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## Volkswagen and PowerCo Make Strategic Investment in North American Lithium Company Patriot Battery Metals

- Volkswagen Group, PowerCo and Canadian lithium company Patriot Battery Metals form a strategic partnership to secure the long-term supply of lithium raw materials from North America.
- Volkswagen Group invests US\$48 million to acquire 9.9 percent of the issued and outstanding common shares in Patriot Battery Metals.
- Binding offtake commitment to supply 100,000 tonnes of spodumene concentrate per year over a 10-year term from Patriot's Shaakichiuwaanaan Project in Quebec/Canada. The project currently under development is one of the largest lithium pegmatite resources in the Americas. It will supply PowerCo's battery cell factories in Europe and North America, including its battery cell factory in St. Thomas/Canada.
- Memorandum of Understanding signed to establish an ongoing strategic relationship between PowerCo and Patriot Battery Metals. The partners will jointly explore opportunities for potential collaborations such as the further development of the Shaakichiuwaanaan Project and a lithium conversion facility.

Salzgitter, Germany/Vancouver, Canada, 18<sup>th</sup> December 2024 – PowerCo SE, Volkswagen Group's battery company, and Patriot Battery Metals Inc. (TSX: PMET | ASX: PMT | OTCQX: PMETF | FSE: R9GA) today announced they have entered into a strategic partnership. This is the first investment for PowerCo and Volkswagen in the lithium supply chain, underlining PowerCo's ambition to execute on its vertical integration strategy – from mine to battery. The partnership ensures the long-term supply of lithium raw materials through a binding offtake commitment. Additionally, the companies will jointly explore further strategic opportunities such as a downstream lithium supply chain with a focus on cost competitiveness, high ESG standards and long-term security.



Lithium Sample from Shaakichiuwaanaan Project in Quebec, Canada. © Patriot Battery Metals

The Volkswagen Group invests US\$48 million to acquire 9.9 percent of Patriot's issued and outstanding common shares. The binding offtake commitment covers the supply of 100,000 tonnes of spodumene concentrate per year for a period of 10 years as soon as the Shaakichiuwaanaan Project starts production. The lithium-bearing mineral is key for the production of battery-grade lithium chemicals. The offtake represents a key strategic milestone in ramping-up PowerCo's cell production activities in Europe and North America, including its gigafactory in St. Thomas, Canada. St.

Thomas will be PowerCo's largest cell factory with a capacity of up to 90 GWh.

The strategic partnership also includes ongoing support for the development of Patriot's Shaakichiuwaanaan Lithium Project. The project is advancing rapidly and currently ranks as one of the largest lithium pegmatite resources in the Americas, and the 8th largest lithium pegmatite resource in the world. The high-grade deposit has the potential to provide long-term security to PowerCo's battery cell factories.

Furthermore, the strategic partnership involves PowerCo and Patriot working together to establish industry best practice for ESG standards across all of their joint activities. This includes, for example, waste disposal measures, water management, First Nations community engagement and implementing actions to meet PowerCo's and Patriot's carbon emission targets. On the basis of a non-binding, non-exclusive Memorandum of Understanding, both companies will additionally explore collaboration opportunities to establish a sustainable, cost-competitive and ESG-compliant battery-grade lithium chemicals supply chain model.

**Thomas Schmall, Volkswagen Group Board Member for Technology**, said: "This investment represents a milestone in our journey toward a fully electric future. By collaborating with Patriot Battery Metals, we are not only securing key raw materials for cutting-edge, sustainable battery technology but also reinforcing our commitment to North America. Together with partners, we are building a dedicated e-mobility ecosystem in North America, ranging from battery technology to software and specific vehicle architectures."

**Jörg Teichmann, Chief Procurement Officer of PowerCo**, said: "This is the next step in PowerCo's mission to become a global battery player with roots in Europe and North America. By building a North American supply chain for EV batteries together with partners, we are strengthening our footprint in the region and driving forward the development of a resilient, sustainable battery industry. We are very pleased to have found such a partner in Patriot Battery Metals and to support the team in becoming one of the global lithium leaders and key supplier of lithium raw materials to the emerging North American and European EV ecosystem."

**Ken Brinsden, CEO & Managing Director of Patriot Battery Metals**, said: "The partnership with PowerCo and the investment of Volkswagen Group is a great testament to the performance and quality of our team. At the same time, it emphasises the world-class status of the

Shaakichiuwaanaan Lithium Project and the excellent prospects for Patriot Battery Metals' future role in the promising global EV supply chain.”

The transaction is subject to approval from the Toronto Stock Exchange (TSX). More information on the investment can be found in Patriot Battery Metals' press release: [patriotbatterymetals.com](https://patriotbatterymetals.com)

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**About the Volkswagen Group:**

The Volkswagen Group is one of the world's leading car makers, headquartered in Wolfsburg, Germany. It operates globally, with 114 production facilities in 17 European countries and 10 countries in the Americas, Asia and Africa. With around 684,000 employees worldwide. The Group's vehicles are sold in over 150 countries.

With an unrivalled portfolio of strong global brands, leading technologies at scale, innovative ideas to tap into future profit pools and an entrepreneurial leadership team, the Volkswagen Group is committed to shaping the future of mobility through investments in electric and autonomous driving vehicles, digitalization and sustainability.

In 2023, the total number of vehicles delivered to customers by the Group globally was 9.2 million (2022: 8.3 million). Group sales revenue in 2023 totaled EUR 322.3 billion (2022: EUR 279.1 billion). The operating result before special items in 2023 amounted to EUR 22.6 billion (2022: EUR 22.5 billion).

**About PowerCo:**

PowerCo is a global battery cell manufacturer that was founded by the Volkswagen Group in 2022. Headquartered in Salzgitter, the company is responsible for the development and production of battery cells as well as the vertical integration of the value chain. PowerCo is currently building a total of three cell factories with a total volume of up to 200 gigawatt-hours per year: Salzgitter in Germany, Valencia in Spain and St. Thomas in Canada.

**About Patriot Battery Metals:**

Patriot Battery Metals Inc. is a hard-rock lithium exploration company focused on advancing its district-scale 100%-owned Shaakichiuwaanaan Property (formerly known as Corvette) located in the Eeyou Istchee James Bay region of Québec, Canada, which is accessible year-round by all-season road and is proximal to regional powerline infrastructure. The Shaakichiuwaanaan Mineral Resource, which includes the CV5 & CV13 spodumene pegmatites, totals 80.1 Mt at 1.44% Li<sub>2</sub>O Indicated, and 62.5 Mt at 1.31% Li<sub>2</sub>O Inferred, and ranks as the largest lithium pegmatite resource in the Americas, and the 8th largest lithium pegmatite resource in the world. Additionally, the Shaakichiuwaanaan Property hosts multiple other spodumene pegmatite clusters that remain to be drill tested, as well as significant areas of prospective trend that remain to be assessed.

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