



Li-Metal Announces Entry into Non-Binding LOI for Strategic Sale of Lithium Metal Business for an Indicative Purchase Price of US\$11,000,000 (~C\$15,000,000)

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Li-Metal enters into non-binding LOI for all cash transaction for sale of lithium metal technology to support the continued commercialization of lithium anode technology

TORONTO, Canada, June 28, 2024 – Li-Metal Corp. (CSE: LIM) (OTCQB: LIMFF) (FSE: 5ZO) (“Li-Metal” or the “Company”), a developer of lithium metal anode and lithium metal production technologies critical for next-generation batteries, has entered into a non-binding letter of intent (the “LOI”) dated June 27, 2024, with an arm’s length purchaser (the “Purchaser”), detailing a proposed acquisition (the “Sale Transaction”) of Li-Metal’s lithium metal business for an indicative purchase price of US\$11,000,000 (~C\$15,000,000) following the previously announced advanced discussions regarding the potential sale of the Company’s lithium production business. The LOI grants the potential purchaser an exclusivity period of no less than 30 days for the parties to negotiate the potential transaction. At this time, the parties have not agreed to a definitive agreement and there is no certainty that an agreement will be reached at the indicative purchase price or that an agreement will be reached, or a transaction completed at all. The intention of the transaction would be to enhance the Company’s balance sheet and provide capital to allow the Company to focus on its lithium metal anode business.

“The acquisition of the lithium metal business represents an important milestone as Li-Metal continues to advance the commercialization of its next-generation battery materials”, commented Anthony Tse, Chairman of the Board. “The cash generated by the sale will allow the anode business to scale to support Li-Metal’s anode customers as they continue to advance development towards the commercialization of their lithium metal and silicon batteries for high energy density applications.”

Next-generation Battery Anode Technology Update

Li-Metal continues to make progress in developing PVD lithium anode technology and fine-tune the production process. Using the small-scale production facility in Rochester, New York, the Company continues to supply sample anode products for customers in North America, Europe and Asia. These samples are pivotal in supporting the qualification and commercialization of the Company’s ultra-thin lithium anode products in its next-generation batteries.

“The potential transaction capitalizes Li-Metal to expand production capabilities to meet the growing demand for anode materials as next-gen battery manufacturers enter late-stage qualification of their battery products,” said Li-Metal’s CTO, Maciej Jastrzebski.

Equity Offering Timing Extended

The Company also announces an extension of the anticipated closing date for its previously announced \$2 million equity offering. On June 12, 2024 the Company announced the initiation of a non-brokered private placement to raise gross proceeds of up to \$2,000,000, comprising 20,000,000 units (each a "Unit"), at \$0.10 per Unit (the "Offering") with each Unit comprised of one common share of the Company and one-half common share purchase warrant, and each whole warrant (a "Warrant") entitling the holder to purchase one common share of the Company at a price of \$0.20 per share for a period of 24 months following the date of issuance.

The anticipated closing date of the Offering has been extended from June 28 to July 12, 2024 and the date for notification by any existing shareholder of the Corporation of their desire to participate in the Offering has been extended to July 8, 2024.

For more details on the Offering, please see the Company's press release dated June 12, 2024.

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About Li-Metal Corp.

Li-Metal is a Canadian-based vertically integrated battery materials company and innovator commercializing technologies to enable next-generation batteries for electric vehicles and other applications. We believe our patented lithium metal technology, next-generation battery anode technology and production methods are significantly more sustainable than existing solutions and offer lighter, more energy-dense and safer batteries. Li-Metal's battery materials support battery developers' ability to power more cost-effective electric vehicles that go farther and unlock the future of transportation. For more information, visit: <https://li-metal.com>.

Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws relating to the Company. Any such forward-looking statements may be identified by words such as "expects", "anticipates", "believes", "projects", "plans" and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements. Statements about, among other things, the Company's strategic plans and the financings are forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the development of the business of the Company will be completed as described above or that the financings will be completed. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by applicable law.