



BATTERY MINERAL RESOURCES CORP. CONCLUDES AGREEMENT TO ACQUIRE PUNITAQUI COPPER-GOLD MINE AND CLOSSES FIRST TRANCHE OF CONCURRENT FINANCING

NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES

Vancouver, British Columbia – (May 28, 2021) – Battery Mineral Resources Corp. (TSXV: BMR) ("**Battery**" or the "**Company**") is pleased to announce its wholly-owned Chilean subsidiary Minera BMR SpA has completed its previously announced acquisition from Minera Altos de Punitaqui Limitada ("**MAP**"), a wholly-owned subsidiary of Xiana Mining Inc. ("**Xiana**"), of the Punitaqui Mining Complex, a recently producing copper-gold mine located in the Coquimbo region of Chile (the "**Punitaqui Acquisition**").

Concurrent with the completion of the Punitaqui Acquisition, the Company completed the first tranche of a private placement (the "**Private Placement**"), pursuant to which the Company issued an aggregate of 21,156,074 common shares ("**Common Shares**"), comprising approximately US\$10.3 million of Common Shares at an issue price of US\$0.52 per share and approximately C\$800,000 of Common Shares at an issue price of C\$0.65 per share. A second tranche of 1,538,462 Common Shares for additional proceeds of US\$800,000 will be completed on or about June 4, 2021, for aggregate gross proceeds of US\$11.1 million and C\$800,000. Battery intends to use the proceeds of the Private Placement to partially finance the Punitaqui Acquisition through the settlement of outstanding obligations owed by MAP to certain secured and unsecured creditors; to fund exploration, development, and restart activities at the Punitaqui Mining Complex; to fund exploration activities at the Company's Canadian cobalt-silver projects, and for working capital and general corporate purposes. The Company previously announced that it intended to complete a C\$15,000,000 private placement at a price of C\$0.65 per Common Share, but determined to price the majority of the Private Placement in U.S. dollars on account of the fact that the majority of subscription proceeds, as well as the majority of the Company's expenditures, are denominated in U.S. dollars.

Overview of the Punitaqui Mining Complex

- Past producing mining operation which consists of an integrated copper and gold mining complex including all required infrastructure and sources of water and power. The Punitaqui includes a centralized process plant which was historically fed by four proximal copper-gold deposits: San Andres, Cinabrio, Dalmacia, and Los Mantos and is currently modifying its existing tailings disposal permit while consolidating its various exploitation permits.

- The copper-gold process plant consists of a standard copper sulphide crush-grind-flotation circuit to produce a marketable copper-gold concentrate. Port facilities are within 100 kilometers (“km”) for shipping to domestic and foreign smelters. The MAP plant historically operated at a permitted capacity of 3,000 tonnes per day (“tpd”) with allowances to 3,600 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 iron oxide copper gold 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 within and surrounding each of the four main deposits and throughout the 11,800 hectares of concessions.
- Battery plans to execute a low capital cost restart program with the goal of resumption of operations within four to six months after the completion of an infill drilling and engineering program and finalization of permit modifications.

Punitaqui Acquisition Terms

The Company completed the Punitaqui Acquisition on the following terms:

- Pursuant to a loan purchase agreement with Bluequest Resources AG (“**Bluequest**”), the Company acquired 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 Mining Complex. Acquiring the Xiana Indebtedness and the associated security will enable the Company to acquire its leasehold interest in the Punitaqui Mining Complex free and clear of the prior claims of any third party secured creditors. In consideration for the Xiana Indebtedness, the Company (i) issued 10,000,000 Common Shares to Bluequest at US\$0.50 and (ii) will 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 (subject to a minimum issue price of C\$0.41), or a combination of both.
- Pursuant to the agreement with MAP, Minera BMR will pay MAP:
 - Upfront consideration of approximately US\$8,450,000 to pay certain secured, unsecured, and labor creditors
 - Deferred consideration of approximately US\$9,450,000 to pay certain unsecured creditors in 23 quarterly installments (each a “**Quarterly Installment**”) 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.
- 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 consideration other than any outstanding Quarterly Installments, at any time within 15 years following closing.

Commenting on the Punitaqui Acquisition and completion of the Private Placement, Martin Kostuik, Chief Executive Officer of the Company, said:

"We are pleased to have closed the first tranche of the financing and, while anticipating closing the final tranche shortly, we have closed the acquisition agreement and are excited to have the Punitaqui Mine in our portfolio. With the right investment and development strategy, we believe the Punitaqui Mining Complex has significant upside potential as a sustainable, mid-size copper producing asset in the near term. 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, Battery has 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 Mining 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 access. 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 tailings system and the purchase of mining equipment – all pointed towards greater operational efficiencies. The Punitaqui Mining Complex is situated in a 25km copper district which hosts numerous existing operating and exploration projects – and is the only company with milling infrastructure in this highly prospective mining district. The Punitaqui mine most recently produced approximately 21,000 tonnes of copper concentrate in 2019.

The Punitaqui Acquisition is transformational for Battery as it adds a potentially 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 build on the recently announced, +1 million lb cobalt resource at MaCara by testing over 50 near term prospective targets. We look forward to updating all our shareholders and partners in this exciting year ahead as we take action to build a premier battery mineral resources company."

Related Party Considerations

Weston Energy, LLC ("**Weston Energy**") acquired an aggregate of 1,069,138 Common Shares in the first tranche of the Private Placement for a subscription price of US\$555,952 (the "**First Tranche Weston Subscription Price**"), and will acquire an aggregate of 1,538,462 Common Shares in the second tranche of the Private Placement for a subscription price of US\$800.000 (the "**Second Tranche Subscription Price**"). Weston Energy is an insider of the Company as a result of its beneficial ownership of, or control or direction over, directly or indirectly, greater than 10% of the outstanding Common Shares. In addition, certain directors and officers of the Company have acquired an aggregate of 211,941 in the Private Placement for an aggregate subscription price of US\$31,105 and C\$98,881. The participation of Weston Energy in the Private Placement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company has determined that the transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of securities issued to insiders nor the consideration paid by Weston Energy exceeded 25% of the Company's market capitalization. The Company did not file a material change report in respect of the related party transaction 21 days in advance of closing of the Private Placement because insider participation had not been determined at that time. The shorter period was necessary in order to permit the Company to close the Private Placement in a timeframe consistent with usual market practice for transactions of this nature.

Weston Energy satisfied the First Tranche Weston Subscription Price by the assignment to the Company of US\$555,952 of "debtor-in-possession" financing owed by MAP to Weston Energy (the "**DIP Financing**"), which amount will be paid to the Company out of the proceeds of the Punitaqui Acquisition as described above, and will finance the Second Tranche Weston Subscription Price by selling 1,538,462 Common Shares pursuant to a private agreement with a third party purchaser concurrent with completion of the second tranche of the Private Placement.

Immediately prior to completion of the first tranche of the Private Placement, Weston Energy and Weston Energy II, LLC (collectively, the "**Weston Entities**") collectively owned 71,601,000 Common, representing approximately 53.0% of the issued and outstanding Common Shares. Following completion of the first tranche of the Private Placement, the Weston Entities collectively own 72,670,138 Common Shares, representing approximately 43.7% of the issued and outstanding Common Shares. Following completion of the second tranche of the Private Placement, the Weston Entities will collectively own 74,208,600 Common Shares, representing approximately 44.2% of the issued and outstanding Common Shares.

The Weston Entities are considered to be controlled by Yorktown Energy Partners XI, L.P. ("**Yorktown XI**"), which means that Yorktown XI is considered to beneficially own the Common Shares owned by the Weston Entities. In addition Yorktown XI and Yorktown Energy Partners IV, L.P. and Yorktown Energy Partners VI, L.P. (collectively, the "**Yorktown Entities**") collectively own 30,000,000 Common

Shares. None of the Yorktown Entities acquired any Common Shares in the Private Placement. The 30,000,000 Common Shares owned by the Yorktown Entities, (i) represented approximately 22.2% of the issued and outstanding Common Shares immediately prior to the Private Placement, (ii) represent approximately 18.0% of the issued and outstanding Common Shares following completion of the first tranche of the Private Placement and (iii) will represent approximately 17.9% of the issued and outstanding Common Shares following completion of the second tranche of the Private Placement.

Taken together, the Weston Entities and the Yorktown Entities collectively owned 101,601,100 Common Shares immediately prior to the Private Placement, representing 75.2% of the Common Shares. Following completion of the first tranche of the Private Placement, the Weston Entities and the Yorktown Entities collectively own 102,670,138 Common Shares, representing approximately 61.7% of the issued and outstanding Common Shares. Following completion of the second tranche of the Private Placement, the Weston Entities and the Yorktown Entities will collectively own 104,208,600 Common Shares, representing approximately 62.1% of the issued and outstanding Common Shares.

Additional Information

The TSXV has in no way passed upon the merits of the Punitaqui Acquisition, the proposed acquisition of the Xiana Indebtedness or the Private Placement, 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.

All securities issued pursuant to the Punitaqui Acquisition and the first tranche of the Private Placement will be subject to a hold period with an expiry date of September 29, 2021, being four months and a day from the date of issuance.

Richard Goodwin, P. Eng, of JDS Energy and Mining Inc., is one of the Company's Qualified Persons ("QP") as defined by National Instrument 43-101 and has reviewed the technical information disclosed in this press release.

Scientific and technical information pertaining to the cobalt resource at McAra was extracted from the Company's NI 43-101 "Technical report on Cobalt Exploration Assets in Canada" dated as of May 26, 2020 with an effective date of March 31, 2020, prepared by Glen Cole (P. Geo) of SRK Consulting (Canada) Inc.

About Battery Mineral Resources Corp.

Battery is a multi-commodity resource company. Battery is engaged in the discovery, acquisition, and development of battery metals (cobalt, lithium, graphite, nickel and copper), in North America 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. Finally, Battery is currently developing the Punitaqui Mining Complex, and pursuing the potential near term resumption of operations at the prior producing Punitaqui copper-gold mine located in the Coquimbo region of Chile.

For further information, please contact:

Battery Mineral Resources Corp.

Martin Kostuik

Phone: +1 (604) 229 3830

Email: info@bmrcorp.com

The securities offered pursuant to the Private Placement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Forward Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation, including statements related to the closing of the second tranche of the Private Placement, the use of the proceeds of the Private Placement, the repayment of the DIP Financing, the potential benefits of the Punitaqui Acquisition and the likelihood of developing the Punitaqui Mining 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.

