

STRATEGIC PLACEMENT, LITHIUM INVESTMENT AND APPOINTMENT OF MARK HOLCOMBE AS EXECUTIVE DIRECTOR

Highlights

- Strategic placement to US and Australian-based investors to raise \$1,030,000 at 1.0c per share
- Funds will be used to acquire a ~5% stake in Midwest Lithium AG, a USA focussed lithium exploration company with properties in the Black Hills region of South Dakota (US\$500,000) and for Resolution's working capital (A\$250,000)
- Recently appointed US based Director Mr Mark Holcombe will participate on the same terms, investing an additional \$100,000 into RML at 1.0 cents, subject to shareholder approval
- Mr Mark Holcombe has been appointed as Executive Director of Corporate Development
- The investment underpins RML's commitment to grow its exposure to quality new energy metals assets

Resolution Minerals Ltd (**RML** or **Company**) (ASX: **RML**) is pleased to announce a strategic share placement for \$1,030,000 at \$0.01 per share to US and Australian-based investors (Placement).

The bulk of the funds (US\$500k) are to be used to make an approximate 5% equity investment in North American focussed hard rock lithium exploration company Midwest Lithium AG (**Midwest Lithium**), with properties in the Black Hills district of South Dakota. The investment by RML is being undertaken in Midwest Lithium as part of their larger capital raising of US\$2m, which is expected to be sufficient to allow them to complete further claim (tenement) acquisition costs, and continue exploration programs, permitting and working capital. The acquisition of the interest by the Company has been approved by Midwest Lithium's shareholders and is expected to be completed on or about 25 October 2022.

This investment underpins RML's commitment to growing its exposure to new energy metals and assets and gives RML shareholders early exposure to an underexplored known spodumene-pegmatite lithium field in an area with significant past spodumene (lithium) production. Dakota is a top-rated North American mining jurisdiction with established large-scale mining operations.

Managing Director Steve Groves commented:

The Company is very excited to be able to take this opportunity to invest in a quality hard-rock lithium asset in a top mining jurisdiction. Along with the upcoming drilling program at the Wollongorang Copper Project, it is another step in advancing our new energy metals strategy and creating tangible value for RML shareholders. We are also really encouraged by the support shown by the US and Australian-based investors who share our long-term vision for the Company.

CAPITAL STRUCTURE

Ordinary Shares
Issued 957 M

Options and rights
Listed options 74 M @ 12c
Listed options 625 M @ 1.5c
Unlisted options 13 M @ 10c
Unlisted options 79 M @ 3c
Unlisted performance rights 37 M

Last Capital Raise
Sep-22 - Placement
\$0.6M @ 0.8c

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BOARD

Craig Farrow - Chair
Steve Groves - MD
Duncan Chessell - NED
Dr Paul Kitto - TED
Mark Holcombe - NED
Jarek Kopias - Co Sec

Midwest Lithium CEO Martyn Buttenshaw commented:

We welcome RML as a shareholder as we work to develop and expand our South Dakota hard rock lithium projects and look forward to leveraging the technical skills of the RML team in this endeavour.

North American Lithium

Midwest Lithium has staked over 48km² of claims in the Black Hills district of South Dakota in the vicinity of Iris Metals (ASX: IR1) Black Hills Lithium Project, which contains many mapped spodumene-bearing pegmatite bodies (IR1 ASX Announcement 30/8/2022). The market capitalisation of IR1 has increased approximately five-fold since the company acquired it's the Black Hills Project in May 2022 (ASX: IR1 Announcement 23/5/2022).

Ongoing fieldwork by Midwest Lithium has already identified numerous pegmatite outcrops on their claims. Early-stage exploration, including mapping, rock chip sampling and drill permitting, is ongoing, with drilling anticipated to commence mid-2023.

The Black Hills district is a world-class hard rock lithium region with significant underexplored brownfield exploration targets. The area has confirmed past production from large pegmatite fields that had produced exceptionally high-grade spodumene products and was one of the largest sources of lithium in North America until the 1950s when market drivers forced most mines to close. Over 24,000 pegmatite bodies have historically been mapped across the Black Hills district.

South Dakota is a mining-friendly jurisdiction and is home to Barrick's Homestake Gold Mine, one of the largest mines in North America, producing over 40 Moz of gold over its 125-year mine life. The state is central to a vast array of planned battery mega factories in the US. President Biden has committed to investing in refining battery materials to ensure a robust, resilient, sustainable, and environmentally responsible domestic industrial base to meet the requirements of the clean energy economy. Lithium is on the Biden-Harris administration's critical minerals list and has been deemed essential to the USA's national security and economic prosperity.

Lithium is a critical, strategic, and essential metal crucial to the EV and energy storage sectors. Lithium is in short supply due to strong demand from the EV industry. This demand-side dynamic has recently forced prices significantly higher for Lithium Carbonate and Lithium Hydroxide. Many countries across the globe are seeking additional sources of lithium supply to lessen their reliance on China. The US Government has recently invoked the Defence Production Act and Inflation Reduction Act which is a very positive outcome for US-based lithium explorers. The Defence Production Act encourages the domestic production of minerals required to make batteries for electric vehicles and long-term energy storage. The Inflation Reduction Act also provides significant US-based EV incentives.

The Company was introduced to Midwest by Resolution Minerals Director of Corporate Development, Mr Holcombe, who is familiar with the board and shareholders of Midwest Lithium. The Company has conducted high-level confirmatory due diligence, including Swiss company searches, before its investment.

Placement

The 103,000,000 RML shares will be issued under the Company’s 15% placement capacity under Listing Rule 7.1. The issue price of \$0.01 represents a discount of 2.3% to the 15 trading day VWAP of \$0.01023 to 7 October 2022 (inclusive) and 3.0% discount to the five (5) trading day VWAP. An Additional 10,000,000 shares will be issued on the same terms (issue price of \$0.01), subject to shareholder approval at the 2022 AGM, to recently appointed US-based Director, Mr Mark Holcombe.

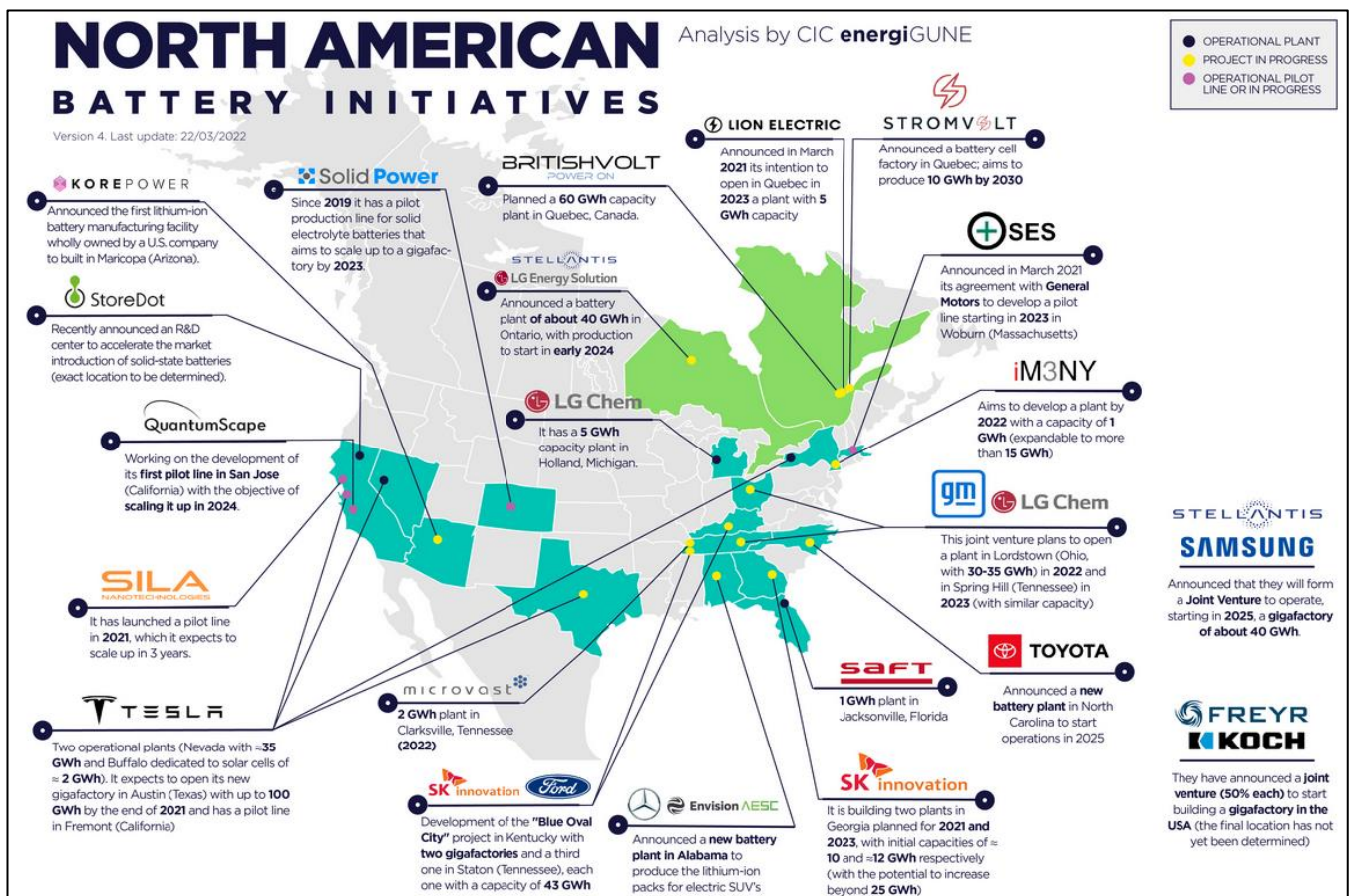


Figure 1: Distribution of operating and planned big battery factories across North America. (source: <https://cicenergigune.com/en/blog/north-america-accelerates-commitment-development-gigafactory-industry>)

RML Strategy

RML has assembled a portfolio of quality assets that spans both the precious and battery metals commodity spaces. The Company believes that the transition to clean and renewable energy will continue to drive the demand for new energy metals for the foreseeable future. It is committed to developing its exposure to these commodities via discovery and astute asset acquisitions or investments.

Appointment of Mark Holcombe as executive director

The Board welcomes the increased commitment to the Company by newly appointed director Mark Holcombe – Mark was appointed as non-executive director on 14 September 2022. Mark has agreed to undertake an executive role with RML to 1) undertake corporate development activities, 2) project and investment generation opportunities, and 3) lead generation to high net-worth individuals and resource funds.

The appointment commences on 11 October 2022. The key employment terms are detailed in the Appendix below.

Authorised by the board of the Company.

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Appendix

Key terms of Mark Holcombe's appointment

Position	Executive Director – Corporate Development
Term	Initial 12 month term
Total Remuneration Package	\$160,000 gross per annum
Key Responsibilities	Corporate Development, project and investment generation opportunities, lead generation to high net worth individuals and resource funds and promotion of the Company in North America.
Termination	<p>Each party has certain termination rights, including the right to terminate the Employment Contract at any time and for any reason by giving the other party three (3) months written notice.</p> <p>The Company may also terminate the Employment Contract without notice for cause (serious breach of the Employment Contract, serious misconduct, conviction of a criminal offence etc.).</p>
Acquisition Success Fees	<p>If the Employee introduces an entity to the Company as being a potential target (Target) for the acquisition by the Company of any of the Target's capital or the acquisition of any of the Target's assets or business (Acquisition), and the Acquisition subsequently completes, the Company will issue Performance Rights to the Employee.</p> <p>The number of Performance Rights to be issued in respect of such an Acquisition will be calculated by multiplying the transaction value (being the amount paid or payable by the Company) by 0.04 (M&A Fee) and dividing the sum by the VWAP over the 20 trading days prior to the Company announcing the acquisition.</p> <p>If Shareholders do not approve the issue of Performance Rights or the Company is prohibited from doing so at law, the Company must pay the Employee a cash amount equal to the M&A Fee.</p>
Capital Arrangement Fees	<p>Subject to certain exceptions, where the Company issues new securities by way of a placement and/or an underwriting of equity to institutional, sophisticated investors (Capital Raising) the Company shall issue such number of Performance Rights as is calculated by multiplying the net proceeds from investors introduced to the Company by the Employee by 0.06 (Capital Raise fee) and dividing the sum by the issue price (rounded down to the nearest whole Share).</p> <p>If Shareholders do not approve the issue of Performance Rights or the Company is prohibited from doing so, the Company must, instead, pay the Employee a cash amount equal to the Capital Raising Fee.</p>