



Terminal City Club Tower, Suite 312 - 837 West Hastings Street
Vancouver, BC CANADA V6C 3N6
Tel: 604-687-1828 • Fax: 604-687-1858 • Toll Free: 1-800-901-0058
www.argentinalithium.com info@argentinalithium.com

TSX Venture Exchange (TSX-V): **LIT**
Frankfurt Stock Exchange (FSE): **OAY3**
OTCQB Venture Market (OTC): **PNXLF**

NEWS RELEASE – SEPTEMBER 27, 2023

Argentina Lithium Announces US\$90 Million Investment by Stellantis in ARS\$ Equivalent

Vancouver, BC / CNW / September 27, 2023 / Argentina Lithium & Energy Corp. (TSX-V: LIT, FSE: OAY3, OTC: PNXLF), ("Argentina Lithium" or the "Company") is pleased to announce that it has entered into a definitive agreement (the "**Investment Agreement**") on September 26, 2023, for the ARS\$ equivalent of a US\$90 million¹ investment in Argentina Litio y Energia S.A. ("**ALE**"), by Stellantis (defined below) (the "**Transaction**"), one of the world's leading automakers and mobility providers with iconic brands including Abarth, Alfa Romeo, Chrysler, Citroën, Dodge, DS Automobiles, Fiat, Jeep®, Lancia, Maserati, Opel, Peugeot, RAM, Vauxhall, Free2Move and Leasys.

Pursuant to the Transaction, Peugeot Citroen Argentina S.A., a subsidiary of Stellantis N.V. ("**Stellantis**"), has agreed to invest the ARS\$ equivalent of US\$90 million¹ in Argentina to acquire shares of ALE (the "**ALE Shares**"). Further, the Company has granted Stellantis the Exchange Right (as defined below) to exchange all of the ALE Shares for up to 19.9% of the outstanding common shares of Argentina Lithium (on an undiluted basis) ("**Common Shares**") in the future, subject to certain conditions. The proceeds of the Transaction will be used to advance development of the Company's lithium projects held through its wholly owned subsidiary in Argentina, and for general corporate purposes.

As a result of the Transaction, Stellantis will own 19.9% of the issued and outstanding ALE Shares and Argentina Lithium will own 80.1%.

Argentina Lithium President & Chief Executive Officer Nikolaos Cacos said: "We are delighted to have Stellantis as a partner in the future development of our lithium projects in Argentina. Together, we share a vision to build a sustainable lithium mining operation for the future. We look forward to a strong and successful relationship with Stellantis and we are committed to delivering a sustainable lithium product that will contribute to the electrification of transportation and the protection of our atmosphere."

At closing of the Transaction, Argentina Lithium and Stellantis will enter into an exchange agreement (the "**Exchange Agreement**"). Under the Exchange Agreement, Argentina Lithium will grant Stellantis an irrevocable right (the "**Exchange Right**") to exchange all of the ALE Shares then held by Stellantis for such number of Common Shares equaling 24.844% of (i) the outstanding Common Shares (on an undiluted basis) as of the date of the Exchange Agreement and (ii) Common Shares issued by Argentina Lithium (between the date of the Exchange Agreement and the date Stellantis exercises the Exchange Right) upon the exercise of warrants, stock options or other securities convertible or exchangeable into Common Shares existing as of the date of the Exchange Agreement (together, the "**Exchange Shares**"), subject to certain exchange conditions. Following the issuance of Exchange Shares, Stellantis will own at most 19.9% of the Common Shares (on an undiluted basis). In addition, Argentina Lithium will grant Stellantis an irrevocable right (the "**Top-Up Right**") to subscribe for additional Common Shares (the "**Additional Shares**") if

¹ As per the official exchange rate of Argentina Central Bank

necessary for Stellantis to achieve a 19.9% interest in the Common Shares (on an undiluted basis). Any Additional Shares Stellantis elects to purchase pursuant to the Top-Up Right will be issued at the maximum discounted market price permitted under the rules and policies of the TSXV, unless the Top-Up Right is exercised after an acquisition of Argentina Lithium, in which case the subscription price under the Top-Up Right will be the pre-announcement market price of shares of Argentina Lithium. Any issuance of Additional Shares will be subject to the prior approval of the TSXV. Stellantis will not have the right under the Exchange Right and the Top-Up Right to acquire more than 19.9% of the outstanding Common Shares following the issuance of Exchange Shares and Additional Shares, if any. The Exchange Agreement also provides Stellantis with observer rights to attend board meetings of Argentina Lithium for as long as Stellantis owns at least 10% of the issued and outstanding ALE Shares. As of the date hereof, the Company has 130,065,319 Common Shares, 11,341,000 stock options and 71,836,067 warrants issued and outstanding. Accordingly, subject to any adjustments under the Exchange Agreement, the maximum number of "Exchange Shares" that will be issued to Stellantis as consideration for its indirect investment in Argentina Lithium will be 53,011,137 Common Shares.

Argentina Lithium and Stellantis will enter into a Lithium Offtake Agreement (the "**Offtake Agreement**"). Under the Offtake Agreement, ALE has agreed to sell to Stellantis, and Stellantis has agreed to purchase from ALE up to 15,000 tonnes per annum of lithium produced by ALE over a seven-year period (the "**Supply Obligation**") subject to the terms and conditions set out in the Offtake Agreement. After the initial seven-year term, the Offtake Agreement may be extended by mutual agreement for an additional number of years. The price of lithium products sold by ALE under the Offtake Agreement will be based on an agreed market-based price formula at the time of each shipment. The commencement of the Supply Obligation of ALE is conditional on the successful start of commercial production at one or more of its projects. The Offtake Agreement also contains certain product qualification, certification and reporting requirements and provides Stellantis with a right to acquire any production prior to the commencement of the Supply Obligation and a right of first refusal on the sale to third parties of any lithium products (in excess of the Supply Obligation) after the commencement of commercial production.

Argentina Lithium, ALE and Stellantis will enter into a Shareholders' Agreement (the "**Shareholders' Agreement**") relating to ALE and Stellantis' ownership of ALE Shares and provides for the following principal terms:

- right of Stellantis to nominate one director to the board of directors of ALE ("**Stellantis Director**") for as long as Stellantis has an ownership position of not less than 10% of the issued and outstanding ALE Shares;
- certain corporate decisions of ALE may not be undertaken without the affirmative vote the Stellantis Director or the approval by shareholders holding more than 90% of the issued and outstanding ALE Shares;
- right of each shareholder to maintain its ownership percentage in any equity offerings by ALE;
- transfer restrictions including, rights of first refusal, drag-along and tag-along rights;
- right of first offer for Stellantis to provide project financing and any other borrowing by ALE; and
- other terms and conditions consistent with a transaction of this nature.

In addition, upon exercise of the Exchange Right, Argentina Lithium will enter into an Investor Rights Agreement with Stellantis (the "**Stellantis IRA**"). The Stellantis IRA provides for the following principal terms in favour of Stellantis:

- a right to nominate one director to the board of directors of Argentina Lithium for as long as Stellantis has an ownership position of not less than 10% of the issued and outstanding Common Shares;
- pre-emptive right to maintain ownership percentage in certain follow-on issuances of Common Shares or securities convertible into Common Shares; and
- other terms and conditions consistent with a transaction of this nature.

Transaction Conditions and Timing

Closing of the Transaction is subject to Argentina Lithium obtaining TSXV approval, ALE completing certain corporate actions relating to the Transaction and other closing conditions set out in the Investment Agreement.

The Transaction is anticipated to close on or about October 4, 2023.

Advisors and Fairness Opinions

PI Financial Corp. is acting as financial advisor to Argentina Lithium in connection with the Transaction. The Board of Directors of Argentina Lithium has received a fairness opinion from PI Financial Corp, stating that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration to be received by the Company pursuant to the Transaction is fair, from a financial point of view, to Argentina Lithium shareholders. Blakes, Cassels & Graydon LLP acted as Canadian legal counsel and Alfaro-Abogados SC acted as Argentinian legal counsel to Argentina Lithium in connection with the Transaction.

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 their diversity, Stellantis leads 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 Argentina Lithium

Argentina Lithium & Energy Corp is focused on acquiring high quality lithium projects in Argentina and advancing them toward production in order to meet the growing global demand from the battery sector. The management group has a long history of success in the resource sector of Argentina and has assembled a first-rate team of experts to acquire and advance the best lithium properties in the “Lithium Triangle”. The Company is a member of the Grosso Group, a resource management group that has pioneered exploration in Argentina since 1993.

ON BEHALF OF THE BOARD

“Nikolaos Cacos”

Nikolaos Cacos, President, CEO and Director

For further information, please contact:
Corporate Communications
Tel: 1-604-687-1828
Toll-Free: 1-800-901-0058
Email: info@argentinallithium.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release may contain forward-looking statements. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. All statements, other than statements of historical fact, that address activities, events or developments the Company believes, expects or anticipates will or may occur in the future, including, without limitation, the Transaction; the use of proceeds; the strengths, characteristics and potential of the Transaction; Argentina Lithium's plans for, and

the future prospects of, its mineral properties; entering into the Exchange Agreement; the exercise of the Exchange Right or the Top-Up Right by Stellantis; entering into the Offtake Agreement; production of lithium products and the successful start of commercial production at Argentina Lithium's mineral properties; entering into the Shareholders' Agreement and the Stellantis IRA; consummation and timing of the Transaction; and satisfaction of the conditions precedents are forward-looking statements.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: failure to receive TSXV approval; failure to satisfy the condition precedents, the potential that the Transaction could be terminated under certain circumstances; the impact of COVID-19; risks and uncertainties related to the ability to obtain, amend, or maintain licenses, permits, or surface rights; risks associated with technical difficulties in connection with mining activities; and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations. Actual results may differ materially from those currently anticipated in such statements. Readers are encouraged to refer to the Company's public disclosure documents for a more detailed discussion of factors that may impact expected future results. The Company undertakes no obligation to publicly update or revise any forward-looking statements, unless required pursuant to applicable laws. We advise U.S. investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. U.S. investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties.