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## **KVANEFJELD RARE EARTHS PROJECT - UPDATE ON ARBITRATION AND LITIGATION**

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Energy Transition Minerals Ltd. (**Company**) (ASX: **ETM**) provides the following update in relation to the legal proceedings between ETM's subsidiary Greenland Minerals A/S (**GMAS**) and the Government of Greenland and the Government of Denmark in relation to the Kvanefjeld Rare Earths Project in Southern Greenland (the **Kvanefjeld Project**).

- **Arbitration:** Arbitration was initiated in March 2022 under the arbitration agreement contained in GMAS's exploration licence. This was because the Government of Greenland had informed GMAS in December 2021 that, because of the then-new Uranium Act, the Government of Greenland did not recognize any right of GMAS to an exploitation licence for the Kvanefjeld Project.

An oral hearing is scheduled for 25-26 June 2025 in Copenhagen concerning the issue of whether the arbitral tribunal has jurisdiction (legal competence) to decide on GMAS's right to an exploitation licence and the related issues such as damages. Currently, ETM expects a decision from the arbitral tribunal on jurisdiction by September 2025.

Depending on the outcome, it is expected that the arbitration will:

- (1) proceed to address GMAS's right to an exploitation licence, and related issues such as damages, on the merits; or
  - (2) be terminated, if the tribunal declines jurisdiction altogether; or
  - (3) be stayed pending litigation outcomes, with jurisdiction being assumed by the arbitral tribunal only on (some) related matters such as damages.
- **Litigation in Greenland:** The Government of Greenland formally denied GMAS an exploitation licence for the Kvanefjeld Project by decisions of 1 June 2023 and 8 September 2023, respectively. The Greenlandic *Mineral Resources Act* requires action to contest government decisions be initiated before the Greenlandic courts within one year. GMAS therefore filed litigation in Greenland in May 2024.

A case management conference with the High Court of Greenland is expected by August 2025 to fix the timetable for the case. Certain specific deadlines may be fixed earlier. Assuming the case proceeds following the decision in the arbitration (see above), the parties are expected to exchange written pleadings on the merits over the next 6-12 months.



- **Litigation in Denmark:** GMAS also filed litigation in Denmark in May 2024 in consequence of the decisions of 1 June 2023 and 8 September 2023 rendered by the Government of Greenland. This was necessary because the exploration licence specifies that non-arbitrable disputes shall be brought before "Danish courts" (rather than Greenlandic courts).

It is expected that this case will be stayed within the next six months pending the outcome of the arbitration or the litigation in Greenland.

The governments have still not filed any substantive defence in any of the three legal proceedings, even though they could and should have done so a long time ago.

By contrast, ETM is committed to advancing the Kvanefjeld Project, to have an efficient overall legal process, and to create clarity around the legal process for shareholders in the coming months.

GMAS was ordered by the arbitral tribunal in early 2024 to procure that ETM provide security for costs in the amount of DKK25,000,000 (equivalent to approximately AUD5.88 million) to the governments of Denmark and Greenland in respect of any potential adverse costs order that may be made against GMAS if it were to be unsuccessful in the arbitration proceedings. The Company agreed that it would provide an indefinite guarantee in this amount, and has recently agreed with the governments the form of this guarantee. Whether it will be called upon will depend on the outcome of the arbitral proceedings and whether an adverse costs order is made against GMAS.

The Company will update the market on material developments in the legal proceedings as and when they occur.

**Authorised for release by the Board of Energy Transition Minerals Ltd.**

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#### **ABOUT ENERGY TRANSITION MINERALS LTD.**

Energy Transition Minerals Ltd (ASX: ETM) is an exploration and development company focused on developing high-quality mineral projects. The Company manages exploration projects in Western Europe, North America, and Greenland. One of the Company's projects is the Kvanefjeld Rare Earths Project, which remains subject to arbitration procedures in the Arbitration Tribunal in Copenhagen and legal proceedings in the courts of Greenland and Denmark. The Company is involved in the Villasrubias lithium-tantalum exploration project which is in the province of Salamanca, in the region of Castile and Leon in Spain, and the Solo and Good Setting lithium projects in James Bay, Quebec. The Company continues to assess other critical metals project opportunities globally.

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