

Frontier Lithium Announces \$3.35 Million Convertible Loan, Expected Purchase of Industrial Lands for Lithium Conversion Facility in Thunder Bay & Q3 Quarterly Results

SUDBURY, ON, Feb. 25, 2025 /CNW/ - **Frontier Lithium** ("**Frontier**" or "the **Company**") is pleased to announce that it has entered into a definitive agreement for a financing of an unsecured convertible loan (the "**Convertible Loan**") of the Company for aggregate gross proceeds of \$3,350,000 (the "**Financing**"). The lender ("**Lender**") of the Convertible Loan is considered a "Related Party" of the Company under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and the policies of the TSX Venture Exchange (the "**TSXV**"), as the Lender is an affiliate or associated entity of Mr. Reginald (Rick) F. Walker (Chairman of the Board of Directors).

The net proceeds from the Financing will be used to purchase a vacant industrial site on Mission Island in Thunder Bay, Ontario ("**Mission Island Lands**") on which the Company plans to build a Lithium Conversion Facility ("**Facility**"). The Mission Island Lands are comprised of 183 acres, including a 50-acre water lot. Frontier has held an option to purchase ("**Option**") the Mission Island Lands since June 1, 2023. The Option is expected to be exercised, and the definitive purchase and sale agreement to purchase the Mission Island Lands is expected to be entered into on February 28, 2025, and this transaction is expected to close on February 28, 2025.

Thunder Bay, Ontario is the closest major city to the Company's PAK lithium deposit located in northwestern Ontario and is strategically situated in the heart of Canada. The city boasts excellent transportation infrastructure and connectivity to other potential feedstock sources, as well as domestic and international markets for the potential future shipment of finished lithium salts.

The Financing

The loan is convertible into, or exercisable for, fully paid common shares in the capital of the Company (the "**Common Shares**" and each such Common Share, a "**Conversion Share**"). The Principal Amount of the Loan, together with any accrued and unpaid interest, will mature and become due and payable in cash on the date that is 18 months from the date of issue of the Convertible Loan ("**Issue Date**"), subject to earlier conversion (the "**Maturity Date**"). The Principal Amount owing under the Convertible Loan will accrue interest from the Issue Date at the Canadian Overnight Repo Rate Average plus 3.0% per annum and the interest will be calculated and compounded annually and payable and be due on the Maturity Date.

As the Convertible Loan will be unsecured debt obligations of the Company, each Convertible Loan will rank subordinate to all secured debt obligations of the Company. The Principal Amount may be converted (in whole or part), for no additional consideration, into Conversion Shares at the option of the Lender at any time after the Issue Date at a conversion price (the "**Conversion Price**") of \$0.65 per Conversion Share.

Upon not less than 20 days prior written notice ("**Notice**") to the Lender, the Company may prepay the Principal Amount and all other amounts, including any accrued and unpaid interest thereon, due hereunder. Upon providing notice of such prepayment to the Lender, the prepayment, together with

all interest accrued through the prepayment date, shall be due and payable on the date set forth therein. Notwithstanding the foregoing, the Lender may elect to convert to Conversion Shares upon receiving such Notice. In addition, the Principal Amount and any interest accrued of the Convertible Loan may be repaid by the Company at any time without penalty.

The Financing is considered a "Related Party Transaction" under MI 61-101 and the TSXV Policies but is exempt from the formal valuation and minority approval requirements under subsections 5.5(a) and 5.7(1)a of MI 61-101 and Section 3.1 of Policy 5.9 of the TSXV Policies because neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Financing described herein, exceeds 25% of the Company's market capitalization.

The Financing is expected to close on or about February 28, 2025, and is subject to TSXV approval. There is no finder's fee owed pursuant to the Financing.

Interim Quarterly Financial Statements and MD&A

The Company also reports the filing of its interim financial results for the third quarter ended December 31, 2024. The Company's financial statements and accompanying management's discussion and analysis for the period ended December 31, 2024, have now also been filed on SEDAR+ (www.sedarplus.ca) and can be viewed under the company's website at <https://www.frontierlithium.com/>.

About Frontier Lithium

Frontier Lithium Inc. is a pre-production mining company with an objective to become a strategic and integrated supplier of premium spodumene concentrates as well as battery-grade lithium salts to the growing electric vehicle, and energy storage markets in North America. The Company's PAK Lithium project maintains the largest land position and resource in a premium lithium mineral district located in Ontario's Great Lakes region.

About the PAK Lithium Project

The PAK Lithium Project is a fully integrated lithium development initiative, developing North America's highest-grade lithium reserves. A joint venture between Frontier Lithium Inc. (92.5%) and Mitsubishi Corporation (7.5%), the project involves the extraction of lithium ore, advanced processing to produce high-purity lithium concentrates, and downstream refining facility to manufacture battery-grade lithium salts. A 2023 Pre-Feasibility Study by BBA E&C Inc., titled "*National Instrument 43-101 Technical Report PFS PAK Lithium Project*", estimates a 24-year project life with a post-tax NPV (8%) of US\$1.74 billion and an IRR of 24.1%. These results were disclosed in a May 31, 2023, press release and filed on SEDAR+ (www.sedarplus.ca).

Cautionary Note Regarding Forward-Looking Statements

This news release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "could", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "outlook", "expect", "may", "will", "project", "should" or similar words, including negatives thereof, suggesting future outcomes.

Forward-looking statements are subject to both known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward looking statements. Forward-looking statements and information are based on plans, expectations and estimates of management at the date the

information is provided and are subject to certain factors and assumptions. The Company is making forward looking statements, with respect to, but not limited to: the Financing and the terms thereof, including the proceeds, the use of proceeds, the timing of closing, the terms of the Convertible Loan, including the Conversion Shares, the hold period applicable to the securities that may be issued under the Financing, including any notice/announcements to be made in connection therewith.

Investors should continue to review and consider information disseminated through news releases and filed by the Company on SEDAR+. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties, some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Any forward-looking statements are made as of the date hereof and, except as required by law, the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.

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

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