
Arbitration Proceedings – Tribunal Orders Bifurcation of Arbitration Proceedings

Energy Transition Minerals Ltd (**ETM** or the **Company**) (ASX: **ETM**) announces that the Arbitral Tribunal has ruled in favor of bifurcation of the proceedings concerning the Kvanefjeld Rare Earths Project in Greenland (**Kvanefjeld Project**). This decision marks a key procedural milestone in the ongoing arbitration initiated by the Company's subsidiary, Greenland Minerals A/S (**GMAS**), against the Governments of Greenland and Denmark.

The arbitration against the two Governments has been brought under the terms of GMAS' Exploration Licence for the Kvanefjeld Project. The arbitration is an *ad hoc* arbitration before an Arbitration Tribunal seated in Copenhagen, Denmark, which is composed of Professor Iversen (President), Dr Heiskanen (appointed by GMAS) and Mr Rørdam (appointed by the Governments).

GMAS is seeking an arbitral award confirming the existence and scope of its right to an exploitation licence for the Kvanefjeld Project.

GMAS filed its Request for Arbitration against the Governments of Greenland and Denmark on 22 March 2022, and filed its Statement of Claim on 19 July 2023.

Under the Arbitration Tribunal's Procedural Order No. 1 of 27 March 2023 (**PO No. 1**), the Respondent Governments – pursuant to their own prior requests to that effect – had the option to either file:

- (a) a full defence to GMAS' Statement of Claim (covering all issues in discussion, including mainly the issue of jurisdiction of the Arbitral Tribunal, GMAS' right to an exploitation licence, liability of the Governments and payment of damages to GMAS); or
- (b) a defence that addressed jurisdictional issues only.

The Governments have chosen to file a defence on jurisdiction only.

Despite nearly 2½ years of arbitration, the Governments have so far made only very brief and superficial comments on the remainder of the case, including the main issue of GMAS' right to an exploitation licence. This is the same situation in the parallel legal proceedings initiated in Greenland and Denmark in 2024 (see further below).



Bifurcation Decision and Next Steps

The Respondent Governments filed their defence concerning jurisdiction on 8 January 2024 objecting to the jurisdiction of the Arbitration Tribunal on various grounds and requested that their jurisdictional objections be heard and decided in a preliminary phase (before the issues of GMAS' right to an exploitation licence, the Governments' liability and GMAS' right to damages). This is known as 'bifurcation'.

The timing of these next steps is yet to be determined but will likely be known during the coming weeks.

Legal Proceedings in Greenlandic and Danish Courts

As announced on 27 May 2024, GMAS has also filed a Writ in the Court of Greenland and in the City Court of Copenhagen against the Government of Greenland, the Greenlandic Legislature, and various ministries and agencies of the Government of Greenland, as well as the Government of Denmark represented by the Ministry of Climate, Energy and Utilities.

GMAS was forced to initiate these additional proceedings due to the behaviour of the Government of Greenland, including the Government's decision – in spite of GMAS' repeated objections – to issue formal decisions in 2023 denying GMAS any kind of exploitation licence for the Kvanefjeld Project.

A potentially applicable deadline for legal proceedings of one year contained in the Greenlandic Mineral Resources Act forced GMAS to commence these legal proceedings in parallel to the Arbitration to further safeguard GMAS' rights in respect of the Kvanefjeld Project, such that GMAS will be able to continue to pursue its claims if all or certain issues will ultimately not be decided in the Arbitration.

In these legal proceedings, GMAS is seeking to have determined/confirmed:

- The existence and scope of its right to an exploitation licence for the Kvanefjeld Project;
- The invalidity or inapplicability of Act No. 20 in relation to GMAS and the Kvanefjeld Project, including because of violation of the Constitution of the Kingdom of Denmark;
- Annulment of the Government of Greenland's decisions of 1 June 2023 and 8 September 2023 rejecting GMAS' applications for an exploitation licence;
- The Court's correction of the above-mentioned decisions of the Government of Greenland, or, in the secondary alternative, the Court's referral of the matter back to the Government of Greenland for reconsideration based on the Court's finding



concerning GMAS' right to an exploitation licence and the invalidity or inapplicability of Act No. 20 to GMAS and the Kvanefjeld Project; and

- The authorities' liability to GMAS for the financial loss suffered, including as a consequence of the delay of initiation of exploitation activities.

The two sets of legal proceedings were necessary because two different jurisdictions – Denmark and Greenland – were (and are) possible under the legal framework of this case. Again, GMAS could not risk potentially jeopardizing its legal position in some way by suing in a jurisdiction which the Governments would have seen an interest in challenging.

To simplify things and to save costs for all parties, including the Governments, GMAS is seeking to have both legal proceedings referred to the same High Court either in Denmark or Greenland and consolidated there. Further, the purpose of such referral to a higher court at first instance may also reduce the time and costs of the overall proceedings because doing so would limit the possible court instances to two (High Court and Supreme Court) rather than potentially three (District Court, High Court and Supreme Court).

For the time being, it is not yet known what impact the Arbitral Tribunal's decision on bifurcation in the Arbitration will have on the overall case complex, including on the potential for having all parties approach it with a desire for efficiency.

Given the significance of this procedural development, ETM will engage with key stakeholders and the media to ensure clarity on the process and the Company's ongoing commitment to responsibly develop the Kvanefjeld Project. The Company remains focused on securing a fair and transparent resolution that aligns with Greenland's regulatory frameworks and economic goals. We will provide further updates on this in due course.

ETM is resolute in protecting its legal rights and advancing the Kvanefjeld Project, which is critical to supplying rare earth elements necessary for the green energy transition. The Company respects the legal process and remains dedicated to engaging with Greenlandic and Danish authorities to ensure a sustainable path forward for the Project.

Background

Further information on the background to the refusal of the exploitation licence and the Arbitration proceedings is set out in the Company's announcements of 20 July 2024 and 2 November 2023 and on the Company's website at <https://etransmin.com/>.

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 and financing supply chains for the metals and materials that are critical to the decarbonization of the world, with a special focus on high-quality mineral projects globally. The Company is managing exploration projects in Western Europe, North America, and Greenland. The Company is involved in the Villasrubias Lithium-Tantalum exploration project which is in the province of Salamanca, in the region of Castille and Leon in Spain; it is expecting the grant of several additional exploration licenses in Extremadura and Madrid. The Company has also recently completed the acquisition of the Solo and Good Setting lithium projects in James Bay, Quebec. The Kvanefjeld rare earths project remains subject to arbitration procedures in the Arbitration Tribunal in Copenhagen.

Daniel Mamadou
Managing Director
+61 8 9382 2322

Marie Forsyth
Company Secretary
+61 9382 2322