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DELTA REPORT

10-Q

ABAT - AMERICAN BATTERY TECHNOLO

10-Q - DECEMBER 31, 2023 COMPARED TO 10-Q - SEPTEMBER 30, 2023

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TOTAL DELTAS 894

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, December 31, 2023

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE EXCHANGE ACT OF 1934

Commission File number: 000-55088



AMERICAN BATTERY TECHNOLOGY COMPANY

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation or organization)

33-1227980

(I.R.S. Employer
Identification No.)

100 Washington Street, Suite 100, Reno, NV 89503

(Address of principal executive offices, including zip code)

(775)473-4744

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, \$0.001 par value	ABAT	The Nasdaq Stock Market LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter quarter that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter quarter that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large, accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition quarter for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

As of November 8, 2023 February 12, 2024, 47,270,335 51,884,931 shares of common stock, \$0.001 par value per share were outstanding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q (this "Report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). All statements included in this Report, other than statements of historical facts, that address activities, conditions, events, or developments with respect to our financial condition, results of operations, business prospects or economic performance that we expect, believe, or anticipate will or may occur in the future, or that address plans and objectives of management for future operations, are forward-looking statements. The forward-looking statements are contained principally in the "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of this Report. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "anticipates", "believes", "seeks", "could", "estimates", "expects", "intends", "may", "plans", "potential", "predicts", "projects", "should", "would" and similar expressions intended to identify forward-looking statements.

Forward-looking statements appear throughout this report, and include statements about such matters as: anticipated operating results; relationships with our customers; consumer demand; financial resources and condition; changes in revenues; changes in profitability; changes in accounting treatment; cost of sales; selling, general and administrative expenses; interest expense; the ability to produce the liquidity or enter into agreements to acquire the capital necessary to continue our operations and take advantage of opportunities; legal proceedings and claims.

Forward-looking statements reflect our current views with respect to future events and are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments, and other factors that we believe are appropriate under the circumstances. We caution you that forward-looking statements are not guarantees of future performance and these statements are subject to known and unknown risks and uncertainties, which may cause our actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking statements.

Also, forward-looking statements represent our estimates and assumptions only as of the date of this Report. You should read this Report and the documents that we reference and file as exhibits to this Report completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements in this report speak only as of the filing of this Report. Except as required by applicable securities laws, we assume no obligation to update any prior forward-looking statements.

PRESENTATION OF INFORMATION

Except as otherwise indicated by the context, references in this Report to "we", "us", "our" and the "Company" are to the combined business of American Battery Technology Company and its consolidated subsidiaries.

This Report includes our unaudited consolidated financial statements as of and for the three months period ended **September 30, 2023** **December 31, 2023** and 2022. These financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("US GAAP"). All financial information in this Report is presented in US dollars, unless otherwise indicated, and should be read in conjunction with our unaudited consolidated financial statements and the notes included in this Report.

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ITEM 1. FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements (unaudited) have been prepared by the Company's management in conformity with accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature.

Operating results for the **three** **six** months ended **September 30, 2023** **December 31, 2023**, are not necessarily indicative of the results that can be expected for the fiscal year ending June 30, 2024.

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AMERICAN BATTERY TECHNOLOGY COMPANY
Condensed Consolidated Balance Sheets (unaudited)

	September 30, 2023 (unaudited)	June 30, 2023 (audited)	December 31, 2023	June 30, 2023
ASSETS				
Current assets				
Cash	\$ 5,379,113	\$ 2,320,149	\$ 7,646,784	\$ 2,320,149
Investments	78,427	11,250	79,254	11,250
Inventory (Note 3)	371,775	125,204	614,441	125,204
Grants receivable (Note 4)	517,740	320,457	646,627	320,457
Prepaid expenses and deposits	837,840	1,625,980	834,146	1,625,980
Subscription receivable	980,500	350,550	1,504,156	350,550
Other current assets	242,850	-	242,850	-
Total current assets	<u>8,408,245</u>	<u>4,753,590</u>	<u>11,568,258</u>	<u>4,753,590</u>
Other deposits (Note 5)	1,575,254	27,740,587	279,878	27,740,587
Property and equipment, net (Note 6)	61,017,350	29,946,099		
Property, plant and equipment, net (Note 6)			63,949,713	29,946,099
Mining properties (Note 7)	8,223,323	8,223,323	8,392,978	8,223,323
Intangible assets (Note 8)	4,603,199	3,851,899	4,585,410	3,851,899
Right-of-use asset (Note 11)	117,891	143,154	92,629	143,154
Total assets	<u>\$ 83,945,262</u>	<u>\$ 74,658,652</u>	<u>\$ 88,868,866</u>	<u>\$ 74,658,652</u>
LIABILITIES & STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 9)	\$ 5,796,004	\$ 7,389,864	\$ 6,020,731	\$ 7,389,864
Notes payable, current (Note 10)	<u>17,248,456</u>	<u>6,000,000</u>	<u>16,274,850</u>	<u>6,000,000</u>
Total current liabilities	<u>23,044,460</u>	<u>13,389,864</u>	<u>22,295,580</u>	<u>13,389,864</u>
Notes payable, non-current (Note 10)	1,705,271	54,304	-	54,304
Total liabilities	<u>24,749,731</u>	<u>13,444,168</u>	<u>22,295,580</u>	<u>13,444,168</u>
Commitments and contingencies (Note 16)	-	-	-	-
STOCKHOLDERS' EQUITY				
Series A Preferred Stock Authorized: 33,334 preferred shares, par value of \$0.001 per share; Issued and outstanding: nil preferred shares as of September 30, 2023 and June 30, 2023.	-	-		
Series A Preferred Stock Authorized: 33,334 preferred shares, par value of \$0.001 per share; Issued and outstanding: nil preferred shares as of December 31, 2023 and June 30, 2023.	-	-	-	-
Series B Preferred Stock Authorized: 133,334 preferred shares, par value of \$10.00 per share; Issued and outstanding: nil preferred shares as of September 30, 2023 and June 30, 2023.	-	-		

Series B Preferred Stock Authorized: 133,334 preferred shares, par value of \$10.00 per share; Issued and outstanding: nil preferred shares as of December 31, 2023 and June 30, 2023.

Series C Preferred Stock Authorized: 66,667 preferred shares, par value of \$10.00 per share; Issued and outstanding: nil preferred shares as of September 30, 2023 and June 30, 2023.

Series C Preferred Stock Authorized: 66,667 preferred shares, par value of \$10.00 per share; Issued and outstanding: nil preferred shares as of December 31, 2023 and June 30, 2023.

Preferred stock value

Common Stock Authorized: 80,000,000 common shares, par value of \$0.001 per share; Issued and outstanding: 46,304,354 and 45,888,131 common shares as of September 30, 2023 and June 30, 2023, respectively

46,306

45,887

Common Stock Authorized: 80,000,000 common shares, par value of \$0.001 per share; Issued and outstanding: 49,343,225 and 45,888,131 common shares as of December 31, 2023 and June 30, 2023, respectively

49,345

45,887

Additional paid-in capital

226,317,285

222,626,865

243,020,935

222,626,865

Common stock issuable

37,500

(1,484,693)

-

(1,484,693)

Accumulated deficit

(167,205,560)

(159,973,575)

(176,496,995)

(159,973,575)

Total stockholders' equity

59,195,531

61,214,484

66,573,285

61,214,484

Total liabilities and stockholders' equity

\$ 83,945,262

\$ 74,658,652

\$ 88,868,866

\$ 74,658,652

(The accompanying notes are an integral part of these condensed consolidated **unaudited** financial statements)

AMERICAN BATTERY TECHNOLOGY COMPANY
Condensed Consolidated Statements of Operations (unaudited)

	Three months ended September 30, 2023	Three months ended September 30, 2022	Three months ended December 31, 2023	Three months ended December 31, 2022	Six months ended December 31, 2023	Six months ended December 31, 2022
	\$	\$	\$	\$	\$	\$
Operating expenses						
General and administrative	2,948,846	2,008,167	4,310,452	3,899,068	7,259,298	5,907,235
Research and development	2,155,314	219,816	3,148,873	1,735,471	5,304,187	1,955,287
Exploration	<u>1,279,782</u>	<u>349,153</u>				
Exploration costs			771,523	546,010	2,051,305	895,163
Total operating expenses	<u>6,383,942</u>	<u>2,577,136</u>	<u>8,230,848</u>	<u>6,180,549</u>	<u>14,614,790</u>	<u>8,757,685</u>
Net loss before other income (expense)	<u>(6,383,942)</u>	<u>(2,577,136)</u>	<u>(8,230,848)</u>	<u>(6,180,549)</u>	<u>(14,614,790)</u>	<u>(8,757,685)</u>
Other income (expense)						
Accretion and interest expense	(134,989)	—				
Amortization of financing costs	(706,731)	—				
Interest expense			(7,647)	—	(142,636)	—
Amortization and accretion of financing costs			(1,053,766)	—	(1,760,497)	—
Gain on sale of mining claims			—	—	—	98,919
Unrealized gain (loss) on investment	(6,323)	5,420	826	(20,078)	(5,497)	(14,658)
Gain on sale of mining claims	—	98,919				
Other income	—	<u>38,343</u>	—	3,657	—	42,000
Total other income (expense)	<u>(848,043)</u>	<u>142,682</u>	<u>(1,060,587)</u>	<u>(16,421)</u>	<u>(1,908,630)</u>	<u>126,261</u>
Net loss attributable to common stockholders	<u>\$ (7,231,985)</u>	<u>\$ (2,434,454)</u>				
Net loss			\$ (9,291,435)	\$ (6,196,970)	\$ (16,523,420)	\$ (8,631,424)
Net loss per share, basic and diluted	<u>\$ (0.16)</u>	<u>\$ (0.06)</u>	<u>\$ (0.19)</u>	<u>\$ (0.14)</u>	<u>\$ (0.35)</u>	<u>\$ (0.20)</u>
Weighted average shares outstanding	<u>46,129,507</u>	<u>42,942,576</u>	<u>47,760,809</u>	<u>43,202,414</u>	<u>47,357,879</u>	<u>43,152,476</u>

(The accompanying notes are an integral part of these condensed consolidated **unaudited** financial statements)

AMERICAN BATTERY TECHNOLOGY COMPANY
Condensed Consolidated Statements of Stockholders' Equity (unaudited)

Three months ended **September 30, 2023** **December 31, 2023**:

	September 30, 2023						December 31, 2023													
	Number		Amount		Capital		Issuable		Deficit		Total		Number		Amount		Capital		Issuable	
	Common Shares				Additional Paid-In Capital		Common Stock Issuable		Accumulated Deficit		Total		Common Shares				Additional Paid-In Capital		Common Stock Issuable	
	Number	Amount			Number	Capital	Number	Amount		Deficit		Total	Number	Amount		Number	Capital	Amount	Number	Issuable
Balance, June 30, 2023	45,888,131	\$ 45,887			\$ 222,626,865		(\$ 1,484,693)		\$ (159,973,575)		\$ 61,214,484									
Shares issued for professional services	1,326	1			15,174		(15,307)			–	(132)									
Balance, September 30, 2023												46,304,354	\$ 46,306	\$ 226,317,285	\$ 37,500	\$ 61,214,484				
Vesting of share-based awards	132,142	135			(135)					–	–	–	180,811	181	(181)	–				
Stock-based compensation expense	–	–			1,921,442					–	–	1,921,442	–	–	–	3,836,466	–			
Shares issued pursuant to rounding of share reverse split	59,164	59			(59)					–	–	–								
Shares reclaimed pursuant to asset acquisition	(128,206)	(128)			(1,255,650)		1,500,000				244,222									
Shares issued pursuant to share purchase agreement, net of issuance costs	306,252	306			3,009,694					–	–	3,010,000	2,799,973	2,800	12,829,925	–				
Shares issued pursuant to warrant exercises	45,545	46			(46)		37,500			–	37,500		58,087	58	37,440	(37,500)				

Net loss for the period	—	—	—	—	(7,231,985)	(7,231,985)	—	—	—	—
Balance, September 30, 2023	46,304,354	\$ 46,306	\$ 226,317,285	\$ 37,500	\$ (167,205,560)	\$ 59,195,531	—	—	—	—
Balance, December 31, 2023							49,343,225	\$ 49,345	\$ 243,020,935	\$ —
Three months ended September 30, 2022/December 31, 2022:										

	Common Shares			Additional Paid-In Capital			Common Stock			Accumulated Deficit			Common Shares			Additional Paid-In Capital			Common Stock			Sub			
	Number	Amount						Issuable			Total			Number	Amount						Issuable		Re		
Balance, June 30, 2022	42,942,576	\$ 42,943	\$ 188,151,484	\$ 75,000	\$ (138,635,368)	\$ 49,634,059																			
Balance, September 30, 2022	42,942,576	\$ 42,943	\$ 188,151,484	\$ 75,000	\$ (138,635,368)	\$ 49,634,059																			
Shares issued for professional services																									
Vesting of share-based awards	—	—		—	23,605		—	23,605		—	121,813		122		(122)		—		—		—				
Stock-based compensation expense	—	—	96,061		—		—	96,061		—	—		3,427,244		—		—		—		—				
Shares issued from purchase agreements, net of issuance costs											266,667		267		2,007,707		—		—		—		—		
Net loss for the period	—	—		—	—	(2,434,454)		(2,434,454)		—	—		—	—	—	—	—	—	—	—	—	—	—		
Balance, September 30, 2022	42,942,576	42,943	188,247,545	\$ 98,605	\$ (141,069,822)	\$ 47,319,271																			
Balance, December 31, 2022	42,942,576	42,943	188,247,545	\$ 98,605	\$ (141,069,822)	\$ 47,319,271																			

(The accompanying notes are an integral part of these condensed consolidated **unaudited** financial statements)

AMERICAN BATTERY TECHNOLOGY COMPANY
Condensed Consolidated Statements of **Cash Flows** **Stockholders' Equity** (unaudited)

Six months ended December 31, 2023:

	Three months ended September 30, 2023	Three months ended September 30, 2022
Operating Activities		
Net loss attributable to stockholders	\$ (7,231,985)	\$ (2,434,454)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	36,502	13,014
Accretion expense	256,459	–
Amortization of right-of-use asset	25,263	25,263
Unrealized (gain) loss on investment	6,323	(5,420)
Stock-based compensation	1,921,442	96,061
Shares issued for professional services	(132)	23,605
Changes in operating assets and liabilities:		
Inventory	(246,571)	–
Other receivables	(270,783)	(74,190)
Prepaid expenses and deposits	788,140	104,805
Other current assets	(242,850)	–
Accounts payable and accrued liabilities	228,071	(1,757,604)
Net change in operating lease liability	(28,863)	(28,864)
Net Cash Used in Operating Activities	<u>(4,758,984)</u>	<u>(4,037,784)</u>
Investing Activities		
Other acquisition deposits	(693,667)	–
Acquisition of property and equipment	(6,477,131)	(77,530)
Purchase of mining properties	–	(4,000,000)
Purchase of water rights/intangible assets	(101,300)	–
Net Cash Used in Investing Activities	<u>(7,272,098)</u>	<u>(4,077,530)</u>
Financing Activities		
Proceeds from exercise of share purchase warrants	37,500	–
Principal paid on notes payable	(7,800,000)	–
Proceeds from notes payable, net of issuance costs	20,472,496	–
Proceeds from share purchase agreements, net of issuance costs	2,380,050	–
Net Cash Provided by Financing Activities	<u>15,090,046</u>	<u>–</u>
Increase (decrease) in Cash	<u>3,058,964</u>	<u>(8,115,314)</u>
Cash – Beginning of Period	<u>2,320,149</u>	<u>28,989,166</u>
Cash – End of Period	<u>\$ 5,379,113</u>	<u>\$ 20,873,852</u>
Supplemental disclosures (Note 15)		

	Common Shares	Additional Paid-In Capital	Common Stock Issuable	Accumulated Deficit	Total
	Number				
Balance, June 30, 2023	45,888,131	\$ 45,887	\$ 222,626,865	\$ (1,484,693)	\$ 61,214,484
Shares issued for professional services	1,326	1	15,174	(15,307)	– (132)
Vesting of share-based awards	312,953	316	(316)	–	–
Stock-based compensation expense	–	–	5,757,908	–	5,757,908

Shares issued pursuant to rounding of share reverse split	59,164	59	(59)	–	–	–
Shares reclaimed pursuant to asset acquisition	(128,206)	(128)	(1,255,650)	1,500,000	–	244,222
Shares issued pursuant to share purchase agreement, net of issuance costs	3,106,225	3,106	15,839,619	–	–	15,842,725
Shares issued pursuant to warrant exercises	103,632	104	37,394	–	–	37,498
Net loss for the period	–	–	–	–	(16,523,420)	(16,523,420)
Balance, December 31, 2023	<u>49,343,225</u>	<u>\$ 49,345</u>	<u>\$ 243,020,935</u>	<u>\$ –</u>	<u>\$ (176,496,995)</u>	<u>\$ 66,573,285</u>

Six months ended December 31, 2022:

	Common Shares		Additional Paid-In Capital	Common Stock Issuable	Subscription Receivable	Accumulated Deficit	Total
	Number	Amount					
Balance, June 30, 2022	42,942,576	\$ 42,943	\$ 188,151,484	\$ 75,000	–	\$ (138,635,368)	\$ 49,634,059
Shares issued for professional services	10,009	10	103,579	(66,910)	–	–	36,679
Vesting of share-based awards	121,813	122	(122)	–	–	–	–
Stock-based compensation expense	–	–	3,523,305	–	–	–	3,523,305
Shares issued from private placement, net of issuance costs	266,667	267	2,007,707	–	(654,267)	–	1,353,707
Net loss for the period	–	–	–	–	–	(8,631,424)	(8,631,424)
Balance, December 31, 2022	<u>43,341,064</u>	<u>\$ 43,342</u>	<u>\$ 193,785,953</u>	<u>\$ 8,090</u>	<u>\$ (654,267)</u>	<u>\$ (147,266,792)</u>	<u>\$ 45,916,326</u>

(The accompanying notes are an integral part of these condensed consolidated **unaudited** financial statements)

AMERICAN BATTERY TECHNOLOGY COMPANY
Condensed Consolidated Statements of Cash Flows (unaudited)

	Six months ended. December 31, 2023	Six months ended. December 31, 2022
Operating Activities		
Net loss attributable to stockholders	\$ (16,523,420)	\$ (8,631,424)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	81,410	35,981
Accretion of financing costs	1,760,497	-
Amortization of right-of-use asset	50,525	50,525
Unrealized loss on investment	5,497	14,658
Stock-based compensation	5,757,908	3,523,305
Shares issued for professional services	(132)	36,679
Changes in operating assets and liabilities:		
Inventory	(489,237)	-
Grants receivable	(326,170)	(15,343)
Prepaid expenses and deposits	416,234	(149,393)
Other current assets	(316,351)	-
Accounts payable and accrued liabilities	2,223,865	(2,172,877)
Net change in operating lease liability	(59,326)	(58,658)
Net Cash Used in Operating Activities	<u>(7,418,700)</u>	<u>(7,366,547)</u>
Investing Activities		
Other acquisition deposits	(279,878)	-
Acquisition of property, equipment, and water rights	(10,888,840)	(2,171,599)
Acquisition cost reimbursements from government grants	469,972	-
Purchase of mining properties	(169,714)	(8,007,362)
Net Cash Used in Investing Activities	<u>(10,868,460)</u>	<u>(10,178,961)</u>
Financing Activities		
Proceeds from exercise of share purchase warrants	37,498	-
Principal paid on notes payable	(11,400,000)	-
Proceeds from notes payable, net of issuance costs	20,287,118	-
Proceeds from share purchase agreements, net of issuance costs	14,689,178	-
Net Cash Provided by Financing Activities	<u>23,613,794</u>	<u>-</u>
Increase (decrease) in Cash	<u>5,326,635</u>	<u>(17,545,508)</u>
Cash – Beginning of Period	<u>2,320,149</u>	<u>28,989,166</u>
Cash – End of Period	<u>\$ 7,646,784</u>	<u>\$ 11,443,658</u>
Supplemental disclosures (Note 15)		

(The accompanying notes are an integral part of these condensed consolidated unaudited financial statements)

AMERICAN BATTERY TECHNOLOGY COMPANY
Notes to the Condensed Consolidated Financial Statements
For the three months period ended **September 30, 2023 and 2022 December 31, 2023**
(unaudited)

1. Organization and Nature of Operations

American Battery Technology Company ("the Company") is a new entrant in the lithium-ion battery industry that is working to increase the domestic **U.S.** production of battery materials, such as lithium, nickel, cobalt, and manganese through its engagement in the exploration of new primary resources of battery metals, in the development and commercialization of new technologies for the extraction of these battery metals from primary resources, and in the commercialization of an internally developed integrated process for the recycling of lithium-ion batteries. Through this three-pronged approach the Company is working to both increase the domestic production of these battery materials, and to ensure that as these materials reach their end of lives that the constituent elemental battery metals are returned to the domestic manufacturing supply chain in a closed-loop fashion.

The Company was incorporated under the laws of the State of Nevada on October 6, 2011, for the purpose of acquiring rights to mineral properties with the **eventual** objective of being a producing mineral company. We have ABTC began operations of its first lithium-ion battery recycling facility in October 2023 and has a limited operating history, and have as of December 31, 2023 had not yet generated or realized any significant revenues from our its activities. Our The principal executive offices are located at 100 Washington Ave., Suite 100, Reno, NV 89503.

Liquidity and Capital Resources

During the three six months ended **September 30, 2023 December 31, 2023**, the Company incurred a net loss of **\$7.2** **16.5** million and used cash of **\$4.8** **7.4** million for operating activities. At **September 30, 2023 December 31, 2023**, the Company has a cash balance of **\$5.4** **7.6** million and an accumulated deficit of **\$167.2** **176** million.

The continuation of the Company as a going concern is dependent upon generating profit from its operations and its ability to obtain debt or equity financing. There is no assurance that the Company will be able to generate sufficient profits, obtain such financings, or obtain them on favorable terms, which could limit its operations. Any such financing activities are subject to market conditions. These uncertainties cause substantial doubt to exist as to the Company's ability to continue as a going concern for 12 months from issuance of these financial statements. These condensed consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The going concern assessment excludes the Company's undrawn amounts from the common stock purchase agreement with Tysadco, which provides a source of liquidity that enables equity financing as needed. Additionally, one of the ways to continue to support the company's liquidity position might include entering an at-the-market ("ATM") offering or similar program from time to time.

Based on our current operating plan, unless we generate income from the operations of our facilities and Government Grant Awards, raise additional capital (debt or equity), or obtain waivers from complying with such financial covenants, it is possible that we will be unable to maintain our financial covenants under our existing Note agreement, which could result in an event of default, causing an acceleration of the outstanding balances. If we do raise additional capital through public or private equity offerings, as opposed to debt or additional Note issuances, the ownership interest of our existing stockholders may be diluted.

2. Summary of Significant Accounting Policies

a) Basis of Presentation and Principles of Consolidation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") and are expressed in U.S. dollars. The Company's fiscal year end is June 30.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Oroplata Exploraciones E Ingenieria SRL (dissolved), LithiumOre Corporation (formerly Lithortech Resources Inc), ABMC AG, LLC (dissolved) and Aqua Metals Transfer LLC. All inter-company accounts and transactions have been eliminated upon consolidation.

On September 11, 2023, the Company effected a one-for-fifteen reverse-stock-split with respect to the **authorized**, issued, and outstanding shares of common stock and preferred stock. All share and per-share amounts included in this Form 10-Q are presented as if the stock split had been effective from the beginning of the earliest period presented.

b) Use of Estimates

The preparation of these consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The Company regularly evaluates estimates and assumptions related to the fair value of stock-based compensation, **valuation** and **recoverability** of long-lived assets and intangible assets subject to **impairment testing**, and deferred income tax asset valuation allowances.

The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations may be affected.

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2. Summary of Significant Accounting Policies (continued)

c) Long-Lived Assets

Long-lived assets, such as property and equipment, mineral properties, and purchased intangibles, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable in accordance with Accounting Standards Codification (“ASC”) topic 360, Property, Plant, and Equipment. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. The Company’s long-lived assets consist of buildings, vehicles, equipment, and land. Vehicles Buildings, vehicles and equipment are depreciated on a straight-line basis over their estimated value lives ranging between three and **seven thirty** years.

The recoverability of assets is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by an asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized as the amount by which the carrying amount exceeds the estimated fair value of the asset. **The estimated fair value is determined using a discounted cash flow analysis.** Any impairment in value is recognized as an expense in the period when the impairment occurs.

Expenses for major repairs and maintenance which extend the useful lives of property and equipment are capitalized. All other maintenance expenses, including planned major maintenance activities, are expensed as incurred. Gains or losses from property disposals are included in income or loss from operations.

d) Mining Properties

Costs of lease, exploration, carrying and retaining unproven mineral properties are expensed as incurred. The Company expenses all mineral exploration costs as incurred as it is still in the exploration stage. If the Company identifies proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it will enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capitalized costs are amortized on a units-of-production basis over the proven and probable reserves following the commencement of production. Interest expense allocable to the cost of developing mining properties and to construct new facilities is capitalized until assets are ready for their intended use.

To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all exploration costs are being expensed.

ASC 930-805, “Extractive Activities-Mining: Business Combinations,” states that mineral rights consist of the legal right to explore, extract, and retain at least a portion of the benefits from mineral deposits. Mining assets include mineral rights which are considered tangible assets under ASC 930-805. ASC 930-805 requires that mineral rights be recognized at fair value as of the acquisition date. As a result, the direct costs to acquire mineral rights are initially capitalized as tangible assets. Mineral rights include costs associated with acquiring patented and unpatented mining claims.

e) Intangible Assets

Intangible assets consist of water rights that have indefinite useful lives are tested annually for impairment, or more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount of the asset group exceeds its fair value.

Annually, or when there is a triggering event, the Company first performs a qualitative assessment by evaluating all relevant events and circumstances to determine if it is more likely than not that the indefinite-lived intangible assets are impaired; this includes considering any potential effect on significant inputs to determining the fair value of the indefinite-lived intangible assets. When it is more likely than not that an indefinite-lived intangible asset is impaired, then the Company calculates the fair value of the intangible asset and performs a quantitative impairment test.

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2. Summary of Significant Accounting Policies (continued)

f) Loss per Share

The Company computes net income (loss) per share in accordance with ASC 260, "Earnings per Share." ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net income (loss) available attributable to common shareholders stockholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. **diluted** **Diluted** EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options, warrants and awards. **Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.** At **September 30, 2023 December 31, 2023**, the Company had **9,807,028** **10,545,281** potentially dilutive shares outstanding, consisting of **2,528,873** **1,942,363** from convertible notes, **5,696,026** **5,731,666** from warrants and **1,582,129** **2,871,252** from share awards outstanding. As the Company has reported losses for all periods presented, all potentially dilutive securities are anti-dilutive, and accordingly, basic net loss per share equaled diluted net loss per share.

g) Stock-based Compensation

The Company records stock-based compensation in accordance with ASC 718, "Stock Compensation," using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. Equity instruments issued to employees and the cost of the services received as consideration are measured and recognized based on the fair value of the equity instruments issued. The Company utilizes the Black Scholes method when calculating stock-based compensation expense relating to stock option awards and warrants.

The Company records the stock-based compensation expense attributed to share awards in accordance with US GAAP using the graded-vesting method. The Company amortizes the grant date fair value over the respective vesting period, beginning with recognition on the date of grant.

h) Exploration Costs

Mineral property acquisition costs are capitalized as incurred. Exploration and evaluation costs are expensed as incurred until proven and probable reserves are established. The Company assesses the carrying costs for impairment under ASC 360, **Property, Plant, and Equipment,** at each period end. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs then incurred to develop such property are **capitalized, capitalized on a prospective basis.** Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations. As of **September 30, 2023 December 31, 2023** and 2022, the Company has **not** **not** capitalized any such mineral property costs.

i) Research and Development Costs

Research and development ("R&D") costs are accounted for in accordance with ASC 730, "Research and Development." ASC 730-10-25 requires that all R&D costs be recognized as an expense as incurred. However, some costs associated with R&D activities that have an alternative future use (e.g., materials, equipment, facilities) may be capitalizable.

The Company has been awarded federal grant awards for specific R&D programs. Under ASU No. 2021-10 "Government Assistance," the Company recognizes invoiced government funds as an offset to R&D costs in the period the qualifying costs are incurred. **The As the federal grants receivable are not deemed to have any significant realization risk, the** Company believes this best reflects the expected net expenditures associated with these programs.

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2. Summary of Significant Accounting Policies (continued)

j) Leases

The Company follows the guidance of ASC 842, – **Leases**, “Leases,” which requires an entity to recognize a right-of-use (“ROU”) asset and a lease liability for virtually all leases. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. The Company **uses an implicit rate of interest to determine** determines the present value of lease payments utilizing its incremental borrowing rate, as the implicit rate of interest in the respective leases is not readily determinable. The Company’s incremental borrowing rate is a hypothetical rate based on its understanding of what its credit rating would be.

The Company has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognizes the lease payments associated with its short-term office space leases as an expense on a straight-line basis over the lease term. Variable lease payments associated with these leases are recognized and presented in the same manner as for all other Company leases.

k) Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, – **Income** “**Income Taxes**.¹ The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit **carry-forward**, **carry-forwards**.

Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

Any uncertain tax position liabilities have been applied against the deferred tax balance given that there is a sufficient net operating loss to cover any penalties and fees associated with the uncertain tax position. The Company assesses each of its identified uncertain positions and determines whether any potential penalties and interest liability should be accrued at the balance sheet dates.

Due to the Company’s cumulative loss position since inception, **there exists little assurance as to the realization likelihood of its deferred tax assets**, assets being realized does not meet the **more likely than not assessment guidelines**. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded at **September 30, 2023 December 31, 2023 and June 30, 2023**.

l) Accounting Pronouncements

No new accounting pronouncements In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amendments in this update expands segment disclosures by requiring disclosures about significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment’s profit or loss and assets. This update is effective for our annual report for fiscal year 2025, for interim period reporting beginning in fiscal year 2026, with early adoption permitted, and will be applied retrospectively to all prior periods presented in the period had or financial statements. We are **expected to have a material** currently evaluating the timing of adoption and impact of this ASU on our **accompanying** **unaudited condensed consolidated statements**, Consolidated Financial Statements and related disclosures.

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In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvement to Income Tax Disclosures. The amendments further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. This ASU is effective for our annual report for fiscal year 2026, with early adoption permitted, and should be applied either prospectively or retrospectively. We are currently evaluating the timing of adoption and impact of this ASU on our Consolidated Financial Statements and related disclosures.

m) Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC 815, "Derivatives and Hedging". For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value on the issuance date and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. **The fair value of any assets or liabilities that are short-term in nature and qualify as financial instruments under ASC 820, "Fair Value Measurement," approximate the carrying amounts represented in the Company's balance sheet.**

n) Convertible Notes

The Company evaluates all conversion, repurchase and redemption features contained in a debt instrument to determine if there are any embedded features that require bifurcation as a derivative. The Company accounts for its convertible notes as a long-term liability, with the current portion reclassified to a short-term liability, equal to the proceeds received from issuance, including any embedded conversion features, net of the unamortized debt discount and offering costs in the accompanying unaudited consolidated balance sheets. The debt issuance and offering costs are amortized over the term of the convertible notes, using the effective interest method, as interest expense in the accompanying unaudited consolidated statements of operations.

o) Inventory

Inventory is stated at the lower of cost or market (net realizable value). The Company performs an assessment of the recoverability of capitalized inventory during each reporting period, and writes down any excess and obsolete inventories to their net realizable value in the period in which the impairment is first identified.

p) Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2023 or June 30, 2023.

q) Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under the ASC 820, "Fair Value Measurements", equals or approximates the carrying amounts represented in the balance sheets.

r) Fair Value of Financial Instruments

Other Current Assets are comprised of payroll tax credits related to research and development activities per IRS form 6765.

s) Accrued Claims and Contingencies

The Company is subject to various claims and contingencies related to lawsuits. A liability is recorded for claims, legal costs or other contingencies when the risk of loss is probable and reasonable estimable. The required reserves may change due to new developments in each period.

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3. Inventories

The Company's inventory as of September 30, 2023 December 31, 2023 and June 30, 2023 relates to the lithium-ion battery recycling operations and was comprised of raw materials in the form of end-of-life battery feedstock, feedstock and finished goods in the form of black mass and other metals. Inventories are valued at the lower of average cost or net realizable value. Carrying The carrying value of inventory includes those costs to acquire battery feedstock and any related carrying and processing costs incurred by the Company.

	September 30, 2023	June 30, 2023
Raw materials	\$ 371,775	\$ 12
	December 31, 2023	June 30, 2023
Raw materials	\$ 546,455	\$ 12
Finished goods	67,985	
	<hr/> \$ 614,441	<hr/> \$ 12

4. Government Grant Awards

Grants receivable represent qualifying costs incurred where there is reasonable assurance that the conditions of the grant have been met but the corresponding funds have not been received as of the reporting date. Accordingly, As collections from the federal government have been and are expected to continue to be timely, no allowance for doubtful accounts has been established. If amounts become uncollectible, they will be charged to operations. Grants receivable were \$517,740 646,627 and \$320,457 as of September 30, 2023 December 31, 2023 and June 30, 2023, respectively. The Company recognizes invoiced government funds as an offset to R&D costs in the period the qualifying costs are incurred.

On August 16, 2021, the Company received a contract award for a 30-month project with a total budget of \$2.0 million from the US United States Advanced Battery Consortium (the "USABC grant") as part of a competitively bid project, through which the Company will receive reimbursement for up to \$500,000 of eligible expenditures. The objective of the contract award is for the commercial-scale development and demonstration of an integrated lithium-ion battery recycling system, the production of battery cathode grade metal products, the synthesis of high energy density active cathode material from these recycled battery metals, and the fabrication of large format automotive battery cells from these recycled materials and the testing of these cells against otherwise identical cells made from virgin sourced metals. The Company began receiving funds related to this award during the prior fiscal year, year ended June 30, 2023. As of December 31, 2023, the cumulative funds invoiced for this grant totaled \$459,392, which represents 92% of the total eligible reimbursements.

On January 20, 2021, the US U.S. Department of Energy ("DOE") announced that the Company had been selected for award negotiation for a three-year project with a total budget of \$4.5 million for the field demonstration of its selective leaching, targeted purification, and electro-chemical production of battery grade lithium hydroxide from domestic claystone resources technology. Through this grant award the Company is eligible to receive reimbursement of up to 50% of eligible expenditures, or up to \$2.3 million. The prime agreement contract for this grant ("AMO (the "AMMTO grant") was issued with a project start date of October 1, 2021. The Company began receiving funds related to this award during Fiscal 2022, the fiscal year ended June 30, 2022. As of December 31, 2023, the cumulative funds invoiced for this grant totaled \$1,299,427, which represents 56% of the total eligible reimbursements.

On October 21, 2022, the US U.S. DOE announced that the Company had been selected for award negotiation for a five-year project with a total budget of \$115.5 million to design, construct, and commission a first-of-kind lithium hydroxide refinery using Nevada-based claystone as the feedstock to expand domestic manufacturing of battery grade lithium hydroxide for lithium-ion batteries for electric vehicles, with a focus on domestic processing of materials and components that are currently imported from foreign countries. Through this grant award the Company is eligible to receive reimbursement of up to 50% of eligible expenditures, up to \$57.7 million. The prime agreement contract for this grant was issued with a project start date of September 1, 2023. The Company is expected began receiving funds related to begin work and request awarded funds associated with the project this award during the current fiscal year, period ended December 31, 2023. As of December 31, 2023, the cumulative funds invoiced for this grant totaled \$793,147, which represents 1% of the total eligible reimbursements.

On November 17, 2022, the US U.S. DOE announced that the Company had been selected for award negotiation for a three-year project with a total budget of \$20.0 million to demonstrate and commercialize next generation techniques for its lithium-ion battery recycling processes to produce low-cost and low-environmental impact domestic battery materials. Through this grant award the Company is eligible to receive reimbursement of up to 50% of eligible expenditures, up to \$10.0 million. The prime agreement contract for this grant was issued with a project start date of October 1, 2023. The Company is expected began receiving funds related to begin work and request awarded funds associated with this project award during the current fiscal year.

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Notes to period ended December 31, 2023. As of December 31, 2023, the Consolidated Financial Statements cumulative funds invoiced for this grant totaled \$184,228, which represents For 2% of the three months ended September 30, 2023 and 2022 total eligible reimbursements.

5. Other Deposits

On March 1, 2023, the Company and Linico Corporation ("Linico") entered into and consummated, an Asset Purchase Agreement ("APA") whereby the Company acquired specific tangible equipment and personal property for an aggregate purchase price of \$6.0 million. Contemporaneously with the signing of the APA, the Company and Linico entered into another agreement, the Membership Interest Purchase Agreement ("MIPA"), whereby the Company would acquire 100% of the membership interests in Aqua Metals Transfer, LLC, principally real property consisting of land and a building in the Tahoe-Reno Industrial Center (TRIC) at 2500 Peru Drive, McCarran, Nevada, for an aggregate purchase price of \$21.6 million. The purchase was finalized on August 21, 2023 August 11, 2023 at which time the aggregate total of \$27.6 million worth of deposits was bifurcated into both real and personal property assets, inclusive of both agreements (See Note 6).

On June 30, 2023, the Company and Linico entered into an amendment to the MIPA. Pursuant to the terms of the amended agreement, the parties agreed to (i) remove the requirement that \$1.5 million of the purchase price be held in escrow for the settlement of indemnification claims, (ii) transfer back to the Company 128,206 common shares, previously issued by the Company, in exchange for the elimination of such indemnification escrow, (iii) add a purchase price adjustment to the extent that, as of four months after the registration statement on Form S-3 filed by the Company is declared effective by the SEC, the value of the portion of the purchase price comprised of shares does not equal at least \$6.0 million, (iv) provide for an interim water rights agreement through the final purchase price payment date, (iv) advance the closing date to as soon as practicable after the declaration of effectiveness of the resale registration statement on Form S-3, filed by the Company for the resale of shares by Seller or its affiliates, and (v) remove the deadline to close the acquisition by June 30, 2023.

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6. Property, Plant and Equipment

The table below presents the property and equipment as of **September 30, 2023** **December 31, 2023** and **June 30, 2023**:

	Land	Building	Equipment	Total	Land	Building	Equipment	Total
<u>Cost:</u>								
Balance, June 30, 2023	\$ 6,728,838	\$ 17,508,486	\$ 5,870,496	\$ 30,107,820	\$ 6,728,838	\$ 17,508,486	\$ 5,870,496	\$ 30,107,820
Additions	2,735,219	18,379,368	9,993,165	31,107,752	4,126,883	22,327,246	7,630,943	34,085,023
Balance, September 30, 2023	\$ 9,464,057	\$ 35,887,854	\$ 15,863,661	\$ 61,215,572				
Balance, December 31, 2023					\$ 10,855,671	\$ 39,835,732	\$ 13,501,439	\$ 64,192,843
<u>Accumulated Depreciation:</u>								
Balance, June 30, 2023	\$ -	\$ -	\$ 161,721	\$ 161,721	\$ -	\$ -	\$ 161,721	\$ 161,721
Additions	-	-	36,501	36,501	-	-	81,409	81,409
Balance, September 30, 2023	\$ -	\$ -	\$ 198,222	\$ 198,222				
Balance, December 31, 2023					\$ -	\$ -	\$ 243,130	\$ 243,130
<u>Carrying Amounts:</u>								
Balance, June 30, 2023	\$ 6,728,838	\$ 17,508,486	\$ 5,708,775	\$ 29,946,099	\$ 6,728,838	\$ 17,508,486	\$ 5,708,775	\$ 29,946,099
Balance, September 30, 2023	\$ 9,464,057	\$ 35,887,854	\$ 15,665,439	\$ 61,017,350				
Balance, December 31, 2023					\$ 10,855,671	\$ 39,835,732	\$ 13,258,309	\$ 63,949,713

On **August 21, 2023** August 11, 2023, the Company finalized the purchase of its commercial-scale battery recycling facility located in the **TRIC**. It **TRIC**, as indicated in Note 5. At that time, the aggregate total of \$27.6 million deposits was reclassified to **Property, Plant and Equipment**, along with acquisition costs, completion of the recycling facility valuation. The Company has installed industrial utility equipment on site to accelerate the first commercial scale implementation of its internally developed **first-of-kind** lithium-ion battery recycling technologies.

7. Mining Properties

During the three months ended **September 30, 2022** On **July 21, 2022**, the Company exercised its the option to purchase the rights to unpatented **mining** lode claims in the Tonopah, **Nevada, USA** for total costs of \$8.2 million. Drill programs have subsequently been conducted by **Nevada**. Since that time, the Company has worked with third parties to conduct drill programs and analysis in order to verify the grade and continuity of the **mining** claims, with the goal claims. Over 50% of upgrading the inferred mineral **resource**, resource have been upgraded to measured and indicated classifications. The Company expenses all mineral exploration costs as it is still in the exploration stage stage and expenses all mineral exploration costs. If the Company identifies proven and probable reserves and develops an economic plan for operating a mine, it will enter the development stage and capitalize future costs until production is established.

8. Intangible Assets

On September 12, 2023, the Company acquired approximately 40.52-acre feet of water rights from the Thomas C. Woodward Living Trust, valued at \$101,300. The water rights are treated in accordance with ASC 350, "Intangible Assets," and have an unlimited useful life upon assignment subject to a property through use of a will-serve, which has no expiration date, beneficial use.

The Company's acquisition of the commercial-scale battery recycling facility at the **TRIC**, included water rights valued at \$0.70.6 million and are described as an eighteen and forty-five one-hundredths (18.45) acre-foot/annually portion of the Truckee-Carson Irrigation District, Serial Number 1081-A-1. These are appurtenant to a certain real property located in **Lyon Storey County, Nevada**, described as **Lyon Storey County Assessor Parcel Number 021-37-104**. **Linico** retains 021-37-104 and have an unlimited useful life upon assignment to a security interest in the water rights until the purchase was closed, property through use of a will-serve, which has no expiration date.

The table below presents total intangible assets at:

	September 30, 2023	June 30, 2023
Water rights	\$ 4,603,199	\$ 3,85
Water rights	December 31, 2023	June 30, 2023
	\$ 4,585,410	\$ 3,85

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9. Accounts Payable and Accrued Liabilities

The table below presents total accounts payable and accrued liabilities at:

	September 30, 2023	June 30, 2023
Trade payables	\$ 2,553,567	\$ 1,831,686
Accrued fixed assets	2,496,186	4,404,034
Accrued expenses	621,264	1,032,660
Right-of-use liability, current	124,987	121,484
Total accounts payable and accrued liabilities	\$ 5,796,004	\$ 7,389,864

As of September 30, 2023, the Company had a significant construction supplier that accounted for 14% of the total accounts payable and accrued liabilities balance.

	December 31, 2023	June 30, 2023
Trade payables	\$ 3,883,841	\$ 1,831,686
Accrued fixed assets	818,892	4,404,034
Accrued expenses	1,200,867	1,032,660
Right-of-use liability, current	117,131	121,484
Total accounts payable and accrued liabilities	\$ 6,020,731	\$ 7,389,864

10. Notes Payable

On May 17, 2023, the Company entered into a Credit Agreement (the "Credit Agreement") with Mercuria Investments US, Inc. for pre-payment on the purchase of the Company's recycled battery metal products. As such, inventory serves as collateral for outstanding balances. The Credit Agreement provides for an aggregate loan amount of up to \$20 million, comprised of (i) an initial term loan in the aggregate principal amount of \$6 million and (ii) delayed draw term loan commitments in an aggregate amount equal to \$14 million. Borrowings under the Credit Agreement carry interest calculated as the secured overnight financing rate published on the Federal Reserve Bank of New York's website, plus the applicable credit spread adjustment, based on the elected interest period, plus an applicable margin rate of 6%. The agreement contains provisions that allow the Company to remit principal and interest payments via future delivery of its initial recycling byproduct, black mass.

On August 30, 2023, the Company caused the repayment in full of all indebtedness, liabilities and other obligations under, and terminated, its former credit agreement, dated as of May 17, 2023 by and among the Company, as Borrower, and Mercuria Investments US, Inc., as Agent. The Company did not incur any material early termination penalties because of such termination of the credit agreement. The Company remains engaged with Mercuria Investments US, Inc. in a marketing and presale capacity.

On August 29, 2023, the Company and High Trail (the "Buyers") entered into a Securities Purchase Agreement (the "Purchase Agreement"), pursuant to which the Company sold to the Buyers up to \$51.0million of a new series of senior secured convertible notes (the "Notes"). To date, \$25.0million has been received and \$5.4 million has been repaid. The remaining \$26 million under the facility includes \$13.5 million with the condition that the Company started trading on the Nasdaq Capital Market, had \$250,000 in sales, and establish an ATM or ELOC, and another \$12.5 million at the discretion of the Buyers. Buyers may request partial redemptions of up to an aggregate of \$1,800,000 on the 15th of each month or may convert the Notes into shares of common stock of the Company ("Conversion Shares") at a conversion rate of 110% of the last reported sales price on the date of the agreement to acquire such Notes. The Notes bear zero coupon, mature on September 1, 2025, require a minimum of \$5.0million maintained in cash and cash equivalents, and are secured by certain real property and cash and investment accounts of the Company. **None** The Notes contain features that are either entirely within the Company's control or based on events management considers the probability of the embedded terms occurring to be extremely remote. These features which are required bifurcation and liability classification to be bifurcated under ASC 815, 815, "Derivatives and Hedging," would likely have minimal or no value, and therefore deemed to be not material to the Condensed Consolidated Financial Statements.

Note discount and issuance costs totaled \$4.7 million and reduced the carrying value of the convertible notes as a debt discount. The carrying value, net of debt discount, is being accreted over the term of the convertible notes from date of issuance to date of full repayment, expected to be in October 2023 based on partial redemption payments, using the effective interest rate method. For the **three** six months ended **September 30, 2023** December 31, 2023, amortization of debt discount and issuance costs totaled \$0.31.3 million.

The table below presents the net carrying amounts of the Notes as of:

	December 31, 2023	June 30, 2023
Principle outstanding	\$ 19,683,333	\$ -
Unamortized debt discount and issuance costs	(3,408,484)	-
Net carrying value	\$ 16,274,850	\$ -

	September 30, 2023	June 30, 2023
Principle outstanding	\$ 23,283,333	\$ -
Unamortized debt discount and issuance costs	(4,351,544)	-
Net carrying value	\$ 18,931,789	\$ -

The table below presents the maturities of notes payable as of **September 30, 2023** December 31, 2023:

September 30, 2024	\$ 21,600,000
September 30, 2025	1,683,333
Total note payments	23,283,333
Less: unamortized debt discount and issuance costs	(4,351,544)
Total notes payable	\$ 18,931,789
Notes payable, current	\$ 21,600,000
Notes payable, non-current	\$ 1,683,333
December 31, 2024	\$ 19,683,333
December 31, 2025	-
Total note payments	19,683,333
Less: unamortized debt discount and issuance costs	(3,408,484)
Total notes payable	\$ 16,274,850

Notes payable, current	\$ 19,683,333
Notes payable, non-current	\$ -

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11. Leases

A lease provides the lessee the right to control the use of an identified asset for a period in exchange for consideration. Operating lease right-of-use assets ("RoU assets") are presented within the asset section of the Company's consolidated balance sheets, while lease liabilities are included within the liability section of the Company's consolidated balance sheets at **September 30, 2023** December 31, 2023 and June 30, 2023.

RoU assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. The Company determines if an arrangement is a lease at inception. RoU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Most operating leases contain renewal options that provide for rent increases based on prevailing market conditions. The terms used to calculate the RoU assets for certain properties include the renewal options that the Company is reasonably certain to exercise.

The discount rate used to determine the commencement date present value of lease payments is the interest rate implicit in the lease, or when that is not readily determinable, the Company estimates a rate of 8.0% for the three six months ending **September 30, 2023** December 31, 2023 and 2022, based primarily on historical lending agreements. RoU assets include lease payments required to be made prior to commencement and exclude lease incentives. Both RoU assets and the related lease liability exclude variable payments not based on an index or rate, which are treated as period costs. The Company's lease agreements do not contain significant residual value guarantees, restrictions, or covenants.

The Company occupies office facilities under lease agreements that expire at various dates, many of which do not exceed a year in length. Total operating lease costs for the three six months ended **September 30, 2023** December 31, 2023 and 2022, were approximately \$127,311 50,525 and \$54,625 50,525. The Company does not have any finance leases as of **September 30, 2023** December 31, 2023 and 2022.

As of **September 30, 2023** December 31, 2023, current lease liabilities of \$124,987 117,131 are included in "Accounts payable and accrued liabilities" and non-current lease liabilities of \$21,938 are included in "Notes payable, non-current" on the consolidated balance sheets. The table below presents total operating lease RoU assets and lease liabilities at **September 30, 2023** December 31, 2023 and June 30, 2023:

	September 30, 2023	June 30, 2023	December 31, 2023	June 30, 2023
Operating lease right-of-use asset	\$ 117,891	\$ 143,154	\$ 92,629	\$ 143,154
Operating lease liabilities	\$ 146,925	\$ 175,788	\$ 117,131	\$ 175,788

The table below presents the maturities of operating lease liabilities as of **September 30, 2023** December 31, 2023:

September 30, 2024	\$ 132,248	
September 30, 2025	22,158	
December 31, 2024		\$ 121,868
December 31, 2025		-
Total lease payments	154,406	121,868
Less: discount	(7,481)	(4,737)
 Total operating lease liabilities	 \$ 146,925	 \$ 117,131
 Operating lease liabilities, current	 \$ 124,987	 \$ 117,131
Operating lease liabilities, non-current	\$ 21,938	\$ -

The table below presents the weighted average remaining lease term for operating leases and weighted average discount rate used in calculating operating lease right-of-use asset as of **September 30, 2023** December 31, 2023.

Weighted average lease term (years)	1.33	1.33
Weighted average discount rate	8.00	8.00 %

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For the three months period ended **September 30, 2023 and 2022 December 31, 2023**
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12. Stockholders' Equity

On September 21, 2023, the Company's common stock began trading on the Nasdaq Capital Market under the symbol "ABAT." The Company was previously traded on the OTCQX Markets under the symbol "ABML."

Preferred Stock

Our amended and restated articles of incorporation authorize shares of preferred stock and provide that shares of preferred stock may be issued from time to time in one or more series. Our board of directors will be authorized to fix the voting rights, if any, designations, powers, preferences, the relative, participating, optional or other special rights and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. Our board of directors will be able to, without stockholder approval, issue shares of preferred stock with voting and other rights that could adversely affect the voting power and other rights of the holders of the common stock and could have anti-takeover effects. The ability of our board of directors to issue shares of preferred stock without stockholder approval could have the effect of delaying, deferring or preventing a change of control of us or the removal of existing management.

To date, the Company has authorized a total of 1,666,667 shares of preferred stock. Of this amount the Company has designated a total of 233,334 shares to three classes of preferred stock, Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock. *As of June 30, 2023 and December 31, 2023, no shares of any of these classes are issued and outstanding.* A description of each class of preferred stock is listed below.

Series A Preferred Stock

The Company has 33,334 shares of Series A Preferred Stock authorized with a par value of \$0.001, per share. The Company had nil shares of Series A Preferred Stock issued and outstanding at **September 30, 2023 December 31, 2023** and June 30, 2023.

Series B Preferred Stock

The Company has 133,334 shares of Series B Preferred Stock authorized with a par value of \$10.00, per share. The Company had nil shares of Series B Preferred Stock issued and outstanding at **September 30, 2023 December 31, 2023** and June 30, 2023.

Series C Preferred Stock

The Company has 66,667 shares of Series C Preferred Stock authorized with a par value of \$10.00, per share. The Company had nil shares of Series C Preferred Stock issued and outstanding at **September 30, 2023 December 31, 2023** and June 30, 2023.

Common Stock

The Company has 80.0 million shares of common stock authorized, with a par value of \$0.001, per share.

On September 11, 2023, in preparation for listing on the Nasdaq Capital Market, the Company implemented a one-for-fifteen (1-for-15) reverse split of our common stock. Prior to the reverse stock split the Company had 692,068,218 shares of common stock issued and outstanding, and after the reverse stock split, the Company had approximately 46,137,882 shares of common stock issued and outstanding. Immediately after the reverse stock split, each stockholder's percentage ownership interest in the Company and proportional voting power remained unchanged aside from rounding fractional shares into whole shares, resulting in an additional 59,164 common shares issued. The reverse stock split did not change the par value of the common stock or preferred stock.

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12. Stockholders' Equity (continued)**Common Stock (continued)****Three Six months ended September 30, 2023 December 31, 2023:**

During the period the Company issued 1,326 common shares that were previously listed as issuable as of June 30, 2023. These shares for professional services relate to previously earned board compensation.

During the period, the Company issued 132,142 312,953 common shares with an issuance date fair value of \$1.5 2.9 million to executives, directors and employees pursuant to share award service and performance achievements. These common shares were issued under the Company's Retention Plan.

On July 28, 2023, the Company recorded an increase of \$0.2 million to stockholders' equity for the change in fair value between the balance sheet date of June 30, 2023 and the fair value on the date the shares were returned. These shares were pursuant to the Company modifying its building purchase agreement to nullify a \$1.5 million indemnification requirement and reclaim 128,205 shares that it had previously issued to the Selling Stockholder Stockholder (See Note 5).

On June 26, 2023, During the period, the Company filed a prospectus supplement related to the offer and sale from time to time of up to 1,666,667 6,666,667 common shares directly by the Company at market prices, to Tysadco Partners, LLC, a Delaware limited liability company, pursuant to the terms of written sales agreement(s) ("Tysadco Agreement"). Pursuant to the Tysadco Agreement, the Company may offer and sell up to 1,666,667 6,666,667 common shares of the Company at a purchase price of 95% of the weighted-average of the 5-day median share price, with a minimum request of 33,333 shares. During the period, the Company sold 306,252 3,106,225 common shares for total proceeds due of \$3.0 15.8 million, of which, \$1.0 1.5 million is recorded as a subscription receivable on the condensed balance sheet at September 30, 2023 December 31, 2023. This amount was received in January 2024.

During the period, the Company issued 45,545 common shares pursuant to cashless exercise of 50,000 share purchase warrants exercised during the previous period ended as of June 30, 2023. During the period, the Company received cash proceeds of \$37,500 pursuant to 33,334 share purchase warrants. However, Also during the period, the Company issued 24,753 common shares were issued subsequent pursuant to September 30, 2023. The Company has included these funds as shares issuable on the condensed unaudited financial statements, cashless exercise of 33,333 share purchase warrants.

Three months ended September 30, 2022:

During the period, the Company did not issue any shares recognized stock-based compensation expense of common stock, however approximately \$5.8 million, which was an increase to additional paid-in capital, a component of stockholders' equity. Of the amount, approximately \$1.9 million was recognized for officers and directors of the Company.

Six months ended December 31, 2022:

During the period, the Company had issued 121,813 common shares issuable pursuant to the vesting of restricted share units issued to employees and directors of the Company. Of the vested shares, 56,667 common shares with a fair value of approximately \$490,000 were issued to officers of the Company.

During the period, the Company issued 266,667 common shares pursuant to the Share Purchase Agreement, effective April 2, 2021. The Company received proceeds of \$2.0 million after December 31, 2022. Of this amount \$1.4 million was reflected in current assets and \$0.6 million as a component of stockholders' equity at December 31, 2022.

During the period the Company issued 10,009 common shares for professional services, with a fair value of approximately \$0.1 104,000.

During the period, the Company recognized stock-based compensation expense of approximately \$3.5 million, which was an increase to additional paid-in capital, a component of stockholders' equity. Of the amount, approximately \$1.6 million was recognized for officers and directors of the Company.

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13. Share Purchase Warrants

During the three six months ended September 30, 2023 December 31, 2023, the Company received cash proceeds of \$ there were 37,500 for 33,334 58,087 common shares however the resulting common shares issued related to warrants exercised, of which 24,753 were issued during the three months ended December 31, 2023, pursuant to a cashless exercise of 33,333 share purchase warrants. In addition, there were 68,974 warrants granted related to stock-based compensation.

	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2023	5,729,360	\$ 14.53	5,729,360	\$ 14.53
Granted	–	\$ –	68,974	\$ 6.53
Exercised	(33,334)	\$ (1.25)	(66,668)	\$ (1.13)
Expired	–	\$ –	–	\$ –
Balance, September 30, 2023	5,696,026	\$ 14.61		
Balance, December 31, 2023			5,731,666	\$ 14.59

Additional information regarding share purchase warrants as of September 30, 2023 December 31, 2023, is as follows:

Range of Exercise Prices	Outstanding and Exercisable		Outstanding and Exercisable	
	Number of Warrants	Weighted Average Remaining Contractual Life (years)	Number of Warrants	Weighted Average Remaining Contractual Life (years)
\$1.20 - \$3.75	774,410	0.13		
\$6.60 - \$13.20	3,098,641	1.58		
\$1.13 - \$3.75			741,076	0.09
\$6.53 - \$13.13			3,167,615	1.43
\$23.10 - \$26.25	1,822,975	0.91	1,822,975	0.83
	5,696,026	2.62	5,731,666	2.41

14. Share Awards

The Company has established the 2021 Retention Plan ("the Retention Plan") to issue shares in the effort to retain key executives, directors, and employees. The Retention Plan allows for several different types of awards to be granted, including but not limited to, restricted share units and restricted share awards, collectively referred to as "share awards". Share awards generally have the same expense characteristics under US GAAP and generally vest over a four-year four-year period at a rate of 25% per annum.

Under the Retention Plan, the Company is authorized to issue shares of common stock to employees and non-employees up to ten percent (10%) of the total number of shares of common stock outstanding as of December 31, 2022, on a fully diluted basis. The Company adjusts the authorized shares under the plan each December 31, while the Retention Plan remains in effect.

The Company did not grant any share awards for During the three six months ended September 30, 2023 December 31, 2023 and 2022, the Company granted 1.4 million and 1.8 million share awards, respectively. As of September 30, 2023 December 31, 2023 several grant performance targets for the fiscal year ended June 30, 2023 June 30, 2024 have been defined via employee and retention agreements. These performance targets have not yet been achieved by employees and officers thus, the Company has deferred any stock-based compensation recognition until such achievements are expected to be reached probable of achievement and approval by the board of directors has occurred.

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14. Share Awards (continued)

The table below depict the share award activity for the three months period ended September 30, 2023 December 31, 2023:

	Units	Weighted-Average		Units	Weighted-Average	
		Grant Date	Fair Value per Unit		Grant Date	Fair Value per Unit
Unvested share awards at June 30, 2023	1,736,376	\$	8.35	1,736,376	\$	8.35
Granted	—	\$	—	1,364,648	\$	5.17
Vested	(154,250)	\$	9.73	(229,772)	\$	6.77
Other	—	\$	—	—	\$	—
Forfeitures	—	\$	—	—	\$	—
Unvested awards at September 30, 2023	1,582,126	\$	8.39			
Unvested awards at December 31, 2023				2,871,252	\$	6.97

As awards are granted, stock-based compensation equivalent to the fair market value on the date of grant is expensed over the requisite service period, using the graded vesting attribution method as acceptable under ASC 718, "Stock-Based Compensation."

The Company recognized stock-based compensation expense of \$1.95.8 million and \$0.13.5 million for the three months periods ended September 30, 2023 December 31, 2023 and 2022, respectively. Of these amounts, \$0.71.8 million and \$0.11.6 million, respectively, were related to officers and directors of the Company for the three months ended September 30, 2023 and 2022, respectively. Company.

As of September 30, 2023 December 31, 2023 and June 30, 2023, there were approximately \$7.111.6 million and \$8.7 million of unamortized expenses relating to outstanding share awards to be recognized over a remaining weighted-average period of 2.94.0 years and 3.2 years, respectively.

The table below presents the stock-based compensation expense per respective line item on the consolidated statements of operations for the three six months ended: ended December 31:

For the three months ended September 30:

	2023	2022	2023	2022
General and administrative	\$ 935,963	\$ 96,061	\$ 2,605,382	\$ 2,460,584
Research and development	840,032	—	2,659,061	759,681
Exploration	145,447	—	493,781	303,040
	\$ 1,921,442	\$ 96,061	\$ 5,758,224	\$ 3,523,305

Executive officers and selected other key employees are eligible to receive common share performance-based awards, as determined by the board of directors. The payouts, in the form of share awards, vary based on the degree to which corporate operating objectives are met. These performance-based awards typically include a service-based requirement, which are generally four-years. No granting of these awards occurs until performance thresholds are achieved. The Company has granted 1.20.06 million and nil performance-based awards to officers and employees of the Company for the three months period ended September 30, 2023 December 31, 2023 and 2022, respectively. The Company grants awards at the time of reaching such performance targets.

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15. Supplemental Statement of Cash Flow Disclosures

For the three months ended September 30, December 31:

	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Supplemental disclosures:				
Interest paid	\$ -	\$ -	\$ 14,462	\$ -
Non-cash investing and financing activities:				
Current liabilities capitalized as investing activities	\$ 2,088,533	\$ 1,034,486	\$ 27,103,351	\$ 150,000
Deposits capitalized as investing activities	27,737,370	-	-	-
Other receivables recognized as financing activities	350,550	-	-	-

16. Commitments and Contingencies

From time to time, the Company may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business. Except as otherwise identified herein, management is currently not aware of any such legal proceedings or claims that could have, individually or in aggregate, a material adverse effect on our business, financial condition, or operating results.

[Operating Leases](#)

The Company leases its principal office location in Reno, Nevada. It also leases two adjacent Lab spaces in lab space at the University of Nevada, Reno on short term leases. The principal office location lease expires on November 30, 2024 and the Lab leases expire on November 30, 2024. Consistent with the guidance in ASC 842, The Company has recorded the principal office lease in its consolidated balance sheet as an operating lease. For further information on operating lease commitments, [refer to see Note 6](#) 11 – Leases.

[Financial Assurance:](#)

Nevada and other states, as well as federal regulations governing mine operations on federal land, require financial assurance to be provided for the estimated costs of mine reclamation and closure, including groundwater quality protection programs. The Company has satisfied financial assurance requirements using a combination of cash bonds and surety bonds. The amount of financial assurance The Company is required to provide will vary with changes in laws, regulations, reclamation and closure requirements, and cost estimates. At September 30, 2023 December 31, 2023, The Company's financial assurance obligations associated with U.S. mine closure and reclamation/restoration cost estimate totaled \$20,000 59,646, for which the Company is legally required to satisfy its financial assurance obligations for its mining properties in Tonopah, Nevada. The Company was previously released of all of its liability in the Railroad Valley region of Nevada.

17. Subsequent Events

Pursuant to the Tysadco Agreement, subsequent to September, 30, 2023, December 31, 2023, the Company has issued 756,789 2,208,149 common shares for net proceeds of \$4.5 6.5 million.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

You should read the following discussion of our Company's financial condition and results of operations should be read in conjunction with the consolidated financial statements and the notes thereto included elsewhere in this Form 10-K. The information in this discussion contains forward-looking statements and information within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, future financial position, future revenues, projected costs, prospects and plans and objectives of management. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We The Company may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you undue reliance should not place undue reliance be placed on our the Company's forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in our filings with the SEC. The forward-looking statements are applicable only as of the date on which they are made, and we do not assume any obligation to update any forward-looking statements except as required by applicable securities laws.

Overview

American Battery Technology Company (the "Company") is a new entrant in the lithium-ion battery industry that is working to increase the domestic U.S. production of battery materials, such as lithium, nickel, cobalt, and manganese through its exploration of new domestic-US primary resources of battery metals, development and commercialization of new technologies for the extraction of these battery metals from primary resources, and commercialization of an internally developed integrated process for the recycling of lithium-ion batteries. Through this three-pronged approach the Company is working to both increase the domestic production of these battery materials, and to ensure spent batteries have their elemental battery metals returned to the domestic manufacturing supply chain in an economical, environmentally-conscious, closed-loop fashion.

To implement this business strategy, the Company has constructed and is currently commissioning and now operating its first integrated lithium-ion battery recycling facility, which takes in waste and end-of-life battery materials from the electric vehicle, stationary storage, and consumer electronics industries. The retrofitting, commissioning, ramp-up and operation operations of this facility are of the highest priority to the Company, and as such it has significantly increased the resources devoted to its execution including the further internal hiring of technical staff, expansion of laboratory facilities, and purchasing of equipment. The Company has been awarded a competitively bid grant from the U.S. Advanced Battery Consortium to support a \$2 million project to accelerate the development and demonstration of the technologies within this pre-commercial scale integrated lithium-ion battery recycling facility, and the facility. The Company has also been awarded an additional grant from the U.S. Department of Energy to support a \$20 million project under the Bipartisan Infrastructure Law to validate, test, and deploy three next-generation disruptive advanced separation and processing recycling technologies.

Additionally, the Company is accelerating the demonstration and commercialization of its internally developed low-cost and low-environmental impact processing train for the manufacturing of battery grade lithium hydroxide from Nevada-based sedimentary claystone resources. The Company has been awarded a grant cooperative agreement from the U.S. Department of Energy's Advanced Manufacturing and Materials Technologies Office through the Critical Materials Innovation program to support a \$4.5 million project for the construction and operation of a multi-ton per day integrated continuous demonstration system to support the scale-up and commercialization of these technologies. The Company has also been awarded an additional grant award under the Bipartisan Infrastructure Law to support a \$115 million project to design, construct, and commission the first phase of a first-of-kind commercial manufacturing facility commercial-scale refinery to produce 30,000 MT of battery-grade lithium hydroxide per year from this resource.

Financial Highlights:

- On August 21, 2023, In October 2023, the Company finalized the purchase of commenced commercial scale operations at its commercial-scale, first integrated lithium-ion battery recycling facility located near Reno, NV. Once fully ramped, this facility has the capacity to process approximately 20,000 MT/year of battery materials and to produce multiple streams of battery grade metals and other byproducts.
- The prime agreement contract for the Company's grant to support its \$115M project for its commercial-scale lithium hydroxide refinery was issued with a project start date of September 1, 2023. The Company began receiving funds related to this award during the period ended December 31, 2023.
- The prime agreement contract for the Company's grant to support its \$20M project for its next-generation advanced battery recycling technologies was issued with a project start date of October 1, 2023. The Company began receiving funds related to this award during the period ended December 31, 2023.
- Government grant funding increased to \$1.7 million for the six months ended December 31, 2023 compared to \$0.4 million during the same period of the prior year. Out of the current period's \$1.7 million in grant funding, \$0.5 million was recorded as an offset to fixed assets, as reimbursements related to equipment purchases, and \$1.2 million was recorded as an offset to research and development costs within the Tahoe-Reno Industrial Center (TRIC) at 2500 Peru Drive, McCarran, Nevada, statement of operations.
- As of September 30, 2023 December 31, 2023, the Company had total cash on hand of \$5.4 million \$7.6 million.
- Cash used for the acquisition of property, construction, equipment, mineral rights and water rights for the three six months ended September 30, 2023 December 31, 2023 was \$7.3 million \$10.9 million. Cash used in the same period of the prior year totaled \$4.1 million \$10.2 million for water rights and equipment.
- Cash used in operations for the three six months ended September 30, 2023 December 31, 2023 was \$4.8 million \$7.4 million, up \$0.7 million year-over-year compared to which was in line with the three \$7.4 million use of cash during the six months ended September 30, 2022 December 31, 2022.
- Total operating costs Government grant funding increased to \$1.7 million for the three six months ended September 30, 2023 were \$6.4 million, up \$3.8 million year-over-year, largely due to increased hiring related to R&D and exploration activities December 31, 2023 compared to \$0.4 million during the three months ended September 30, 2022, same period of the prior year.
- The On August 29, 2023, the Company recorded \$2.2 million entered into a Securities Purchase Agreement for up to \$51.0 million of a new series of senior secured convertible notes. To date, \$25.0 million of these notes have been issued, and the remaining notes may be issued to expand operations in research and development costs for the three months ended September 30, 2023, an increase of \$1.9 million when compared to the same period of the prior year. The Company recorded an offset to research and development costs of \$0.5 million and \$0.3 million for federal grant funds recognized for the three months ended September 30, 2023 and 2022, respectively. future.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)**Components of Statements of Operations****Operating Expenses**

During the **three** six months ended **September 30, 2023** December 31, 2023, the Company incurred **\$6.4 million** **\$14.6 million** of operating expenses compared to **\$2.6 million** of operating expenses **\$8.8 million** during the **three** six months ended **September 30, 2022** December 31, 2022. The increase is primarily due to the items described below.

General and administrative expenses consist of stock-based compensation, office expenses, legal, recruitment, business development, public relations, and general facility expenses. The Company recognizes stock-based compensation for its employees over the requisite service period of the employee. The Company recognized a **\$2.0 million** reduction to the non-cash compensation components on the statement of operations and statement of cash flows for the **three** six months ended **September 30, 2023** compared to December 31, 2023, general and administrative expenses were **\$7.3 million**, an increase of **\$1.4 million** over the same period in the prior year. The Company recognized a **\$2.3 million** in non-cash stock-based compensation expense, while other general and administrative expenses decreased by **\$0.9 million** largely due to payroll tax credits related to research & development activities.

Research and development expenditures are charged to operations as incurred. These costs consist primarily of laboratory leases, supplies, salaries, stock-based compensation, and employee benefits. Research and development costs for the **three** six months ended **September 30, 2023** December 31, 2023 and 2022 were **\$2.2 million** **\$5.3 million** and **\$0.2 million** **\$2.0 million**, respectively. The increase in the first three months of fiscal 2024 is attributed primarily due to increased employee headcount. These costs are partially offset by federal grant funds it receives for grant awards that it has contracted with various federal agencies. The Company recognized an offset to its research and development costs of **\$0.5 million** **\$1.2 million** and **\$0.3 million** **\$0.4 million** related to these awards for the **three** six months ended **September 30, 2023** December 31, 2023 and 2022, respectively.

Exploration costs consist primarily of drilling, assay, claim fees, field personnel, stock-based compensation, office lease and warehouse costs, personnel, stock-based compensation, travel, and other costs related to exploration of claims in central Nevada as Nevada. Exploration expenses totaled **\$2.1 million** for the Company pursues critical battery metals six months ended December 31, 2023 compared to **\$0.9 million** during the same period in the region, prior year. The increase year-over-year resulted principally from increased drilling, assaying and engineering costs to further define and potentially upgrade the geological classification of the mineral rights.

Other Income (Expense)

During the **three** six months ended **September 30, 2023** December 31, 2023, the Company recorded other expense of **\$0.8 million** **\$1.9 million**, including **\$0.1 million** for interest expense and **\$0.7 million** **\$1.8 million** for amortization of debt financing costs. During the **three** six months ended **September 30, 2022** December 31, 2022, the Company recorded other income of **\$0.1 million** largely related to the sale of mining claims it previously held in Railroad Valley, NV, Nevada.

Net Loss

During the **three** six months ended **September 30, 2023** December 31, 2023, the Company incurred a net loss of **\$7.2 million** **\$16.5 million** or **\$0.16** **\$0.35** loss per share compared to a net loss of **\$2.4 million** **\$8.6 million**, or **\$0.20** loss per share, during the **three** six months ended **September 30, 2022** December 31, 2022.

Liquidity and Capital Resources

At **September 30, 2023** December 31, 2023, the Company had cash of **\$5.4 million** **\$7.6 million** and total assets of **\$83.9 million** **\$88.9 million** compared to cash of **\$2.3 million** and total assets of **\$74.7 million** at June 30, 2023. The increase in cash is due to the Company having received net proceeds of **\$15.5 million** **\$5.3 million** from High Trail and Tysaco financing transactions.

The Company had total current liabilities of **\$23.0 million** **\$22.3 million** at **September 30, 2023** December 31, 2023, compared to **\$13.4 million** at June 30, 2023. The increase in current liabilities is primarily due related to new convertible notes debt, offset by Mercuria debt fully repaid and payments on the costs necessary to equip its recycling facility and prepare the facility for its intended use, convertible notes.

As of **September 30, 2023** December 31, 2023 the Company had a working capital deficiency of **\$14.6 million** **\$10.7 million** compared to a working capital deficiency of **\$8.6 million** at June 30, 2023. The higher level of working capital deficiency is largely attributed to increased the current classification of the convertible notes, as well as acquisitions of property and equipment and an increased level of cash used in operating activities, partially offset by an increase in cash generated from financing activities during the **three** six months ended **September 30, 2023** December 31, 2023. The Company believes its cash holdings and subsequent available financing will be sufficient to meet its current working capital needs.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Cash Flows

For the **three six** months ended **September 30**: **December 31**:

	2023	2022	2023	2022
Cash used in operating activities	\$ (4,758,984)	\$ (4,037,784)	\$ (7,418,700)	\$ (7,366,547)
Cash used in investing activities	(7,272,098)	(4,077,530)	(10,868,460)	(10,178,961)
Cash provided by financing activities	15,090,046	-	23,613,794	-
Net increase (decrease) in cash during the period	3,058,964	(8,115,314)	5,326,635	(17,545,508)

Cash from Operating Activities.

During the **three six** months ended **September 30, 2023** **December 31, 2023**, the Company used **\$4.8 million** **\$7.4 million** of cash for operating activities, as compared to **\$4.0 million** which was in line with the **\$7.4 million** cash used during the **three six** months ended **September 30, 2022** **December 31, 2022**. The increase included cash costs for engineering, research and development as well as increased exploration expenses. Increased research and development costs were to support the development of the Company's process for the recycling of lithium-ion batteries and for the extraction of lithium from the Company's lithium claystone mining claims. The Company has also seen a steady increase in exploration activity expenses as it continues works to evaluate continue upgrading the geological category of its claims in the Tonopah, Nevada region. The Company also continues to see a stable increase in its general administrative function to further support its business objectives.

Cash from Investing Activities

During the **three six** months ended **September 30, 2023** **December 31, 2023**, the Company used cash in investing activities of **\$7.3 million** **\$10.9 million**, including acquisition costs consisting primarily of **\$6.5 million** of **\$10.0 million** related to property and equipment for its recycling facilities. This is in comparison to cash used in investing activities of **\$4.1 million** **\$10.2 million** for the **three six** months ended **September 30, 2022** **December 31, 2022**, consisting primarily of **\$4.0 million** **\$8.0 million** for mineral rights.

As of September 30, 2023, the Company had total non-current assets of **\$75.5 million** compared to **\$69.9 million** at June 30, 2023. The Company will continue to see an increase in investing activities as it continues to invest heavily in its recycling and primary resource extraction activities.

Cash from Financing Activities

During the **three six** months ended **September 30, 2023** **December 31, 2023**, the Company had net cash provided by financing activities of **\$15.1 million** **\$23.6 million**. This represents the need for capital while the Company nears completion ramps up the recycling plant, develops its lithium ore pilot plant, and upgrades the geological category of its revenue-generating recycling facility. Tonopah claims through additional studies and assessments.

During the **three six** months ended **September 30, 2023** **December 31, 2023**, the Company issued **306,252** **3,106,225** shares of common stock pursuant to purchase agreements for net proceeds of **\$3.0 million** **\$15.8 million**, of which, **\$1.0 million** **\$1.5 million** was received after **September 30, 2023** **December 31, 2023**.

Working Capital

For the **three six** months ended September 30:

	2023	2023	2023	2022
Current assets	\$ 8,408,245	\$ 4,753,590	\$ 11,568,258	\$ 4,753,590
Current liabilities	\$ 23,044,460	\$ 13,389,864	\$ 22,295,581	\$ 13,389,864
Working capital	\$ (14,636,215)	\$ (8,636,274)	\$ (10,727,323)	\$ (8,636,274)

Future Financing

We will continue to rely on sales of our common shares, debt, or other financing to fund our business operations. operations as needed beyond any revenue generated from internal operations and the government grants that offset research & development expenses, and capital expenditures. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of the securities or arrange for debt or other financing to fund planned operating activities, acquisitions and exploration activities.

Critical Accounting Estimates

Our condensed consolidated financial statements have been prepared in accordance with GAAP. The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors and adjust those estimates and assumptions when facts and circumstances dictate. Actual results could differ materially from those estimates and assumptions.

While our significant accounting policies are more fully described in Note 2, "Summary of Significant Accounting Policies" in the notes to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the accounting policies we believe are the most critical to aid in fully understanding and evaluating our financial condition and results of operations.

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC 815, "Derivatives and Hedging". For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value on the issuance date and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations.

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under the ASC 820, "Fair Value Measurements", equals or approximates the carrying amounts represented in the balance sheets.

Convertible Notes

The Company evaluates all conversion, repurchase and redemption features contained in a debt instrument to determine if there are any embedded features that require bifurcation as a derivative. The Company accounts for its convertible notes as a long-term liability, with the current portion reclassified to a short-term liability, equal to the proceeds received from issuance, including any embedded conversion features, net of the unamortized debt discount and offering costs in the accompanying unaudited consolidated balance sheets. The debt issuance and offering costs are amortized over the term of the convertible notes, using the effective interest method, as interest expense in the accompanying unaudited consolidated statements of operations.

Long-Lived Assets

Long-lived assets, such as property, plant and equipment, mineral properties, and purchased intangibles, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable in accordance with Accounting Standards Codification ("ASC") topic 360, Property, Plant, and Equipment. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. The Company's long-lived assets consist of buildings, vehicles, equipment, and land. Buildings, vehicles and equipment are depreciated on a straight-line basis over their estimated value lives ranging between three and thirty years.

The recoverability of assets is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by an asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized as the amount by which the carrying amount exceeds the estimated fair value of the asset. Any impairment in value is recognized as an expense in the period when the impairment occurs.

Expenses for major repairs and maintenance which extend the useful lives of property, plant and equipment are capitalized. All other maintenance expenses, including planned major maintenance activities, are expensed as incurred. Gains or losses from property disposals are included in income or loss from operations.

Off-Balance Sheet Arrangements

As of **September 30, 2023** **December 31, 2023**, we had no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenses or capital resources that are material to stockholders.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES

Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Disclosure controls and procedures are controls and other procedures designed to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer of the Company, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of **September 30, 2023** December 31, 2023, the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of **September 30, 2023** December 31, 2023, the Company's disclosure controls and procedures are not effective, based on the material weakness described below, to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the required time periods and are designed to ensure that information required to be disclosed in its reports is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Material Weakness in Internal Control over Financial Reporting

We did not maintain appropriate segregation of duties related to accounting processes. This material weakness creates a reasonable possibility that a material misstatement to the financial statements will not be prevented or detected on a timely basis, and we concluded that the deficiency represents a material weakness in our internal control over financial reporting and our internal control over financial reporting was not effective as of December 31, 2023.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act). Internal control over financial reporting is a process designed under the supervision and with the participation of our management, including the individuals serving as our principal executive officer and principal financial officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

A material weakness is a deficiency, or combination of deficiencies, in internal controls over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis.

Management assessed the effectiveness of our internal controls over financial reporting based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013 Framework). Based on this assessment, management concluded that, as of **September 30, 2023** December 31, 2023, our internal control over financial reporting was deemed not to be effective, based on the criteria therein. **Material weaknesses** The material weakness presiding over our internal controls as it relates to financial reporting **are** is described below.

Material Weakness in Internal Control over Financial Reporting

We did not maintain appropriate segregation of duties related to accounting processes. While procedures in place as of June 30, 2023 and September 30, 2023 addressed the material weakness regarding segregation of duties, internal controls are required to be in place and effective for an adequate period of time.

This material weakness creates a reasonable possibility that a material misstatement to the financial statements will not be prevented or detected on a timely basis, and we concluded that the deficiency represents a material weakness in our internal control over financial reporting and our internal control over financial reporting was not effective as of September 30, 2023.

ITEM 4. CONTROLS AND PROCEDURES (CONTINUED)

Remediation Plan

During the year ended June 30, 2023, we enhanced our internal control over financial reporting and remediated material weaknesses including lack of adequate documentation evidencing operating effectiveness of internal controls and controls relating to the supervision and review of complex accounting matters. These material weaknesses were previously presented in our financial statements for the fiscal years ended June 30, 2022 and 2021.

The steps below were implemented, and as a result we have remediated the material weaknesses, aside from segregation of duties.

- Successful hiring of additional personnel with the expertise necessary to improve the financial reporting function
- Complete the implementation of a robust Enterprise Resource Planning (ERP) solution that provides the necessary segregation and approval workstreams necessary to mitigate control weaknesses in key accounting processes and procedures
- Provide additional guidance, education and training to employees relating to our accounting procedures with a continued focus on its segregation-of-duties as the Company hires more accounting personnel
- Further develop and document detailed accounting policies for significant accounts, accounting estimates and presentation of complex items, as is required by US GAAP
- Establishing effective general controls over IT systems to ensure that information produced can be relied upon by process level controls
- We have engaged a firm that specializes in Cyber and IT protection to further enhance the protection of our financial information, employee information, proprietary methods, and strategic partnerships

We are committed to ensuring that our internal control over financial reporting is designed and operating effectively. While procedures in place as of June 30, 2023 and September 30, 2023 addressed the remaining material weakness regarding segregation of duties, remediation steps are required to be in place and effective for an adequate period of time. We expect to remediate this material weakness during the three months period ending December 31, 2023 June 30, 2024. However, there is no guarantee that such material weaknesses will be remediated during the year, and we may discover additional material weaknesses that may require additional time and resources to remediate.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the three months fiscal quarter covered by this Interim Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Please refer to "Item 1. Legal Proceedings" in our 2023 Form 10-Q for the **three** six months ended December 31, 2022, for information regarding material pending legal proceedings. In addition to those material legal proceedings, on January 21, 2024, Kimberly Eckert filed a Charge of Discrimination with the Nevada Equal Rights Commission, alleging that the Company discriminated against her due to her sex (female) in violation of Title VII of the Civil Rights Act of 1964, as amended. There have been no new additional material legal proceedings and no other material developments in the legal proceedings previously disclosed.

Other than these proceedings, to the best of our knowledge, we are not currently a party to any legal proceedings that, individually or in the aggregate, are deemed to be material to our financial condition or results of operations.

ITEM 1A. RISK FACTORS

There were no material changes from the risk factors set forth under Part I, Business; Item 1A, Risk Factors in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023, as filed with the SEC on September 28, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURE

Not Applicable

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

The following exhibits are either provided with this Annual Report or are incorporated herein by reference:

Exhibit	Description	Filed Herein	Incorporated Date	By Form	Reference Exhibit
31.1	Rule 13a-14(a)/ 15d-14(a) Certification of Chief Executive Officer	x			
31.2	Rule 13a-14(a)/ 15d-14(a) Certification of Chief Financial Officer	x			
32.1	Section 1350 Certification of Chief Executive Officer*				
32.2	Section 1350 Certification of Chief Financial Officer*				
101	INS Inline XBRL Instant Document	x			
101	SCH Inline XBRL Taxonomy Extension Schema Document	x			
101	CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document	x			
101	LAB Inline XBRL Taxonomy Label Linkbase Document	x			
101	PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document	x			
101	DEF Inline XBRL Taxonomy Extension Definition Linkbase Document	x			
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	x			
Exhibit	Description	Filed Herein	Incorporated Date	By Form	Reference Exhibit
3.1	Articles of Incorporation, as amended		September 12, 2022	10-K	3.1
3.2	Amended and Restated Bylaws		September 14, 2022	8-K	3.1
3.3	Certificate of Change Pursuant to NRS 78.209 of American Battery Technology Company, filed with the Nevada Secretary of State on August 31, 2023		September 11, 2023	8-K	3.1
10.1	Form of Securities Purchase Agreement	x			
10.2	Form of Convertible Note	x			
10.3	Assistance Agreement between the Company and the United States Department of Energy, dated September 1, 2023	x			
10.4	Assistance Agreement between the Company and the United States Department of Energy, dated September 27, 2023	x			
31.1	Rule 13a-14(a)/ 15d-14(a) Certification of Chief Executive Officer	x			
31.2	Rule 13a-14(a)/ 15d-14(a) Certification of Chief Financial Officer	x			
32.1	Section 1350 Certification of Chief Executive Officer*				
32.2	Section 1350 Certification of Chief Financial Officer*				
101	INS Inline XBRL Instant Document	x			
101	SCH Inline XBRL Taxonomy Extension Schema Document	x			
101	CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document	x			
101	LAB Inline XBRL Taxonomy Label Linkbase Document	x			
101	PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document	x			
101	DEF Inline XBRL Taxonomy Extension Definition Linkbase Document	x			
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	x			

*Furnished herewith.

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EXHIBIT 31.1

The certification required by Rule 13a-14a (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a))

I, Ryan Melser, certify that:

- I have reviewed this Form 10-Q of American Battery Technology Company (the "Registrant");
- Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Registrant and have:
 - Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - Designed such internal control over financing reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal period (the Registrant's fourth fiscal period in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 14, 2023 February 14, 2024

By: /s/ Ryan Melser

Ryan Melser
Chief Executive Officer,
Director

EXHIBIT 31.2

The certification required by Rule 13a-14a (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a))

I, Jesse Deutsch, certify that:

1. I have reviewed this Form 10-Q of American Battery Technology Company (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financing reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal period (the Registrant's fourth fiscal period in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 14, 2023 February 14, 2024

By: /s/ Jesse Deutsch

Jesse Deutsch
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATE PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report (the "Report") on Form 10-Q of American Battery Technology Company (the "Company") for the three months period ended September 30, 2023 December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof, I, Ryan Melser, Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

1. The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities and Exchange Act of 1934, as amended; and
2. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2023 February 14, 2024

By: /s/ Ryan Melser

Ryan Melser

Chief Executive Officer,
Director

EXHIBIT 32.2

CERTIFICATE PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report (the "Report") on Form 10-Q of American Battery Technology Company. (the "Company") for the **three months period** ended **September 30, 2023 December 31, 2023**, as filed with the Securities and Exchange Commission on the date hereof, I, Jesse Deutsch, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

1. The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities and Exchange Act of 1934, as amended; and
2. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **November 14, 2023** **February 14, 2024**

By: /s/ Jesse Deutsch
Jesse Deutsch
Chief Financial Officer

DISCLAIMER

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