

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Company**

International Battery Metals Ltd. (the "**Company**")  
Royal Centre, Suite 1750 – 1055 W. Georgia Street  
Vancouver, B.C. V6E 3P3

**Item 2: Date of Material Change**

December 29, 2023.

**Item 3: News Release**

News releases relating to the material changes described herein were released via the facilities of PRNewswire on December 21, 2023 and December 29, 2023.

**Item 4: Summary of Material Change**

On December 21, 2023, the Company announced that it intended to complete a non-brokered private placement of up to 2,475,757 units (each, a "**Unit**") for a price of CAD\$0.70 per Unit, for total proceeds of up to USD\$1,300,000 (the "**Private Placement**"). Each Unit to be issued pursuant to the Private Placement consisted of one common share in the capital of the Company (each, a "**Common Share**") and one Common Share purchase warrant (each, a "**Warrant**"), with each Warrant permitting the holder thereof to acquire one additional Common Share at a price of \$0.82 for a period of 24 months from closing of the Private Placement.

On December 29, 2023, the Company closed the Private Placement consisting of 2,694,804 Units for aggregate proceeds of approximately USD\$1.415 million (CAD\$1,886,362.80).

All securities issued under the Private Placement are subject to a four-month and one-day hold period in accordance with applicable Canadian securities laws, and subject to the applicable legend as prescribed under United States Securities Laws.

**Item 5: Full Description of Material Change**

Please see the news releases attached hereto as Schedule A and Schedule B.

**Related Party Participation in the Private Placement**

Douglas Smith, Chief Financial Officer of the Company, subscribed for an aggregate of 190,443 Units, representing approximately 7% of the Private Placement. As an insider, Mr. Smith is considered to be a "related party" of the Company, as such term is defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). Accordingly, the Private Placement is a related party transaction pursuant to MI 61-101. Under Section 5.4 and 5.6, the Company is required to obtain a formal valuation and minority shareholder approval for the Placement, respectively, unless exemptions are available.

The Company is relying on the exemptions from the formal valuation requirement and the minority shareholder approval requirement under Sections 5.5(a) and 5.7(1)(a), as at the time the transaction was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration

for, the Private Placement, insofar as it involves interested parties, exceeds 25 per cent of the Company's market capitalization.

Pursuant to the closing of the Offering, Mr. Smith subscribed for 190,443 Units for a subscription of CAD\$133,310, which brings his total percentage of ownership of the Common Shares to approximately 0.09%.

The Company did not file a material change report more than 21 days before the expected closing of the Private Placement because the details of the participation therein by related parties of the Company were not settled until shortly prior to the closing of the Private Placement and the Company wished to close on an expedited basis for business reasons.

**Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7: Omitted Information**

Not applicable.

**Item 8: Executive Officer**

Garry Flowers, Co-Chief Executive Officer  
International Battery Metals Ltd.  
+1 (832) 683-8839

**Item 9: Date of Report**

December 29, 2023.

**SCHEDULE A**

**(attached)**

# INTERNATIONAL BATTERY METALS LTD. ANNOUNCES PRIVATE PLACEMENT AND SHARES FOR SERVICES ISSUANCES

VANCOUVER, BC, and HOUSTON, Dec. 21, 2023 /CNW/ - **International Battery Metals Ltd.** (the "**Company**") (CSE: IBAT) is pleased to announce that as a result of investor demand, it intends to complete a second closing of its previously announced private placement completed on December 8, 2023. In the second closing, the Company expects to issue up to 2,475,757 units (each, a "**Unit**") for a price of CAD\$0.70 per Unit, for total proceeds of up to USD \$1.3 million (the "**Private Placement**"). Each Unit will consist of one common share in the capital of the Company (each, a "**Common Share**") and one Common Share purchase warrant (each, a "**Warrant**"). Each Warrant will permit the holder to acquire one additional Common Share at a price of \$0.82 for a period of 24 months from closing of the Private Placement.

The proceeds from the Private Placement will be used to fund the Company's ongoing operations and other general corporate expenditures. The Company expects that an officer of the Company will purchase Units under the Private Placement.

The Units are being offered pursuant to available prospectus exemptions, including sales to accredited investors. Completion of the Private Placement is subject to regulatory approval including, but not limited to, the approval of the Canadian Securities Exchange. The securities issued under the Private Placement will be subject to a statutory hold period of four months from the date of issuance under Canadian Securities laws and will also be restricted securities under the United States Securities Act of 1933.

The Company also announces that effective December 12, 2023, it issued a total of 431,788 Common Shares to directors, officers, and advisors of the Company in lieu of payment for amounts owing for services rendered to the Company (the "**Share Settlements**"). The Common Shares issued pursuant to the Share Settlements were issued at prices of CAD\$0.70 and CAD\$0.89. In addition, the Company has granted and agreed to grant a total of 378,708 Common Shares to certain officers of the Company pursuant to signing and year-end bonuses, issued at deemed prices of CAD\$0.89 and CAD\$0.90 (the "**Bonus Payments**").

## Related Party Transaction

Pursuant to the Share Settlements, 71,495 Common Shares were issued to officers and directors of the Company, each of which is a "related party" of the Company as such term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Further, the Company expects that an officer of the Company will participate in the Private Placement.

Accordingly, each of the Private Placement, Share Settlements and Bonus Payments (together, the "**Transactions**") are related party transactions pursuant to MI 61-101. Under Section 5.4 and 5.6 of MI 61-101, the Company is required to obtain a formal valuation and minority shareholder approval for the Transactions, unless exemptions are available.

The Company is relying on the exemptions from the formal valuation requirement and the minority shareholder approval requirement under Sections 5.5(a) and 5.7(1)(a), as at the time that each of the Private Placement, Share Settlements and Bonus Payments were agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Transactions, insofar as each involves interested parties, exceeds 25 per cent of the Company's market capitalization.

## About International Battery Metals Ltd.

The Company's direct lithium extraction technology is based on proprietary lithium extraction housed in patented extraction towers that are enclosed in a modular, shippable platform able to be loaded and brought into production within 10 days of arrival on a customer site. Utilizing the patented technology, the Company's focus has been on advanced extraction of lithium chloride from ground water salt brine deposits and returning the same water to the subsurface aquifer from which it is extracted. The Company's unique patented technology ensures faster delivery of lithium chloride while ensuring minimal environmental impact.

## ON BEHALF OF THE BOARD

"Garry Flowers"  
"Libor Michel"

Garry Flowers, Co-CEO  
Libor Michel, Co-CEO

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release may contain assumptions, estimates, and other forward-looking statements regarding future events. Such forward-looking statements involve inherent risks and uncertainties and are subject to factors, many of which are beyond the Company's control that may cause actual results or performance to differ materially from those currently anticipated in such statements.

*This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state in the United States in which such offer, solicitation or sale would be unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This release may contain statements within the meaning of safe harbour provisions as defined under securities laws and regulations.*

*This release may contain certain forward-looking statements with respect to certain of the plans and objectives of the Company, including statements with respect to the Private Placement, including the total amount of the Private Placement, the anticipated closing date and the use of proceeds. The use of any of the words "will", "expected", "view", "believes" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual results and developments may differ materially from those contemplated by forward-looking information as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. Additional information regarding risks and uncertainties of the Company's business are contained in the Company's public filings which are available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Readers are cautioned not to place undue reliance on forward-looking information. The statement made in this press release are made as of the date hereof. The Company disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.*

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<https://www.prnewswire.com/news-releases/international-battery-metals-ltd-announces-private-placement-and-shares-for-services-issuances-302020652.html>

SOURCE International Battery Metals Ltd.

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**For further information:** IR Contact: Ken Dennard, Dennard Lascar Investor Relations, IBAT@dennardlascar.com, International Battery Metals Ltd., Royal Centre, Suite 1750 1055 West Georgia St., Vancouver, B.C. V6E 3P3, info@ibatterymetals.com, <https://www.ibatterymetals.com/>, CSE: IBAT

CO: International Battery Metals Ltd.

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**SCHEDULE B**

**(attached)**

**INTERNATIONAL BATTERY METALS LTD.  
ANNOUNCES CLOSING OF PRIVATE PLACEMENT**

**Vancouver, British Columbia, and Houston, Texas – December 29, 2023 - International Battery Metals Ltd.** (the "**Company**") (CSE: IBAT), is pleased to announce that it has closed its non-brokered private placement (the "**Private Placement**") as previously announced on December 21, 2023, by issuing 2,694,804 units of the Company (the "**Units**") at a price of \$0.70 per Unit for aggregate proceeds to the Company of approximately USD\$1.415 million (CAD\$1,886,362.80). The Private Placement was oversubscribed.

Each Unit consists of one common share in the capital of the Company (each, a "**Common Share**"), and one common share purchase warrant (each a "**Warrant**"), with each Warrant entitling the holder to acquire an additional Common Share for a period of 24 months from closing at an exercise price of CAD\$0.82.

The proceeds from the Private Placement will be used to fund the Company's ongoing operations and other general corporate expenditures.

"We are pleased to announce the second closing of the Private Placement which, as previously announced, had been re-opened due to investor demand. These additional funds allow us to proactively begin preparing our 1<sup>st</sup> generation plant for mobilization and deployment." Garry Flowers, Co-Chief Executive Officer, commented on the Private Placement.

The securities issued under the Private Placement are subject to a statutory hold period of four months from the date of issuance under Canadian Securities laws and will also be restricted securities under the United States Securities Act of 1933.

**Related Party Transaction**

Pursuant to the Private Placement, 190,443 Common Shares were issued to an officer of the Company, who is considered a "related party" of the Company as such term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

Accordingly, the Private Placement is a related party transaction pursuant to MI 61-101. Under Sections 5.4 and 5.6 of MI 61-101, the Company is required to obtain a formal valuation and minority shareholder approval for the Private Placement, unless exemptions are available.

The Company is relying on the exemptions from the formal valuation requirement and the minority shareholder approval requirement under Sections 5.5(a) and 5.7(1)(a), as at the time the transaction was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Private Placement, insofar as it involves interested parties, exceeds 25 per cent of the Company's market capitalization.

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### *Forward-looking and cautionary statements*

*This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state in the United States in which such offer, solicitation or sale would be unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This release may contain statements within the meaning of safe harbour provisions as defined under securities laws and regulations.*

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