

NextSource Materials Closes Private Placement for Gross Proceeds of CAD\$14.7 Million

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TORONTO, ON / ACCESSWIRE / October 11, 2024 / NextSource Materials Inc.

(TSX:NEXT)(OTCQB:NSRCF) ("NextSource" or the "Company") announces it has closed a non-brokered private placement offering of 27,728,100 common shares of the Company ("Shares") at a price of CAD\$0.53 per Share for aggregate gross proceeds of CAD\$14,695,893 (the "Offering").

Vision Blue Resources Limited. ("**Vision Blue**") purchased 15,582,300 Shares under the Offering for a total subscription price of CAD\$8,258,619, with significant new and existing shareholders of the Company representing the remaining investors.

The net proceeds of the Offering are intended to be used primarily to progress the Company's strategy of a staged rollout of Battery Anode Facilities (BAF) to produce active anode material for EV batteries. Certain proceeds will also be used at the Molo Mine in connection with Phase 2 expansion, working capital requirements as well as general and administrative expenses.

Finder fees were paid in relation to the Offering, consisting of CAD\$61,266

The Shares will be subject to a hold period in Canada expiring four months and one day from the date hereof.

The Company has obtained conditional approval from the Toronto Stock Exchange (the "TSX") for the listing of all Shares issued pursuant to the Offering. The Offering is subject to receipt of final approval from the TSX.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This press release does not constitute an offer of Shares for sale in the United States. The Shares offered have not been, nor will they be, registered under the *United States Securities Act of 1933*, as amended, and such Shares may not be offered or sold within the United States absent registration under U.S. federal and state securities laws or an applicable exemption from such U.S. registration requirements.

Related Party Disclosure

The participation of Vision Blue in the Offering constitutes a "related party transaction" pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company has determined that the transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of securities issued to Vision Blue, nor the consideration paid by Vision Blue exceeded 25 percent of the Company's market capitalization. The Company did not file a material change report in respect of the transaction 21 days in advance of closing of the Offering

because Vision Blue's participation had not been confirmed. The shorter period was necessary in order to permit the Company to close the Offering in a timeframe consistent with usual market practice for transactions of this nature.

Early Warning Disclosure

Prior to the Offering, Vision Blue held an aggregate of 72,580,072 common shares of the Company ("**Common Shares**"), representing approximately 46.6% of the outstanding Common Shares on a non-diluted basis and approximately 46.6% on a partially diluted basis.

After giving effect to the closing of the Offering, Vision Blue owns and exercises control or direction over 88,162,372 Common Shares, zero Options and zero RSUs, representing approximately 48.0% of the outstanding Common Shares on a non-diluted basis and approximately 48.0% on a partially diluted basis.

Vision Blue is acquiring the Common Shares for investment purposes and intends to review its investment in NextSource on a continuing basis. Vision Blue may, depending on market and other conditions, increase or decrease its beneficial ownership, control or direction, over securities of NextSource through market transactions, private agreements, treasury issuances or otherwise. Vision Blue's registered address is 1 Royal Plaza, Royal Avenue, St Peter Port, GY1 2HL, Guernsey.

For more information, or to obtain a copy of the subject early warning report, please contact:
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About NextSource Materials Inc.

NextSource Materials Inc. is a battery materials development company based in Toronto, Canada that is intent on becoming a vertically integrated global supplier of battery materials through the mining and value-added processing of graphite and other minerals.

The Company's Molo graphite project in Madagascar is one of the largest known and highest-quality graphite resources globally, and the only one with SuperFlake® graphite. The Molo mine has begun production, with Phase 1 mine operations currently being optimized to reach its nameplate production capacity of 17,000 tpa of graphite concentrate.

The Company is also developing a significant downstream graphite value-add business through the staged rollout of Battery Anode Facilities capable of large-scale production of coated, spheronized and purified graphite for direct delivery to battery and automotive customers, outside of existing Asian supply chains, in a fully transparent and traceable manner.

NextSource Materials is listed on the Toronto Stock Exchange under the symbol "NEXT" and on the OTCQB under the symbol "NSRCF".

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CAUTIONARY NOTE

This press release contains statements that may constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable Canadian and United States securities legislation. Readers are cautioned not to place undue reliance on forward-looking information or statements. Forward-looking statements and information are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "potential", "possible" and other similar words, or statements that certain events or conditions "may", "will", "could", or "should" occur. Forward-looking statements include any statements regarding, among others, the terms and conditions of the Offering, including final approval of the TSX in respect thereof; timing of on-site construction including the processing plant, process improvements and mine plant adjustments as well as production estimates and timing thereof, the rollout of Battery Anode Facilities including the capabilities and the timing thereof. These statements are based on current expectations, estimates and assumptions that involve a number of risks, which could cause actual results to vary and, in some instances, to differ materially from those anticipated by the Company and described in the forward-looking statements contained in this press release. No assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do so, what benefits the Company will derive there from. The forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether because of new information, future events or otherwise, except as may be required by applicable securities laws. Although the forward-looking statements contained in this news release are based on what management believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with them. These forward-looking statements are made as of the date of this news release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this news release.

SOURCE: NextSource Materials Inc.