American Battery Metals Corp.
(Formerly "First Division Ventures Inc.")
Condensed Interim Financial Statements
For the Nine Months Ended November 30, 2019

(Unaudited)
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, continuous disclosure requirement, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants for a review of unaudited condensed interim financial statements by an entity's auditor.

American Battery Metals Corp.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	November 30, 2019 (unaudited)	February 28, 2019 (audited)
	$	$
ASSETS		
Current assets		
Cash	1,433,660	88,098
GST receivable	38,630	9,074
Prepaid expenses	48,934	-
	1,521,224	97,172
Non-current assets		
Exploration and evaluation assets (Note 4)	278,620	278,620
Loan receivable (Note 5)	250,000	-
TOTAL ASSETS	2,049,844	375,792
LIABILITIES		
Current liabilities		
Accounts payable	51,704	22,838
Accrued liabilities	-	24,925
	51,704	47,763
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	3,649,864	842,619
Reserve (Note 6)	282,621	205,998
Deficit	(1,934,345)	(720,588)
	1,998,140	328,029
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,049,844	375,792

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

These financial statements were approved by the Board of Directors on January 27, 2020

"Jeremy Poirier"
Jeremy Poirier, Director

"Kevin Smith"
Kevin Smith, Director

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed Interim Statements of Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Three months ended November 30, 2019	Three months ended November 30, 2018	Nine months ended November 30, 2019	Nine months ended November 30, 2018
	$	$	$	$
EXPENSES				
Administration expenses	5,784	6,184	22,011	7,254
Advertising and promotions	18,189	-	598,839	-
Consulting (Note 8)	58,500	-	250,985	-
Exploration expenditures (Note 4)	-	6,817	175,818	37,105
Filing and transfer agent fees	9,433	79,301	28,085	79,301
Investor communications	25,000	-	69,954	-
Professional fees (Note 8)	29,105	8,450	61,169	49,314
Share-based compensation (Note 6)	-	24,292	-	24,292
LOSS BEFORE OTHER ITEMS	(146,011)	(125,044)	(1,206,861)	(197,266)
OTHER ITEMS				
Foreign exchange loss	-	809	(6,896)	(340)
COMPREHENSIVE LOSS	(146,011)	(124,235)	(1,213,757)	(197,606)
Loss per share - basic and diluted	(0.01)	(0.01)	(0.05)	(0.01)
Weighted average number of common shares outstanding	27,823,471	15,149,778	25,976,439	14,663,259

The accompanying notes are an integral part of these condensed interim financial statements.

American Battery Metals Corp.
Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserve	Deficit	Total Shareholders' Equity
		$	$	$	$
Balance, February 28, 2018	**14,400,001**	**355,355**	**-**	**(195,648)**	**159,707**
Shares issued for Fish Lake Property	20,000	4,000	-	-	4,000
Shares issued for cash	2,000,000	400,000	-	-	400,000
Share-based compensation	-	-	24,292		24,292
Share issuance costs	-	(91,736)	35,986	-	(55,750)
Comprehensive Loss	-	-	-	(197,606)	(197,606)
Balance, November 30, 2018	**16,420,001**	**667,619**	**60,278**	**(393,254)**	**334,643**
Shares issued for Temple Mountain Property	500,000	175,000	-	-	175,000
Share based compensation	-	-	145,720	-	145,720
Comprehensive Loss	-	-	-	(327,334)	(327,334)
Balance, February 28, 2019	**16,920,001**	**842,619**	**205,998**	**(720,588)**	**328,029**
Shares issued for cash	10,303,471	3,004,515	-	-	3,004,515
Share issuance costs	250,000	(232,270)	76,623	-	(155,647)
Share issued on warrants exercised	350,000	35,000	-	-	35,000
Comprehensive Loss	-	-	-	(1,213,757)	(1,213,757)
Balance, November 30, 2019	**27,823,472**	**3,649,864**	**282,621**	**(1,934,345)**	**1,998,140**

The accompanying notes are an integral part of these condensed interim financial statements.

American Battery Metals Corp.

Condensed Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Nine months ended November 30, 2019	Nine months ended November 30, 2018
	$	$
Cash flows from operating activities		
Comprehensive loss	(1,213,757)	(197,606)
Change in non-cash working capital:		
GST receivable	(29,556)	(1,723)
Accounts payable and accrued liabilities	3,941	(6,154)
Prepaid expenses	(48,934)	-
Share-based Payments		24,292
Net cash flows used in operating activities	(1,288,306)	(181,191)
Cash flows from investing activities		
Loan receivable	(250,000)	-
Net cash flows used in investing activities	(250,000)	-
Cash flows from financing activities		
Proceeds from issuance of common shares, net	2,848,868	400,000
Proceeds from the exercise of warrants	35,000	-
Net cash flows provided by financing activities	2,883,868	-
Change in Cash	1,345,562	218,809
Cash, beginning	88,098	153,422
Cash, ending	1,433,660	372,231

The accompanying notes are an integral part of these condensed interim financial statements.

1. Nature and continuance of operations

American Battery Metals Corp. (formerly First Division Ventures Inc.) (the "Company"), was incorporated on March 2, 2017 under the laws of the province of British Columbia. The Company's principal business activity is the exploration for mineral resources, in Nevada, USA.

Effective November 29, 2018, the Company's shares traded on the Canadian Securities Exchange (the "CSE") under the trading symbol "FDIV". Effective March 11, 2019 the Company changed its name from First Division Ventures Inc. to American Battery Metals Corp. and is traded under the symbol "ABC" on the CSE.

The Company's registered office and principal place of business is 2820 – 200 Granville St, Vancouver, British Columbia, Canada.

These condensed interim financial statements have been prepared in accordance with accounting principles applicable to a going concern. The Company has incurred losses and negative cash flows from operations since inception that has been funded through financing activities. The Company has no current source of revenues from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand. These condensed interim financial statements do not reflect the adjustments to the carrying value of assets and liabilities that would be necessary if the Company is unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of preparation

The condensed interim financial statements were authorized for issuance on January 27, 2020 by the directors of the Company.

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended February 28, 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These condensed interim financial statements follow the same accounting policies and methods of application as the annual financial statements of the Company for the year ended February 28, 2019.

(b) Basis of measurement

These condensed interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed interim financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

(c) Significant estimates and assumptions

The preparation of these condensed interim financial statements requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

2. Basis of preparation (continued)

Estimates and assumptions where there are significant risks of material adjustments to assets and liabilities in future accounting period include the recoverability of the carrying value of the exploration and evaluation assets, the measurements for financial instruments, and the recoverability of deferred tax assets.

The preparation of financial statements in accordance with IFRS required the Company to make judgements, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company's financial statements: the assessment of the Company's ability to continue as a going concern and whether there are indicators of impairment of the Company's exploration and evaluation assets.

3. Significant accounting policies

With the exception of the significant accounting policies disclosed below, these condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statement for the fiscal year ended February 28, 2019.

Adoption of new standards - Leases

The Company adopted the requirements of IFRS 16 effective March 1, 2019. This new standard replaces IAS 17 Leases and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets.

Upon adoption, the Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight-line basis for short term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term leases.

Upon the adoption of IFRS 16, the Company was not required to recognize any right of use assets and lease liabilities related to the Company's leased premises as the only lease outstanding at February 28, 2019 expires during the year ended February 28, 2019.

For any new contracts entered into on or after March 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

i. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
ii. the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
iii. the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

3. Significant accounting policies (continued)

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available. If the interest rate implicit in the lease is not readily available, the Company discounts using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included under non-current assets and lease liabilities have been included under current and non-current liabilities.

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and evaluation assets

The Company's exploration properties consist of two geographical locations, the Temple Mountain Property, located in Utah, USA and the Fish Lake Property, located in Nevada, USA.

A continuity of the Company's exploration and evaluation assets is as follows:

	Fish Lake Property, Nevada	Temple Mountain Property, Utah	Total
Balance, February 28, 2018	$ 20,000	$ -	$ 20,000
Additions	4,000	254,620	258,620
Balance, February 28, 2019 and November 30, 2019	$ 24,000	$ 254,620	$ 278,620

Temple Mountain Property, Utah, USA

On February 6, 2019, the Company entered into an option agreement with Geoxplor Corp. ("Geoxplor") to acquire 100% of Geoxplor's interest in the Temple Mountain Property ("Temple Mountain Property") located in Emery County, Utah.

Under the agreement, the Company is required to pay an aggregate of USD$635,000 to Geoxplor as follows:

- USD$60,000 due within 5 days of filing of this agreement (paid);
- USD$50,000 on or before the first anniversary of the date of this agreement;
- USD$75,000 on or before the second anniversary of the date of this agreement;
- USD$75,000 on or before the third anniversary of the date of this agreement;
- USD$75,000 on or before the fourth anniversary of the date of this agreement; and
- USD$300,000 is payable to the third-party property owner over a period until December 2022.

In addition, the Company must satisfy the following terms:

(1) Issue an aggregate of 3,250,000 common shares as follows:
- 500,000 common shares within 5 days of filing of this agreement (issued);
- 500,000 common shares on or before the first anniversary of the date of this agreement;
- 500,000 common shares on or before the second anniversary of the date of this agreement;
- 750,000 common shares on or before the third anniversary of the date of this agreement; and
- 1,000,000 common shares on or before the fourth anniversary of the date of this agreement.

(2) Incur aggregate exploration expenditures of US$1,300,000 by the fourth anniversary of the agreement.
- USD$100,000 on or before the first anniversary of the date of this agreement;
- USD$200,000 on or before the second anniversary of the date of this agreement;
- USD$500,000 on or before the third anniversary of the date of this agreement; and
- USD$500,000 on or before the fourth anniversary of the date of this agreement.

(3) Incur an additional payment of US$1,000,000, either in cash or common shares, at the Company's election, to Geoxplor on or before the date of commencement of any commercial production.

4. Exploration and evaluation assets (continued)

Fish Lake Property, Nevada, USA

On September 25, 2017, and as amended on May 2, 2018 and further amended on September 21, 2018, the Company entered into an option agreement with Bearing Lithium Corp. ("Bearing"), whereby the Company has the option to acquire 50% of Bearing's interest in 81 lode mineral claims located in Esmeralda County in the State of Nevada, known as the "Fish Lake Property", subject to the following items:

(1) A cash payment of $20,000 (paid) and issuance of 20,000 shares (issued);

(2) Issuance of 3,000,000 common shares of the Company on or before September 25, 2020;

(3) Incurring an aggregate of $1,500,000 in exploration expenditures as follows:
   - (i) $60,000 on or before September 25, 2018 (incurred);
   - (ii) $440,000 on or before March 25, 2020; and
   - (iii) $1,000,000 on or before September 25, 2020

If the Company does not make timely payments, or the shares are not issued as specified, or the expenditures are not incurred as specified and within the time frame provided, then the option agreement shall automatically terminate without notice. Notwithstanding the foregoing, the Company shall have the right to accelerate exercise of the option by making all of the cash payments and the expenditures and arranging for the issuance of all of the shares.

On July 19, 2018, Bearing and Lions Bay Mining Corp. ("Lions Bay") executed an asset purchase agreement pursuant to which Lions Bay acquired Bearing's interest in the Fish Lake Project located in Nevada, USA.

During the nine months ended November 30, 2019, the Company incurred $175,818 (2018 - $37,105) relating to exploration expenditures in Nevada, USA.

5. Loan receivable

On April 29, 2019, the Company entered into a non-binding letter of intent (the "LOI") to acquire a 90% interest in E.U. Energy Corp., an Ontario company which holds a 100% interest in the Viken Project in Northern Sweden.

Under the terms of the LOI, the Company would issue 20 million shares in exchange for 90% of the issued and outstanding shares of E.U. Energy, in addition to the right for E.U. Energy to nominate one member to the Board. The proposed transaction is subject to, but not limited to, a concurrent non-brokered private placement for CAD$1,500,000, a bridge loan to E.U. Energy, due diligence, finalization by both parties to enter into a definitive agreement, in addition to regulatory approvals.

On May 14, 2019, the Company entered into a loan agreement with E.U. Energy Corp., whereby the Company advanced of $250,000 to E.U. Energy. The loan is non-interest bearing and is repayable in full upon the earlier of:

- May 14, 2020, subject to extension upon mutual agreement of the Lender and Borrower; and
- An event of default occurring as per the executed loan agreement.

6. Share capital

(a) Authorized

Unlimited common shares with no par value.

(b) Issued and outstanding

During the nine months ended November 30, 2019, the following issuances occurred:

- On March 4, 2019, the Company issued 6,017,000 units for gross proceeds of $1,504,250. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at an exercise price of $0.50 until September 4, 2020. In connection with the financing, the Company paid aggregate finders' fees of $72,675 and issued 322,620 brokers' warrants. The brokers' warrants were valued at $61,398 using the Black Scholes option pricing model using an expected life of 18 months, volatility of 140%, risk-free interest rate of 1.75% and expected dividends of $nil. The Company issued an additional 250,000 common shares for finders' fees at $0.30 per share valued at $75,000. The Company incurred legal fees associated with the private placement of $12,541 that have been recorded as share issuance costs.

- On May 14, 2019, the Company issued 350,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $35,000. The share purchase warrants exercised had an original fair value of $nil recorded in the reserve.

- On June 14, 2019, the Company issued 4,286,471 units for gross proceeds of $1,500,265. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at an exercise price of $0.50 until June 14, 2020. In connection with the financing, the Company paid aggregate finders' fees of $32,520 and issued 92,914 brokers' warrants. The brokers' warrants were valued at $15,225 using the Black Scholes option pricing model using an expected life of 1 year, volatility of 150%, risk-free interest rate of 1.44% and expected dividends of $nil. The Company incurred legal fees associated with the private placement of $37,911 that have been recorded as share issuance costs.

During the year ended February 28, 2019, the following issuances occurred:

- On November 27, 2018, the Company completed its initial public offering ("IPO") for gross proceeds of $400,000 and issued 2,000,000 common shares. In connection with the IPO, the Company paid cash commissions of $40,000, corporate finance fees of $15,750, and issued 200,000 brokers' warrants. Each warrant is exercisable into one common share at $0.20 until November 28, 2020. The brokers' warrants were valued at $35,986 using the Black Scholes option pricing model using an expected life of 2 years, volatility of 140%, risk-free interest rate of 2.21% and expected dividends of $nil. The Company incurred additional due diligence expenses and holdbacks for expenses of $20,966 accounted for in the statement of comprehensive loss.

- On November 27, 2018, the Company issued 20,000 shares for the Fish Lake Property at a price of $0.20 per share (Note 4).

- On February 8, 2019, the Company issued 500,000 shares for the Temple Mountain Property at a price of $0.35 per share (Note 4).

(Unaudited - Expressed in Canadian Dollars)

6. Share capital (continued)

(c) Share purchase warrants

The share purchase warrants issued were valued using the residual method. During the nine months ended November 30, 2019, common share purchase warrants of 10,303,471 (2018 – nil) were issued with a residual value of $nil (2018 - $nil).

At November 30, 2019, the Company had warrants outstanding and exercisable as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, February 28, 2018 and 2019	12,200,000	$	0.10
Issued	10,303,471		0.50
Exercised	(350,000)		(0.10)
Balance, November 30, 2019	22,153,471	$	0.29

(d) Brokers' warrants

The warrants issued as consideration for brokers' fees were valued using the Black-Scholes Option Pricing Model using the following input assumptions:

	November 30, 2019	February 28, 2019
Risk-free interest rate	1.68%	2.21%
Estimated life	1.39 years	2.00 years
Expected volatility	142%	140%
Expected dividend yield	0%	0%

At November 30, 2019, the Company had brokers 'warrants outstanding and exercisable as follows:

	Number of Warrants		Weighted Average Exercise Price
			$
Balance, February 28, 2018	-		-
Issued	200,000		0.20
Balance, February 28, 2019	200,000		0.20
Issued	415,534		0.50
Balance, November 30, 2019	615,534	$	0.40

(Unaudited - Expressed in Canadian Dollars)

6. Share capital (continued)

(e) Stock options

On November 27, 2018, the Company granted 100,000 options to a director of the Company. Each option is exercisable at $0.20 until November 15, 2023.

On December 10, 2018, the Company granted 600,000 options to directors and officers of the Company. Each option is exercisable at $0.20 until December 10, 2023.

At November 30, 2019, the Company had stock options outstanding and exercisable as follows:

	Number of Options		Weighted Average Exercise Price
Balance, February 28, 2018	-	$	-
Granted	700,000		0.20
Balance, February 28, 2019 and November 30, 2019	700,000	$	0.20

For the nine months ended November 30, 2019, the Company recognized share-based compensation expense of $nil (2018 - $24,292) related to stock options.

The weight average fair value of the options granted, and the assumptions used in the Black-Scholes Option Pricing Model are as follows:

	November 30, 2019	February 28, 2019
Risk-free interest rate	n/a	2.27%
Estimated life	n/a	5 years
Expected volatility	n/a	190%
Expected dividend yield	n/a	0%

7. Capital disclosures

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities.

In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

8. Related parties

Related parties include the Board of Directors, officers, key management personnel, close family members and enterprises that are controlled by these individuals. Key management personnel are those having authority and directors (executive and non-executive) of the Company.

During the nine months ended November 30, 2019, the following related party transactions took place:

	November 30, 2019	November 30, 2018
Professional fees	$ -	$ 13,500
Consulting	114,000	-
Total	$ 114,000	$ 13,500

As at November 30, 2019, accounts payable included $10,500 (February 28, 2019 - $nil) related to consulting fees and reimbursable expenses owed to related parties.

9. Financial instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company’s credit risk is primarily attributable to its liquid financial assets. The Company’s primary exposure to credit risk is on its cash. Cash are held with the same financial institution giving rise to a concentration of credit risk. This risk is managed by using a major Canadian bank that is a high credit quality financial institution.

Liquidity Risk – Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company’s objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company’s access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. All of the Company’s financial liabilities are due within a year.

Interest rate risk – Interest rate risk refers to the risk that fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk as cash earns interest income at variable rates. The fair value of cash is minimally affected by changes in short term interest rates.

Foreign currency risk - Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk to the extent that certain monetary financial instruments and other assets are denominated in United States dollars. The Company has not entered into any foreign currency contracts to mitigate this risk, as it believes this risk is minimized by the minimal amount of cash held in United States funds.

Commodity price risk – The value of the Company’s mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company’s control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

Fair Value - The Company has various financial instruments comprised of cash, receivables and accounts payable and accrued liabilities.

10. Proposed transaction

On September 29, 2019, the Company entered into a non-binding letter of intent with Climb Credit Inc., a private British Columbia company, to acquire all its issued and outstanding shares. Climb Credit Inc. is a fin-tech company that has developed proprietary products and services aimed helping individuals with their credit score.

Under the terms of the LOI, the Proposed Acquisition would be carried out through a business combination by way of an amalgamation, arrangement or other similar form of transaction pursuant to which the outstanding shares of Climb would be exchanged for common shares of the Company on the basis of a share exchange ratio that would result in the former shareholders of Climb and the Company's shareholders holding, respectively, 60% and 40% of the Company's issued and outstanding shares on a partially diluted basis after accounting for "in-the-money" outstanding convertible securities based on a market price for the Company's shares of $0.19. Key conditions of the Proposed Transaction would include completion by Climb of a $3,000,000 financing, the Company having cash of a minimum of $2,000,000 and no liabilities or encumbrances as well as stock exchange and regulatory approvals, as applicable.

Subsequent to November 30, 2019, the Company terminated of the proposed transaction with Climb Credit Inc.

11. Subsequent events

On January 6, 2020, the company announced that it will be seeking approval from holders of its outstanding warrants issued on March 4, 2019 and June 14, 2019 to re-price the exercise price of the Warrants to $0.155.

On January 21, 2020, the Company announced a proposed non-brokered private placement for total proceeds of $500,000. The company will issue 2,500,000 common shares at a price of $0.20 per share.

Subsequent to November 30, 2019, the Company granted a total of 85,000 stock options exercisable at a price of $0.155 to directors, officers and consultants.

Subsequent to November 30, 2019, the Company issued 2,042,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $207,060. The share purchase warrants exercised had an original fair value of $nil recorded in the reserve.

Subsequent to November 30, 2019 the Company entered into a non-binding letter of intent dated January 13, 2020 to acquire all of the issued and outstanding shares of Bayshore Minerals Inc. ("Bayshore"), a private company incorporated in British Columbia, and its 100%-owned Elk Gold Mine Project in BC. Bayshore holds its interest in the Project through a wholly owned subsidiary, Gold Mountain Mining Corp. Under the terms of the letter of intent, American Battery would issue approximately 27 million shares in exchange for all the issued and outstanding shares of Bayshore. The Proposed Transaction is subject to, but not limited to, the finalization by both parties or a Definitive Agreement, due diligence, and Bayshore shareholder approval, in addition to regulatory approvals.