
June 2023 Quarterly Activities Report

Key Developments

- **Completion of maiden drill program at Villasrubias**
- **Initial assay results from Villasrubias**
- **Filing of Statement of Claim in arbitration for the Kvanefjeld project**

June 2023 Quarterly Activities

Energy Transition Minerals LTD ('ETM' or 'the Company') is pleased to provide the following quarterly update on the Company's activities.

The Company's primary objective remains the development of the Kvanefjeld rare earth elements project in Greenland. Through an arbitration process that a litigation funder is supporting, the Company is seeking clarity on the application of Greenland Parliament Act No. 20 to the Kvanefjeld Project, so that a path forward for the development of this important asset can be determined. While the arbitration process is ongoing, the Company is looking to invest in other critical mineral projects to complement Kvanefjeld, the first of these investments being the 51% earn-in right to the Villasrubias lithium project in Spain.

Villasrubias

The Villasrubias project is secured by research permit (Permiso de Investigación) Villasrubias number 6914, granted in 2019 to the Sociedad de Investigación Minera y Explotación de Castilla y León SA (SIMECALSA), an entity sponsored by the regional government of Castilla y León. The research permit covers an area of 11.4 km² within the province of Salamanca and authorises exploration for lithium, tin, tantalum, and niobium.

The maiden 1,133 metre, 12 hole drilling campaign was completed during the June quarter. The aim of the campaign was to test targets that were identified in previous geophysics and soil sampling campaigns, which were conducted in December 2022. This work, alongside mapping, identified the probable subsurface trend of the lithium-bearing pegmatite.

This first exploration drilling program at Villasrubias intersected pegmatite containing the lithium mineral lepidolite in 11 out of 12 drill holes. It is interpreted that multiple dykes were intersected, all of which remain open at depth and along strike. Analytical results have been received from VR-01 and VR-02, both returning shallow depth lithium mineralization including **1.63m @ 1.23% Li₂O** associated with tin, tantalum, and rubidium. In addition, numerous quartz veins were intersected with cassiterite (tin mineral) identified.

Assays from VR-01 demonstrate the relationship between the lithium and tin mineralization. This encouraging result will focus additional exploration on the areas of high magnetic anomalism detected to the N and NE of the Canalita mine, associated with anomalous tin.



Hole VR-4 located 120 meters south of VR-1, intersected three mineralized pegmatite dykes up to 1 meter thick of which at least one is lithium mineralized, as well as other intrusions with a pegmatite appearance. These dykes are correlated with those intersected in VR-1, VR-2 and VR-3, defining a minimum strike length of 150 meters and open towards the NW and SE. VR-4 included a thick section of metasedimentary rocks with significant sulfide and hydrothermal alteration.



Aerial view and detail image of drilling rig.

Assays of the remaining drill core are in progress, the results will be announced when they become available.

Kvanefjeld

STATEMENT OF CLAIM

During the June quarter the Company worked towards finalising the Statement of Claim (the “Claim”) that was filed with the arbitral tribunal seated in Copenhagen (“Tribunal”). The Claim pertains to its dispute with the Governments of Greenland and Denmark regarding the Company’s rights under its current exploration licence for the Kvanefjeld project. The claimant in the dispute is Greenland Minerals A/S (“GM”), a 100% subsidiary of ETM and the holder of the exploration licence for the Kvanefjeld rare earths project in southern Greenland.

On 22 March 2022, after unsuccessful attempts to engage on the issue with the Government of Greenland, the Company filed a Request for Arbitration. The respondents in the arbitration are the Government of Greenland and the Government of the Kingdom of Denmark. Through the arbitration process the Company is seeking to have the rights that it has acquired over the last 14 years clarified in the face of Act No. 20, by which the Government of Greenland has sought to stop the Kvanefjeld project.

ETM’s objective remains to secure an exploitation license for the project. Were the project to be developed, it would deliver direct economic benefit to Greenland in taxes and royalties. The value of this has been estimated by valuation experts, Secretariat Advisors (Canada) Limited.



The central issue that the Tribunal will consider in the arbitration is GM's legal right to be granted an exploitation licence for the Kvanefjeld project. GM is asking the Tribunal to determine whether the Governments of Greenland and Denmark have breached that right or other rights of GM under the terms of its Exploration Licence and the applicable law.

Key points in GM's Statement of Claim include:

- GM worked in good faith for over a decade, cooperating closely with the Greenlandic and Danish governments. The two governments used GM to promote Greenland to the world as a destination supportive of mining investors.
- GM met the conditions required under Greenland law in order to become entitled to an exploitation licence for Kvanefjeld. From that point, as a matter of Greenlandic and Danish law, the Government of Greenland had no discretion as to whether to issue GM's exploitation licence. The Government of Greenland confirmed this in writing in April 2020 and from that point GM was **entitled** to receive an exploitation license.
- It was established that Kvanefjeld could be safely developed without harm to human health, a point that was accepted by specialist agencies engaged by the Government of Greenland to review GM's Environmental Impact Assessment ("EIA") and the reports prepared to support its conclusions.
- The radiological reports prepared by GM's expert consultants to inform the EIA complied with the relevant Greenlandic guidelines and met international standards and best practices regarding the assessment and mitigation of radiation risk.
- The Government of Greenland introduced Act No. 20 motivated by ideology and specifically targeted GM. The explanatory notes to the law record that the Government had "*a political wish to stop uranium extraction in Greenland*", and that it was "*not the aim of this Bill to lay down rules on health and safety, the environment, resource utilisation, etc., as these considerations are covered by the Mineral Resources Act*".
- On its terms, Act No. 20 does *not apply* where its application would result in an expropriation, including an expropriation of legal rights or legitimate expectations. GM has a right to receive an exploitation licence for the Kvanefjeld project. In particular, under the terms of its Exploration Licence, GM has an entitlement to receive a license for the exploitation of rare earths and uranium at Kvanefjeld. The denial of this right, based upon Act No. 20, would amount to an expropriation and therefore Act No. 20 should not apply.
- Since the enactment of Act No. 20, the Greenland Government and its representatives have consistently stated to GM that it had no rights to an exploitation licence, despite having previously provided GM with written confirmation that GM had met the requirements to be entitled to an exploitation licence.
- The Statement of Claim includes a provisional quantification of the losses.

Details of the financial benefit to Greenland from royalties and taxes, if the Kvanefjeld project was to proceed to production and the provisional quantification of the losses are contained in the summary of the Statement of Claim, attached to the ASX announcement made on 20 July 2023.



GREENLAND VISIT

During June, a week-long visit to Greenland took place, engaging with key stakeholders to discuss the Kvanefjeld project.

Meetings with influential Greenland figures, including the Minister of Natural Resources, Justice, and Equality, Mrs Naaja Nathanielsen, and Deputy Minister for Mines and Natural Resources, Mr Jørgen T. Hammeken-Holm.

During discussions, Minister Nathanielsen reaffirmed the Government of Greenland's stance that Act No. 20 prohibits Greenland Minerals A/S from obtaining an exploitation license. Additionally, the minister conveyed that a response to ETM's application for an amended processing flowsheet, omitting uranium exploitation, would be delivered in the coming weeks. Taking this opportunity, ETM affirmed its intention to file the Statement of Claim in July.

The opportunity also used to exchange insights on the Kvanefjeld project with senior representatives from other political parties, the chairman of Greenland's largest labour union, SIK and leading Greenland business participants.

EXPLORATION LICENCE DECISION

The Company received notification from the Government of Greenland advising that, "the Government of Greenland refuses the application dated 17 June 2019 for an exploitation licence for the Kuannersuit project."

The rejection of the exploitation licence application follows on from the Government of Greenland's previous draft decision to refuse and exploitation licence for Kvanefjeld.

The Greenland Government's decision expressly stated that the decision on the Company's amended exploitation licence application dated 16 December 2022, in which the Company only proposed to exploit rare earths, zinc and fluorspar and to treat uranium as an impurity to be safely removed and stored as tailings. The Government's decision says that our amended application will be the subject of a separate decision 'after having conducted a clarification of the matter and a prior consultation.

Our goal is not only to promote economic development but also to sustainably manage and protect natural resources, creating a win-win scenario for all parties involved.

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

-ENDS



About Villarubias

On 14th July 2022 the Company announced that it has entered into a binding head of agreement with Technology Metals Europe SL (**TME SL**) and its sole shareholder Welsbach Holdings Pte Ltd (**Welsbach**), for the right to earn-in a 51% interest in TME SL (the **Transaction**). TME SL is the sole owner of an exploration permit in Spain prospective for lithium (**Tenement**), known as the Villasrubias project.

ETM can earn its interest in TME SL by spending AU\$3,000,000 on a jointly agreed work program in relation to the Tenement within 3 years from the date of satisfaction (or waiver, if permitted) of the conditions precedent to the Transaction. Shareholder approval of the of the Transaction was obtained on 28th October 2022.

About the Kvanefjeld Project

The Kvanefjeld Project is centred on the northern Ilimaussaq Intrusive Complex in southern Greenland. The project includes several large-scale multi-element resources including Kvanefjeld, Sørensen and Zone 3. Global mineral resources now stand at **1.01** billion tonnes (JORC-code 2012 compliant).

The deposits are characterised by thick, persistent mineralisation hosted within sub-horizontal lenses that can exceed 200m in true thickness. Highest grades generally occur in the uppermost portions of deposits, with overall low waste-ore ratios.

Less than 20% of the prospective area has been evaluated, with billions of tonnes of lujavrite (host-rock to defined resources) awaiting resource definition. Extensive resources of other rare minerals enriched in critical elements also occur within the license area.

While the resources are extensive, a key advantage to the Kvanefjeld project is the unique rare earth and uranium-bearing minerals. These minerals can be effectively beneficiated into a low-mass, high value concentrate, then leached with conventional acidic solutions under atmospheric conditions to achieve particularly high extraction levels of rare earths. This contrasts to the highly refractory minerals that are common in many rare earth deposits that require technically challenging and costly processing. The rigorously developed process route for Kvanefjeld has been the subject of several successful pilot plant campaigns. Uranium and zinc will be recovered as by-products at low incremental costs.

The Kvanefjeld project area is located adjacent to deep-water fjords that allow for shipping access directly to the project area, year-round. An international airport is located 35km away, and a nearby lake system has been positively evaluated for hydroelectric power.

Kvanefjeld provides an excellent opportunity to introduce a large, stable supplier at prices that are readily sustainable to end-users. In addition, rare earths from Kvanefjeld will be produced in an environmentally sustainable manner further differentiating it as a preferred supplier of rare earth products to end-users globally. These factors serve to enhance demand growth.



Exploration License	Location	Ownership
EL 2010/02	Southern Greenland	Held by Greenland Minerals A/S, a fully owned subsidiary of ETM.
Permit of Investigation 6.914	Salamanca, Spain	Held by Technology Metals Europe SL ('TME'), Energy Transition Minerals Ltd can earn a 51% interest in TME by spending AU\$3 Million on an agreed work program, within a 3 year period commencing 28 Oct 2022.
Capital Structure – As at 30 June 2023		
Total Ordinary shares		1,355,744,012
Performance rights (unlisted)		90,733,334

Listing Rule 5.3.5 disclosure

The amount disclosed in the Appendix 5B for the quarter ended 30 June 2023, at item 6.1 of \$165,432 represents the total of Director salary, fees and superannuation paid during the quarter.

ABOUT ENERGY TRANSITION MINERALS LTD.

Energy Transition Minerals Ltd (ASX: ETM) is an exploration and development company focused on developing high-quality mineral projects globally. One of the Company's projects is the Kvanefjeld Rare Earth Project. A comprehensive feasibility study was completed in 2015. The studies outlined the potential for Kvanefjeld to be developed as a long-life, low cost, and large-scale producer of rare earth elements. The company is also involved in the Villasrubias lithium project. Villasrubias is an early-stage exploration project located in the region of Castille and Leon in Spain. The company continues to assess other opportunities globally with the aim to get involved in the development of critical metals projects with a view to become a key enabler of the energy transition.

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Company Secretary
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Competent Person Statement – Mineral Resources Ore Reserves and Metallurgy

The information in this report that relates to Mineral Resources is based on information compiled by Mr Robin Simpson, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Simpson is employed by SRK Consulting (UK) Ltd (“SRK”) and was engaged by Greenland Minerals Ltd on the basis of SRK’s normal professional daily rates. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence. Mr Simpson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Robin Simpson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in the statement that relates to the Ore Reserves Estimate is based on work completed or accepted by Mr Damien Krebs of Greenland Minerals Ltd and Mr Scott McEwing of SRK Consulting (Australasia) Pty Ltd. The information in this report that relates to metallurgy is based on information compiled by Damien Krebs.

Damien Krebs is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the type of metallurgy and scale of project under consideration, and to the activity he is undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

Scott McEwing is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

The mineral resource estimate for the Kvanefjeld Project was updated and released in a Company Announcement on February 12th, 2015. The ore reserve estimate was released in a Company Announcement on June 3rd, 2015. There have been no material changes to the resource estimate, or ore reserve since the release of these announcements

Competent Person Statement – Exploration Results

The information in this announcement related to exploration results is based on information compiled and approved for release by Mr Rafael López Guijarro who is a member of the European Federation of Geologists. Mr Guijarro is the chief geologist and full-time employee of the Company. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity, he is undertaking to qualify as a Competent Person in accordance with JORC Code (2012). The information from Mr Guijarro was prepared under JORC Code (2012). Mr Guijarro consents to the inclusion in this ASX release in the form and context in which it appears.

Visual Estimates of Mineralisation

Visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Energy Transition Minerals Ltd

ABN

85 118 463 004

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 Months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs		
- Administration staff costs	(298)	(590)
(e) administration and corporate costs	(681)	(1,127)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	65	125
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	21	27
1.9 Net cash from / (used in) operating activities	(893)	(1,565)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation		
- Staff costs	(287)	(580)
- Other	(718)	(1,166)
(e) investments	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 Months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(64)
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Research & Development rebate)	-	-
2.6	Net cash from / (used in) investing activities	(1,005)	(1,810)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Litigation funding refund of legal expense paid – refer ASX announcement 5 July 2022)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	23,474	24,951
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(893)	(1,565)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,005)	(1,810)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 Months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	21,576	21,576

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	361	587
5.2	Call deposits	21,200	22,887
5.3	Bank overdrafts		-
5.4	Other (provide details)		-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	21,561	24,474

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	165
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Payments shown at 6.1 are for Director salary, fees and superannuation.</p>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(893)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,005)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,898)
8.4 Cash and cash equivalents at quarter end (item 4.6)	21,561
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	21,561
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	11.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not Applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2023

Authorised by: By the board of Energy Transition Minerals Ltd
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.