



Battery Mineral Resources Corp. Announces Proposed Capital Reorganization, Including a Proposed Offering of up to US\$6,000,000 in Unsecured Convertible Debentures and Proposed Consolidation of Existing Debt

Proceeds from Unsecured Convertible Debentures to Be Applied Towards the Re-Start of Production at Punitaqui Project, Chile

Consolidation of Existing Debt Expected to Benefit BMR's Balance Sheet Through an Extended Term-to-Maturity, Interest Accrual During Ramp-Up of Potential Production, and a Conversion Option

Vancouver, British Columbia – (October 17, 2023) – Battery Mineral Resources Corp. (**TSXV: BMR**) (**OTCQB: BTRMF**) ("**Battery**" or "**BMR**" or the "**Company**") is pleased to announce a private placement offering (the "**Private Placement**") of senior unsecured convertible debentures (the "**Debentures**") for total gross proceeds of up to US\$6 million (approximately C\$8.2 million). The proceeds from the Debentures will be applied towards working capital and the restart of copper concentrate production at its Punitaqui copper project in Chile (the "**Restart**").

The Company continues to progress towards securing the balance of the capital required for the Restart and anticipates sharing further updates in that respect in the fourth quarter of 2023. The Company estimates the total capital required for the Restart to be approximately US\$13 million (approximately C\$17.8 million) (prior to corporate costs and other asset holding costs and inclusive of amounts to be raised in the Private Placement).

In connection with the Private Placement, the Company is also proposing to issue up to US\$15.4 million (approximately C\$21.0 million) in Debentures to its existing debtholders to refinance substantially all of the Company's outstanding indebtedness.

Debenture Offering

The Debentures will mature on September 30, 2026 (the "**Maturity Date**") and will bear interest at 10% per annum, compounding annually on September 30 of each year, not in advance. Interest accrued from the date of issuance and up to and including March 30, 2025, will be paid by way of issuance of common shares of the Company. Interest accrued following March 30, 2025, will be, at the option of the

holder, paid either in cash or by way of issuance of common shares of the Company. The issuance of common shares as payment of interest will be at the then current market price of the Company's common shares at the date the interest becomes payable and will be subject to the prior acceptance of the TSX Venture Exchange and applicable securities laws.

The holder of a Debenture may, at their option, at any time from March 31, 2024, and prior to the close of business on the business day immediately preceding the Maturity Date, convert all, but not less than all, of the principal amount of such Debenture into common shares of the Company at the conversion price of US\$0.22 per share (approximately C\$0.30 per share).

Weston Energy II LLC, a portfolio company of Yorktown Partners LLC, and an existing shareholder of the Company, has committed to purchase US\$3.0 million (approximately C\$4.1 million) in principal amount of Debentures.

The Debenture financing is anticipated to close in two or more tranches, with the first closing anticipated to occur on or about October 19, 2023.

Debt Consolidation

The Company is also proposing to issue up to US\$15.4 million (approximately C\$21.0 million) in Debentures to holders of existing indebtedness as part of a comprehensive debt consolidation that will simplify the Company's capital structure and extend its near-term debt maturities.

Weston Energy LLC, also an existing shareholder of the Company, and Weston Energy II LLC, have agreed to exchange all their outstanding debt in the Company into Debentures. This includes US\$7.4 million (approximately C\$10.1 million) of existing convertible debentures (the "**Existing Debentures**") held by Weston Energy LLC, a secured bridge loan of US\$5.5 million (approximately C\$7.6 million) (originally announced on October 21, 2022) held by Weston Energy LLC, and an unsecured promissory note of US\$1.9 million (approximately C\$2.6 million) (originally announced on July 5, 2023) held by Weston Energy II LLC, for a total of US\$14.9 million (approximately C\$20.3 million) that Weston Energy LLC and Weston Energy II LLC have agreed to exchange into the Debentures.

In addition, all additional holders of the Company's currently outstanding Existing Debentures will be offered the opportunity to exchange their Existing Debentures into the Debentures, which total US\$0.6 million (approximately C\$0.8 million) in principal and accrued and unpaid interest outstanding. The Debentures issuable will be on the same terms.

The debt consolidation and the completion of the Private Placement are expected to benefit BMR's balance sheet through an enlarged capital base, an extended term to maturity of the Company's debt, the accrual of interest during the anticipated period of ramp up of copper-silver production at Punitaqui, and through a conversion option that, if exercised by the Debenture-holders, would significantly reduce the Company's financial leverage.

The debt refinancing and the issuance of the Debentures are subject to final approval by the TSX Venture Exchange.

CEO Commentary

Martin Kostuik, Battery's CEO stated, *"We are very pleased to announce this funding which, together with anticipated additional non-dilutive project funding that the Company is working towards closing in the fourth quarter of 2023, is expected to fund the re-start of production at the Punitaqui project. Finally, we are pleased to have affirmation of the soundness and importance of our pathway to creating value - as demonstrated by the continued support of Yorktown Partners."*

Exchange Rates

All USD amounts for which CAD equivalent amounts are given in this news release were calculated at CAD/USD exchange rate of 1.3661, the exchange rate published by the Bank of Canada on October 13, 2023.

MI 61-101 Matters

Weston Energy LLC and Weston Energy II LLC are "related parties" to BMR pursuant to pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). Prior to giving effect to the transactions disclosed in this news release, Weston Energy LLC own or control 96,378,340 BMR Common Shares (directly or indirectly) and Weston Energy II LLC own or control (directly or indirectly) 7,000,000 BMR Common Shares and Yorktown Energy Partners IV LP own or control 4,200,000 BMR Common Shares (directly or indirectly). On a combined undiluted basis these entities hold 107,528,340 Common Shares and 122,491,305 BMR Common Shares assuming the conversion of all Existing Debentures (representing approximately 60.60% and 63.31%, respectively, of the outstanding BMR Common Shares).

The refinancing of the Weston Energy LLC and Weston Energy II LLC various loans through the issuance of Debentures will constitute a "related party transaction" for the purposes of MI 61-101. The refinancing is exempt from the formal valuation requirements of MI 61-101 as BMR is not listed on a specified market that would require compliance with such formal valuation requirements (as set forth in Section 5.5(b) of MI 61-101) and is further exempt from the minority shareholder approval requirements of MI 61-101 by virtue of Section 5.7(e) of MI 61-101 which provides that a related party transaction is exempt from the minority shareholder approval

requirements if the issuer is in serious financial difficulty, the transaction is designed to improve the financial position of the company (among other criteria) and there is no other requirement to hold a meeting of shareholders to approve the transaction.

As part of their deliberations in respect of the proposed refinancing, the board of directors of BMR, including a special committee composed of independent directors, considered the financial position of BMR and the objectives of the proposed refinancing transactions, and the criteria and conditions with respect to the financial hardship exemptions described above, including the fact that there is no requirement, corporate or otherwise, to hold a meeting to obtain any approval of the holders of BMR Common Shares for such transactions.

Disclaimers

The Debentures will be sold in a transaction exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") and will be sold only to persons reasonably believed to be accredited investors in the United States under Rule 506 under the Securities Act and outside the United States only to non-U.S. persons in accordance with Regulation S under the Securities Act.

The Debentures and the shares of common stock issuable upon conversion of the Debentures, if any, have not been and will not be registered under the Securities Act, or any state securities laws, and unless so registered, may not be offered or sold in the United States except pursuant to an applicable exemption from such registration requirements of the Securities Act and applicable state securities laws.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the Debentures or any shares of common stock potentially issuable upon conversion of the Debentures nor shall there be any sale of Debentures (or shares issuable upon conversion thereof) in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state.

There can be no assurance that any future offerings of Debentures will be completed.

About Battery Mineral Resources Corp.

Battery Mineral Resources is a battery minerals company providing shareholders exposure to the global mega-trend of electrification while being focused on growth through cash-flow, exploration, and acquisitions in favourable mining jurisdictions. Battery Mineral's mission is the discovery, acquisition, and development of battery metals (namely cobalt, lithium, graphite, and copper), in North America, South America and South Korea and to become a premier and responsible supplier of battery minerals to the electrification marketplace. BMR is currently pursuing a near-term resumption of operations of the Punitaqui Mining Complex, a past copper-gold-silver producer, in the Coquimbo region of Chile. BMR is the largest mineral claim holder in the historic Gowganda Cobalt-Silver Camp in Ontario, Canada, and continues to pursue a focused program to build on the recently announced, +1-million-pound high-grade cobalt resource at McAra. In addition, Battery Mineral owns 100% of ESI Energy Services, Inc. (including ESI's wholly-owned USA operating

subsidiary, Ozzie's, Inc.), a profitable mainline pipeline and renewable energy equipment rental and sales company with operations in Alberta, Canada and Arizona, USA. Battery Mineral Resources is based in Canada and its shares are listed on the Toronto Venture Exchange under the symbol "BMR" and on the OTCQB under the symbol "BTRMF". Further information about BMR and its projects can be found on www.bmrcorp.com.

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Forward Looking Statements

This news release includes certain "forward-looking statements" under applicable securities laws. 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 (including through the Private Placement) to complete exploration and development activities, the ability of the Company to close the Private Placement on the terms discussed, the completion, timing and size of the proposed Private Placement, the intended use of the proceeds of the Private Placement, risks related to share price and market conditions, the inherent risks involved in the mining, exploration and development of mineral properties, the ability of the Company to meet its anticipated development schedule, 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. For further information regarding the risks please refer to the risk factors discussed in Battery's most recent Management Discussion and Analysis filed on SEDAR+.