



MegaWatt Clarifies Details of Labrador Transaction, Engagement of Outside the Box Capital, and Property Updates

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Vancouver, British Columbia--(May 3, 2024) - MegaWatt Lithium and Battery Metals Corp. (CSE:MEGA) (FSE: WR20) (OTCQB: WALRF) (the "**Company**" or "**MegaWatt**") announces that, further to its news release dated April 1, 2024, it wishes clarify the details of its transaction with Labrador Mineral Resources Inc. ("**Labrador**"). As a result of a review by the British Columbia Securities Commission, we are issuing the following press release to clarify our disclosure.

On April 1, 2024, the Company entered into a share exchange agreement (the "**Share Exchange Agreement**") with Labrador, a private company existing under the laws of British Columbia, and the shareholders of Labrador (the "**Shareholders**"), pursuant to which, subject to regulatory approval, the Company will acquire all of the issued and outstanding shares of Labrador (the "**Proposed Transaction**"). Labrador purchased a 100% interest (subject only to a 1.5% NSR) in the Benedict Mountains Uranium Property located on the east coast of Labrador approximately 200 km NR of Goose Bay (the "**Property**"), pursuant to a Property Purchase Agreement dated effective February 8, 2024, between Labrador and Darren Hicks (the "**Property Purchase Agreement**"). Pursuant to the Share Exchange Agreement, the Company will assume all of the obligations of Labrador under the Property Purchase Agreement, including the cash payment contemplated therein.

The Proposed Transaction

Pursuant to the terms and conditions of the Share Exchange Agreement, on the date of closing (the "**Closing Date**") of the Proposed Transaction, MegaWatt will acquire all of the issued and outstanding shares of Labrador (the "**Labrador Shares**") in consideration for the issuance of 16,275,001 common shares in the capital of the Company (the "**MegaWatt Shares**") pro rata to the Shareholders at a deemed price of \$0.13 per MegaWatt Share. There are currently 16,275,001 Labrador Shares and no convertible securities of Labrador outstanding. Upon closing of the Proposed Transaction, the capitalization of MegaWatt will consist of 36,483,733 MegaWatt Shares, 501,600 MegaWatt warrants and 620,000 options to acquire MegaWatt Shares. Current Labrador Shareholders will own approximately 44.61% of the combined company on a non-diluted basis, and approximately 43.28% on a fully-diluted basis.

In addition, pursuant to the terms of the Property Purchase Agreement to be assumed by the Company, the Company will make a cash payment of \$25,000 by March 2025. The Property is subject to a royalty equal to 1.5% of net smelter returns upon commencement of commercial production and such royalty may be reduced from 1.5% to 0.5% by the payment of \$1,000,000.

The Proposed Transaction remains subject to certain closing conditions including, without limitation, (a) the receipt by the Company of all necessary corporate and regulatory approvals, including the approval of the Canadian Securities Exchange (the "**CSE**"), as applicable; and (b) each party's

representations and warranties in the Share Exchange Agreement being true and correct in all aspects as of the Closing Date, and each party meeting its terms and conditions and completing its covenants and obligations as contained therein. There can be no guarantees that the Proposed Transaction will be completed as contemplated or at all.

The Proposed Transaction is an arm's length transaction and no change in management, or the Board of Directors of the Company is being contemplated at this time. No finder's fees are expected to be paid in connection with the Proposed Transaction. The Proposed Transaction is anticipated to close as soon as reasonably practicable, and in any case, before June 30, 2024.

In connection with the Transaction, the Company will file a business acquisition report within 75 days of the Closing Date in accordance with applicable securities laws. All of the MegaWatt Shares issued to the Labrador Shareholders will be restricted from trading until the date that is ten (10) days after the date on which MegaWatt has filed the applicable business acquisition report.

Background to Labrador, the Shareholders and the Property

Labrador was incorporated under the *Business Corporations Act* (British Columbia) on February 5, 2024. Labrador entered into the Property Purchase Agreement with Darrin Hicks on February 8, 2024 to acquire the Property in consideration of \$25,000 on closing, \$25,000 on or before the 12-month anniversary of the closing, and the issuance of 1,500,000 Labrador Shares, which, upon completion of the Proposed Transaction, will be exchanged for 1,500,000 MegaWatt Shares. There is currently no National Instrument 43-401 ("**NI 43-101**") technical report in respect of the Property. The Shareholders paid an aggregate of \$73,875 and obtained 14,775,001 Labrador Shares on March 4, 2024, which, upon completion of the Transaction, will be exchanged for 14,775,001 MegaWatt Shares. The acquisition of the Property by Labrador from Darren Hicks was completed on March 15, 2024. Pug Communications Limited ("**Pug**") acted as a finder to Labrador in connection with the acquisition of the Property from Darren Hicks. In connection therewith, Pug received 75,000 Labrador Shares as a finder's fee, which, upon completion of the Transaction, will be exchanged for 75,000 MegaWatt Shares. Labrador's assets are cash and receivables of \$40,484 and the Property of \$103,750, primarily consisting of acquisition costs to Darrin Hicks, and the loss for the period from Labrador's inception on February 5, 2024 to the year ended March 31, 2024 is \$36,672, mainly professional fees. In connection with the Proposed Transaction, the purchase price for the Property was determined via arm's-length negotiation between the Company and Labrador. Based on its evaluation of the Property, the Company's board of directors determined that the consideration to be paid for the Property to be reasonable. The Company was not privy to the prior negotiations between Labrador and Darren Hicks with respect to the Property Purchase Agreement and, therefore, cannot speculate on how the previous purchase price was determined.

The Labrador acquisition is in accordance with the Company's principal business activities that include the acquisition and exploration of mineral property assets. Following the acquisition of Labrador, the Company intends to work with the property vendor to develop an initial exploration program with the goal of producing a NI 43-101 technical report on the project in the following year.

Engagement of Outside the Box Capital for Marketing Services

Further to the Company's news release dated March 15, 2024, it wishes clarify the details of its engagement of Outside The Box Capital Inc. ("**OTBC**") for marketing services. On January 26, 2024, the Company entered into a marketing services agreement (the "**Marketing Agreement**") with an arm's length firm, OTBC of Oakville, Ontario, to provide, among other things, marketing and distribution services to communicate to the financial community information about the Company. In particular, it is expected that the services provided by OTBC will include, but are not limited to: (i) initial planning and strategy call with ongoing checkpoints to cover feedback, advice, and other strategic matters of the campaign, (ii) assist in social media and other community-driving mediums, with the goal of creating more company awareness and investor engagement, (iii) distribute company approved messaging, press releases, and other approved company materials across social channels that include Reddit, Discord, Telegram, Twitter, and StockTwits, (iv) spread company insights and announcements to new communities with hopes of attracting new clients and other interested parties (v) featuring the Company in different influencer-based videos, driving more engagement to the Company's story, and (vi) an occasional Q&A or highlight video surrounding recent company news to be posted on the Company's YouTube channel or other company mediums.

The Marketing Agreement will have an initial term of six months starting on March 8, 2024, and the Company will pay OTBC a cash fee of CAD\$150,000 (plus applicable taxes) with the possibility of an additional monthly cash budget for marketing services if required.

OTBC's business address is 2202 Green Orchard PL., Oakville ON L6H 4V4 Canada, email: jason@outsidethebox.capital, telephone: 289-259-4455.

OTBC participated in the Company's previously completed LIFE offering and concurrent private placement, which closed March 15, 2024, pursuant to which OTBC acquired 1,000,000 common shares of the Company at \$0.10 per share. Other than as set out in this press release, to the best of the Company's knowledge, OTBC does not currently own any other securities of the Company as of the date hereof. OTBC is an arm's length party and has no direct relationship with the Company.

Property Updates

Cobalt Hill

Pursuant to an option agreement dated February 5, 2018, amended on April 25, 2019 and July 3, 2020, the Company was granted an option to acquire a 100% undivided interest in certain Cobalt Hill mineral claims ("**Cobalt Hill**") located in the Trail Creek Mining Division in British Columbia.

The Company fulfilled the terms of the option agreement and acquired a 100% undivided interest in Cobalt Hill by making cumulative cash payments totaling \$355,000 and issuing a cumulative total of 110,000 common shares of the Company. The optionor retained a 1.5% NSR on Cobalt Hill.

The applicable mineral claims for Cobalt Hill expire on March 25, 2026.

Tyr Silver Project and Century South Silver-Zinc Project

On October 15, 2020, pursuant to the terms of the definitive agreement dated August 13, 2020, the Company closed the acquisition for 60% of 1256714 B.C. Ltd. ("**TargetCo**") which owns a 100% interest (subject to a 2% NSR) in two prospective silver-zinc projects in Australia, being the Tyr Silver Project and the Century South Silver-Zinc Project. On April 5, 2022, pursuant to the terms of the definitive agreement dated March 25, 2022, the Company closed the acquisition of an additional 20% of TargetCo. On July 13, 2023, the Company acquired the remaining 20% of the issued and outstanding securities of TargetCo.

The applicable mineral claims for Tyr Silver expire on March 29, 2030. During the year ended September 30, 2023, the Tyr Silver Project was fully impaired due to the Company's decision to focus on core projects instead. The Company intends to continue to invest in this property from future financings.

After management of the Company determined that the Century South Silver-Zinc Project was not a property of merit, the applicable tenements for the Century South Silver-Zinc Project expired on October 24, 2023. As the Century South Silver-Zinc Project was not a material project of the Company, management does not expect that the expiry of the mineral tenements will have an impact on the present or future operations of the Company. During the year ended September 30, 2023, the Century South Silver-Zinc Project was fully impaired due to the Company's decision to focus on core projects instead.

James Bay Lithium Project

Effective September 27, 2022, the Company entered into a mineral property option agreement with Cygnus Gold Limited ("**Cygnus**"), whereby the Company granted Cygnus the option to acquire up to an 80% interest in the Company's Route 381 Lithium and Mitsumis properties located in Quebec, Canada (the "**James Bay Lithium Project**"). Option consideration from Cygnus is recorded as a reduction of the properties' capitalized exploration and evaluation assets reflecting a recovery of past costs incurred. During the year ended September 30, 2023, the James Bay Lithium Project was partially impaired due to the decrease in the fair value of mineral property option agreement.

The applicable mineral claims for Route 381 expire on January 14, 2025.

The applicable mineral claims for Mitsumis expire on December 8, 2025.

The New Age Co Properties

On April 14, 2021, the Company announced that it had completed the acquisition of all issued and outstanding securities of New Age Resources Pty Ltd. ("**New Age Co**").

Rare Earth Elements ("**REE**") (Northern Territory) - Arctic Fox and Isbjorn

Located in Australia's Northern Territory, both properties are in the exploration stage. Arctic Fox is contiguous with the Nolans Bore REE project and the Isbjorn asset is contiguous to the Charley Creek REE project. The tenements EL32178 (Isbjorn) and EL32179 (Arctic Fox) expire on February 20, 2026.

Nickel-cobalt-scandium-HPA (New South Wales) - Chinook, Kodiak & Caribou

After management of the Company determined that the Chinook, Kodiak and Caribou properties were not properties of merit, the tenements EL8788 (Caribou), EL8738 (Chinook), and EL8737 (Kodiak) were cancelled on May 11, 2023. As the Chinook, Kodiak and Caribou properties were not material properties of the Company, management does not expect that the expiry of the mineral tenements will have an impact on the present or future operations of the Company.

During the year ended September 30, 2023, the New Age Co Properties were fully impaired due to the application of IFRS to bring the Company's assets in line with its market capitalization.

The Company wishes to clarify that the applications for tenements EL32488 and EL32499 – which are referenced in the share purchase agreement dated March 29, 2021, between the Company, New Age Co and the shareholders of New Age Co – were, to the best of the Company's knowledge, never completed or acquired by the Company.

About MegaWatt Lithium and Battery Metals Corp.

MegaWatt is a British Columbia based company involved in the acquisition and exploration of mineral properties in Canada. The Company holds a 100% undivided interest, subject to a 1.5% NSR on all base, rare earth elements and precious metals, in the Cobalt Hill Property, consisting of eight mineral claims covering an area of approximately 1,727.43 hectares located in the Trail Creek Mining Division in the Province of British Columbia, Canada.

Additionally, the Company has acquired a 100% interest in a company that indirectly holds a 100% interest (subject to a 2% NSR) in the Tyr Silver Project (see press release dated October 15, 2020).

The Company holds a 100% interest (subject to a 2% NSR) in and to the Route 381 Lithium Property, comprised of 40 mineral claims located in James Bay Territory, north of Matagami in the Province of Quebec, covering 2,126 hectares (see press release dated February 3, 2021) and a 100% interest in 229 additional mineral exploration claims prospective for lithium, also in the James Bay area of Quebec covering an area of 12,116 hectares or 121 square kms.

Investors can learn more about the Company and team at <https://megawattmetals.com>.

Related Links

<https://megawattmetals.com>

The CSE does not accept responsibility for the adequacy or accuracy of this release.

The securities to be issued in connection with the Proposed Transaction have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), or under any state securities laws, and may not be offered or sold, directly or indirectly, or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act) absent registration or an applicable exemption from the registration requirements. This news release does not constitute an offer to sell or a solicitation to buy such securities in the United States.

This press release includes "forward-looking information" that is subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. These

forward-looking statements or information may relate to the potential acquisition of Labrador, including, the closing of the Proposed Transaction on the terms described herein or at all, the Company's business plans, the Company's completion of a NI 43-101 technical report in respect of the Property, and other factors or information. Such statements represent the Company's current views with respect to future events and are necessarily 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 risks, contingencies and uncertainties. Many factors, both known and unknown, could cause 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. The Company does not intend, and does not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements and information other than as required by applicable laws, rules and regulations.

FOR FURTHER INFORMATION PLEASE CONTACT:

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