

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

Ethically produced and fully
traceable battery minerals

19



EURO
BATTERY
MINERALS

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CEO comments

Dear Shareholder,

Eurobattery Minerals AB (BAT:NGM; "BAT" or "the Company"), formerly Orezone AB, is pleased to release the annual report for 2019. In 2019 the focus on sustainability has grown to a global mass movement and companies increasingly view sustainability as both a responsibility and a great business opportunity.

During the year BAT has made some significant advancements in delivering on its vision to help Europe and the booming EV industry to become self-sufficient in ethical and fully traceable battery minerals. These include the acquisition of Corcel Minerals SL, the name change of the Company, the listing on the NGM and the completion of our maiden mineral exploration programme at the Corcel Project. This was followed by the release of our first drilling results at the end of the year with more results released in the beginning of 2020. 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 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 has increased even more in 2019. The car manufactures are all presenting new EV-models and several battery projects have been announced across Europe. However, still Europe only caters for 2-4 percent of the total batteries needed in the booming European EV industry. This could become even more constrained with initiatives in traceability and ethical sourcing as many battery minerals are still unfortunately mined without focus on sustainability and fair employment conditions, including child labour.

Considering the on-going Covid-19 pandemic, the outlook for the EV market in short term is hard to predict. However, we know that many of the car manufacturers in Europe have already announced an extended range of EV-models for the near future. Also, looking at the macro perspective, signals from both leading politicians and business leaders across Europe suggest that sustainabili-

ty and green solutions are key elements when re-starting the economy. With all our assets literally in the ground, BAT is well positioned to continue its operations to be the long-term foundation of the battery value chain for a sustainable transportation industry.

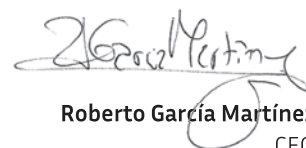
During 2019, the company finalized its maiden drilling programme at the Spanish Castriz prospect, where previous exploration had highlighted the area to be very prospective for Ni-Co-Cu mineralisation. Drilling has confirmed what the historical explorers originally reported. Notably the extensive zone of bedrock with elevated Ni-Co-Cu contents is much larger than previously predicted, measuring approximately 700m in strike and up to 700m in width.

In 2020, the Company will complete the remaining tests at the Castriz prospect needed to assess its economic potential. Further to this, BAT has also commenced planning its 2020 work programme at the Corcel Project and will look to expand the zones of prospectivity to other areas of the project. In Sweden, the Company completed new samples for petrographic and chemical analysis in its different projects and previously found and analysed boulders and outcrops have been investigated further.

The Companies business strategy will continue with its focus of building a pipeline of projects across the exploration, development and production stages. As part of this, the Company has signed an investment and shareholders agreement including an option for a staged acquisition of 100 percent of the shares in Vulcan Hautalampi Oy, 100 per cent owner of the Hautalampi Nickel-Cobalt-Copper Project, in eastern Finland.

The Company is looking forward to providing regular updates to shareholders about its future plans at the Corcel Project, the Hautalampi project, the Swedish projects and the overall strategy of becoming the foundation of the battery value chain.

Yours Faithfully



Roberto García Martínez
CEO

»During the year BAT has made some significant advancements in delivering on its vision to help Europe and the booming EV industry to become self-sufficient in ethical and fully traceable battery minerals.«

Roberto García Martínez
CEO



EUROBATTERY MINERALS AB

Directors' Report

The Board of Directors and CEO of Eurobattery Minerals AB (publ), company reg. no. 556785-4236, hereby present the following annual report and consolidated financial statements for the operations during the financial year 2019.

General information on activities

The Company was established in 2009 under the name Resolution Energy RE AB with the intention of conducting seismic surveys for the oil industry. The planned operations were not pursued, so the Company was dormant until 2014, when the new business focus began to take shape. The Company registered its current name on 28 June 2019.

Business concept

Eurobattery Minerals AB (publ) is a Swedish company, and the very foundation of our value chain for battery production is our vision to help Europe become self-sufficient in ethical and fully traceable battery minerals for the electric vehicle industry. We are exploring and developing several nickel, cobalt and copper projects in Europe.

Group

At the beginning of the year, the Group consisted only of the Parent company. During the financial year, the Group

acquired the wholly owned subsidiary CORCEL MINERALS, S.L. - B70541792 with its head office in Coruna, Spain.

Head office

The Company's head office is in Vilhelmina Municipality in northern Sweden.

The share

The share capital in Eurobattery Minerals AB (publ) at 31 December 2019 amounted to SEK 9,694,694. The total number of shares outstanding was 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.

SHARE CAPITAL

Year	Event	Quota	Change in number of shares	Change in share capital	Total number of shares	Total share capital
2009	New establishment	0.10	1,000,000	100,000	1,000,000	100,000.00
2014	New share issue	0.10	4,000,000	400,000	5,000,000	500,000.00
2014	New share issue	0.07	2,750,000	55,000	7,750,000	555,000.00
2015	New share issue	0.04	16,876,071	337,521.42	24,626,071	892,521.42
2015	Share warrant	0.03	14,969,665	299,393.30	39,595,736	1,191,914.72
2018	New share issue	0.02	105,037,824	2,100,756.48	144,633,560	3,292,671.20
2018	New share issue	0.02	14,153,648	283,072.96	158,787,208	3,575,744.16
2018	New share issue	0.02	73,025,761	1,460,515.22	231,812,969	5,036,259.38
2019	New share issue	0.02	31	0.62	231,813,000	5,036,260.00
2019	Merger	2.17	-229,494,870	0	2,318,130	5,036,260.00
2019	New share issue	2.06	3,777,089	7,554,178	6,095,219	12,590,438.00
2019	Reduction	1.00	0	-6,295,219	6,095,219	6,295,219.00
2019	New share issue	1.00	3,399,475	3,399,475	9,694,694	9,694,694.00



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%
Other shareholders	3,690,995	38.07%
	9,694,694	100.00%

Related-party transactions

During the period, earnings were affected by fees of SEK 613 thousand paid to Board member Martin Boldt Christmas's company Christmas Holding AB for work carried out.

During the period, earnings were affected by fees of SEK 2,311 thousand paid to CEO Roberto García's company Nazgero Consulting Service LTD for work carried out.

Finally, earnings were impacted during the period by fees of SEK 399 thousand paid to Board member Jan Arnbom's company Arnbom Geotrade HB for work carried out.

Incumbent Board of Directors and CEO

- ◆ **Roberto García Martínez,**
b 1970, CEO, Board Member
Joined the Board and took over as CEO 1 March 2019
Shareholding: 67,857 shares
Board fee 70 KSEK
- ◆ **Monia Benbouzid,**
b 1977, Chairman of the Board
Joined the Board on 30 December 2019
Shareholding: 0 shares
Board fee: 150 KSEK
- ◆ **Martin Boldt-Christmas,**
b 1972, Board member
Board member since 19 September 2018
Shareholding: 114,286 shares
Board fee: 70 KSEK
- ◆ **Jan Olof Arnbom,**
b 1952, Board member
Board member since 28 June 2018
Shareholding: 0 shares
Board fee: 70 KSEK

THE GROUP

Financial overview

Earnings and sales

The Company's net sales for 2019 totalled SEK 0 and profit/loss after financial items was SEK -11,802 thousand. Operating costs totalled SEK -11,639 thousand. EBITDA for the full year 2019 amounted to SEK -10,993 thousand. Financial costs for the period were SEK -185 thousand.

Investments

Investments in tangible assets for the full year 2019 totalled SEK 20 thousand (SEK 0). Investments in intangible assets amounted to SEK 30,905 thousand (SEK 0).

Financial position

Cash and cash equivalents amounted to SEK 6,612 thousand (SEK 4,628 thousand) at 31 December 2019. Equity was SEK 40,754 thousand (SEK 7,137 thousand).

Cash flow and financing

Cash flow from operating activities for the full year was SEK -12,175 thousand (SEK -3,972 thousand). Cash flow from investing activities was SEK -31,283 thousand (SEK 162 thousand), while cash flow from financing activities was SEK 45,442 thousand (SEK 8,214 thousand).

Equity

The Group's equity at year-end totalled SEK 40,754 thousand (SEK 0). During the year new share issues were completed, all of the shares in Corcel Minerals S.L and all cash and cash equivalents were acquired as payment. The new issues amounted to a total of SEK 50,236 thousand, with a subscription price of SEK 7 per share. In total 7,176,564 shares were issued. At the end of the financial year, 9,694,694 shares were issued.

EQUITY

<i>Group</i>	Share capital	Fund for development costs	Other contributed capital	Other equity including profit for the year	Total
Equity 31/12/2018	5,036	1,479	10,892	-10,271	7,136
New issues	10,954		39,282		50,236
Provision for development costs		5,061		-5,061	0
Translation differences				-22	-22
Costs related to new share issues			-4,794		-4,794
Reduction in share capital	-6,295			6,295	0
Profit/loss for the year				-11,802	-11,802
Equity 31/12/2019	9,695	6,540	45,380	-20,861	40,754

<i>Parent company</i>	Share capital	Fund for development costs	Share premium reserve	Profit/loss for the year incl. accumulated	Total
Equity 31/12/2018	5,036	1,479	10,892	-10,271	7,136
New issues	10,954		39,282		50,236
Costs related to new share issues			-4,794		-4,794
Reduction in share capital	-6,295			6,295	0
Profit/loss for the year				-11,658	-11,658
Equity 31/12/2019	9,695	1,479	45,380	-15,634	40,920

MULTI-YEAR REVIEW

Group	2019		
Net sales (KSEK)	0		
Operating profit (KSEK)	-11,624		
Profit/loss before tax (KSEK)	-11,809		
Balance sheet total (KSEK)	41,406		
Intangible assets (KSEK)	33,666		
Equity/assets ratio (%)	98		
Number of employees	1		
Parent company	2019	2018	2017
Net sales (KSEK)	0	0	0
Operating profit (KSEK)	-11,596	-3,401	-886
Profit/loss before tax (KSEK)	-11,659	-3,483	-886
Balance sheet total (KSEK)	41,646	7,731	3,380
Intangible assets (KSEK)	2,761	2,761	2,761
Shares and receivables Group companies (KSEK)	32,509	0	0
Reported equity/assets ratio (%)	98	92	49
Number of employees	1	0	0
Number of shares at the end of the period	9,694,694	251,812,969	59,595,736

Definitions of key performance indicators

Equity ratio

Equity capital and untaxed reserves (after deductions for deferred tax) in relation to the balance sheet total.

Important events in 2019

January – March

- ◆ Roberto García Martínez took over as new CEO on 1 March 2019.
- ◆ The Company signed a share transfer agreement to acquire Corcel Minerals S.L.
- ◆ The Extraordinary General Meeting resolved on:
 - A private placement of approximately SEK 26.4 million to complete the acquisition of 100 percent of the shares in Corcel Minerals S.L. Payment is made through vendor loans, which are then set off against payment for 3,777,089 shares.
 - A preferential rights issue of approximately SEK 26.4 million.
 - A reverse share split through which 100 existing shares are merged into one (1) new share and the issue of balance shares to enable the reverse split share.



Roberto García Martínez took over as new CEO

April – June

- ◆ The Company changed trading venue to NGM Nordic MTF.
- ◆ The Company completed its acquisition of Corcel Minerals.
- ◆ The Company started field activities in its new Corcel project, in northwest Spain, which extracts base metals nickel-cobalt-copper (Ni-Co-Cu).
- ◆ An extensive geochemical and geophysical exploration programme was implemented in the Castriz area, with the main focus on historical exploration.
- ◆ The Company appointed Mangold Fondkommission AB as liquidity provider.
- ◆ A rights issue of SEK 23.8 million was registered with the Swedish Companies Registration Office.
- ◆ The Annual General Meeting resolved on a warrants-based incentive programme for the Company's CEO of a maximum of 600,000 warrants. Upon full subscription, the Company's equity will increase by SEK 6 million.
- ◆ The Company changed its name from Orezone AB to Eurobattery Minerals AB.



The Company completed its acquisition of Corcel Minerals



The Company changed its name to Eurobattery Minerals AB

July – September

- ◆ During the quarter, the Company's preliminary, ground-based exploration activities of the deposits at Castriz were completed.
- ◆ The Company's own exploration activities not only confirmed the previous results, but were also able to demonstrate additional high-quality deposits in the area. This motivated BAT to begin drilling in the most promising locations directly.
- ◆ The initial drilling found the indicated mineralised rock formations, which is a very encouraging result for the Company as the analyses show the presence of sulphide minerals.
- ◆ The Company is in a solid financial position to enable it to complete its first exploration programme in Castriz. BAT also plans to launch preliminary tests to evaluate the development potential of Castriz.



Initial drilling program starts in Castriz

October – December

- ◆ 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 in its Swedish projects, and previously found and analysed boulders 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.



Diamond drilling commenced at Castriz



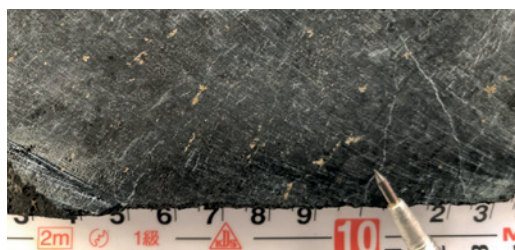
New samples for petrographic and chemical analysis in the Swedish projects

Important events after the end of 2019

- ◆ Mangold initiates monitoring of Eurobattery Minerals and sets a target price of SEK 106 per share in a twelve-month period.
- ◆ Final results from the drill holes show a larger mineralised zone than expected in Castriz.
- ◆ Eurobattery Minerals is selected for an EU project on sustainable mining.
- ◆ Eurobattery Minerals reports the research results on the extraction of vanadium in the Company's exploration area in Fetsjön in Västerbotten.
- ◆ New analysis results from the Corcel project confirm a high content of nickel sulphide.
- ◆ Eurobattery Minerals signs investment agreement with option to acquire the Hautalampi nickel-cobalt-copper mine.
- ◆ Eurobattery Minerals proposes rights issue of units of approximately SEK 46,5 million.



Research results on the extraction of vanadium



New analysis results from the Corcel project



The Company signs investment agreement with option to acquire the Hautalampi nickel-cobalt-copper mine

Expected future development as well as risks and uncertainty factors

In 2020, the Company will complete the remaining tests at the Castriz deposit that are needed to evaluate its financial potential. In addition, BAT has also started work programmes for the Corcel project for 2020 and intends to expand the potential zones to other areas in the project.

The Company has also completed new samples for petrographic and chemical analysis in its various Swedish projects, and previously found and analysed boulders and outcrops have been investigated further.

The Company's business strategy continues with the building of a variety of projects in the exploration, development and production phases. The Company looks forward to providing regular updates to its shareholders

on its future plans for the Corcel project, the Swedish projects, and its overall strategy to enable it to become the foundation of the battery value chain.

To ensure financing of the Company's ongoing operations and to enable the development of new projects, the Board has decided to complete a new share issue in Q2 2020. The new issue will, if fully subscribed, bring in SEK 46.5 million before issue costs. The issue is secured at 50%.

The Board of Directors' and the CEO's assessment is that the measures taken are sufficient to ensure the Company's working capital needs and funding for at least 12 months.

PROPOSED APPROPRIATION OF PROFITS

Proposed appropriation of the Company's profits:	
Share premium reserve	45,380,426
Retained earnings	-3,975,394
Loss for the year	-11,658,699
	29,746,333
<hr/>	
The Board of Directors proposes that the following is carried forward	29,746,333

For more information on the Company's results and position in general, please refer to the following income statements, balance sheets and accompanying notes. All amounts are reported in Swedish krona (SEK) unless otherwise indicated.

INCOME STATEMENT GROUP AND PARENT COMPANY

		GROUP		PARENT COMPANY	
Income statement	Note	2019		2019	2018
Operating income					
Net sales		0		0	0
Other operating income		15,138		15,138	0
Total operating income		15,138		15,138	0
Operating costs					
Other external costs	5,6	-10,985,860		-10,958,442	-2,835,804
Staff costs	6	-652,585		-652,585	-565,106
Depreciation of tangible fixed assets	9	-631			
Total operating costs		-11,639,076		-11,611,027	-3,400,910
Operating profit/loss		-11,623,938		-11,595,889	-3,400,910
Profit/loss from financial items					
Interest income and similar items		0		0	0
Interest expenses and similar items	7	-184,830		-62,810	-82,565
Total profit/loss from financial items		-184,830		-62,810	-82,565
Earnings before tax		-11,808,768		-11,658,699	-3,483,475
Tax on profit/loss for the year		7,012		0	0
Profit/loss for the year		-11,801,756		-11,658,699	-3,483,475

	2019	2018
Basic earnings per share (SEK)	-4.63	-5.85
Diluted earnings per share (SEK)	-1.20	-1.38
Number of shares on average	6,106,417	1,557,048

Profit/loss in full attributable to shareholders in the Parent Company

Number of shares at start of year	2,518,139	595,957
Number of shares at end of year	9,694,694	2,518,139

The previous year was adjusted for merger 100/1, which was completed during the year.

BALANCE SHEET GROUP AND PARENT COMPANY

	Note	GROUP		PARENT COMPANY	
		2019		2019	2018
ASSETS					
Fixed assets					
Intangible assets					
Patents and licences	8	33,665,784		2,761,127	2 761 127
Total intangible assets		33,665,784		2,761,127	2 761 127
Tangible assets					
Machinery and inventory	9	19,723		0	0
Total tangible assets		19,723		0	0
Financial assets					
Participations in group companies	10	0		26,439,623	0
Receivables from group companies		0		6,069,172	0
Paid deposits		78,777		78,777	78,978
Deferred tax assets		10,846		0	0
Total financial assets		89,623		32,587,572	78,978
Total fixed assets		33,775,130		35,348,699	2,840,105
Current assets					
Current receivables					
Other receivables		898,345		260,639	203,047
Prepaid expenses and accrued income	11	120,437		117,137	60,000
Total current receivables		1,018,782		377,776	263,047
Cash and bank balances		6,612,413		5,919,115	4,627,768
Total current assets		7,631,195		6,296,891	4,890,815
Total assets		41,406,325		41,645,590	7,730,920

BALANCE SHEET GROUP AND PARENT COMPANY

	Note	GROUP		PARENT COMPANY	
		2019		2019	2018
EQUITY AND LIABILITIES					
Equity					
Share capital		9,694,694			
Fund for development costs		6,539,596			
Other contributed capital		45,380,426			
Other equity including profit for the year		-20,860,531			
<i>Restricted equity</i>					
Share capital		0		9,694,694	5,036,259
Fund for development costs		0		1,479,085	1,479,085
Total restricted equity		0		11,173,779	6,515,344
<i>Unrestricted equity</i>					
Share premium reserve		0		45,380,426	10,891,991
Accumulated funds		0		-3,975,394	-6,787,139
Profit/loss for the year		0		-11,658,699	-3,483,475
Total unrestricted equity		0		29,746,333	621,377
Total equity		40,754,185		40,920,112	7,136,721
Current liabilities					
Trade payables		414,654		414,654	514,205
Current tax liabilities		0		0	0
Other current liabilities		161,935		235,272	49,994
Accrued expenses and deferred income	12	75,551		75,551	30,000
Total current liabilities		652,140		725,477	594,199
Total equity and liabilities		41,406,325		41,645,589	7,730,920

STATEMENT OF CASH FLOW GROUP AND PARENT COMPANY

Statement of cash flow	Note	GROUP		PARENT COMPANY	
		2019		2019	2018
Operating activities					
Profit/loss before financial items		-11,623,938		-11,595,889	-3,400,910
Amortisation and depreciation		631		0	0
Interest received/paid etc.		-184,830		-62,810	-82,565
Cash flow from operating activities before change in working capital		-11,808,137		-11,658,699	-3,483,475
Change in working capital					
Change in current receivables		-711,528		-114,729	-109,139
Change in current liabilities		203,113		131,278	-379,737
Change in working capital		-508,415		16,549	-488,876
Cash flow from operating activities		-12,316,552		-11,642,150	-3,972,351
Investment activities					
Investments in intangible assets		-4,711,144		0	0
Investments in tangible assets		-19,723		0	0
Investments in financial assets		-26,410,027		-32,508,594	162,266
Cash flow from investing activities		-31,140,894		-32,508,594	162,266
Financing activities					
Share issue		50,235,949		50,235,949	9,610,862
Costs for share issue		-4,793,858		-4,793,858	-647,187
Amortisation of loans and credits		0		0	-750,000
Cash flow from financing activities		45,442,091		45,442,091	8,213,675
Change to cash and cash equivalents		1,984,645		1,291,347	4,403,590
Cash and cash equivalents at the start of the year		4,627,768		4,627,768	224,178
Cash and cash equivalents at the end of the year		6,612,413		5,919,115	4,627,768

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

The Company has prepared its annual report according to the Annual Accounts Act and BFNAR 2012:1, Annual reports and consolidated accounts (K3).

Valuation principles etc.

Assets, provisions and liabilities have been valued at their acquisition value/nominal amount unless otherwise indicated.

Consolidation principles

Eurobattery Minerals AB (publ) prepares consolidated financial statements. The company where Eurobattery Minerals AB (publ) holds the majority of the votes at the AGM and where Eurobattery Minerals AB (publ) has a controlling influence is classified as a subsidiary and is consolidated in the consolidated financial statements (see Note 2). Information on Group companies is included in the note on financial assets. The subsidiary is included in the consolidated financial statements from the date the controlling influence is transferred to the Group. It is excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The consolidated financial statements have been prepared in accordance with the acquisition method. The acquisition date is the date on which the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair value at the time of acquisition. Goodwill consists of the difference between the identifiable net assets acquired at the time of acquisition and the cost, and is initially valued at cost.

Balances between Group companies are eliminated in full.

Group relationships

Eurobattery Minerals AB (publ), company reg. no. 556785-4236, in Vilhelmina, Sweden, is the Parent company of wholly owned subsidiary CORCEL MINERALS, S.L. - B70541792, Coruna, Spain.

Definition of average number of shares

To calculate the average number of shares, the Company uses the ratio on the balance sheet date. If a split or merger of shares has occurred during the year, the period's included number of shares will be converted to reflect the ratio on the balance sheet date.

Intangible assets

Intangible assets are recognised at cost less accumulated amortisation and any impairment.

Amortisation is linear over the estimated useful life. The amortisation period for patents, licenses and internally generated intangible assets is 5 years.

Tangible assets

Tangible assets are recognised at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. When a component of a fixed asset is replaced, any remaining portion of the old component is scrapped and the new component's cost is capitalised. Additional expenses related to assets that are not broken down into components are added to the acquisition cost if they are expected to provide the Company with future economic benefits, to the extent of the asset's performance increase in relation to the asset's value at acquisition. Expenditures for ongoing repairs and maintenance are reported as expenses. Capital gain or capital loss on disposal of a fixed asset is recognised as Other operating income or Other operating costs. Tangible assets are depreciated systematically over the asset's estimated useful life. When the asset's depreciable amount is determined, the asset's residual value is taken into account as applicable. The linear depreciation method is used for other types of tangible assets. The following depreciation periods are applied:

Equipment, tools, fixtures and fittings.....5 years

Receivables

Receivables have been recognised at the amounts expected to be paid after deductions for individually assessed doubtful receivables.

Foreign currencies

Assets and liabilities in foreign currencies are valued at closing day rate.

Other securities held as fixed assets

Other securities held as fixed assets are intended for long-term holdings and are recognised at cost. If a long-term securities holding has a lower value than the book value on the balance sheet date, the asset is written down at this lower value if it can be assumed that the decline in value is permanent.

Income tax

Reported income tax includes taxes to be paid or received for the current year, adjustments to previous years' taxes, and participations in associated companies' taxes. Tax liabilities / receivables are valued at what the

Company estimates should be paid to or received from the tax authority. The assessment is made based on tax rules and tax rates which are already decided or are announced and likely to be adopted. For items that are recognised in the income statement, related tax effects are also recognised in the income statement. The tax effects of items that are recognised directly against equity are recognised in equity.

Statement of cash flow

The statement of cash flow is prepared according to the indirect method. Reported cash flow includes transactions involving receipts or disbursements only.

Cash and cash equivalents include cash and bank balances and short-term financial investments that are only exposed to an insignificant risk of changes in value, managed in an open market and have a maturity of less than three months from the acquisition date as cash equivalents.

Parent company's accounting and valuation principles

The Parent company applies the same accounting and valuation principles as the Group, except in the cases given below.

Shares and participations in subsidiaries

Shares and participations in subsidiaries are reported at cost less any impairment losses. The cost includes the purchase price paid for the shares and acquisition costs. Any capital injections and group contributions are added to cost when paid. Dividends from subsidiaries are reported as income.

Equity

Equity is divided into restricted and unrestricted equity, in accordance with the division in the Swedish Annual Accounts Act.

Leasing

The Company has no current or historical leases.

NOTE 2 ESTIMATES AND ASSESSMENTS

The Company considers it probable that the intangible assets that are reported will generate future economic benefits which will accrue to the company. No new

assumptions about the future have been made, which has resulted in a significant risk of adjusting the reported values of assets and liabilities.

NOTE 3 FINANCIAL RISKS IN THE GROUP

Laws and regulations

Eurobattery Minerals AB's (publ) activities include the entire chain of exploration activities from boulder exploration and geological mapping via geophysical soil measurements and geochemical sampling to diamond drilling. The Swedish Minerals Act (1991:45) regulates the exploration and mining of deposits of mineral substances known as 'Concession Minerals' regardless of who owns the land.

Exploration may only be carried out by the party who has been granted the exploration permit, and mining only

by the party who has been granted the mining permit. In addition to the Minerals Act, operations are also regulated by other relevant rules, including the Minerals Ordinance (1992:285), the Planning and Building Act (1987:10) and the Swedish Environmental Code (1998:808).

The Company may conduct activities subject to permits pursuant to the Environmental Code for certain types of exploration work. The environmental impact of exploration has so far been small. In its activities, Eurobattery Minerals AB (publ) follows the guidelines for good environmental practice in exploration produced by SveMin

(an industry association for mines, mineral and metal producers in Sweden).

Risks and uncertainties

Like all businesses, Eurobattery Minerals AB's (publ) operations are associated with risk. These risks can generally be divided into operational risks related to business operations and risks related to financial operations. Operations must also be evaluated in the light of the risks, costs and difficulties that exploration companies often face.

According to the Board's assessment, the two biggest risks are financing needs and access to capital and exploration risk. The exploration industry is capital intensive, which means that further financing will be required for the favourable development of the Company. The Board of Directors and the management team have suggested implementing a new share issue in Q2 2020. The issue is guaranteed at 50% and will bring in at least approx. SEK 23 million before issue costs, which will ensure the Company's continued development.

Operational risks

Exploration

The risks in an exploration company such as Eurobattery Minerals AB (publ) are mainly linked to the outcome of the exploration itself. Although the data collected is continuously analysed and evaluated carefully, there is always the risk that positive results fail to arrive. Ore exploration is by its very nature a high-risk business, where only a few surveyed areas lead to the development of producing mines, and therefore poses a significant financial risk.

Eurobattery Minerals AB (publ) has found indications of the occurrences of different metals in several places but has not yet been able to establish that the deposits have commercial potential. Although careful analyses and assessments are made of deposits, the Company cannot guarantee that commercial levels exist or whether other obstacles arise.

Permit issues relating to exploration as well as obtaining the necessary permits and rights can also pose a risk.

Environment

The business must pay great attention to the environmental impact. This means that it may not be possible to explore certain deposits. One conceivable consequence is the deterioration in the possibility of disposing of these.

Employees

Eurobattery Minerals AB (publ) is dependent on both

internal and external qualified expertise. The Company's organisation is currently limited. The ability to retain permanent or hired staff as well as the possibility of recruiting new employees is decisive for the Company's future development. The Board of Directors and management team continuously evaluate alternative solutions in order to run the business optimally.

Competitors

Exploration companies can in some cases compete for the same object or area. Areas around existing ore fields and mines are usually most exposed to competition. If Eurobattery Minerals AB (publ) fails to find new deposits or mineralisations due to competition, this could have a negative impact on the Company's position in the exploration market.

Legal requirements

Mining activities are regulated by laws and regulations and are carefully controlled by various authorities. Activities are subject to particularly far-reaching environmental regulations. Permits are required for a large number of activities. Authorities, organisations, and land and property owners can therefore delay or stop a project through lengthy processing time, appeals or not granting applications for exploration permits. Law changes can also be detrimental to the business.

Financial risks

Liquidity

Liquidity risk means that payment obligations cannot be met as a result of insufficient liquidity.

Prices of raw material

A fall in metal prices could affect the value of mineral assets and potential reserves to varying degrees. Base and precious metals are global raw materials. Prices for these on the world market have historically shown large fluctuations. Prices for other metals also show large fluctuations. Metal market price trends are affected by many factors beyond the Company's control, including supply and demand, exchange rates, inflation, changes in the global economy, and political factors. If metal prices fall, this could have a negative impact on the value of Eurobattery Minerals AB's (publ) project portfolio.

Economic developments

External factors such as supply and demand and recessions and booms can have an impact on operating costs, world market prices for metals and stock valuation. Future revenues and share valuations may be affected by these factors, which are beyond the Company's control.

NOTE 4 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

To ensure financing of the Company's ongoing operations and to enable the development of new projects, the Board has decided to complete a new share issue in Q2 2020. The new issue will, if fully subscribed, bring in SEK 46.5 million before issue costs. The issue is secured at 50%.

We have paid particular attention to how the effects of the COVID-19 outbreak may impact on the Company's future development and risks that may affect the financial reporting going forward. To date we cannot assess the effects.

NOTE 5 REMUNERATION TO THE GROUP'S AUDITORS

	GROUP		PARENT COMPANY	
	2019		2019	2018
Baker Tilly MLT KB				
Audit assignment	105		105	95
Auditing activities other than the auditing assignment	30		30	0
Total	135		135	95

NOTE 6 EMPLOYEES AND WAGES, SALARIES AND REMUNERATION

	GROUP		PARENT COMPANY	
	2019		2019	2018
Number of employees at the end of the year				
Sweden	1		1	0
<i>Of which women %</i>	0%		0%	0%
Total number of employees at the end of the year	1		1	0
Board and senior executives				
Board	4		4	4
<i>Of which women %</i>	25%		25%	0%
Senior executives	0		0	0
<i>Of which women %</i>	0%		0%	0%
Total, board and senior executives	4		4	4
Salaries, other remuneration and social security contributions				
Board and senior executives	511		511	430
Other employees	0		0	0
Social security contributions	141		141	135
Pension expenses	0		0	0
Total wages, salaries and remuneration	652		652	565
Invoiced consulting services from board members	3,724		3,724	1,451
Total staff costs	4,376		4,376	2,016

No pensions or similar benefits were paid in 2019 or 2018.

NOTE 7 PROFIT/LOSS FROM FINANCIAL ITEMS

	GROUP		PARENT COMPANY	
	2019		2019	2018
<i>Interest expenses and similar items</i>				
Interest expenses and similar items	4,182		4,182	82,565
Exchange rate losses	180,648		58,628	0
Total	184,830		62,810	82,565

NOTE 8 PATENTS AND LICENCES

	GROUP		PARENT COMPANY	
	2019		2019	2018
Opening cost	2,761,127		2,761,127	2,761,127
Purchases for the year	30,935,337		0	0
Closing accumulated cost	33,696,464		2,761,127	2,761,127
Opening amortisation	0		0	0
Amortisation for the year	0		0	0
Closing accumulated amortisation	0		0	0
Closing residual value according to plan	33,696,464		2,761,127	2,761,127

Refers to exploration permits, geological information and exploration costs. As no extraction has begun there is no amortisation at this time.

NOTE 9 TANGIBLE ASSETS

	GROUP		PARENT COMPANY	
	2019		2019	2018
Opening cost	0		0	0
Purchases for the year	20,354		0	0
Closing accumulated cost	20,354		0	0
Opening depreciation	0		0	0
Depreciation for the year	-631		0	0
Closing accumulated depreciation	-631		0	0
Closing residual value according to plan	19,723		0	0

NOTE 10 PARTICIPATIONS IN GROUP COMPANIES

Group	Corporate ID number	Domicile	Share of Capital %	Number shares	Book value in Parent company: 2019
CORCEL MINERALS, S.L.	B70541792	Coruna, Spain	100	567	26,439,623
Book value in Parent company					26,439,623
		Equity		Result	
CORCEL MINERALS, S.L.		551,569		-21,037	

Book value in Parent company	2019	2018
Opening cost	0	0
Acquisition for the year	26,439,623	0
Disposals for the year	0	0
Closing cost	26,439,623	0
Opening impairment losses	0	0
Disposals for the year	0	0
Impairment losses for the year	0	
Closing impairment losses	0	0
Book value	26,439,623	0

The acquisition value of shares in subsidiaries includes estimated surplus value of concessions and permits

NOTE 11 PREPAID EXPENSES AND ACCRUED INCOME

	GROUP		PARENT COMPANY	
	2019		2019	2018
Prepaid rents	36,450		36,450	0
Other prepaid expenses and accrued income	83,987		80,687	60,000
Total prepaid expenses and accrued income	120,437		117,137	60,000

NOTE 12 ACCRUED EXPENSES

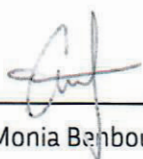
	GROUP		PARENT COMPANY	
	2019		2019	2018
Accrued fees	30,000		30,000	30,000
Other accrued expenses	45,551		45,551	0
Total accrued expenses	75,551		75,551	30,000

NOTE 13 APPROPRIATIONS

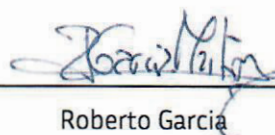
The accumulated profit of SEK 29,746,333 is at the disposal of the AGM. The Board of Directors proposes that the amount is carried forward.

Stockholm, 22 May 2020

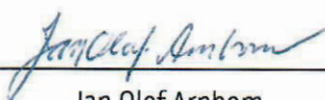
Eurobattery Minerals AB (publ)



Monia Benbouzid
Chairman



Roberto Garcia
Chief Executive Officer

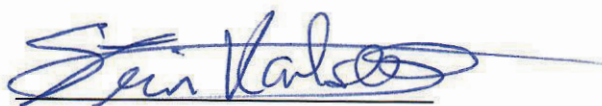


Jan Olof Arnbom
Board member



Martin Boldt-Christmas
Board member

My auditor's report was submitted 25 May 2020



Stein Karlsen
Authorised public accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Eurobattery Minerals AB (publ)
Corporate identity number 556785-4236

Report on the annual accounts and consolidated accounts

Opinions

I have audited the annual accounts and consolidated accounts of Eurobattery Minerals AB (publ) for the year 2019.

In my opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

I therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

I conducted my audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the "Auditor's Responsibilities" section. I am independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

My objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to my audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. I also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify my opinion about the annual accounts and consolidated accounts. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my opinions.

I must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. I must also inform of significant audit findings during my audit, including any significant deficiencies in internal control that I identified.

Report on other legal and regulatory requirements

Opinions

In addition to my audit of the annual accounts and consolidated accounts, I have also audited the administration of the Board of Directors and the Managing Director of Eurobattery Minerals AB (publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

I recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

I conducted the audit in accordance with generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the "Auditor's Responsibilities" section. I am independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

My objective concerning the audit of the administration, and thereby my opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

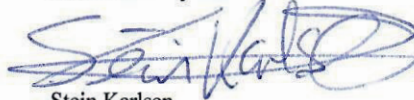
My objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby my opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally

accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, I exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on my professional judgment with starting point in risk and materiality. This means that I focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. I examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to my opinion concerning discharge from liability. As a basis for my opinion on the Board of Directors' proposed appropriations of the company's profit or loss I examined whether the proposal is in accordance with the Companies Act.

Malmö 25 May 2020



Stein Karlsen

Authorized Public Accountant Far

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.