

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

VANCOUVER, BC and HOUSTON, May 31, 2024 /CNW/ - **International Battery Metals Ltd.** (the "**Company**"), is pleased to announce that it intends to complete a subsequent closing of its previously announced (April 26, 2024) strategic private placement (the "**Private Placement**"). Pursuant to the Private Placement, the Company expects to issue a minimum of 8,478,246 units (each, a "**Unit**") for a price of CAD\$0.76632 per Unit, for gross proceeds of CAD\$6,497,050 (USD\$4.75 million). The Company may issue additional Units on the same terms, depending on whether certain parties will exercise existing pre-emptive rights in connection with the Private Placement.

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. The Private Placement is being completed with EV Metals VI LLC, a private company controlled by Jacob Warnock, a director of the Company ("**EV Metals**"). In connection with the Private Placement, the Company will pay a structuring fee to EV Metals (or as directed by EV Metals) in the amount of USD\$237,500 (CAD\$324,852), payable through the issuance of 423,912 Common Shares (the "**Structuring Fee**").

The proceeds of the Private Placement will be used by the Company for expenditures to increase the production capacity of its modular direct lithium extraction plant (the "**DLE Plant**") contracted for operations in the western United States as previously announced on January 11, 2024 and May 6, 2024, and for general working capital purposes. The expanded production capacity will be achieved by adding an additional modular set of extraction columns into the existing framework. In order to manage the increase production, the Company will also increase the size of the filtration and reverse osmosis units.

The Company may complete additional private placement financings of up to approximately USD\$8,814,000 on substantially similar terms as 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 will acquire 8,478,246 Units for gross proceeds of USD\$4.75 million (approximately CAD\$6,497,050), and 423,912 Common Shares pursuant to the Structuring Fee. The participation of EV Metals in the Private Placement and the payment to EV Metals of the Structuring Fee each 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 and the Common Shares received pursuant to the Structuring Fee, nor the consideration to be received for those Units and Common Shares, 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 (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.

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 the 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

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 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 amount of approximately USD\$8,864,000. 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.

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CNW 18:00e 31-MAY-24