

BATTERY MINERAL RESOURCES CORP. ANNOUNCES AGREEMENT TO ACQUIRE PUNITAQUI COPPER-GOLD MINE AND CONCURRENT FINANCING OF UP TO C\$15,000,000

Vancouver, British Columbia – (March 8, 2021) – Battery Mineral Resources Corp. (TSXV: BMR) ("**Battery**" or the "**Company**") is pleased to announce its wholly-owned subsidiary Minera BMR SpA has entered into an agreement with Minera Altos de Punitaqui Limitada ("**MAP**"), a wholly-owned subsidiary of Xiana Mining Inc. ("**Xiana**"), to acquire the Punitaqui Mining Complex, a copper-gold mine located in the Coquimbo region of Chile (the "**Punitaqui Acquisition**").

Overview of MAP

- Past producing mining operation which consists of an integrated copper and gold mining complex. MAP is fully permitted and includes a centralized process plant which is fed by four satellite copper-gold deposits: San Andres, Cinabrio, Dalmacia, and Los Mantos.
- The MAP process plant consists of a standard copper sulphide crush-grind-flotation circuit to produce a marketable copper-gold concentrate for domestic and foreign smelters. The MAP plant historically operated at a permitted capacity of 3000 tpd with allowances to 3600 tpd, with a potential capacity of 4,000 tpd to be investigated.
- MAP is situated within a 25km long mineralized district that is a classic IOCG and mantos style copper belt that is comprised of mantos and structural controlled copper-gold-silver veins.
- A number of extensional and resource infill drill targets have been identified at each of the 4 deposits.
- Battery plans to execute a low capital cost restart program after an infill drilling program.

Concurrent Financing and Punitaqui Acquisition Terms

Concurrent with entering into the agreement with MAP, Battery has commenced a concurrent equity raising of up to C\$15,000,000 in common shares of the Company ("**Common Shares**") at a price of C\$0.65 per share (the "**Offering**"). Battery intends to use the proceeds of the Offering to: partially finance the Punitaqui Acquisition through the settlement of outstanding obligations due to certain secured and unsecured creditors; to fund exploration, development and restart activities at MAP; to fund exploration activities at the Company's Canadian cobalt-silver projects, and for working capital and general corporate purposes. The issue price of the Common Shares in the Offering has been set at the same price as the per share price utilized in the Punitaqui Acquisition.

Upon completion of the Punitaqui Acquisition, the Company will acquire the assets of the Punitaqui Mine on the following terms:

- Pursuant to a loan purchase agreement with Bluequest Resources AG (“**Bluequest**”), the Company will acquire Bluequest’s interest in secured loan obligations with a principal amount of US\$10,000,000 owed by Xiana to Bluequest (the “**Xiana Indebtedness**”) and all associated rights, including Bluequest’s security interest in MAP and the Punitaqui Mine Complex. Acquiring the Xiana Indebtedness and the associated security will enable the Company to acquire its leasehold interest in the Punitaqui Mine free and clear of the prior claims of any third party secured creditors. In consideration for the Xiana Indebtedness, the Company will (i) issue 10,000,000 Common Shares to Bluequest at an issue price of US\$0.50 or C\$0.65 per Common Share and (ii) pay up to US\$5,000,000 of additional payments on achievement of certain production milestones at the Punitaqui Mine, with each milestone payment to be satisfied, at the election of Bluequest, by the payment of cash, the issuance of Common Shares at prevailing market prices, or a combination of both.
- Pursuant to the agreement with MAP:
 - Upfront consideration of approximately US\$7,500,000 to pay certain secured, unsecured, and labor creditors
 - Deferred consideration of approximately US\$8,400,000 to pay certain unsecured creditors in 23 quarterly installments payable over the course of six years beginning on June 30, 2021
- MAP will use the proceeds indicated above to fund payments to certain secured, unsecured, and labor creditors pursuant to a reorganization agreement approved by the 21st Civil Court of Santiago on October 14, 2020.
- Upon completion of the Punitaqui Acquisition, MAP will assign certain authorizations, permits and contracts to Minera BMR for the purpose of enabling the Company to develop and operate the Punitaqui Mine as a lessee-operator. This lessee-operator purchase structure allows Battery to acquire all the MAP assets without assuming any potential unknown liabilities while participating in 100% of the economic results of MAP. MAP has granted the Company a 99-year leasehold interest and call option pursuant to which it can convert its leasehold interest in the Punitaqui Mining Complex into a direct ownership interest, for no additional consideration, at any time within 15 years following closing.

Commenting on the Punitaqui Acquisition, Laz Nikeas, the Chairman and Chief Executive Officer of the Company, said:

“We are excited to have entered into an agreement to add the Punitaqui Mine to our portfolio. While the Punitaqui Mine was placed on care and maintenance following a decline in copper prices and challenging macroeconomic conditions related to the

COVID-19 pandemic, we have identified a range of opportunities that we believe have the potential to deliver a near term restart of the operations and significant improvements in operating performance. The Punitaqui Mine Complex has excellent surface and underground infrastructure in place including a 3,600 ton per day concentrator and four existing underground deposits with associated underground development groundwork. The existing infrastructure will allow us to execute on a focused low capital cost restart program, which will prioritize infill drilling, minor capital improvements in the mill and the purchase of Company owned equipment to improve operating costs once the mine is restarted. With the right investment and development strategy, we believe the Punitaqui Mine Complex has significant upside potential as a sustainable, mid-size copper producing asset in the near term. The Punitaqui Mine Complex is situated in a 25km copper district which hosts numerous existing operating and exploration projects – MAP is the only company with milling infrastructure in the district. The mine most recently produced approximately 21,000 tonnes of copper concentrate in 2019.

The Punitaqui Acquisition is transformational for Battery as it adds a third pillar to the Company with a near term cash flowing asset to complement our world class portfolio of battery mineral exploration assets in Canada and the United States. Over the past four years, the Company has assembled the largest battery mineral claims land package in the historic Gowganda Cobalt-Silver Camp and continues to pursue a focused program to generate resources from over 50 near term prospective targets. Finally, the Company owns 89.2% of ESI Energy Services Inc., an operating energy services business that serves the pipeline and renewables markets. The Company will continue to pursue value maximizing opportunities with respect to ESI over the next few quarters. We look forward to updating all our shareholders and partners in this exciting year ahead as we look to build a premier battery mineral resources company."

Completion of the Punitaqui Acquisition and the acquisition of the Xiana Indebtedness is subject to a number of closing conditions, including approval of the TSX Venture Exchange (the "**TSXV**") and the completion of the Offering.

Concurrent Financing

Concurrent with entering into the agreement with MAP, Battery has entered into an engagement letter with Red Cloud Securities Inc and EAS Advisors LLC (collectively the "**Agents**") with respect to the Offering, a brokered private placement financing of up to C\$15,000,000 of Common Shares at a price of C\$0.65 per share.

The Offering is expected to close on or about March 31, 2021 and is subject to receipt of all applicable regulatory approvals, including approval of the TSXV. All securities issued pursuant to the Offering are subject to a statutory hold period in accordance with Canadian securities legislation.

Additional Information

In accordance with the policies of the TSXV, the Company's shares are currently halted from trading and will remain so until such time as determined by the TSXV.

The TSXV has in no way passed upon the merits of the Punitaqui Acquisition, the proposed acquisition of the Xiana Indebtedness or the Offering, and has neither approved nor disapproved the contents of this press release. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

John Kiernan P.Eng, a Director of Battery, is one of the Company's Qualified Persons ("QP") as defined by National Instrument 43-101 and has reviewed the technical information disclosed for the MAP assets.

About Battery Mineral Resources Corp.

Battery is a Canadian-based, multi-commodity resource company. Battery is engaged in the discovery, acquisition, and development of battery metals (cobalt, nickel & copper) and precious metals (silver & gold) mining projects in Canada, with additional cobalt, lithium and graphite projects in the United States and South Korea. Battery is the largest mineral claim holder in the historic Gowganda Cobalt-Silver Camp, Canada, with various high-grade primary cobalt silver-nickel-copper targets located in the Cobalt Belt of Ontario and Quebec. In addition, Battery owns approximately 89.2% of ESI Energy Services, Inc., a pipeline equipment rental and sales company with operations in Leduc, Alberta and Phoenix, Arizona.

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Forward Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation, including statements related to the completion of Punitaqui Acquisition, the acquisition of the Xiana Indebtedness or the Offering, the use of the proceeds of the Offering, the potential benefits of such transactions and the likelihood of developing the Punitaqui Mine Complex into a sustainable mid-sized copper producer. Actual future results may differ materially. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections of the Company on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the Company, are

inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation, the ability of the Company to obtain sufficient financing to complete the Punitaqui Acquisition, obtaining all required regulatory approvals necessary to complete the Punitaqui Acquisition and the acquisition of Xiana Indebtedness, risks related to share price and market conditions, the inherent risks involved in the mining, exploration and development of mineral properties, government regulation and fluctuating metal prices. Accordingly, readers should not place undue reliance on forward-looking statements. Battery undertakes no obligation to update publicly or otherwise revise any forward-looking statements contained herein whether as a result of new information or future events or otherwise, except as may be required by law.