



LithiumBank Announces Closing of \$6.8 Million "Bought Deal" Private Placement

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CALGARY, Alberta, May 15, 2023 -- **LithiumBank Resources Corp. (TSX-V: LBNK)** (the "**Company**" or "**LithiumBank**") is pleased to announce that it has closed its previously announced bought deal private placement financing pursuant to an underwriting agreement among Echelon Capital Markets, Beacon Securities Limited and Red Cloud Securities Inc. (collectively, the "**Underwriters**") and the Company dated May 15, 2023 (the "**Underwriting Agreement**") in connection with the "bought deal" private placement of 3,631,700 units of the Company issued on a charity flow-through basis (the "**FT Units**") at a price of \$1.90 per FT Unit (the "**FT Issue Price**") for gross proceeds of \$6,900,230 ("**Offering**"). Each FT Unit consists of one common share of the Company to be issued as a "flow-through share" within the meaning of the *Income Tax Act* (Canada) (each, a "**FT Share**") and three quarters of one common share purchase warrant of the Company (each whole common share purchase warrant, a "**FT Warrant**"), each issued as a "flow-through share" within the meaning of the *Income Tax Act* (Canada). Each FT Warrant entitles the holder thereof to purchase one non flow-through Common Share (a "**Warrant Share**") at an exercise price of \$2.00 per Warrant Share for a period of 36 months from the date of issuance thereof, subject to adjustment in certain events.

Pursuant to the Underwriting Agreement, the Underwriters received a cash commission representing an aggregate of 6.0% of the gross proceeds raised under the Offering and were issued an aggregate of 192,372 non-transferable compensation warrants of the Company ("**Compensation Warrants**"). Each Compensation Warrant entitles the holder to purchase one unit (a "**Compensation Unit**") of the Company at a price of \$1.28 per Compensation Unit for a period of 36 months from the date of issuance. Each Compensation Unit is comprised of one common share in the capital of the Company ("**Compensation Share**") and three quarters of one common share purchase warrant (each whole warrant, a "**Compensation Unit Warrant**"). Each Compensation Unit Warrant entitles the holder thereof to purchase one Compensation Share at price of \$2.00 for a period of 36 months from the date of issuance. The Underwriters received a reduced cash commission of 3.0% and that number of Compensation Warrants equal to 3.0% of the number of FT Units sold to purchasers under a president's list.

The FT Shares partially comprising the FT Units will be used to incur, on the Company's Canadian mineral exploration properties, Canadian exploration expenses that will qualify as "flow-through mining expenditures", as defined in subsection 127 (9) of the *Income Tax Act* (Canada) (collectively, the "**Qualifying Expenditures**"). The Qualifying Expenditures will be incurred on or before December 31, 2024 and will be renounced by the Company to the subscribers with an effective date no later than December 31, 2023 to the initial purchasers of the FT Units in an aggregate amount not less than the gross proceeds raised from the issue of the FT Shares partially comprising the FT Units. In the event that the Company is unable to renounce the issue price of the FT Shares partially comprising the FT Units on or prior to December 31, 2023 for each FT Unit purchased and/or if the Qualifying Expenditures are reduced by the Canada Revenue Agency, the Company will as sole recourse for such failure to renounce, indemnify each FT Unit subscriber for the additional taxes payable by such subscriber to the extent permitted by the *Income Tax Act* (Canada) as a result of the Company's failure to renounce the Qualifying Expenditures as agreed. Currently, the Company intends to use the proceeds raised from the Offering for exploration and development of its projects in Alberta.

In compliance with applicable regulatory requirements and in accordance with National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**"), 2,630,700 FT Units were offered for sale to purchasers resident in Canada and other qualifying jurisdictions pursuant to the listed issuer financing exemption under Part 5A of NI 45-106 (the "**Listed Issuer Financing Exemption**"). Because this portion of Offering was completed pursuant to the Listed Issuer Financing Exemption, 2,630,700 FT Units issued to purchasers in the Offering are not subject to a hold period pursuant to applicable Canadian securities laws. There is an offering document related to the Offering that can be accessed under the Company's profile at www.sedar.com and on the Company's website at <https://www.lithiumbank.ca/>.

The Compensation Warrants, Compensation Shares, Compensation Unit Warrants and 1,001,000 FT Units issued and issuable under the Offering are subject to a statutory hold period and may not be traded until September 16, 2023, except as permitted by applicable securities legislation.

The Offering is subject to the final approval of the TSX Venture Exchange.

Line of Credit Agreement

The Company is also pleased to announce that it has entered into a line of credit agreement (the "**Line of Credit Agreement**") with a related party of the Company (the "**Lender**"), pursuant to which the Lender will provide the Company with a revolving credit facility in the principal sum of up to \$2,000,000 (the "**Credit Facility**"). The Credit Facility accrues interest at a rate of 15% per annum, paid quarterly, and any outstanding indebtedness will mature on March 31, 2025 (the "**Maturity**").

Date)". The accrued interest will be due on the 1st business day following the end of each calendar quarter.

The Company is not issuing any securities, paying any bonus, commission, or finder's fees in connection with the Credit Facility and any indebtedness thereunder is not convertible, directly or indirectly, into equity or voting securities of the Company. Any indebtedness under the Credit Facility is repayable at any time without penalty prior to the Maturity Date. Should all or any part of indebtedness under the Credit Facility, including interest, not be paid when due, the rate of interest shall increase to 18% per annum, calculated and compounded daily, until all amounts are paid in full.

In connection with the Credit Facility, the Company intends to deliver a fixed and floating charge demand debenture (the "**Security**") to the Lender in the principal amount of \$2,000,000, mortgaging and charging certain mineral claims in connection with the Company's Park Place property located in Alberta, Canada, as a fixed mortgage and charge against the Claims.

Multilateral Instrument 61-101

The Lender is an affiliate of a director of the Company, and as a result, the entering into of the Line of Credit Agreement 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 Credit Facility has been determined to be exempt from the requirements to obtain a formal valuation or minority shareholder approval based on sections 5.5(b) and 5.7(a) of MI 61-101, as the Company does not have securities listed or quoted on any of the specified markets listed in section 5.5(b) of MI 61-101 and at the time of the entering into of the Line of Credit Agreement, the fair market value of the Credit Facility does not exceed 25% of the Company's market capitalization.

About LithiumBank Resources Corp.

LithiumBank Resources Corp. is a development company focused on lithium-enriched brine projects in Western Canada where low-carbon-impact, rapid DLE technology can be deployed. LithiumBank currently holds over 3.6 million acres of mineral titles, 3.33M acres in Alberta and 336k acres in Saskatchewan. LithiumBank's mineral titles are strategically positioned over known reservoirs that provide a unique combination of scale, grade and exceptional flow rates that are necessary for a large-scale direct brine lithium production. LithiumBank is advancing and de-risking several projects in parallel of the Boardwalk Lithium Brine Project.

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

Cautionary and Forward-Looking Statements

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

This news release contains certain statements and information that may be considered "forward-looking statements" and "forward looking information" within the meaning of applicable securities laws. In some cases, but not necessarily in all cases, forward-looking statements and forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved" and other similar expressions. In addition, statements in this news release that are not historical facts are forward looking statements, including statements or information concerning the use of proceeds of the Offering, the tax treatment of the FT Shares and FT Warrants, final approvals by the TSX Venture Exchange, the future performance of the Company's business, its operations and its financial performance and condition, as well as management's objectives, strategies, beliefs and intentions and the belief that the Company is sufficiently capitalized to advance its projects in Alberta.

These statements and other forward-looking information are based on assumptions and estimates that the Company believes are appropriate and reasonable in the circumstances, including, without limitation, assumptions about the future prices of minerals; the price of other commodities such as coal, fuel and electricity; currency exchange rates and interest rates; favourable operating conditions; political stability; timely receipt of governmental approvals, licences and permits (and renewals thereof); access to necessary financing; stability of labour markets and market conditions in general; availability of equipment; the accuracy of mineral resource estimates; estimates of costs and expenditures to complete the Company's programs and goals; and there being no significant disruptions affecting the development and operation of the project, including due to the COVID-19 pandemic.

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. Important factors that could cause actual results to differ materially from

the Company's expectations include risks associated with the business of the Company; business and economic conditions in the mining industry generally; the supply and demand for labour and other project inputs; changes in commodity prices; changes in interest and currency exchange rates; risks relating to inaccurate geological and engineering assumptions; risks relating to unanticipated operational difficulties; failure of equipment or processes to operate in accordance with specifications or expectations; cost escalations; unavailability of materials and equipment; government action or delays in the receipt of government approvals; industrial disturbances or other job action; unanticipated events related to health, safety and environmental matters; risks relating to adverse weather conditions; political risk and social unrest; changes in general economic conditions or conditions in the financial markets; and other risk factors as detailed from time to time in the Company's continuous disclosure documents filed with Canadian securities regulators. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.