

# Battery Mineral Resources Corp. Closes Second Tranche of Private Placement

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Vancouver, July 13, 2021 - [Battery Mineral Resources Corp.](#) (TSXV: BMR) ("Battery" or the "Company") is pleased to announce that it has completed the second and final tranche of its previously announced private placement (the "Private Placement"). On completion of the second tranche, the Company issued 1,538,462 common shares for additional proceeds of US\$800,000, for aggregate gross proceeds of US\$11.1 million and C\$800,000.

As previously disclosed, Battery used a portion of the proceeds of the Private Placement to partially finance the 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"), through the settlement of outstanding obligations owed by MAP to certain secured and unsecured creditors. Proceeds will also be used 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.

## Overview of the Punitaqui Mining Complex

- Past producing mining operation, idled in April of 2020, which consists of an integrated copper and gold mining complex including all required infrastructure and sources of water and power.
- 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.
- MAP will assign certain authorizations, permits and contracts to Minera BMR SpA 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 final tranche of the financing and wish to thank our financing contributors for supporting this important transaction. We look forward to continuing our objective of providing our shareholders with investment exposure to the expanding global trend towards electrification through the development of our battery minerals assets. With the right investment and development strategy, the Punitaqui Mining Complex has significant upside potential as a sustainable, mid-size copper producing asset in the near term. The existing infrastructure at Punitaqui will allow us to execute on a focused low capital cost

restart program. 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 modern 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 North and South America and Korea. The Company continues to pursue a focused program to build on the recently announced, +1 million lb cobalt resource at MaCara, in Canada, 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 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 acquired an aggregate of 211,941 Common Shares in the Private Placement for an aggregate subscription price of US\$31,105 and C\$98,881. The participation of such insiders 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 determined that the transaction was 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 related parties 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 has been paid to the Company out of the proceeds of the Punitaqui Acquisition as described above. Weston Energy financed 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.

### **Additional Information**

The TSXV has in no way passed upon the merits of the Punitaqui Acquisition 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 Private Placement will be subject to a hold period, 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 MaCara 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 which provides investors with exposure to the world-wide trend towards electrification. Battery is engaged in the discovery, acquisition, and development of battery metals (cobalt, lithium, graphite, nickel & copper), in North and South America and South Korea with the

intention of becoming a premier and sustainable supplier of battery minerals to the electrification marketplace. Battery is the largest mineral claim holder in the historic Gowganda Cobalt-Silver Camp, Canada and continues to pursue a focused program to build on the recently announced, +1 million pound cobalt resource at MaCara by testing over 50 high-grade primary cobalt silver-nickel-copper targets. In addition, Battery owns 100% 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. The Punitaqui copper-gold mine most recently produced approximately 21,000 tonnes of copper concentrate in 2019 and is located in the Coquimbo region of Chile.

**For further information, please contact:**

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*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 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.*

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