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Surge Battery Metals Announces Phase 2 Drilling Underway With Two Holes Complete

August 15, 2023: West Vancouver, BC; Surge Battery Metals Inc. (the "**Company**" or "**Surge**") (TSXV: NILI, OTC: NILIF, FRA: DJ5C) is pleased to announce the second program of drilling is underway and the first two holes have been completed on the Nevada North Lithium Project (NNLP) located northeast of Elko, Nevada.

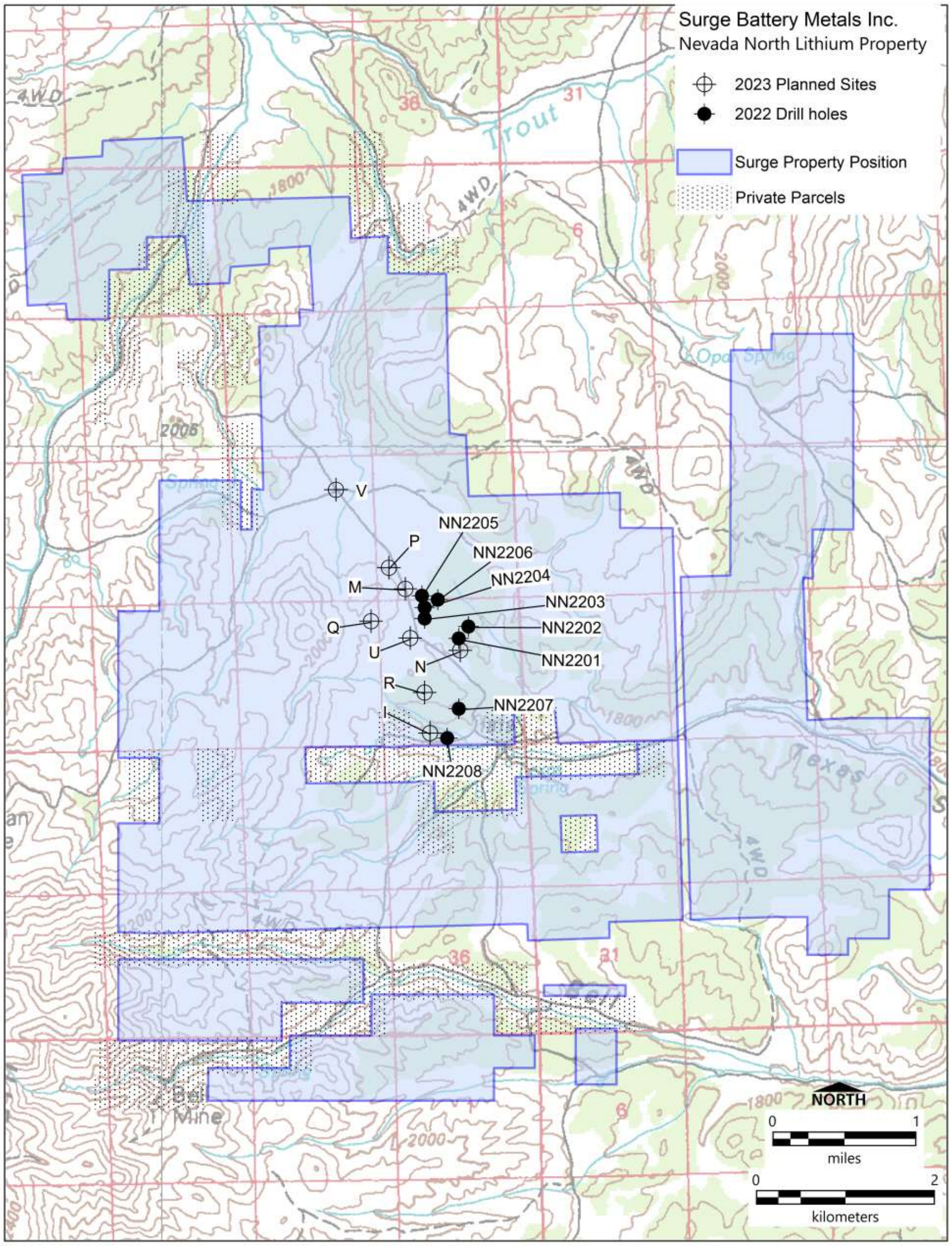
Drill pad locations for this second program of drilling have been laid out to further test and extend the presence of clay beds that were assayed for high levels of lithium in last year's program. The possible expansion in area and at depth were interpreted from the recently completed geophysical surveying. Of the eight holes planned, seven can be regarded as step-out holes from the first drill program in 2022 with drill hole location "V" (see map accompanying this news release) being located on an assumed northwest trend. Site "V" has the potential to extend the known lithium-rich clay from the current 1,620 meters strike length to more than 3000 meters. Site "Q" will test the known width of the mineralization to 950 meters from the previously drill-indicated 400 meters.

Drillhole location "R", which is a 400 meter step out, and "M" have been completed. Drilling at hole location "V" is underway. Hole "V" is a significant step out of over 1,000 meters from previous drill holes. The stratigraphic package and general intercepts of the favorable claystone which have been encountered in the first two holes are consistent with the 2022 drilling results.

Most recently (news release July 26, 2023), the Company announced a significant expansion of its land holdings at NNLP through additional claim staking by the Company (100% interest without any royalties), and by way of an Agreement with M3 Metals Corp ("M3M"). With the additional staked lands and including the interest in the M3M Lands, the Company will, once the M3M Agreement has received regulatory approval, have significantly increased its land position in the area of the NNLP.

Mr. Greg Reimer, Chief Executive Officer, and Director commented "We have initiated the second drilling program on our Nevada North Lithium Project, with the completion of holes "R" and "M". Drill hole location "V", our most northerly location, is underway. We are encouraged that the first two holes show similar geological characteristics to the 2022 program and expect to see an increase in the overall area of clay bearing horizons that, to date, have contained significant lithium values."

<u>Surge Battery Metals Phase 2 Drill Location Map</u>



Qualified Person as Defined Under National Instrument 43-101

Alan J. Morris, MSc, CPG of Spring Creek, Nevada, a Qualified Person as defined under National Instrument 43-101 has reviewed and approved the technical aspects of this news release.

Equity Incentive Plan and Grant of RSUs / PSUs and Options

The Company has, effective August 14, 2023, granted a total of 6,609,000 RSUs (the "RSUs") and 6,609,000 PSUs (the "PSUs") under its Equity Incentive Plan dated effective July 19, 2023 (the "Plan") to certain Participants (as that term is defined under the Plan). As previously announced, the Plan received shareholder approval on July 19, 2023. The Plan subsequently has received final approval from the TSX Venture Exchange.

The vesting provisions of the RSUs are as follows: One-third of the RSUs granted to the Participant vest on the first anniversary of the date of grant. An additional one-third of the RSUs granted to the Participant vest on the second anniversary of the date of grant. The remaining one-third of the RSUs granted to the Participant vest on the third anniversary of the grant.

The vesting provisions of the PSUs are as follows: One-third of the PSUs granted to the Participant vest on the completion of a resource calculation for the Company's Nevada North Lithium Project (the "Project") in the form of an NI 43-101 technical report filed on the Company's issuer profile on SEDAR. An additional one-third of the PSUs granted to the Participant vest upon completion of a preliminary economic assessment of the Project in the form of an NI 43-101 technical report filed on the Company's issuer profile on SEDAR. The remaining one-third of the PSUs granted to the Participant vest upon the Company listing on a senior exchange such as the TSX after the first two performance goals have been reached.

No transactions which would trigger vesting of the PSUs in the paragraph above are currently under negotiation nor has any agreement been reached regarding such a transaction.

The PSUs and RSUs are subject to the provisions of Exchange Policy 4.4 which stipulate generally, amongst other things, that vesting of PSUs and RSUs may not occur less than one (1) year from their date of grant.

All unexercised or unvested PSUs and RSUs expire five (5) years from the date of grant. The PSUs and RSUs are subject to early cancellation in certain circumstances including in the event that a Participant ceases to hold office or provide services to the Company.

All PSUs and RSUs have an exercise price of $0.01 per share and all RSUs and PSUs are exercisable for the issuance of one common share of the Company.

The grant of the PSUs and the RSUs is subject to the approval of the TSX Venture Exchange.

The company is granting a total of 1.5 million stock options, exercisable for a period of five years, at an exercise price of 60 cents a share to certain directors, officers, and consultants.

About Surge Battery Metals Inc.

The Company is a Canadian-based mineral exploration company active in the exploration for lithium in Nevada whose primary listing is on the TSX Venture Exchange. The Company's maintains a focus on exploration for high value battery metals required for the electric vehicle (EV) market.

About the Nevada North Lithium Project

The Company owns the **Nevada North Lithium Project** located in the Granite Range southeast of Jackpot, about 73 km north-northeast of Wells, Elko County, Nevada. The first round of drilling, completed in October 2022, identified a strongly mineralized zone of lithium bearing clays occupying a strike length of almost 1,620 meters from drillhole NN2205 in the north to drillhole NN2208 in the south. Widths of the mineralized horizons are not well determined since the holes are mostly on a north-south alignment, however, widths are at least 400 meters, supported by highly anomalous soil values indicating potential for the clay horizons to be much greater in extent. The potential for a significant lithium deposit can be illustrated by the results of drilling and surface soils sampling, which indicate an extensive area of enrichment beyond the drilling pattern to date. Drillhole NN2207 intersected the thickest intervals of lithium-rich claystone encountered to date; a total of 120.4 meters (395 feet) averaging 3,943 ppm lithium in four zones. Additionally, drillhole NN2208 had the strongest downhole individual sample of 5,950 ppm lithium between 45 and 50 feet (13.72 and 15.24 meters). The average lithium content within all near surface clay zones intersected in 2022 drilling, applying a 1000 ppm cut-off, was 3254 ppm. (news release March 29, 2023)

On behalf of the Board of Directors

"Greg Reimer"

Greg Reimer,
President & CEO

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Neither the 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.