ASX ANNOUNCEMENT
19 May 2023
ASX | GT1

*Building the pre-eminent vertically integrated **Lithium** business in Ontario, Canada*

A$20M STRATEGIC INVESTMENT AND OFFTAKE TERM SHEET WITH LG ENERGY SOLUTION

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HIGHLIGHTS

- **LG Energy Solution ("LGES") to invest A$20m in GT1 equity at A$0.92 per share, to become a substantial shareholder and represents a 43% premium to GT1's 30 day VWAP**
- **Investment from a Tier-1 battery manufacturer at a premium subscription price validates GT1's Seymour project and the company's strategy to become Ontario's first lithium producer**
- **Offtake Term Sheet provides that GT1 will sell 25% of Seymour Project offtake to LGES for 5 years, establishing a stable critical mineral supply chain in North America**
- **Funds to be used in advancing GT1's Flagship Seymour Lithium Project**

Green Technology Metals Limited (**ASX: GT1**) (**GT1** or the **Company**), a Canadian-focused multi-asset lithium business, is pleased to announce that it has signed an equity subscription agreement (**Subscription Agreement**) and an offtake term sheet (**Offtake Term Sheet**) in relation to future production from GT1's flagship Seymour Project (**Seymour**) in Ontario, Canada with LG Energy Solution, Limited (**LGES**) the global battery manufacturer that forms part of the LG group of companies.

Under the Subscription Agreement, LGES will subscribe for 21,739,130 new shares in GT1 at a price of A$0.92 per share, for total proceeds of A$20m. The subscription price is at a material premium to recent trading in GT1, recognising the strategic nature of the investment into GT1 and associated offtake rights, and represents 7.89% of GT1's ordinary shares on issue. The issue price of A$0.92 per share represents a 28% premium to the 90-day VWAP at close on 18 May 2023.The Subscription Agreement has been executed following the completion of detailed confirmatory financial and legal due diligence on GT1 and its projects by LGES. The shares will be issued using the Company's ASX Listing Rule 7.1A issuing capacity.

Pursuant to the Offtake Term Sheet, GT1 will sell to LGES 25% of its spodumene concentrate production from Seymour for a period of 5 years from the commencement of commercial production at Seymour. In the event that GT1 develops a lithium hydroxide conversion facility during this period, GT1 will deliver the equivalent lithia content to LGES in the form of lithium hydroxide. The pricing for both spodumene and lithium hydroxide has been agreed based on a formula linked to the prevailing market price of lithium hydroxide. The parties have agreed to enter into a full form Offtake Agreement consistent with the terms outlined in the Offtake Term Sheet by the end of August 2023.

The funds received will be used to continue the progression of Seymour through exploration and feasibility. The Preliminary Economic Assessment (PEA) remains underway and is now expected to be finalised and announced in the coming weeks.

Seymour is currently in the exploration phase and the commencement of commercial production at Seymour remains subject to, among other things, further Indigenous and community consultation, obtaining project finance and completion of technical and engineering studies in respect of the project.

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"We welcome the execution of these important agreements with LGES and look forward to their contribution as a new strategic partner with GT1, alongside AMCI, Lithium Americas and Primero. LGES brings global scale and expertise in battery manufacturing as well as balance sheet strength as GT1 advances its integrated lithium strategy in the Tier 1 jurisdiction of Ontario."

- Green Technology Metals Chairman, John Young

"We have always been committed to expanding our supply chain in North America, as a steady supply of critical minerals, including lithium, is key to ensuring reliable and timely delivery of our innovative power solutions to our customers. Thanks to partnerships with competent local suppliers like GT1, we will continue our devotion to expediting the EV transition in North America, through our product competitiveness and operational excellence."

- LGES Chief Procurement Officer, Myung Hwan Kim

Strategic Rationale of transaction

GT1's disciplined approach to strategic partnerships and it's offtake strategy has enabled the Company to secure a offtake partner with a Tier-1 battery producer in the North American EV battery supply chain which further validates the Company's strategy of becoming a leading North American lithium producer.

The agreements deliver a strategic alignment within Ontario's critical minerals supply chain and delivers GT1 additional capabilities to advance its flagship Seymour Project and lithium chemical plant, in line with the Company's strategy to become the first lithium producer in Ontario and a vertically integrated lithium business.

This agreement is a significant milestone for both companies and marks the first transaction from LGES upstream into lithium feedstock. It also represents a complete cycle in the battery manufacturing supply chain, with GT1 now supplying the raw battery materials to feed into LGES' lithium-ion battery production plants in North America.

GT1 is focused on executing its North American supply chain strategy and is in discussions with a variety of parties relating to the funding of Seymour and the proposed lithium conversion plant.

Key terms

Subscription Agreement

The key terms of the Subscription Agreement are summarised below:

- LGES has agreed to subscribe for 21,739,130 new fully paid ordinary shares in GT1 at an issue price of A$0.92 per share for a total subscription amount of A$20 million.
- Completion of the share subscription is conditional upon the following:
    - LGES completing a foreign direct investment filing with the Bank of Korea (expected to be received in May 2023); and
    - the Offtake Term Sheet not having been materially breached or terminated.
- LGES has the right to appoint a financial adviser or co-adviser to procure debt project finance from a Korean Export Credit Agency on terms acceptable to GT1 if the GT1 Board determines that debt project finance for Seymour should be provided by a Korean Export Credit Agency.
- GT1 has granted LGES a six month right to be notified of a proposed future equity issue to a strategic investor at an issue price of less than $0.92, with GT1 having to negotiate in good faith to identify whether the terms on which LGES may participate in such equity issues can be agreed.
- If GT1 makes a final investment decision to proceed with the development of its Root, Wisa, Alison or Solstice project before Seymour then the agreed offtake terms for Seymour will be transferred to the Root, Wisa, Alison or Solstice Project (as applicable).
- Either party may terminate the Subscription Agreement if the conditions precedent are not satisfied or waived by 9 June 2023, or if the other party does not remedy a material breach of the Subscription Agreement.

Offtake Term Sheet

The key terms of the Offtake Term Sheet are set out below:

- GT1 to sell and deliver, and LGES to buy and take delivery of, 25% of spodumene concentrate (or, if GT1 constructs a lithium hydroxide conversion facility, the equivalent quantity of lithium hydroxide) produced from Seymour for a term of 5 years commencing from the date of commencement of commercial production from Seymour.
- The pricing for both spodumene and lithium hydroxide has been agreed based on a formula linked to the prevailing market price of lithium hydroxide.
- Either party may terminate the Offtake Term Sheet if the other party suffers an insolvency event or in the event of prolonged force majeure. If a party materially breaches its obligations under the Offtake Term Sheet and fails to rectify such breach, then the other party may suspend or terminate the delivery or deliveries of product to which the breach relates.

GT1 and LGES will now proceed to enter into a full form offtake agreement reflecting the terms of the Offtake Term Sheet by the end of August 2023.

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This ASX release has been approved for release by the Board.

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Green Technology Metals (ASX:GT1)

GT1 is a North American-focussed lithium exploration and development business with a current global resource of 14.4Mt Li_2O at 1.03% Li_2O. The Company's main 100% owned Ontario Lithium Projects comprise high-grade, hard rock spodumene assets (Seymour, Root and Wisa) and lithium exploration claims (Allison and Solstice) located on highly prospective Archean Greenstone tenure in north-west Ontario, Canada.

All sites are proximate to excellent existing infrastructure (including clean hydro power generation and transmission facilities), readily accessible by road, and with nearby rail delivering transport optionality.

Seymour has an existing Mineral Resource estimate of 9.9 Mt @ 1.04% Li_2O (comprised of 5.2 Mt at 1.29% Li_2O Indicated and 4.7 Mt at 0.76% Li_2O Inferred).1 and Root has an Inferred Mineral Resource Estimate of 4.5 Mt @ 1.01% Li_2O. Accelerated, targeted exploration across all three projects delivers outstanding potential to grow resources substantially.



[1] For full details of the Seymour Mineral Resource estimate, see GT1 ASX release dated 23 June 2022, *Interim Seymour Mineral Resource Doubles to 9.9Mt*. For full details of the Root Maiden Mineral Resource estimate, see GT1 ASX release dated 19 April 2023, *GT1 Mineral Resources Increased to 14.4MT*.The Company confirms that it is not aware of any new information or data that materially affects the information in that release and that the material assumptions and technical parameters underpinning this estimate continue to apply and have not materially changed.

About LG Energy Solution

LG Energy Solution (KRX: 373220), a split-off from LG Chem, is a leading global manufacturer of lithium-ion batteries for electric vehicles, mobility, IT, and energy storage systems. With 30 years of experience in revolutionary battery technology and extensive research and development (R&D), the company is the top battery-related patent holder in the world with over 25,000 patents. Its robust global network, which spans North America, Europe, Asia, and Australia, includes battery manufacturing facilities established through joint ventures with major automakers such as General Motors, Stellantis N.V., Hyundai Motor Group, and Honda Motor Co., Ltd. At the forefront of green business and sustainability, LG Energy Solution aims to achieve carbon neutral operations by 2050, while embodying the value of shared growth and promoting diverse and inclusive corporate culture. To learn more about LG Energy Solution's ideas and innovations, visit https://news.lgensol.com.

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APPENDIX A: IMPORTANT NOTICES

No new information

Except where explicitly stated, this announcement contains references to prior exploration results, all of which have been cross-referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements.

The information in this report relating to the Mineral Resource estimate for the Seymour Project is extracted from the Company's ASX announcement dated 23 June 2022. GT1 confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply.

The information in this report relating to the Mineral Resource estimate for the Root Project is extracted from the Company's ASX announcement dated 19 April 2023. GT1 confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply.

Forward Looking Statements

Certain information in this document refers to the intentions of Green Technology Metals Limited (ASX: GT1), however these are not intended to be forecasts, forward looking statements or statements about the future matters for the purposes of the Corporations Act or any other applicable law. Statements regarding plans with respect to GT1's projects are forward looking statements and can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. There can be no assurance that the GT1's plans for its projects will proceed as expected and there can be no assurance of future events which are subject to risk, uncertainties and other actions that may cause GT1's actual results, performance or achievements to differ from those referred to in this document. While the information contained in this document has been prepared in good faith, there can be given no assurance or guarantee that the occurrence of these events referred to in the document will occur as contemplated. Accordingly, to the maximum extent permitted by law, GT1 and any of its

affiliates and their directors, officers, employees, agents and advisors disclaim any liability whether direct or indirect, express or limited, contractual, tortuous, statutory or otherwise, in respect of, the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

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