141.0	12.0	0.480	0.077	0.013
and	132.0	135.0	3.0	0.688	0.119	0.015
19DD0002	3.0	114.0	111.0	0.214	0.063	0.013
including	14.5	39.0	24.5	0.304	0.117	0.014
including	14.5	27.0	12.5	0.360	0.173	0.015
	159.0	174.0	15.0	0.224	0.116	0.010
19DD0003	86.5	92.5	6.0	0.208	0.037	0.010
	110.5	122.5	12.0	0.213	0.031	0.011
	131.5	206.9	75.4	0.244	0.039	0.013
including	182.5	206.9	24.4	0.344	0.105	0.015
including	191.5	200.5	9.0	0.444	0.141	0.016
19DD0004	6.8	35.6	28.8	0.200	0.040	0.012
including	12.4	19.3	6.9	0.268	0.053	0.015
	178.9	251.3	72.5	0.201	0.019	0.010

* True thickness estimated to be 80-90% of downhole intersection; average grades calculated using a 0.15% Ni cut-off, max. 6m internal dilution.

Drilling at Castriz intersected a layered sequence of variably magnetised and weakly mineralised mafic and ultramafic rocks (serpentinites, pyroxenites and amphibolites). Detailed logging and sampling of the core was completed by BAT and over 300 samples were sent to ALS Global via Seville for sample preparation prior to multi-element geochemical analysis⁴. The results from the drilling at Castriz confirm the Company's strategy for targeting Ni-Cu-Co sulphide mineralisation as extensive rock sequences with elevated metal concentrations were intersected (Table 1). The region of anomalous metal contents is at least 700m in strike length and up to 700m in width (Fig. 2). The Company is currently completing detailed rock and mineral studies to assess the full economic potential of the Castriz drilling area. The Castriz prospect is the first of the prospective zones at Corcel to be explored by BAT. The Company is currently assessing the application of its successful exploration strategy elsewhere at Castriz and at its other prospects in the Corcel Project.

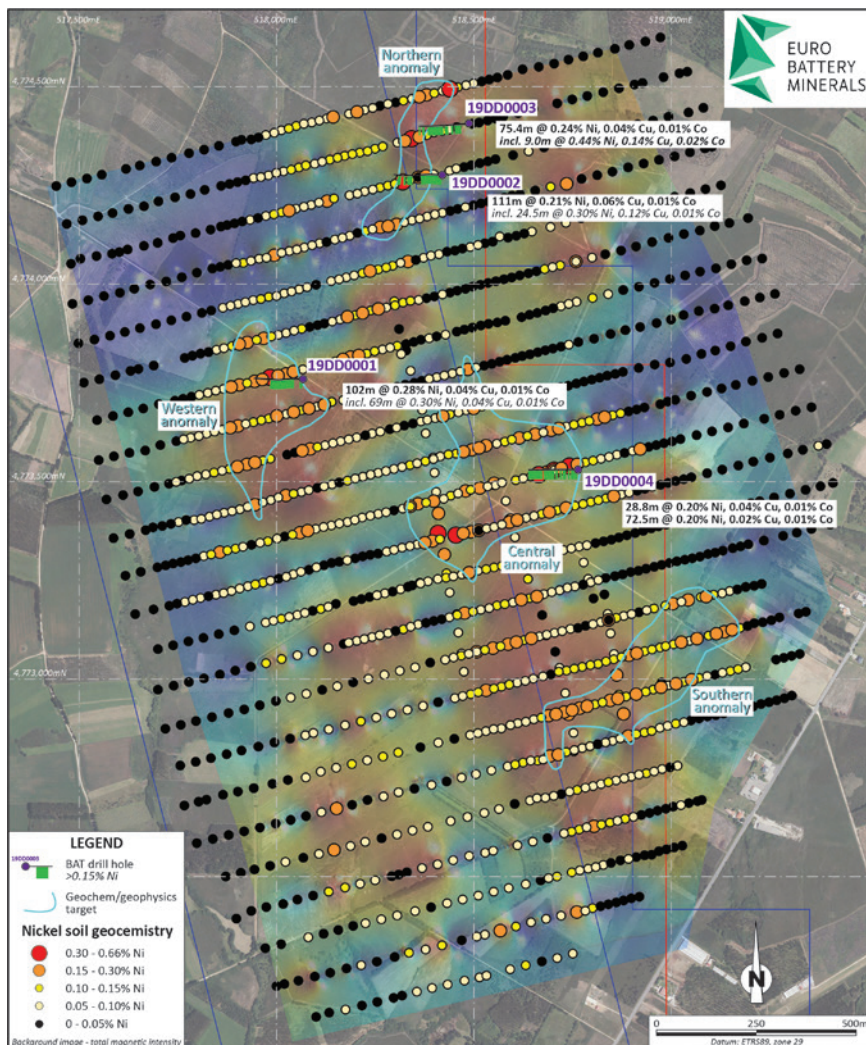


Figure 2. Plan view of diamond drilling and nickel-in-soil geochemistry at the Castriz prospect. Main prospective zones highlighted in blue polygons. Background image is Total Magnetic Intensity (TMI).

⁴ ALS Global is the leading full-service provider of analytical geochemistry services to the global mining industry.

Sweden

In total, BAT have 7 exploration permits in northern Sweden. The Company has assessed the results of geochemical sampling completed during the previous quarter and ranked the permits according to economic potential and suitability for future exploration activities. Here is a summary of the work completed by BAT during the reporting period on the remaining projects in Sweden:

Sörtjärn and Brännkammen Projects

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 have 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 to 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 Rönnerberget Projects

The bedrock within the Fetsjön and Rönnerberget exploration permits 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 Pietarajärvi Projects

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

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

At Pietarajärvi, several boulders were examined, and some additional slightly mineralised boulders were found. An outcrop with copper mineralisation, 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 Project

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

Project generation

The Company continues to review its project portfolio and is looking at new opportunities with a focus on metals that can be extracted sustainably and are required for the EV battery sector. Both early-stage exploration and near-term development project opportunities are being assessed. The Company continues to rank all opportunities against its current portfolio and will only proceed with an acquisition when it provides clear accretive value to all stakeholders.

»As the cornerstone of the battery value chain, our vision is to help Europe become self-sufficient in ethical and fully traceable battery minerals.«

Roberto García Martínez
CEO



CEO comments

Dear Shareholder,

Eurobattery Minerals AB (BAT:NGM; “BAT” or “the Company”), formerly Orezone AB, is pleased to release the Q4 report for 2019. With the end of Q4, a big year for the Company comes to an end. It was a year that included the acquisition of Corcel Minerals SL, the Company's name change, the listing on NGM and the completion of our maiden mineral exploration programme at Corcel, including the first results from our drilling programme released in Q4. The Company is proud of what it has achieved to-date and continues to implement its strategy to become a European-based mining company targeting the extraction of ethical and fully traceable battery minerals which are critical to the EV market in Europe.

Looking at the EV market, the already strong growth and interest in the sector increased even more in 2019. Car manufactures are all presenting new EV-models and several battery projects have been announced across Europe. However, Europe still only caters for 2–4 per cent of the total batteries needed in the booming European EV industry, and even if some traceability and ethics initiatives exist, battery minerals are unfortunately still mined without focusing on sustainability, and in many cases with terrible working conditions and using child labour.

As the cornerstone of the battery value chain, our vision is to help Europe become self-sufficient in ethical and fully traceable battery minerals. The Company plans to achieve this by building a pipeline of projects across the exploration, development and production stages.

A major achievement by the Company during Q4 2019 was the maiden drilling programme at the Castriz prospect where previous exploration had highlighted the area to be a good prospect for Ni-Co-Cu mineralisation. Drilling has confirmed what the historical explorers originally reported; notably the extensive zone of bedrock with elevated Ni-Co-Cu contents is much larger than previously thought, measuring approximately 700m in strike and up to 700m in width.

Looking forward to 2020, the Company will complete the remaining Castriz prospect tests needed to assess its economic potential. BAT has also commenced planning its 2020 work programme at the Corcel Project and will look to expand the prospective zones to other areas of the project.

Further to this, in Q4, the Company completed new samples for petrographic and chemical analysis on our Swedish projects and previously found and analysed boulders and outcrops have been investigated further.

The Company is looking forward to providing regular updates to shareholders about its future plans at the Corcel Project and its strategy of becoming the cornerstone of the battery value chain and as such a vital supplier of raw materials critical to the electric vehicle revolution in Europe.

Yours Faithfully

Roberto García Martínez
CEO

1 OCTOBER – 31 DECEMBER 2019

Comments on the fourth quarter

Earnings and sales

The Company's net sales for the fourth quarter totalled SEK 0 thousand (SEK 0 thousand), and earnings after financial items totalled SEK -2,547 thousand (SEK -1,737 thousand). Operating expenses amounted to SEK -2,402 thousand (SEK -1,737 thousand). EBITDA for the fourth quarter was SEK -2,387 thousand (SEK -1,737 thousand). Financial expenses for the quarter amounted to SEK -160 thousand (SEK 0 thousand).

Investments

Investments in property, plant and equipment in the fourth quarter totalled SEK 0 thousand (SEK 0 thousand). Investments in intangible assets amounted to SEK 1,714 thousand (SEK 0 thousand).

Financial position

Cash and cash equivalents amounted to SEK 6,616 thousand (SEK 4,628 thousand) at 31 December 2019. Equity totalled SEK 40,754 thousand (SEK 7,137 thousand).

Cash flow and financing

Cash flow from operating activities in the fourth quarter was SEK -3,494 thousand (SEK -1,212 thousand). Cash flow from investing activities was SEK -1,714 thousand (SEK 0 thousand), while cash flow from financing activities was SEK 0 thousand (SEK 0 thousand).



1 JANUARY – 31 DECEMBER 2019

Comments on the full year 2019

Earnings and sales

The Company's net sales for the full year totalled SEK 0 thousand (previous year SEK 0 thousand), and earnings after financial items totalled SEK -11,808 thousand (SEK -3,483 thousand). Operating expenses amounted to SEK -11,639 thousand (SEK -3,401 thousand). EBITDA for the full year was SEK -11,624 thousand (SEK -3,401 thousand). Financial expenses for the period amounted to SEK -184 thousand (SEK 0 thousand).

Investments

Investments in property, plant and equipment for the full year totalled SEK 0 thousand (SEK 0 thousand). Investments in intangible assets amounted to SEK 30,934 thousand (SEK 0 thousand).

Financial position

Cash and cash equivalents amounted to SEK 6,616 thousand (SEK 4,628 thousand) at 31 December 2019. Equity totalled SEK 40,754 thousand (SEK 7,137 thousand).

Cash flow and financing

Cash flow from operating activities for the full year was SEK -12,777 thousand (SEK -1,305 thousand). Cash flow from investing activities was SEK -30,934 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 31 December 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 approximately 3,985 shareholders at the close of the period.

List of shareholders at 31 December 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	646,169	6.67
Daniel Eddington	646,169	6.67
He Shin Kim	359,723	3.71
Swedbank Försäkring	343,425	3.54
Avanza Pension	340,327	3.51
Faviol AB	330,949	3.41
JPMP Konsult AB	275,300	2.84
Total, other shareholders	3,690,995	38.07
	9,694,694	100%

*Previously Caldera Ridge Capital Ltd

Related-party transactions

During the period, earnings were affected by fees of SEK 561 thousand paid to Board member Martin Boldt Christmas's company Christmas Holding AB for work carried out.

During the period, earnings were also affected by fees of SEK 2,312 thousand paid to CEO Roberto García Martínez's company Nazgero Consulting Service LTD for work carried out.

Finally, earnings were impacted during the period by fees of SEK 387 thousand paid to Board member Jan Arnbom's company Arnbom Geotrade HB for work carried out.



Accounting principles

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.

Annual general meeting and annual report

The Annual general meeting is planned for 9 June 2020. The time and place for the AGM will be published on the Company's website at the same time as the publication of the annual report, at least three weeks before the AGM is held.

Dividend

The Board intends to propose to the Annual General Meeting that no dividend be paid for the 2019 financial year.

Auditor's report

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

Mentor

Augment Partners AB
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Email: info@augment.se

Financial calendar

The report for the first quarter of 2020 will be published on 21 May.

Reports and press releases, etc., are published on Nordic Growth Market's website www.ngm.se and on www.eurobatteryminerals.com.

26 February 2020

Eurobattery Minerals AB

Board of directors

For further information, please contact CEO Roberto García Martínez.

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Email: roberto@eurobatteryminerals.com

Income statement

<i>SEK thousand</i>	<i>2019 Oct-Dec</i>	<i>2018 Oct-Dec</i>	<i>2019 Jan-Dec</i>	<i>2018 Jan-Dec</i>
Operating income				
Net sales	0	0	0	0
Other operating income	15	0	15	0
Operating costs				
Other external costs	-1,749	-1,645	-10,986	-2,836
Staff costs	-653	-92	-653	-565
Operating profit/loss	-2,387	-1,737	-11,624	-3,401
Financial items	-160	0	-184	-82
Earnings before tax	-2,547	-1,737	-11,808	-3,483
PROFIT/LOSS FOR THE PERIOD	-2,547	-1,737	-11,808	-3,483

Balance sheet

<i>SEK thousand</i>	<i>31/12/2019</i>	<i>31/12/2018</i>
Assets		
Intangible assets	33,696	2,761
Financial assets	79	79
Other current assets	1,015	263
Cash & bank balances	6,616	4,628
TOTAL ASSETS	41,406	7,731
Equity and Liabilities		
Equity	40,754	7,137
Current liabilities	652	594
TOTAL EQUITY AND LIABILITIES	41,406	7,731

Change in equity

<i>SEK thousand</i>	<i>2019 Oct-Dec</i>	<i>2018 Oct-Dec</i>	<i>2019 Jan-Dec</i>	<i>2018 Jan-Dec</i>
Equity at the beginning of the period	43,301	8,874	7,136	1,657
New share issue	0	0	50,867	9,610
Costs for new share issue	0	0	-5,441	-647
Profit/loss for the period	-2,547	-1,737	-11,808	-3,483
Equity at the end of the period	40,754	7,137	40,754	7,137

Statement of Cash flow

<i>SEK thousand</i>	<i>2019 Oct-Dec</i>	<i>2018 Oct-Dec</i>	<i>2019 Jan-Dec</i>	<i>2018 Jan-Dec</i>
Operating profit/loss for the period	-2,387	-1,737	-11,624	-1,467
Other adjustments	-250	0	-186	0
Cash flow from operating activities before change in working capital	-2,637	-1,737	-11,810	-1,467
Change in operating receivables	-93	55	-752	-81
Change in operating liabilities	-764	470	58	243
Cash flow from operating activities	-3,494	-1,212	-12,504	-1,305
Cash flow from investment activities	-1,714	0	-30,934	0
Cash flow from financing activities	0	0	45,426	3,454
Cash flow for the year	-5,208	-1,212	1,988	2,149
Cash and cash equivalents at start of period	11,824	5,840	4,628	3,691
Cash and cash equivalents at end of period	6,616	4,628	6,616	5,840

Key performance indicators and share data

	2019 Jan-Dec	2018 Jan-Dec
Average equity for the period (SEK thousand)	23,945	4,397
Average total capital for the period (SEK thousand)	24,569	5,556
Return on equity (%)	-49	-79
Return on total capital (%)	-48	-61
Equity/assets ratio (%)	98	92
Basic earnings per share (SEK)	-0.04	-0.06
Diluted earnings per share (SEK)	-1.22	-0.01
Equity per share (SEK)	4.20	0.03
Quick ratio (%)	1,170	823
Total number of shares	9,694,694	251,812,969
Average number of shares	6,106,412	155,704,352

Definitions of key performance indicators

Return on total capital:	Earnings after financial items plus financial expenses as a percentage of average total capital.
Return on equity:	Net profit according to the income statement as a percentage of average equity.
Equity ratio:	Equity as a percentage of total assets.
Earnings per share:	Earnings after tax in relation to the average number of shares.
Equity per share:	Equity in relation to the number of shares on the balance sheet date.
Quick 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 is Eurobattery Minerals' Mentor.