ASX Announcement
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ASX: ETM

KVANEFJELD LEGAL UPDATE – TRIBUNAL COSTS RULING AS DISPUTE MOVES TOWARD COURT DETERMINATION

Core legal issues to be progressed and determined through the Danish and Greenlandic courts

Energy Transition Minerals Ltd. ("ETM" or "the Company") provides the following update regarding the arbitration proceedings between its wholly-owned subsidiary Greenland Minerals A/S ("GM") and the Governments of Greenland ("Naalakkersuisut") and Denmark in relation to the Kvanefjeld (Kuannersuit) Rare Earths Project in south-east Greenland.

Recent procedural decisions by the Tribunal have clarified the next stage of the dispute concerning the Kvanefjeld (Kuannersuit) Project, with the central legal questions regarding GM's licence rights now set to proceed through the Greenlandic and Danish courts where they can be examined on their merits.

The Tribunal's rulings therefore mark the conclusion of the jurisdictional phase of the arbitration and the beginning of the stage at which the substantive issues will be determined.

Background

In March 2022, GM commenced arbitration against the Governments of Greenland and Denmark under the arbitration agreement contained in GM's exploration licence.

The commencement of arbitration proceedings followed notification by the Government of Greenland in December 2021 that, following the introduction of the Uranium Act, it did not recognize any right of GM to an exploitation licence for the Kvanefjeld Project.

On 28 October 2025, the Tribunal provided welcome procedural clarity when it issued its decision on jurisdiction, determining that:

- The Government of Denmark should be removed as a party to the arbitration proceedings;
- GM's claims concerning confirmation of the right to an exploitation licence and the applicability of the Uranium Act should be referred to the Danish and Greenlandic courts.

GM's claims concerning contractual breach and damages remain in arbitration and may be resumed once the referred issues have been resolved by the Danish and Greenlandic courts.

The Tribunal's jurisdiction ruling therefore clarified the appropriate forum for different aspects of the dispute but did not address the substance of GM's claims regarding its right to an exploitation licence for the Kvanefjeld Project. Throughout the proceedings GM sought to advance practical solutions aimed at allowing the dispute to be determined on its merits as efficiently as possible.

Costs award

On 9 March 2026, the Tribunal issued its decision on costs relating to the jurisdictional phase of the arbitration.

The Tribunal has ordered GM to pay the Government of Denmark's costs in the amount of EUR 1,225,976.93. This outcome is consistent with the Tribunal's earlier decision to decline jurisdiction over claims against the Government of Denmark and was therefore anticipated.

The Tribunal has further ordered GM to pay Naalakkersuisut's costs in the amount of EUR 1,920,374.39, representing most of the costs claimed. GM disagrees with this aspect of the award and considers it difficult to reconcile with the Tribunal's own reasoning and with established principles of arbitral practice, in particular in circumstances where:

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- The merits of GM's underlying claims are yet to be determined, and a significant costs award at this intermediate stage conflicts with the Tribunal's own finding that those claims are to be determined in a different forum or at a later stage;
- The Tribunal expressly recognised – both in its jurisdiction decision and in the costs award - that the arbitration clause was genuinely ambiguous as to the correct forum, justifying GM's decision to pursue arbitration;
- GM had proposed a practical procedural framework to both Governments that would have enabled the dispute to move more efficiently toward a determination on the merits while significantly reducing costs for all parties.

GM is carefully reviewing the Tribunal's reasoning and is assessing all available options to protect its position. Procedurally, this does not affect the substance of GM's legal claim, and the company remains focused on pursuing its rights to an exploitation license.

ETM said the procedural history of the dispute highlights broader questions about how major resource projects are being handled in Greenland.

Daniel Mamadou, Managing Director of ETM, said:

"We have noted the Tribunal's decision on costs in the first jurisdictional phase. While adverse costs in relation to the Government of Denmark were anticipated following the jurisdictional outcome, the award of substantial costs to Naalakkersuisut is surprising and a decision that we firmly disagree with.

In our view, the award does not adequately reflect the particular circumstances of this case. The Tribunal itself recognised that the arbitration clause was genuinely ambiguous as to the correct forum, which justified GM's decision to pursue arbitration. It is therefore difficult to reconcile a significant costs award at this stage in the proceedings, with the fact that the merits of our claims have yet to be determined.

This decision concerns procedural questions about jurisdiction and costs only and does not address the substance of the dispute or the merits of ETM's case regarding the Kuannersuit Project.

Throughout the proceedings GM has sought to establish a clear and efficient pathway for the substantive issues in dispute to be determined. However, the dispute has instead become prolonged through jurisdictional challenges and procedural arguments about where the case should be heard, delaying a determination of the merits.

ETM remains confident in the strength of our legal case and continues to pursue our right to an exploitation licence. Following the Tribunal's jurisdictional ruling, the case will now proceed through the Greenlandic and Danish courts, where the issues can be examined properly and decided on their merits.

We are therefore disappointed that the Tribunal's costs decision does not reflect the constructive and solution-oriented approach GM consistently put forward during the proceedings.

Unfortunately, the course of this process also raises broader questions about Greenland's investment environment. While the Government of Greenland continues to present the country internationally as 'open for business', the handling of this case risks sending the opposite signal to the global mining industry.

If projects can be blocked through political decisions and disputes prolonged through procedural manoeuvres rather than resolved on their merits, it inevitably undermines confidence among international investors considering long-term mining investments in Greenland."

Next steps

The financial exposure arising from the costs order falls within the range previously contemplated in ETM's budgeting and risk management framework. ETM has at all times taken into account the possibility of an adverse costs allocation when assessing the financial implications of the proceedings.

The arbitration will now be stayed pending the resolution of the issues referred to the Greenlandic and Danish courts. The two remaining claims in the arbitration concerning contractual breach and damages are preserved and may be resumed following the conclusion of the court proceedings.

GM remains focused on advancing its rights to an exploitation licence for the Kuannersuit Project through a clear and efficient process. GM has consistently acted to remove procedural obstacles and prioritise a determination on the merits.

ETM will update the market on any material developments as they occur.

This announcement has been authorised for release by the Managing Director and Executive Director 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, and has recently announced the proposed acquisition of the Penouta Tin-Tantalum-Niobium Mine in Galicia, Spain. In addition, 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 Castilla y Leon, Extremadura and Madrid. The Company also holds the Solo and Good Setting lithium projects in James Bay, Quebec. ETM's Kvanefjeld rare earths project remains subject to arbitration procedures in the Arbitration Tribunal in Copenhagen.

Cautionary Statement

This announcement and information, opinions or conclusions expressed in the course of this announcement contains forecasts and forward-looking information. Such forecasts, projections and information are not a guarantee of future performance, involve unknown risks and uncertainties. Actual results and developments will almost certainly differ materially from those expressed or implied. There are a number of risks, both specific to ETM, and of a general nature which may affect the future operating and financial performance of ETM, and the value of an investment in ETM including and not limited to title risk, renewal risk, economic conditions, stock market fluctuations, commodity demand and price movements, timing of access to infrastructure, timing of environmental approvals, regulatory risks, operational risks, reliance on key personnel, reserve estimations, native title risks, cultural heritage risks, foreign currency fluctuations, and mining development, construction and commissioning risk.