

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

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

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

**Item 2: Date of Material Change**

May 3, 2024

**Item 3: News Release**

News releases relating to the material changes described herein were released via the facilities of PRNewswire on April 26, 2024, and May 6, 2024.

**Item 4: Summary of Material Change**

On April 26, 2024, the Company announced its intention to complete a non-brokered private placement of up to USD\$8.2 Million (CAD\$11,224,980), whereby the Company would issue units (each a “**Unit**”) at a price per Unit of CAD\$0.76632 (the “**Private Placement**”). Each Unit consists of one (1) common share in the capital of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”), each Warrant entitling the holder thereof to acquire one Common Share for a period of two years at an exercise price of CAD\$0.9579 per Common Share.

On May 6, 2024, the Company announced an agreement with US Magnesium LLC (“**US Mag**”), for the installation of the Company’s patented, modular direct lithium extraction plant (the “**DLE Plant**”) at US Mag’s existing operations outside Salt Lake City, Utah. The DLE Plant will be used to process brine produced from lithium containing waste magnesium salts, that in turn will result in lithium chloride product feed for high-purity lithium carbonate production by US Mag.

On May 6, 2024, the Company also announced that it has closed the Private Placement and issued a total of 18,642,134 Units for aggregate proceeds of USD\$10,436,000 (approximately CAD\$14,285,840).

The proceeds of the Private Placement will be used by the Company to meet current obligations for the deployment of its modular direct lithium extraction plant in the western United States as previously announced on January 11, 2024, and for general working capital purposes.

In connection with the Private Placement, the Company also extended the expiry date of 6,396,999 previously issued warrants from April 21, 2025, to May 3, 2026.

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 be restricted securities under the United States Securities Act of 1933.

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

Please see the news releases attached as Schedule “A”, Schedule “B”, and Schedule “C” for a full description of the material change.

## **Related Party Participation in the Private Placement**

In connection with the Private Placement, EV Metals VI LLC, a private company controlled by Jacob Warnock, a director of the Company, (“**EV Metals**”), acquired 7,924,157 Units for gross proceeds of USD\$4,436,000 (approximately CAD\$6,072,440), representing approximately 42.51% of the aggregate proceeds raised by the Company in the Private Placement. In addition, the Company will pay to EV Metals a structuring fee in connection with the Private Placement in the amount of USD\$321,800 (approximately CAD\$440,512), payable through the issuance of 574,840 Common Shares with each share having a deemed issuance price of CAD\$0.76632. The participation of EV Metals 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 is relying upon exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(b) and 5.7(1)(a), respectively - *Fair Market Value Not More Than 25 Per Cent of Market Capitalization*, on the basis that at the time the Private Placement was agreed to, neither the fair market value of the Units to be distributed pursuant to the Private Placement to EV Metals, nor the consideration to be received for those Units, will exceed 25 per cent of the Company's market capitalization. The terms of the Private Placement were negotiated with a special committee of directors of the Company, all of whom are independent for the purposes of MI 61-101. The Board of Directors of the Company has unanimously approved the Private Placement and structuring fee (with Jacob Warnock abstaining) and no materially contrary view or abstention was expressed or made by any director in relation to the Private Placement. The Company did not file a material change report in respect of the participation of EV Metals in the Private Placement at least 21 days before closing of the Offering as the participation of the EV Metals was not determined at that time.

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

### **Item 9: Date of Report**

May 7, 2024



# INTERNATIONAL BATTERY METALS LTD. ANNOUNCES STRATEGIC PRIVATE PLACEMENT AND CORPORATE UPDATE

VANCOUVER, BC and HOUSTON, April 26, 2024 /CNW/ - **International Battery Metals Ltd.** (the "**Company**") is pleased to announce that it has completed a non-brokered private placement financing of up to 14,338,494 units (each a "**Unit**") issued at a price of CAD\$0.784 per Unit for gross proceeds of USD \$8.2 million (CAD \$11,241,380) (the "**Private Placement**"). Each Unit consists of one common share of the Company (each a "**Unit**") and one Common Share purchase warrant (a "**Warrant**"), with each Warrant entitling the holder thereof to purchase one additional Common Share for a period of two (2) years at an exercise price of CAD \$0.98 per common share.

In connection with the Private Placement, the Company has agreed to extend the expiry of 6,396,999 previously issued warrants from April 21, 2025, to the date which is 24 months from the date of closing the Private Placement. The Company has granted customary registration rights to the investors in the Private Placement.

The proceeds of the Private Placement will be used by the Company to meet current obligations for the deployment of its modular direct lithium extraction plant (the "**DLE Plant**") in the western United States as previously announced on January 11, 2024, and for general working capital purposes.

The Company expects that the Private Placement will close on May 2, 2024. The Company further intends to complete additional private placement financing of up to USD\$15.8 Million, which may be completed on similar terms of 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 be restricted securities under the United States Securities Act of 1933.

The Company also announces that Libor Michel ceased to be a CEO of the Company in early April of this year with Garry Flowers resuming his role as sole CEO.

The Company also announces that it will no longer be proceeding with its previously announced (January 29, 2024) marketed private placement offering with Stifel Canada and BMO Capital Markets.

## MI 61-101 Disclosure

EV Metals VI LLC, a private company controlled by Jacob Warnock, a director of the Company, or an affiliated company (collectively, "**EV Metals**"), will participate in the Private Placement to acquire a minimum of 3,846,913 Units for gross proceeds of at least USD \$2.2 million. The participation of EV Metals 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 is relying upon exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(b) and 5.7(1)(a), respectively - *Fair Market Value Not More Than 25 Per Cent of Market Capitalization*, on the basis that at the time the Private Placement was agreed to, neither the fair market value of the Units to be distributed pursuant to the Private Placement to EV Metals, nor the consideration to be received for those Units, will exceed 25 per cent of the Company's market capitalization. The terms of the Private Placement were negotiated with a special committee of directors of the Company, all of whom are independent for the purposes of MI 61-101. The Board of Directors of the Company has unanimously approved the Private Placement and no materially contrary view or abstention was expressed or made by any director in relation to the Private Placement. The Company did not file a material change report in respect of the participation of EV Metals in the Private Placement at least 21 days before closing of the Offering as the participation of the EV Metals was not determined at that time.

## About the Company

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

"William Webster"

William Webster, Chair of the Board

Neither 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.

## 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.*

*This release contains certain forward looking statements with respect to, among other things, the anticipated use of proceeds from the Private Placement, the ability for the Company to extend the existing warrants, and the Company's expectation that it may complete future private placements with the Private Placement investors, on similar terms, for up to an additional \$15.8 million. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward looking statements.*

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**For further information:** Royal Centre, Suite 1750 1050 West Georgia St., Vancouver, B.C. V6E 3P38, [info@ibatterymetals.com](mailto:info@ibatterymetals.com), [ibatterymetals.com](http://ibatterymetals.com),  
CSE: IBAT

CO: International Battery Metals Ltd.

CNW 18:30e 26-APR-24

# International Battery Metals (IBAT) and US Magnesium Sign Agreement to Install World's First Modular Direct Lithium Extraction (DLE) Plant



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NEWS PROVIDED BY

**International Battery Metals Ltd. →**

May 06, 2024, 08:03 ET

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- ***Modular design provides scalability and smaller footprint***
- ***Technology effective with diverse brine resources, including oilfield produced brines, as well as subterranean brines***

VANCOUVER, BC and HOUSTON, May 6, 2024 /PRNewswire/ -- **International Battery Metals Ltd.** (CSE: IBAT), today announced an agreement with US Magnesium LLC (US Mag) for the installation of its first-of-its-kind, patented modular direct lithium extraction (DLE) plant installed at a brine resource. The mobile facility is co-located at US Mag's existing operations outside Salt Lake City, Utah. IBAT's plant will process brine produced from lithium-containing waste-magnesium salts. The resulting lithium chloride product will provide feed for high-purity lithium carbonate production by US Mag.

**Modular, transportable design.** In the last month, IBAT has initiated most of the equipment setup, including pipe and utility tie-ins and other installation activities of its patented modular extraction plant at the US Mag site. Initial testing of critical equipment is underway. IBAT anticipates that full commissioning and startup will be completed within the next three months, with commercial lithium production to follow shortly thereafter.

"Our commercial operations with US Mag will advance a productive lithium extraction operation," said Garry Flowers, IBAT CEO. "Given current lithium demand, supply dependence on China, and permitting challenges, our expected commercial operations are coming at an ideal time to produce lithium at scale in the U.S."

IBAT's patented modular plant was fabricated in Lake Charles, La., before being recently transported to US Mag.

**Independently verified.** IBAT's technology has been validated by an independent review by SLR International Corporation, a global leader in environmental and engineering services, and Greg Mehos & Associates LLC, an independent testing agency. The technology has been proven effective with diverse brine resources, including lithium-containing oilfield produced brines, where it holds great promise based on a large-volume test with Galvanic Energy in the Smackover Formation in Arkansas. The technology also has been proven effective with subterranean brine resources in Alberta, Saskatchewan, Michigan, Ohio, Oklahoma, California, Texas, Salars in Chile and Argentina, and geothermal brine in Germany.

Commercial operations will serve growing lithium demand from automakers for electric-vehicle batteries, as well as energy storage batteries to support growing electricity demand and to balance the grid from increased renewable energy integration.

**Designed for sustainability.** IBAT's first-of-its-kind patented modular, mobile lithium extraction plant also has been independently verified to extract more than 97% of available lithium from brine. Further, laboratory and field tests have demonstrated that the plant's effective proprietary selective absorbent maximizes lithium uptake and minimizes brine-based impurities. Due to the plant's advanced water recovery rate, IBAT's technology is highly protective of sensitive water resources. IBAT has demonstrated that the technology can extract lithium from subterranean brine sources and return the lithium-depleted brine to the same subsurface aquifer in a closed recycling loop. This work has been verified from natural brines in Canada, the U.S., Argentina, Chile, Mexico and Europe. Other than the use of acid and base for pH control, IBAT's compact lithium extraction process does not introduce chemicals into the brine. This unique patented technology promises faster delivery of lithium chloride while ensuring minimal environmental impact.

**Small footprint, high yield.** Another benefit is that the modular, easily transportable technology can operate within a three-acre site – a significantly smaller footprint than other types of lithium production facilities. The modular, compact design optimizes plant construction and operating costs. Engineering reviews have determined that the IBAT DLE plant design capacity is capable of initially producing up to 5,000 metric tons/year, depending on the characteristics of brine resources, such as lithium concentration and brine salt composition. The modular plant also can be expanded to accommodate larger capacity as demand requires.

The modular DLE operations position IBAT to emerge as a key supplier for growing U.S. lithium demand, providing an alternative to China and other global suppliers. This proven technology will produce at commercial scale with a smaller footprint – both in size of the facility and in terms of environmental impact.

"International Battery Metals' patented Modular Extraction Technology will be the basis of future lithium extraction from brine resources around the world. It is the fastest technology to deploy and commence commercial operations," said Dr. John Burba, founder, CTO and director of International Battery Metals. "Furthermore, its inherent efficiency and environmental protective characteristics make IBAT's technology superior to existing DLE operations. We are very excited about the placement of our first plant on a resource and the expected commencement of commercial operations."

The agreement provides IBAT with royalties from US Mag based on lithium sales, as well as payments for equipment operations based on lithium prices and performance.

### **About International Battery Metals Ltd.**

IBAT is an advanced technology company focused on the development of environmentally responsible methods of extracting lithium compounds from brine. IBAT has developed a patented modular direct lithium extraction (DLE) plant which allows for rapid deployment to a resource holders production site. IBAT is working with resource holders of oilfield brines, brine aquifers, and industrial customers with brine by-products. IBAT believes the modular design of

its DLE plant provides significant initial costs savings to customers and the proprietary DLE technology lowers operating costs by selectively extracting lithium from the brine while efficiently removing contaminants.

## **ON BEHALF OF THE BOARD**

Garry Flowers, 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.

### *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.*

*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 use of proceeds from the Private Placement. 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.*

SOURCE International Battery Metals Ltd.



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CSE: IBAT

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

**Vancouver, British Columbia, and Houston, Texas – May 6, 2024 - International Battery Metals Ltd.** (the “**Company**”), is pleased to announce that it has closed its previously announced non-brokered private placement financing (the “**Private Placement**”). Pursuant to the Private Placement, the Company issued 18,642,134 units (each a “**Unit**”), with each Unit being issued at a deemed price of CAD\$0.76632, for aggregate proceeds of USD\$10,436,000 (approximately CAD\$14,285,840).

Each Unit consists of one common share (“**Common Share**”) of the Company, and one Common Share purchase warrant (a “**Warrant**”), each Warrant entitling the holder thereof to acquire one Common Share for a period of two years from the date of issuance for an exercise price of CAD\$0.9579 per Common Share. In connection with the Private Placement, the Company extended the expiry of 6,396,999 previously issued Common Share purchase warrants from April 21, 2025, to May 3, 2026. In addition, the Company has agreed to pay EV Metals VI LLC, a private company controlled by Jacob Warnock, a director of the Company, (“**EV Metals**”), a structuring fee in connection with the Private Placement, in the amount of USD\$321,800 (approximately CAD\$440,512), payable through the issuance of 574,840 Common Shares with each Common Share having a deemed issuance price of CAD\$0.76632.

The proceeds of the Private Placement will be used by the Company to meet current obligations for the deployment of its modular direct lithium extraction plant (the “**DLE Plant**”) in the western United States as previously announced on January 11, 2024, and for general working capital purposes.

The Company further intends to complete additional private placement financings of up to USD\$13,564,000 million on similar terms of 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 be restricted securities under the United States Securities Act of 1933.

**MI 61-101 Disclosure**

In connection with the Private Placement, EV Metals acquired 7,924,157 Units for gross proceeds of USD\$4,436,000 (approximately CAD\$6,072,440), representing approximately 42.51% of the aggregate proceeds raised by the Company in the Private Placement. In addition, the Company will pay to EV Metals the structuring fee. The participation of EV Metals 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 is relying upon exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(b) and 5.7(1)(a), respectively - *Fair Market Value Not More Than 25 Per Cent of Market Capitalization*, on the basis that at the time the Private Placement was agreed to, neither the fair market value of the Units to be distributed pursuant to the Private Placement to EV Metals, nor the consideration to be received for those Units, will exceed 25 per cent of the Company's market capitalization. The terms of the Private Placement were negotiated with a special committee of directors of the Company, all of whom are independent for the purposes of MI 61-101. The Board of Directors of the Company has unanimously approved the Private Placement and

Structuring Fee (with Jacob Warnock abstaining) and no materially contrary view or abstention was expressed or made by any director in relation to the Private Placement. The Company did not file a material change report in respect of the participation of EV Metals in the Private Placement at least 21 days before closing of the Offering as the participation of EV Metals was not determined at that time.

### About the Company

The Company is an advanced technology company focused on the development of environmentally responsible methods of extracting lithium compounds from brine. The Company has developed a patented modular direct lithium extraction (“DLE”) plant which allows for rapid deployment to a resource holders production site. The Company is working with resource holders of oilfield brines, brine aquifers, and industrial customers with brine by-products. The Company believes the modular design of its DLE plant provides significant initial costs savings to customers and the proprietary DLE technology lowers operating costs by selectively extracting lithium from the brine while efficiently removing contaminants.

### **ON BEHALF OF THE BOARD**

*“William Webster”*

William Webster, Chair of the Board

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*This release contains certain forward-looking statements with respect to, among other things, the anticipated use of proceeds from the Private Placement and the Company's expectation that it may complete future private placements with the Private Placement investors, on similar terms, for up to an additional USD\$13,564,000. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.*