

Stellantis Equity Investment of A\$7.8M and Term Sheet for Future Offtake of Norway Battery Metals

Stellantis to become Kuniko's major shareholder, supporting development of Norwegian battery metals projects for future offtake.

Highlights:

- **Strategic Partnership:** Stellantis, a world leading automaker and provider of mobility solutions, has entered into a strategic partnership with Kuniko with a significant upstream investment, fostering innovation and growth in the European battery metals sector.
- **Equity Investment:** Stellantis will make a €5,000,000 investment, equivalent to approximately A\$7,843,137, acquiring a 19.99% shareholding in Kuniko at an issue price of A\$0.467 per share (being the 30-day VWAP for shares up to 31 May 2023).
- **Offtake Term Sheet:** Kuniko and Stellantis have agreed on an offtake term sheet, securing a 35% future production offtake of nickel sulphate and cobalt sulphate from Kuniko's Norwegian exploration projects (**Norwegian Projects**) for a term of 9 years, with a formal offtake agreement to be entered into by 31 December 2027 conditional on certain project development milestones being achieved .
- **Funding for Exploration:** The proceeds from the equity investment will be utilized to advance Kuniko's brownfield and greenfield battery metals exploration projects in Norway, complimenting Kuniko's further growth opportunities in other tier one jurisdictions.

Highlights

Developing **Copper, Nickel, Cobalt, Lithium and other battery metals** projects

Ethical Sourcing ensured

100% commitment to target a net **ZERO CARBON** footprint

Operations in Norway, where 98% of electricity comes from **RENEWABLE** sources

Corporate Directory

Kuniko Limited
ACN 619 314 055

Chief Executive Officer
Antony Beckmand

Chairman
Gavin Rezos

Non-Executive Director
Brendan Borg

Non-Executive Director
Maja McGuire

Non-Executive Director
Birgit Liodden

Company Secretaries
Joel Ives & Marshall Lee



www.kuniko.eu



info@kuniko.eu



[@KunikoLtd](https://twitter.com/KunikoLtd)



[KunikoLimited](https://www.linkedin.com/company/KunikoLimited)



[Kuniko-limited](https://www.facebook.com/Kuniko-limited)



Level 28, AMP Tower,
140 St Georges Terrace
Perth WA 6000



+61 8 6364 5095

For personal use only

Antony Beckmand, CEO, commented:

"We are pleased to announce this major equity investment and strategic partnership between Stellantis and Kuniko, driven by a shared vision to secure sustainable European battery value chain solutions. This collaboration represents a significant milestone for us, as it signifies not only a substantial financial backing but also a resounding validation of the immense potential of our battery metals project portfolio in Norway.

The investment and term sheet for future offtake are a testament to Stellantis' confidence in our ability to deliver sustainable and ethical sources of critical battery metals that will drive the future of electromobility in harmony with EU regulations. Together with Stellantis, we eagerly anticipate working hand in hand to achieve exploration success, move towards production, and make meaningful contributions to the growth and advancement of the European battery industry."

Maxime Picat, Stellantis Chief Purchasing and Supply Chain Officer, commented:

"We are on an aggressive path to securing a holistic portfolio of raw materials needed to meet our Dare Forward 2030 electrification targets. With Kuniko, we are adding another lever to support our European battery needs with a local and environmentally conscious solution from its Norwegian projects."

The Board of Kuniko extends a warm welcome to Stellantis as our investor, and we are delighted to embark on this collaborative journey together. We are well poised to leverage our collective expertise, resources and shared vision to drive innovation, unlock new opportunities and create a sustainable future.

**Partnership
Key Points**

Key points highlighting the significance of this partnership are as follows:

- **Unprecedented Investment in Critical Minerals Pre-Resource Development:** Stellantis' investment in Kuniko represents a pioneering move, demonstrating their foresight and commitment to ensuring a reliable source of critical raw materials. This investment heralds a new era in the automotive industry, paving the way for future sustainable electrification endeavours.
- **Highly Prospective Brownfield Sites with Compelling Drill Results:** Kuniko's exploration projects in Norway have yielded exceptional results, with strong drill outcomes revealing the presence of valuable battery metals. These highly prospective brownfield sites offer immense potential for future production, setting the stage for Kuniko's continued success.
- **Diverse Portfolio of Battery Metals Projects:** Kuniko's portfolio encompasses multiple projects focused on key battery metals, including nickel, cobalt, copper, and lithium, all of which have been identified as critical minerals by the European Union. This diverse range of metals positions Kuniko as a pivotal player in meeting the surging demand for sustainable battery materials, particularly in Europe.
- **Aligned with European EV Market Development:** Kuniko's strategy perfectly aligns with the development of supply chains for the burgeoning European electric vehicle (EV) market. In compliance with EU regulations for energy transition and local sourcing of battery raw materials, Kuniko is well-positioned to contribute significantly to the sustainable growth of the EV industry.
- **Attractive Jurisdiction with Government Support:** Operating in Norway provides Kuniko with a favourable jurisdiction, thanks to the renowned supportive government policies of the country. The Norwegian government's commitment to promoting sustainable mining practices further enhances the appeal of Kuniko's projects, solidifying the foundation for their success.
- **ESG Benefits and Scandinavian Leadership in Sustainable Mining:** Norway's abundant hydropower resources and a highly skilled workforce contribute to substantial environmental, social, and governance (ESG) benefits. Moreover, the region's expertise in electric-powered mining

equipment positions Scandinavia as a global leader in sustainable mining practices, ensuring responsible resource extraction.

- **Crucial Location for Sustainable and Ethical Supply:** In light of China's recent restrictions on the export of battery-grade graphite to Sweden, Norway emerges as a pivotal location for the sustainable and ethical supply of critical raw materials. This development emphasises the significance of securing local sources of raw materials to support the European EV battery industry and facilitate a seamless green transition.

About Stellantis

Stellantis N.V. (NYSE: STLA / Euronext Milan: STLAM / Euronext Paris: STLAP) is one of the world's leading automakers and a mobility provider. Its storied and iconic brands embody the passion of their visionary founders and today's customers in their innovative products and services, including Abarth, Alfa Romeo, Chrysler, Citroën, Dodge, DS Automobiles, Fiat, Jeep®, Lancia, Maserati, Opel, Peugeot, Ram, Vauxhall, Free2move and Leasys. Powered by our diversity, we lead the way the world moves – aspiring to become the greatest sustainable mobility tech company, not the biggest, while creating added value for all stakeholders as well as the communities in which it operates. For more information, visit: www.stellantis.com.

About Kuniko

Kuniko Limited (ASX: KNI) is a European focused battery minerals explorer and exploration project developer, targeting metals for electromobility, including copper, nickel, cobalt and lithium. Kuniko is positioned to provide exposure to the rapidly growing European battery industry, where it seeks to facilitate European focused battery value chain solutions through the advancement of its portfolio of battery metals projects in Norway and Canada. Kuniko's projects aim to reduce Europe's reliance on external sources of battery metals by offering a local, ethical and sustainable sources of critical battery metals. Kuniko has a strict mandate to target carbon neutrality throughout exploration, development, and production of its projects. For more information, visit: www.kuniko.eu.

Share Subscription Agreement

Kuniko is pleased to announce the execution of a Share Subscription Agreement with Stellantis, a leading global automotive manufacturer. This agreement marks a significant financial milestone for Kuniko, allowing Kuniko to contribute to Europe's reduced reliance on external sources of battery metals by offering local and environmentally conscious solutions through its Norwegian Projects, and marks the introduction of a strategic long term partnership between the two entities.

Key details of the Share Subscription Agreement are as follows:

- **Subscription Details:** Stellantis will subscribe for 16,794,726 new shares in Kuniko Limited at a price of A\$0.467 per new share, resulting in total proceeds of A\$7,843,137 (€5,000,000 using an agreed foreign exchange rate of 0.6375EUR:1AUD) (**Subscription Shares**). The issuance of the Subscription Shares and the receipt of proceeds are expected to be completed within the next 10 business days and will be conducted in accordance with the Company's capacity under Listing Rules 7.1 and 7.1A (10,071,072 Subscription Shares to be issued under the Company's available capacity under Listing Rule 7.1 and 6,723,654 Subscription Shares to be issued under the Company's available capacity under Listing Rule 7.1A).
- **Sale Restrictions:** Stellantis has agreed that it will not sell the Subscription Shares until the earlier to occur of:
 - a) 31 December 2027; or
 - b) the date that is three months following a resolution by the Board of the Company to approve a final investment to proceed with the development of the Norwegian Projects where:
 - i) the Company has not yet executed the offtake agreement; and
 - ii) Stellantis has confirmed in writing to the Company that it is ready, willing and able to execute the offtake agreement in that time.

- **Nominee Director:** As per the terms of the Share Subscription Agreement, Stellantis will have an ongoing right to appoint a nominee director, provided its shareholding in Kuniko is at least 10% of the Company's issued shares. Stellantis has not elected to appoint a nominee director at this time.
- **Funding Allocation:** The funds raised through this share subscription will be directed towards advancing Kuniko's Norwegian Projects, supporting the Company's growth and development objectives.
- **Future Capital Raisings:** The Share Subscription Agreement provides that whilst Stellantis holds at least 10% of the Company's issued shares, Kuniko will use its best endeavours to facilitate Stellantis' participation in future equity offers.
- **Other Terms and Conditions:** The Share Subscription Agreement contains other terms and conditions (including warranties) considered customary for an agreement of this nature.

The Share Subscription Agreement with Stellantis not only provides a substantial financial boost but also promotes a strategic alliance between the two organizations, demonstrating Stellantis' confidence in Kuniko's ability to deliver sustainable and ethical sources of critical battery metals for the future of electromobility. We look forward to leveraging this partnership to drive further success and unlock the full potential of our exploration projects.

Offtake Term Sheet

Key provisions of the offtake term sheet are as follows:

- **Conditions Precedent:** Execution of a binding offtake agreement in relation to a Norwegian Project is contingent upon
 - a) the successful completion of Kuniko's exploration work on the project (in particular defining an economically mineable resource and completion of a feasibility study on the project);
 - b) completion of technical due diligence on the project by Stellantis following completion of the feasibility study;
 - c) the Company entering into binding commitment with debt and equity financing parties for the full amount of the capital expenditure and initial operating expenditure required to commence mining and production at the Norwegian Projects; and
 - d) the Company's Board making a final investment decision to proceed with project development.
- **Binding Offtake Agreement:** Upon meeting the conditions precedent, Kuniko and Stellantis commit to executing a binding offtake agreement no later than December 31, 2027. Under this agreement, Kuniko will sell 35% of the nickel sulphate and cobalt sulphate produced for a period of nine years, starting from the commencement of commercial production.
- **Extension Provision:** In the event that an economically mineable resource and/or a project feasibility study remains incomplete by December 31, 2027, Stellantis reserves the option to extend the completion date until December 31, 2030. During this extended period, Stellantis also holds the right to waive the conditions precedent referred to in (a) and (b) above.
- **Pricing and Feasibility Study:** The pricing of the products covered by the offtake agreement will be determined through negotiations and finalized prior to the completion of a definitive feasibility study. The pricing will be set competitively, benchmarked against similar materials produced in the market.

Kuniko believes that this offtake term sheet represents a significant milestone in the collaboration with Stellantis and underscores the potential for long-term cooperation in the European battery metals sector. We look forward to advancing our Norwegian Projects, completing the feasibility study, and ultimately entering into a binding offtake agreement with Stellantis.

Kuniko's Norwegian Projects subject to the offtake agreement are currently in the exploration phase and the commencement of commercial production at the Norwegian Projects remains subject to, among other things, further successful exploration, indigenous and community consultation, obtaining project finance and completion of technical and engineering studies in respect of the Norwegian Projects.

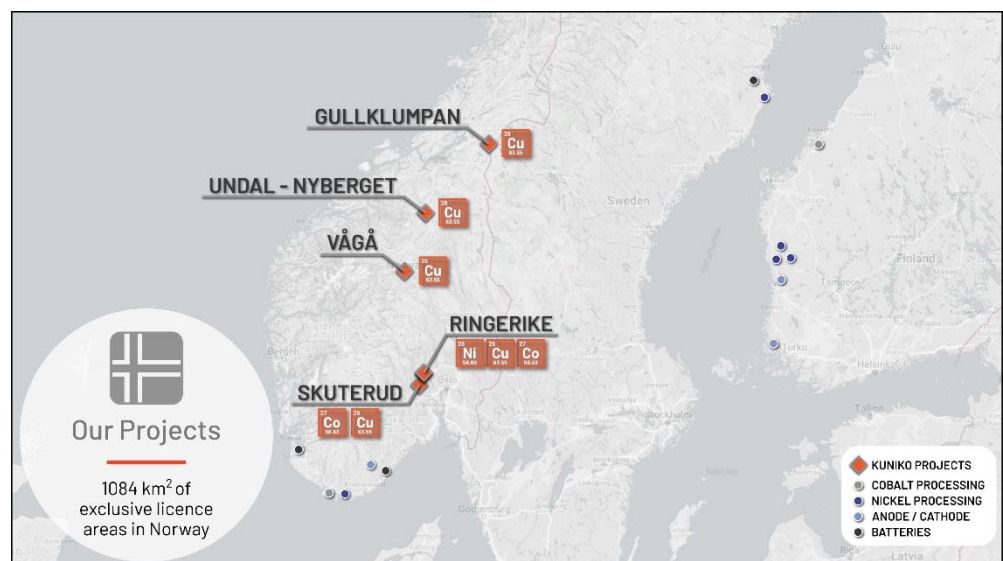
We will keep our stakeholders informed of any further developments regarding the offtake agreement as they occur.

About Kuniko

Kuniko is focused on the development of copper, nickel, and cobalt projects in Scandinavia and has expanded its interests to include prospects for lithium in Canada. Kuniko has a strict mandate to maintain net zero carbon footprint throughout exploration, development, and production of its projects. Kuniko's key assets, located in Norway and Canada include:

Norway

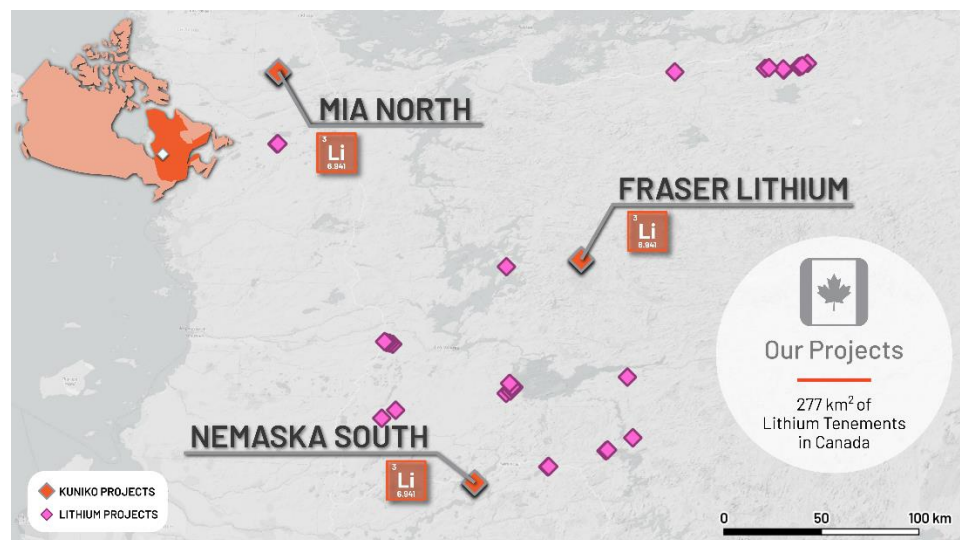
- **Skuterud Cobalt Project:** has had over 1 million tonnes of cobalt ore mined historically and was the world's largest cobalt producer in its time. A maiden drill campaign completed in Jul. '22 intersected cobalt mineralisation in 8 of 8 drill holes at the priority "Middagshvile" target.
- **Ringerike Battery Metals Project:** 15km from Skuterud, the Ringerike licenses comprise 360 km² of exploration area, prospective for nickel, copper, and cobalt. A Ni-Cu trend of historical mines and workings crosses property and includes the brownfield Ertelien Ni-Cu mine.
- **Undal-Nyberget Copper Project:** is in the prolific Røros Copper region, a copper belt which has historical hosted Tier 1-2 mines. Historical production from Undal had grades of 1.15 % Cu, 1.86 % Zn, while adjacent, Nyberget has had surface grades up to 2% Cu.
- **Vågå Copper Project:** Project includes anomalies representing immediate targets, including a prospective horizon with a known strike extent of ~9km, A further shallow conductor can also be traced for several kilometres.
- **Gullklumpen Copper Project:** has geological continuity to significant mining districts in the region with outcropping Ni-Cu-Co mineralisation.



For personal use only

Canada

- **Fraser:** 150 km² of exploration area with mapped pegmatites containing spodumene. The Fraser Lithium Project is southwest of Winsome Resources\ Cancet Lithium Project, west of Patriot Battery Metal Corvette Lithium Project and northeast of Allkem's James Bay Lithium Project.
- **Mia North:** 82 km² of exploration area located on a greenstone belt known to host pegmatites with the potential for spodumene containing lithium mineralisation. Mia North is located 30km north of Q2 Metals Corp. Mia Lithium Project.
- **Nemaska South Lithium Project:** 45 km² of exploration area which contains pegmatite outcrops and is located adjacent to the Li-FT Power Lithium Project and 35km southwest of Nemaska Lithium (Whabouchi Project).



Location of Kuniko's projects in Canada

"Human rights protection is driving consumers to demand ethically extracted and sustainable sources of battery metals" – Kuniko Chairman Gavin Rezos.

The European battery market is the fastest growing in the world, however it has very limited domestic production of battery-quality metals. Kuniko's projects will reduce this almost total reliance on external sources of battery metals by offering local and sustainable sources of nickel, cobalt, and copper.

In the event a mineable resource is discovered, and relevant permits granted, Kuniko is committed to sustainable, low carbon and ethical mining practices which embrace United Nations sustainable development goals. Kuniko activities now and in future will target sustainable practices extending to both life on land and life below water, which includes responsible disposal of waste rock away from fjords. Kuniko understands its activities will need to align with the interests of conservation, protected areas, cultural heritage, and indigenous peoples, amongst others.

Forward Looking Statements

Certain information in this document refers to the intentions of Kuniko, 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 Kuniko's projects are forward looking statements and can generally be identified using words such

For personal use only

as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. There can be no assurance that the Kuniko'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 Kuniko'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, Kuniko and any of its affiliates and their directors, officers, employees, agents and advisors disclaim any liability whether direct or indirect, express or limited, contractual, tortious, 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).

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.

No new information

Enquiries

Antony Beckmand, CEO

Telephone: +47 920 47 519

Email: abe@kuniko.eu

Joel Ives, Company Secretary

Telephone: +61 8 6364 5095

Email: info@kuniko.eu

Authorisation

This announcement has been authorised by the Board of Directors of Kuniko Limited.

For personal use only