

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Li-Metal Corp. (the “Issuer” or the “Company”).**

Trading Symbol: **LIM**

Number of Outstanding Listed Securities: **154,953,828**

Date: **June 6, 2023 (For the month of May 2023)**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Li-Metal continues to develop its lithium metal and anode production technologies towards commercialization. Li-Metal’s Rochester facility is actively producing lithium metal anode samples with lithium thickness between three and 25 micrometers for its customers and internal product development.

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The company became one of the first to successfully demonstrate lithium metal production from Lithium carbonate at a pilot scale. The company is continuing its piloting activities and developing further internal capability related to its lithium metal production process at its Markham, ON facility. In parallel, the companies continues to work closely with its global engineering partner to advance the study for a commercial-scale lithium metal facility.

The company was also awarded over CAD\$1.4 million in grant funding from various programs sponsored by the Government of Ontario to develop and commercialize its lithium metal production technology. The funding consists of a CAD\$930,826 grant from the R&D Partnership Fund – Electric Vehicle, administered by the Ontario Vehicle Innovation Network (“OVIN”) and a CAD\$500,000 grant from the Critical Minerals Innovation Fund (“CMIF”), funded by the Ontario Ministry of Mines.

2. Provide a general overview and discussion of the activities of management.

Management is actively engaged across all aspects of the business operations including engaging with customers, developing technology, applying for government funding and also capital planning.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Not applicable.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Li-Metal signed a term sheet with Mustang Vacuum Systems (MVS), a supplier of physical vapour deposition (PVD) machines on April 3rd, 2023. The agreement is focused on the exclusive supply of machines by MVS to Li-Metal for the lithium anode market. Jointly the two companies will develop business for the sale of anode materials, sale of PVD machines to produce anode materials, or other business models that arise through customer engagement. As a part of the term sheet, MVS will become a strategic shareholder of Li-Metal once the definitive agreements are signed and also

be awarded warrants that will allow them to increase their ownership position in the future. Finalization of definitive agreements is ongoing.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not applicable.

8. Describe the acquisition of new customers or loss of customers.

Not applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

The Canadian Intellectual Property Office (CIPO) granted to the Company its first patent for production of Refined Lithium metal and reinforcing Li-Metal's intellectual property (IP) position and technological leadership in the production of lithium metal. The CIPO granted all 20 claims Li-Metal made in its patent application related to the production of refined lithium metal from a lithium chemical feedstock using an electrowinning apparatus. Lithium metal is a strategic feedstock material for battery developers and automotive OEMs in the next-generation battery market. The continuous development and expansion of Li-Metal's IP portfolio is an integral part of the Company's growth strategy.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

One employee in the Canadian operations resigned.

Dr. Srinu Godavarthy was hired as Chief Executive Officer, effective May 15, 2023. Please look at number 16.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable.

14. Provide details of any securities issued and options or warrants granted.

Not applicable.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

Dr. Srini Godavarthy was appointed as Chief Executive Officer, effective May 15, 2023. Dr. Godavarthy, an experienced lithium industry executive, brings more than 20 years of commercial and operational experience to the role with a global leadership background in specialty chemicals and lithium battery materials.

Co-founder Maciej Jastrzebski stepped down as Chief Executive Officer and assumed the newly formed role of Chief Technology Officer (CTO) and will lead the scale up of the Company's metal production and anode technologies.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business and may make it more difficult for it to raise equity or debt financing or obtain the necessary goods and services that the company requires for its operations, in a timely fashion. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated June 6, 2023.

Carlos Pinglo

Name of Director or Senior
Officer

"Carlos Pinglo"

Signature

CFO & Corporate Secretary

Official Capacity

Issuer Details Name of Issuer Li-Metal Corp.	For Month End May 2023	Date of Report June 6,2023
Issuer Address 90 Riviera Drive		
City/Province/Postal Code Markham, ON, LK3R 5M1	Issuer Fax No. ()	Issuer Telephone No. (647) 795-1653
Contact Name Srini Godavarthy	Contact Position CEO	Contact Telephone No. (437) 488-7729
Contact Email Address info@li-metal.com	Web Site Address www.li-metal.com	

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