

11 June 2019

African Battery Metals plc ("ABM" or the "Company")

Interim Results

African Battery Metals plc the AIM listed battery metal exploration and development company is pleased to announce its unaudited interim results for the six months period ended 31 March 2019.

Overview

- ABM completed a business restructuring and refinancing exercise in February 2019. The board restructuring included Andrew Bell joining as Chairman and Paul Johnson as Executive Director. The refinancing saw £1 million raised by the Company and the clearance of creditors through a combination of discounted cash and share settlement payments;
- The new Company Board launched a Strategic and Operational Review in February 2019 to assess existing business operations and new opportunities;
- In the period to 31 March 2019 ABM announced the resumption of exploration in the Democratic Republic of Congo ("DRC") at the Kisinka copper-cobalt Project and a new option to acquire up to a 35% interest in the Haneti Nickel Project in Tanzania;
- After 31 March 2019, ABM announced the planned resumption of Cameroon cobalt-nickel exploration operations; an investment & earn-in of up to a 51% economic interest in the Molopo Farms Complex Project, a Botswana nickel-PGM opportunity held by Kalahari Key Mineral Exploration Pty Limited; and a first stage option exercise and earn-in to a holding of 25% in the Haneti nickel project in Tanzania.

Financial Highlights for the Period:

- Loss for the period, attributable to owners of the parent of £0.32 million (2018: £0.79 million), resulting in a loss per share of 0.17 pence (2018: 1.05 pence); and
- Net assets of £3 million at the period end (30 September 2018: £2 million).

Statement by Paul Johnson, Executive Director:

The six months ending 31 March 2019 represented a turbulent time for ABM with constrained finances limiting the operational work that could be undertaken on the ground, and ultimately a trading suspension on AIM pending financial clarification in December 2018.

The restructuring and refinancing completed in February 2019 changed the fortunes of the Company with new board members and a £1 million raise to restore the Company's financial position.

The Company's ability to move forward was restored in February 2019, however the Board considered a diligent recovery process was needed, including a full assessment of existing business interests and potential new opportunities through a business-wide strategic and operational review.

That review which encompassed a full assessment of each project was commenced in February 2019 and ABM have reported progress to the market on a step by step basis through a number of regulatory announcements.

Our work has been proactive and continuous from February 2019 to date and therefore has crossed over the 31 March 2019 interim period end which is the reference date for this report. However, in summary:

We announced in March 2019 that we would be continuing with the existing Kisinka copper-cobalt project in the DRC, with a termite mound sampling programme covering the entire licence commencing in April, progress updates in May and the announcement of a 7km copper anomaly in June.

In March 2019 we also announced an option with Katoro Gold plc (LON:KAT) ("Katoro Gold") to acquire up to a 35% stake in its Haneti Nickel Project alongside an acquisition of 10m ordinary shares in Katoro Gold itself with a warrant over 10m ordinary shares of Katoro Gold. In May 2019, after a period of due diligence, we announced the exercise of this option.

April 2019 saw the announcement that we would be continuing with our Cameroon cobalt-nickel project interests in ground near to the substantial Nkamouna deposit. In May we confirmed a pitting and sampling programme to test how similar our ground is to the Nkamouna geology. That work is underway.

May 2019 saw an acquisition and earn-in agreement with Kalahari Key Mineral Exploration Limited, a private company in Botswana. Initially ABM acquired around 18% of the issued share capital of Kalahari Key and has an option in 2019 to earn-in to a 40% direct project interest by supporting expenditure in respect of a 4-hole drilling programme focused on targets derived from extensive airborne electromagnetic and ground geophysical surveys and related exploration.

Our review of the Ivory Coast opportunity is continuing as is our review of various additional opportunities in a pipeline that is bursting with potentially exciting natural resource projects.

Despite the challenges in late 2018, ABM is now, in the opinion of the board, extremely well positioned for what we expect will be a strong natural resource sector recovery, particularly in respect of battery and electrification metals and storage metals.

Notwithstanding the cleaning up of the outstanding creditors following the refinancing in February 2019, relaunching exploration programmes across two of our main projects, and acquiring new business interests we remain in a robust financial position.

The Company's corporate cash costs are carefully monitored and controlled. The Company's operational costs are controlled and with modest with low cost programmes being undertaken, generally where the potential upside from positive exploration may be dramatic.

The Company will be continuing to provide regular updates with regard to its corporate and operational activities over the coming weeks and months. ABM will also release this month an update of the ongoing strategic and operational review, to provide an in-depth analysis of the business, its corporate strategy and how the individual operational activities will be undertaken to drive the company forward."

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

For further information please visit <https://www.abmplc.com/> or contact:

African Battery Metals plc

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Notes to Editors:

ABM is an AIM listed, Africa focused, resource company exploring for the key metals used in next generation batteries that fuel the new electric vehicle revolution. The Board and team of advisors, who have proven expertise in African exploration, mining and project generation, have identified an opportunity to utilise the Company's position to become a leader in the London market for investors to gain exposure to the battery metal commodity suite, particularly cobalt, lithium, copper and nickel.

AFRICAN BATTERY METALS PLC
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 MARCH 2019

| | 6 months ended 31-Mar-19 (unaudited) £'000 | 6 months ended 31-Mar-18 (unaudited) £'000 | Year ended 30-Sep-18 (audited) £'000 |
|---|--|--|--|
| Note | | | |
| Revenue | - | - | - |
| Cost of sales | - | - | - |
| Gross profit | - | - | - |
| Administrative expenses | (335) | (593) | (1,146) |
| Results from operating activities | (335) | (593) | (1,146) |
| Finance expense | - | - | - |
| Loss before taxation | (335) | (593) | (1,146) |
| Taxation | - | - | - |
| Loss for the period from continuing operations | (335) | (593) | (1,146) |
| Loss for the period from discontinued operations | - | (293) | (5,494) |
| Net loss attributable to owners | (335) | (886) | (6,640) |
| Items that will or may be reclassified to profit or loss; | | | |
| Exchange translation | (30) | 3 | (39) |
| Exchange differences arising on translation of discontinued operations | - | (84) | (531) |
| Total other comprehensive expense | (30) | (81) | (570) |
| Total other comprehensive expense for the period | (365) | (967) | (7,210) |
| Loss for the period attributable to: | | | |
| Owners of the parent | (324) | (790) | (6,494) |
| Non-controlling interests | (11) | (96) | (146) |
| | (335) | (886) | (6,640) |
| Total comprehensive expense attributable to: | | | |
| Owners of the parent | (354) | (863) | (7,059) |
| Non-controlling interests | (11) | (104) | (151) |
| | (365) | (967) | (7,210) |
| Loss per share from continuing operations attributable to the ordinary equity holder of the parent: | | | |
| Basic and diluted (pence) | 4 | (0.17) | (1.05) |
| | | (1.05) | (1.83) |
| Loss per share from discontinuing operations attributable to the ordinary equity holder of the parent: | | | |
| Basic and diluted (pence) | | - | (0.62) |
| | | (0.62) | (8.78) |

AFRICAN BATTERY METALS PLC
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

| Note | 31-Mar-19 (unaudited) £'000 | 31-Mar-18 (unaudited) £'000 | 30-Sep-18 (audited) £'000 |
|---|-----------------------------------|-----------------------------------|---------------------------------|
| Assets | | | |
| Property, plant and equipment | - | 98 | - |
| Intangible assets | 2,082 | 5,578 | 2,082 |
| Financial assets at fair value through profit and loss | 27 | - | - |
| Non-current assets | <u>2,109</u> | <u>5,676</u> | <u>2,082</u> |
| Trade and other receivables | 96 | 69 | 39 |
| Cash and cash equivalents | 689 | 601 | 147 |
| Current assets | <u>785</u> | <u>670</u> | <u>186</u> |
| Total assets | <u>2,894</u> | <u>6,346</u> | <u>2,268</u> |
| Equity | | | |
| Share capital | 5 6,833 | 6,534 | 6,606 |
| Share premium | 13,275 | 10,399 | 12,453 |
| Capital redemption reserve | 5 | 5 | 5 |
| Share based payments reserve | 1,192 | 1,085 | 1,086 |
| Foreign exchange reserve | (64) | 458 | (34) |
| Accumulated losses | (18,315) | (12,287) | (17,991) |
| | <u>2,926</u> | <u>6,194</u> | <u>2,125</u> |
| Non-controlling interests | <u>(162)</u> | <u>(104)</u> | <u>(151)</u> |
| | <u>2,764</u> | <u>6,090</u> | <u>1,974</u> |
| Liabilities | | | |
| Trade and other payables | 130 | 220 | 279 |
| Deferred Consideration | - | 36 | 15 |
| Current liabilities | <u>130</u> | <u>256</u> | <u>294</u> |
| Total liabilities | <u>130</u> | <u>256</u> | <u>294</u> |
| Total equity and liabilities | <u>2,894</u> | <u>6,346</u> | <u>2,268</u> |

AFRICAN BATTERY METALS PLC
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2019

| | Share capital £'000 | Share premium £'000 | Capital redemption reserve £'000 | Share based payment reserve £'000 | Exchange reserve £'000 | Accumulated losses £'000 | Total £'000 | Non- controlling interests £'000 | Total Equity £'000 |
|---|---------------------------|---------------------------|---|---|------------------------------|--------------------------------|----------------|---|--------------------------|
| Balance at 1 October 2018 (audited) | 6,606 | 12,453 | 5 | 1,086 | (34) | (17,991) | 2,125 | (151) | 1,974 |
| Loss for the period | - | - | - | - | - | (324) | (324) | (11) | (335) |
| Total other comprehensive expense | - | - | - | - | (30) | - | (30) | - | (30) |
| Total comprehensive expense for the period | - | - | - | - | (30) | (324) | (354) | (11) | (365) |
| Issue of ordinary shares | 227 | 906 | - | - | - | - | 1,133 | - | 1,133 |
| Cost of share issues | - | (84) | - | - | - | - | (84) | - | (84) |
| Share based payments | - | - | - | 106 | - | - | 106 | - | 106 |
| | 227 | 822 | - | 106 | - | - | 1,155 | - | 1,155 |
| Balance at 31 March 2019 (unaudited) | 6,833 | 13,275 | 5 | 1,192 | (64) | (18,315) | 2,926 | (162) | 2,764 |

AFRICAN BATTERY METALS PLC
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2018

| | Share capital £'000 | Share premium £'000 | Capital redemption reserve £'000 | Share based payment reserve £'000 | Exchange reserve £'000 | Accumulated losses £'000 | Total £'000 | Non- controlling interests £'000 | Total Equity £'000 |
|---|---------------------------|---------------------------|---|---|------------------------------|--------------------------------|----------------|---|--------------------------|
| Balance at 1 October 2017 (audited) | 6,330 | 9,049 | - | 1,013 | 531 | (11,497) | 5,426 | - | 5,426 |
| Loss for the period | - | - | - | - | - | (790) | (790) | (96) | (886) |
| Total other comprehensive expense | - | - | - | - | (73) | - | (73) | (8) | (81) |
| Total comprehensive expense for the period | - | - | - | - | (73) | (790) | (863) | (104) | (967) |
| Issue of ordinary shares | 209 | 1,741 | - | 72 | - | - | 2,022 | - | 2,022 |
| Cost of share issues | - | (130) | - | - | - | - | (130) | - | (130) |
| Share-based payments | (5) | (261) | 5 | - | - | - | (261) | - | (261) |
| | 204 | 1,350 | 5 | 72 | - | - | 1,631 | - | 1,631 |
| Balance at 31 March 2018 (unaudited) | 6,534 | 10,399 | 5 | 1,085 | 458 | (12,287) | 6,194 | (104) | 6,090 |

AFRICAN BATTERY METALS PLC
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

| | Share capital £'000 | Share premium £'000 | Capital redemption reserve £'000 | Share based payment reserve £'000 | Exchange reserve £'000 | Accumulated losses £'000 | Total £'000 | Non- controlling interests £'000 | Total Equity £'000 |
|---|---------------------------|---------------------------|---|---|------------------------------|--------------------------------|----------------|---|--------------------------|
| Balance at 1 October 2017 (audited) | 6,330 | 9,049 | - | 1,013 | 531 | (11,497) | 5,426 | - | 5,426 |
| Loss for the period | - | - | - | - | - | (6,494) | (6,494) | (146) | (6,640) |
| Reclassification arising on subsidiary disposal | - | - | - | - | (531) | - | (531) | - | (531) |
| Total other comprehensive expense | - | - | - | - | (34) | - | (34) | (5) | (39) |
| Total comprehensive expense for the period | - | - | - | - | (565) | (6,494) | (7,059) | (151) | (7,210) |
| Issue of ordinary shares | 212 | 1,783 | - | - | - | - | 1,995 | - | 1,995 |
| Issue of shares held for issue | 64 | 1,847 | - | - | - | - | 1,911 | - | 1,911 |
| Cost of share issues | - | (154) | - | - | - | - | (154) | - | (154) |
| Repurchase of own shares | - | - | 5 | - | - | - | 5 | - | 5 |
| Share-based payments | - | (72) | - | 73 | - | - | 1 | - | 1 |
| | 276 | 3,404 | 5 | 73 | - | - | 3,758 | - | 3,758 |
| Balance at 30 September 2018 (audited) | 6,606 | 12,453 | 5 | 1,086 | (34) | (17,991) | 2,125 | (151) | 1,974 |

AFRICAN BATTERY METALS PLC
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 MARCH 2019

| | 6 months ended 31-Mar-19 (unaudited) £'000 | 6 months ended 31-Mar-18 (unaudited) £'000 | Year ended 30-Sep-18 (audited) £'000 |
|---|--|--|--|
| Cash flows from operating activities | | | |
| Results from operating activities: | (335) | (886) | (6,640) |
| - Depreciation | - | 38 | - |
| - Expenses financed by shares | 132 | 259 | 307 |
| - Share based payment expense | 106 | - | 73 |
| - Finance expense | - | - | 5 |
| - Impairment of fixed assets | - | - | 5,713 |
| - Loss on disposal of fixed assets | - | - | 141 |
| | <u>(97)</u> | <u>(589)</u> | <u>(401)</u> |
| Changes in: | | | |
| - Trade and other receivables | (57) | 40 | 71 |
| - Trade and other payables | (149) | (268) | (240) |
| Net cash from operating activities | <u>(303)</u> | <u>(817)</u> | <u>(570)</u> |
| Cash flows from investing activities | | | |
| Purchase of intangibles | (15) | - | (206) |
| Investment in financial assets | (27) | - | - |
| Cash acquired with subsidiary | - | - | 50 |
| Net cash used in investing activities | <u>(42)</u> | <u>-</u> | <u>(156)</u> |
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital | 1,001 | 1,500 | 1,689 |
| Issue costs | (84) | (130) | (226) |
| Repayment of short-term loans | - | - | (15) |
| Repayment of loan under equity agreement | - | (133) | (133) |
| Net cash flows from financing activities | <u>917</u> | <u>1,237</u> | <u>1,315</u> |
| Net increase in cash and cash equivalents | 572 | 420 | 589 |
| Cash and cash equivalents at beginning of period | 147 | 180 | 180 |
| Foreign exchange translation differences | (30) | 1 | (622) |
| Cash and cash equivalents at end of period | <u>689</u> | <u>601</u> | <u>147</u> |

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

1. Reporting entity

African Battery Metals plc is a company domiciled in the United Kingdom. The unaudited consolidated interim financial report of the Company as at and for the period ended 31 March 2019 comprises the results of the Company and its subsidiaries. The Group primarily is involved in the exploration and exploitation of mineral resources in the DRC, the Ivory Coast and in Cameroon.

2. Basis of preparation

(a) Statement of compliance

As permitted, IAS 34, 'Interim Financial Reporting' has not been applied in this interim report.

The financial information presented in this interim report has been prepared using accounting policies that are expected to be applied in the preparation of the financial statements for the year ending 30 September 2019.

These policies are in accordance with the recognition and measurement principles of International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board as endorsed for use in the European Union, and these principles are disclosed in the Financial Statements for the year ended 30 September 2018.

The interim results have been prepared on a going concern basis. The financial information in this interim report does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The 2019 interim financial report has not been audited or reviewed.

The Annual Report and Financial Statements for 2018 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for 2018 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The interim results were approved by the Board of Directors on 11 June 2019.

(b) Judgements and estimates

Preparing the interim financial report requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, significant judgements made by Management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2018.

(c) Going concern

The interim financial report has been prepared on a going concern basis. Although the Group's assets are not generating revenues, an operating loss has been reported for the reporting period and an operating loss is expected to be incurred in the 12 months subsequent to the date of this report, the Directors believe, having considered all available information, including the Company's proven ability to raise further equity funds from its supportive shareholder base, that the Group will have sufficient funds to meet its expected committed and contractual expenditure for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the interim financial report for the period ended 31 March 2019.

3. Significant accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 September 2018, except for the adoption of IFRS 9 Financial Instruments ("IFRS 9") from 01 October 2018.

IFRS 9

IFRS 9 replaces all phases of the financial instruments project and IAS 39 'Financial Instruments: Recognition and Measurement'. The standard is effective for periods beginning on or after 1 January 2018 and introduces new requirements for the classification and measurement of financial assets and financial liabilities; and a new model for recognising provisions based on expected credit losses ("ECLs"). The impact of IFRS 9 has been assessed at a Group level, and there is no material impact on the consolidated results of the Group, and therefore IFRS 9 has had no impact on the consolidated interim financial report.

The adoption of IFRS 9 may however impact the parent company in the full year ended 30 September 2019. This is a result of the existing incurred loss approach under IAS 39 being replaced by the forward-looking ECL model approach of IFRS 9. The ECL model is required to be applied to intercompany loan receivables which are classified as held at amortised cost.

4. Loss per share

Basic and diluted loss per share

The calculation of basic and diluted loss per share is based on the loss attributable to ordinary shareholders of the parent of £324,000 (2018 restated to deduct the loss from discontinued operations: £497,000), and a weighted average number of ordinary shares in issue of 191,327,463 (2018 restated: 47,368,078).

The weighted average number presented for the period ended 31 March 2018 above has been adjusted for the effect of 100 shares to 1 share consolidation.

5. Issues of Equity

On 28 January 2019, the Company completed, subject to shareholder approval, a refinancing and business strategic update, including the placing and subscription of 200,000,000 new Ordinary Shares of 0.1 pence each, raising £1,000,000.

On the same day, the Company announced that Red Rock Resources plc, a company associated with the incoming Executive Chairman, and Paul Johnson, the incoming Executive Director, were each awarded 5,000,000 new Ordinary Shares at 0.5 pence each as payment for restructuring fees; £50,000 of costs were settled by this share issue.

The Company also issued 13,402,938 ordinary shares at 0.5 pence each for the settlement of creditor balances and 3,056,020 ordinary shares at 0.5 pence each to Roger Murphy and Matthew Wood in lieu of Directors fees, £82,295 of costs were settled by these share issues. Roger Murphy and Matthew Wood resigned as directors of the company on 15 February 2019 and 29 March 2019, respectively.

As at the period end and at the date of this interim report, the Company had 363,038,101 Ordinary Shares in issue.

****Ends****