



**MOLTEN
METALS**

CSE: MOLT

Q2 2022 FINANCIAL STATEMENTS

JUNE 30, 2022

MOLTEN METALS CORP.

(Formerly BATTERY ELEMENTS CORP.)

(A Development Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR

THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(UNAUDITED)

(Expressed in Canadian Dollars)

MOLTEN METALS CORP.
(Formerly BATTERY ELEMENTS CORP.)
(A Development Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	June 30, 2022 Unaudited	December 31, 2021 Audited
	\$	\$
Assets		
Current assets		
Cash	822,350	984,477
Amounts receivable	7,873	6,078
Prepaid expenses	15,500	15,500
Total current assets	845,723	1,006,055
Equipment	525	638
Exploration and evaluation assets (Note 4)	628,212	573,368
Total non-current assets	628,737	574,006
Total assets	1,474,460	1,580,061
Liabilities		
Current liabilities		
Accounts payables and accrued liabilities	10,722	16,511
Due to related parties (Note 7)	5,500	2,100
Flow through liability	32,400	32,400
Total liabilities	48,622	51,011
Equity		
Share capital (Note 5)	1,218,206	1,229,551
Contributed Surplus (Note 5)	354,654	354,654
Accumulated deficit	(147,022)	(55,155)
Total equity	1,425,838	1,529,050
Total liabilities and equity	1,474,460	1,580,061

Approved and authorized by the Board on August 25, 2022.

"Lara Smith"
Director and COO

"Christopher Ecclestone"
Director and CEO

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

MOLTEN METALS CORP.
(Formerly BATTERY ELEMENTS CORP.)
(A Development Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	For the six months ended June 30, 2022	For the six months ended June 30, 2021
	\$	\$
Expenses		
Audit fees	28,500	-
Bank charges	973	548
Consulting (Note 7)	42,646	-
Depreciation	112	-
Filing fees	9,694	-
Legal fees	6,723	390
Office expenses	2,040	326
Total expenses	(90,688)	(1,224)
Foreign exchange loss	(1,179)	-
Net loss and comprehensive loss for the period	(91,867)	(1,224)
Basic and diluted loss per share	(0.00)	(1,224.00)
Weighted average number of common shares outstanding	16,914,288	1

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

MOLTEN METALS CORP.
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(A Development Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	For the six months ended June 30, 2022	For the six months ended June 30, 2021
	\$	\$
Cash provided by (used in)		
Operating activities		
Net loss for the period	(91,867)	(1,224)
Item not affecting cash:		
Depreciation	112	-
Changes in non-cash working capital balances		
Amounts receivable	5,696	19,101
Accounts payable and accrued liabilities	(7,889)	-
Due to related parties	5,500	-
	(95,939)	(1,224)
Financing Activities		
Shares subscribed less share issuance costs	-	704,798
Increase in cash	(162,127)	701,010
Cash, beginning of the period	984,477	6,756
Cash, end of the period	822,350	707,765

There were no financing or investing activities during the six months ended June 30, 2022.

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

MOLTEN METALS CORP.
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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Shares	Share capital	Advanced subscription	Contributed Surplus	Deficit	Total Equity
Balance, December 31, 2020	1	\$ -	\$ 7,000	\$ -	\$ (2,224)	\$ 4,776
Net loss for the period	-	-	-	-	(1,209)	(1,209)
Balance, June 30, 2021	1	\$ -	\$ 7,000	\$ -	\$ (3,433)	\$ 3,567
	15,309,288	1,229,551	(7,000)	354,654	(51,722)	1,525,483
Balance, December 31, 2021	15,309,288	\$ 1,229,551	\$ -	\$ 354,654	\$ (55,155)	\$ 1,529,050
Net loss for the period	1,605,000	(11,345)	-	-	(91,867)	(103,212)
Balance, June 30, 2022	16,914,288	\$ 1,218,206	\$ -	\$ 354,654	\$ (147,022)	\$ 1,425,838

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

1. Nature of Business and Going Concern

Molten Metals Corp. (formerly Battery Elements Corp.) (the “Company”) was incorporated on September 2, 2020 under the Business Corporations Act of British Columbia. The Company is engaged in the business of exploring precious and base mineral properties in Canada and Slovakia. The Company is considered an exploration stage company. The registered and records office of the Company is Suite 600, 1090 West Georgia Street, Vancouver, BC.

On June 29, 2022, the Company changed its name from Battery Elements Corp. to Molten Metals Corp.

These condensed interim financial statements have been prepared on a going concern basis with the assumption that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company had a net loss of \$91,867 for the six months ended June 30, 2022 (2021 - \$1,224), had an accumulated deficit of \$147,022 (December 31, 2021 - \$55,155) at June 30, 2022, and has not yet determined whether its properties contain mineral reserves that are economically recoverable. The continuation of the Company is dependent upon the continuing financial support of shareholders, obtaining long-term financing to complete exploration and development, the existence of economically recoverable reserves, and upon future profitable production. While the Company is using its best efforts to achieve the above plans, there is significant doubt regarding the outcome of these matters. Based on its current plans, budgeted expenditures, and cash requirements, the Company does have sufficient cash to finance its current plans. The Company expects that it may need to raise additional capital to accomplish its business plan over the next several years. The Company may seek additional financing through equity financing. There can be no assurance as to the availability or terms upon which such financing might be available. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the markets, including the Company’s ability to raise new capital and potential difficulties in accessing the Company’s exploration and evaluation projects. These factors, among others, could have a significant impact on the Company’s operations.

These condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might arise from this uncertainty. Such adjustments could be material.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
For the Periods Ended June 30, 2022 and 2021

2. Basis of Preparation

Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company’s most recent annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim consolidated financial statements are presented in Canadian dollars (“CAD”) which is the functional currency of the Company and its subsidiary.

The preparation of condensed interim consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed interim consolidated financial statements are disclosed in Note 3.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation.

Details of the Company’s principal subsidiary as at June 30, 2022 are as follows:

Name	Place of incorporation	Ownership %	Principal activity
Slovak Antimony Corporation, s.r.o.	Slovakia	100%	Slovakian Acquisition and Development Company

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2. Basis of Preparation (continued)

Basis of Consolidation (continued)

The Company has one wholly-owned subsidiary, Slovak Antimony Corporation, s.r.o. ("Slovak Antimony"), which was incorporated under the laws of Slovakia in November 2021. On March 10, 2022, the Company acquired 100% of the shares of Slovak Antimony for \$7,288 (EUR 5,000). The acquisition of Slovak Antimony was not a significant transaction and was considered to be outside the scope of IFRS 3 *Business Combinations* since Slovak Antimony did not meet the definition of a business for accounting purposes. As such, the acquisition was accounted for as an asset acquisition. The fair value of the net assets acquired was \$nil (EUR 5,000 in cash and EUR 5,000 in accounts payable due to the Company).

Foreign Currency Translation

The functional and presentation currency of the Company is the Canadian dollar. The individual financial statements of the subsidiary are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency of the subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the reporting date. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains and losses on translation are included in profit and loss.

3. Significant Accounting Policies

Critical accounting estimates and judgments

The preparation of these condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2021.

Accounting policies

The preparation of these condensed interim consolidated financial statements is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements for the year ended December 31, 2021 unless otherwise indicated.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
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For the Periods Ended June 30, 2022 and 2021

4. Exploration and Evaluation Assets

	West Gore and Grant-MacKinnon, Nova Scotia
Balance, December 31, 2020	\$ -
Deferred Exploration Costs	
Acquisition	579,000
Geological consulting	30,061
Survey	5,500
Travel/Site Visit	5,307
Government grant	(6,500)
Balance, December 31, 2021	\$ 573,368
Acquisition	40,000
Balance, June 30, 2022	\$ 613,368

West Gore Antimony Claims, Nova Scotia

On July 9, 2021, the Company entered into an option purchase and assignment agreement (the "1st Assignment Agreement") with a related party, Consolidated Mineral Estates Ltd. ("Consmin"), a private company with a common director, whereby Consolidated assigned to the Company all of its right, title and interest in and to the option agreement entered into between Consolidated and an optionor dated April 8, 2021 (the "1st Underlying Agreement") for the acquisition of the West Gore Antimony property situated in Nova Scotia. Consideration paid by the Company under the 1st Assignment Agreement was 5,000,000 common shares issued at a fair value of \$0.10 per share. Consideration payable under the 1st Underlying Agreement to acquire a 100% interest in the claims is as follows:

- \$5,000 for grant of the option (paid);
- An additional \$24,000 on or before August, 31, 2021 (paid);
- An additional \$40,000 on or before April 8, 2022 (paid);
- An additional \$60,000 on or before April 8, 2023; and
- An additional \$5,000 (+HST) Royalty Payment (advance) on or before April 8, 2024, and thereafter annually until the commencement of commercial production.

Upon successful exercise of the option, under the 1st Underlying Agreement the Company shall be required to pay a 3% net smelter return royalty ("NSR"). One-half of the NSR may be purchased by the Company (leaving a 1.5% NSR remaining) for \$500,000.

Slovakia Claims

In April 2022, the award of a past-producing Antimony-Gold mine and surrounding areas, Tienesgrund Spisska Bane ("Tienesgrund"), in Central Slovakia was confirmed. The area of the Tienesgrund concession is 1,338 hectares. During the period ended June 30, 2022, the Company expended \$14,844 on claims acquired through the Slovakian wholly owned subsidiary.

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4. Exploration and Evaluation Assets (continued)

Grant-MacKinnon Claims, Nova Scotia

On July 9, 2021, the Company entered into an option purchase and assignment agreement (the "1st Assignment Agreement") with a related party, Consolidated Mineral Estates Ltd. ("Consmin"), a private company with a common director, whereby Consolidated assigned to the Company all of its right, title and interest in and to the option agreement entered into between Consolidated and an optionor dated April 8, 2021 (the "1st Underlying Agreement") for the acquisition of the West Gore Antimony property situated in Nova Scotia. Consideration paid by the Company under the 1st Assignment Agreement was 5,000,000 common shares issued at a fair value of \$0.10 per share. Consideration payable under the 1st Underlying Agreement to acquire a 100% interest in the claims is as follows:

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Upon successful exercise of the option, under the 1st Underlying Agreement the Company shall be required to pay a 3% net smelter return royalty ("NSR"). One-half of the NSR may be purchased by the Company (leaving a 1.5% NSR remaining) for \$500,000.

5. Share Capital

a. Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

As at June 30, 2022, there were 16,314,288 common shares issued and outstanding.

On April 8, 2022, 1,605,000 special warrants previously issued by the Company were converted into common shares in accordance with the terms of the special warrants.

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5. Share Capital (continued)

b. Stock options

The Company has adopted an incentive stock option plan on January 7, 2022, whereby options may be granted from time to time to directors, officers, employees and consultants of the Company with common shares to be reserved for issuance as options not to exceed 10% of the issued and outstanding common shares with no one individual being granted options for more than 5% of the issued and outstanding common shares.

There were no stock options issued and outstanding as of June 30, 2022.

c. Warrants

Special Warrants

Special Warrants Outstanding

	Number of Warrants
Outstanding December 31, 2020	-
Issued	1,605,000
Outstanding December 31, 2021	1,605,000
Converted	(1,605,000)
Outstanding June 30, 2022	-

No Special Warrants were granted during the six months ended June 30, 2022.

On April 8, 2022, 1,605,000 special warrants previously issued by the Company were converted into common shares in accordance with the terms of the special warrants.

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5. Share Capital (continued)

c. Warrants (continued)

Warrants Outstanding

	Number of Warrants	Weighted Average Exercise Price
Outstanding December 31, 2020	-	-
Issued	96,600	\$ 0.40
Outstanding December 31, 2021 and June 30, 2022	96,600	\$ 0.40

No Warrants were granted during the six months ended June 30, 2022.

A summary of the Company's warrants outstanding at June 30, 2022 is as follows:

Number of warrants outstanding	\$ per share	Expiry date	Weighted average remaining contractual life (years)
84,000	\$0.40	December 7, 2024	2.69
12,600	\$0.40	December 31, 2024	2.76
96,600	\$0.40		2.70

d. Escrow shares

As at June 30, 2022, the Company had 7,200,000 (December 31, 2021 – Nil) common shares subject to escrow. Under the escrow agreement, 10% of the total common shares to be released upon listing with the Canadian Securities Exchange and 15% of the remaining shares are to be released every six months following listing.

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6. Capital Disclosures

The Company includes cash and equity, comprising issued common shares, contributed surplus and deficit, in the definition of capital.

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, exploration and development of mineral properties. The Board of Directors does 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 is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. 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.

There were no changes in the Company's approach to capital management during the six months ended June 30, 2022. The Company is not subject to externally imposed capital requirements.

7. Related Party Transactions

The following transactions with related parties have been valued in these condensed interim financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Key management personnel compensation:

	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Consulting fees	\$ 30,000	\$ -
Total	\$ 30,000	\$ -

As at June 30, 2022, amounts due to related parties of \$5,500 (December 31, 2021 - \$2,100) \$3,000 were owed to the Corporate Secretary and \$2,500 to the CFO of the Company. The amounts due are non-interest bearing, unsecured, and due on demand. During the period ended June 30th, 2022, the Corporate Secretary incurred \$18,000 in consulting fees and the CFO incurred \$12,000 in consulting fees.

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8. Commitments

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined under Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that are allotted for such expenditure but have not yet been spent.

In connection with the flow-through shares issued during the year ended December 31, 2021, the Company has an obligation to incur qualified expenditures of \$50,400 by December 31, 2022.

9. Financial Instruments

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

a. Credit risk

The Company is exposed to credit risk by holding cash. The maximum exposure to credit risk is equal to the carrying value of the financial assets. This risk is minimized by holding the investments in large Canadian financial institutions or with Canadian governments. The Company has minimal accounts receivable exposure, and its various refundable credits are due from Canadian governments and accordingly, the Company has minimal credit risk.

b. Interest rate risk

The Company is exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations.

c. Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. As at June 30, 2022, the Company was holding cash of \$822,349 (December 31, 2021 - \$984,477) to satisfy accounts payable and accrued liabilities of \$40,749 (December 31, 2021 - \$16,511) and amounts due to related parties of \$5,500 (December 31, 2021 - \$2,100). The Company plans to obtain cash inflows from share capital financings. There can be no guarantee that management's efforts to raise additional funds will be successful. The Company's accounts payable and accrued liabilities and amounts due to related parties have contractual maturities of less than 30 days and are subject to normal trade terms.

d. Commodity price risk

The Company's ability to raise capital to develop its mineral properties is subject to risks associated with fluctuations in the market prices of precious metals, graphite, base metals and rare earth elements.

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9. Financial Instruments (continued)

e. Currency rate risk

The Company's functional currency is the Canadian dollar. There is no significant foreign exchange risk to the Company. The Company does not engage in any form of derivative or hedging instruments.

f. Fair value hierarchy

Financial instruments recorded at fair value on the condensed interim consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and

Level 3 – Input for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Management considers that due to their short-term nature, the carrying amounts of financial assets and financial liabilities, which include cash, accounts payables and accrued liabilities, and due to related parties are assumed to approximate their fair values.

10. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At June 30, 2022, the Company's exploration and evaluation assets are located in Canada. All expenses and cash receipts pertaining to exploration and evaluation activities are capitalized.

11. Subsequent Events

In early July 2022, the company acquired a complete Antimony/Tin processing circuit in Eastern Slovakia at a significant discount to its replacement costs.

Following a strategic review of its holdings in Nova Scotia the company resolved to not proceed with the option on the Mackinnon-Grant property at West Gore.