

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: **159,328,828**

Date: **October 2, 2023 (For the month of September 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.
 - 1. **Position Li-Metal as the preferred anode partner to next-gen battery developers and OEMs**
 - **Advance our Anode Business in line with Customer Growth: continued progress on developing anode production.**

- **Secure Commercial Partnerships with Key Players in the Next Generation Battery Industry:** announced Mustang Vacuum Systems (MVS) completion of the definitive agreements (the “Agreements”) for its previously announced exclusive partnership with Mustang Vacuum Systems Inc. (“MVS”), a global developer and manufacturer of industrial scale physical vapour deposition (PVD) equipment.
2. **Scale-up our modular metal production and scrap reprocessing process**
 - **Demonstrate Modular Lithium Metal Production:** progress continues to be made with this initiative.
 - **Establish a Pilot to Demonstrate Lithium Anode Scrap Reprocessing:** key industry contacts being developed for scrap recycling. Li-Metal continues to carry out lithium scrap reprocessing testing activities at pilot scale.
 2. 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.
 3. 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.
 4. 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.

Completed definitive agreements for its previously announced exclusive partnership with MVS. The signing of the Agreements relates to the parties’ previously announced strategic collaboration agreement for the exclusive supply of high performance PVD machines and advanced battery anode materials for next generation batteries. In addition to the strategic collaboration agreement, Li-Metal and MVS have entered into a contract production agreement to share their respective proprietary technology to create a commercial-scale PVD machine to produce anode material at MVS’s manufacturing facility in Sarasota, Florida. Li-Metal and MVS will jointly operate this PVD machine, which is expected to be commissioned by mid-2024.

With the signing of the Agreements, Li-Metal has issued 4,375,000 Li-Metal common shares to MVS and 21,000,000 warrants to purchase common shares of Li-Metal, with the 4,375,000 common shares of Li-Metal valued at CAD \$0.29 per share or an aggregate of \$1,268,750 and the warrants are exercisable for a period of five years at a price of CAD\$0.627 per common

share. As a part of the partnership, should MVS accumulate a holding of 10,000,000 common shares, they will have the right to observe the Company's board proceedings and nominate one director to Li-Metal's board at the first available opportunity. At that time, Li-Metal will also have the opportunity to observe MVS' board proceedings related to their battery business. Upon exercise of the 21,000,000 warrants, MVS will hold 25,375,000 common shares of the Company representing 14.07% of the issued and outstanding common shares (on a non-diluted basis) of the Company.

5. 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.

6. 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.

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

Not applicable.

8. 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.

Not applicable.

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

There were no new hires or termination in September, 2023.

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

Not applicable.

11. 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.

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

Not applicable.

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

Not applicable.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	4,375,000	Per strategic partnership agreements	No proceeds from issue. Deemed value of \$1,268,750 (4,375,000 x \$0.29)
Warrants	21,000,000	Per strategic partnership agreements	No proceeds from issue. Exercisable for a period of five years at a price of CAD\$0.627 per common share

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

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

Not applicable.

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

Not applicable.

16. 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 October 2, 2023.

Richard Halka

Name of Director or Senior
Officer

"Richard Halka"

Signature

CFO & Corporate Secretary

Official Capacity

<i>Issuer Details</i> Name of Issuer Li-Metal Corp.	For Month End September 2023	Date of Report October 2, 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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