

1 February 2023

Trident Royalties Plc
("Trident" or the "Company")

Portfolio Update: Thacker Pass Lithium Royalty

Trident Royalties Plc (**AIM: TRR**), the diversified mining royalty company, is pleased to note recent updates on the Thacker Pass lithium project ("**Thacker Pass**" or the "**Project**"), in Nevada, by the project operator, Lithium Americas Corp. (**LAC**)^{1, 2}. Trident holds a 60% interest in a gross revenue royalty over the entirety of the Project.

HIGHLIGHTS

- General Motors Co. (NYSE:GM) ("**GM**") and LAC have announced that they will jointly invest to develop Thacker Pass, which is the largest known source of lithium in the United States and the third largest in the world (the "**Agreement**")¹.
- Under the Agreement, GM will make a US\$650 million equity investment in LAC, which represents the largest-ever investment by an automaker to produce battery raw materials.
- GM has also entered into a 10-year offtake agreement, to purchase the Phase 1 production from Thacker Pass. The price within the offtake agreement will be based on an agreed upon price formula linked to prevailing market prices.
- LAC estimates the lithium extracted and processed from the Project can support production of up to 1 million electric vehicles per year.
- In connection with the Agreement, LAC has provided an update on the construction plan for Thacker Pass including the release of an independent National Instrument 43-101 ("**NI 43-101**") compliant feasibility study ("**Feasibility Study**")².
 - o Thacker Pass construction plan targeting 80,000 tonnes per annum ("**tpa**") of battery-quality lithium carbonate production capacity in two phases of 40,000 tpa, respectively ("**Phase 1**" and "**Phase 2**").
 - o Phase 1 production expected to commence in the second half of 2026.
 - o Project life of 40 years utilising less than 25% of the current Measured and Indicated ("**M&I**") Mineral Resource estimate³.
 - o Proven and Probable Mineral Reserves of 3.7 million tonnes lithium carbonate equivalent ("**LCE**") at an average grade of 3,160 parts per million lithium ("**ppm Li**")⁴.
 - o M&I Mineral Resource estimate of 16.1 Mt LCE at an average grade of 2,070 ppm Li.
 - o US\$5.7 billion net present value ("**NPV**") at 8% discount and 21.4% internal rate of return ("**IRR**"), after-tax when using a price assumption of US\$24,000 per tonne of lithium carbonate.
 - o LAC have awarded the Engineering, Procurement and Construction Management ("**EPCM**") contract for the construction of Thacker Pass to Bechtel Corporation.
- Trident holds a 60% interest in a gross revenue royalty over the entirety of the Project. Assuming LAC exercises the partial royalty buy-back US\$13.2 million attributable to Trident), then Trident would retain the equivalent of a (net) 1.05% gross revenue royalty.
 - o At current lithium spot price of approximately US\$66,000 per tonne LCE, once at full production, the (post-buyback) royalty would generate over US\$55 million per year to Trident.

Jonathan Evans, President and CEO of LAC, commented to LAC for the purposes of their announcement¹:

"The agreement with GM is a major milestone in moving Thacker Pass toward production, while setting a foundation for the separation of our U.S. and Argentine businesses. This relationship underscores our commitment to develop a sustainable domestic lithium supply chain for electric

underscores our commitment to develop a sustainable domestic lithium supply chain for electric vehicles. We are pleased to have GM as our largest investor, and we look forward to working together to accelerate the energy transition while spurring job creation and economic growth in America."

Adam Davidson, Chief Executive Officer of Trident commented:

"Thacker Pass is an asset with significant strategic importance in the context of the United States' transition to carbon net zero, and we are encouraged that its status as such has been recognised by General Motors in the largest-ever investment by an automaker securing battery raw metals.

"For Trident, Thacker Pass is expected to become an important component in our expanding revenue-generative royalty portfolio as LAC advances towards Phase 1 production of 40,000tpa in H2 2026. Until then, we continue to keenly monitor its development including the result of the appeal process held in early January, with a decision expected in the coming months."

Agreement with General Motors

GM has agreed to make an aggregate investment of US\$650 million in two tranches. In tranche 1, GM will acquire 15.0 million common shares of LAC (each, a **LAC Share**) at a price of US\$21.34 per share (the "Tranche 1 Subscription Price"), for gross proceeds of US\$320 million ("**Tranche 1**"). The funds from Tranche 1 will be held in escrow until certain conditions are met. If those conditions are met, the funds will be released to LAC and GM will own a 9.999% equity interest in LAC. LAC anticipates that the escrow release will occur by mid-2023.

Following the satisfaction of certain conditions, GM has agreed to subscribe for shares of LAC at the then market price on the date of subscription, subject to a cap of 130% of the Tranche 1 Subscription Price in an amount equal to US\$330 million ("**Tranche 2**").

LAC has agreed to use the proceeds from the Agreement for the development of Thacker Pass.

OFFTAKE & INVESTOR RIGHTS AGREEMENT

LAC has entered into an agreement to supply GM with lithium carbonate production from Phase 1 of Thacker Pass (the "**Offtake Agreement**") in connection with the escrow release of the Tranche 1 investment. The price within the Offtake Agreement will be based on an agreed upon price formula linked to prevailing market prices. The term of the Offtake Agreement will be 10 years from the commencement of Phase 1 production, with the option for GM to extend by an additional five years. GM will also have a right of first offer on the offtake of Thacker Pass' Phase 2 production.

LAC notes that GM has announced four U.S. cell plants with annual capacity of 160 gigawatt hours, including the Ultium Cells joint venture ("**JV**") plant with LG Energy Solution in Warren, Ohio, which is in production, and additional JV sites in Spring Hill, Tennessee and Lansing, Michigan that are scheduled to open in 2023 and 2024, respectively. The first three Ultium Cells plants are expected to create 6,000 jobs in construction and 5,000 in operations.¹

GM is currently building electric vehicles in two Michigan plants, one Tennessee plant and one Ontario plant, and its suppliers are investing to create a robust North America-focused supply chain for electric vehicle raw materials, processed material and components, with major projects under way in California, Texas, Ohio and Quebec.

PROJECT UPDATE

LAC provided a project update in connection with the Agreement. The Thacker Pass Feasibility Study results reflect operational and process improvements, including increased extraction rates from an optimised mine plan through new ore control strategy, an increase in sulphuric acid utilisation by targeting illite clay with greater potential for increasing lithium extraction per tonne of sulphuric acid and increased crystallisation steps to further remove magnesium impurities.

Other process and design improvements were made to further minimise the project's environmental impact, including, increased capacity to 80,000 tpa within approximately the same mining footprint as the permitted pit boundary and without increasing the size of the sulphuric acid plant, additional beneficiation and neutralisation circuits to increase the neutrality of filter pressed tailings and implementing a tail gas scrubber utilising a neutralisation solution in the sulphuric acid plant to minimise emissions and reduce impacts to ambient air quality.

CONSTRUCTION TIMELINE UPDATE

Phase 1 will consist of a single sulphuric acid plant with a nominal production rate of 3,000 tonnes per day sulphuric acid. Phase 2 construction will begin upon completion of Phase 1 with

tonnes per day sulphuric acid. Phase 2 construction will begin upon completion of Phase 1, with the addition of a second sulphuric acid plant with an additional nominal production rate of 3,000 tpd.

Total designed capacity of 80,000 tpa lithium carbonate production upon completion of both Phase 1 and Phase 2. Actual production varies by year with anticipated average production of approximately 70,000 tpa lithium carbonate in the first 25 years and approximately 67,000 tpa over the life of mine, including ramp up of Phase 1 and Phase 2.

LAC noted that it continues to prepare for construction while it awaits a ruling for the appeal of the issuance of the United States Bureau of Land Management ("BLM") Record of Decision ("ROD") following a hearing held by the US District Court, District of Nevada ("Federal Court") on 5 January 2023. During the hearing, plaintiffs and representatives from LAC addressed final questions, the Federal Court reaffirmed no additional hearings or briefings are required and they expect to issue a decision in the next couple of months.

References

- 1: Source: Lithium Americas Corp. announcement dated 31 January 2023
(<https://www.lithiumamericas.com/news/qm-and-lithium-americas-to-develop-us-sourced-lithium-production-through-650-million-equity-investment-and-supply-agreement>)
- 2: Source: Lithium Americas Corp announcement dated 31 January 2023
(<https://www.lithiumamericas.com/news/lithium-americas-provides-general-motors-transaction-details-and-update-on-construction-plan-for-thacker-pass>)
- 3: **Thacker Pass Mineral Resource Estimate as of 2 November 2022.** Source LAC ²

| Category | Tonnage (Mt) | Average Li (ppm) | Lithium Carbonate Equivalent (Mt) |
|---------------------------------------|----------------|------------------|-----------------------------------|
| Measured | 534.7 | 2,450 | 7.0 |
| Indicated | 922.5 | 1,850 | 9.1 |
| Total Measured & Indicated | 1,457.2 | 2,070 | 16.1 |
| Inferred | 297.2 | 1,870 | 3.0 |

Notes for the November 2, 2022 Mineral Resource:

1. The Qualified Person who supervised the preparation of and approved disclosure for the estimate is Benson Chow, P.G., SME-RM.
2. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Mineral Resources are inclusive of 217.3 million metric tonnes (Mt) of Mineral Reserves.
3. Mineral Resources are reported using an economic break-even formula: "Operating Cost per Resource Tonne"/"Price per Recovered Tonne Lithium" * 10⁶ = ppm Li Cut-off. "Operating Cost per Resource Tonne" = US\$88.50, "Price per Recovered Tonne Lithium" is estimated: ("Lithium Carbonate Equivalent (LCE) Price" * 5.323 *(1 - "Royalties") * "Recovery". Variables are "LCE Price" = US\$22,000/tonne Li₂CO₃, "Royalties" = 1.75% and "Recovery" = 73.5%.
4. Presented at a cut-off grade of 1,047 ppm Li.
5. A resource constraining pit shell has been derived from performing a pit optimization estimation using Vulcan software.
6. The conversion factor for lithium to LCE is 5.323.
7. Applied density for the mineralization is 1.79 t/m³.
8. Measured Mineral Resources are in blocks estimated using at least six drill holes and eighteen samples within a 262 m search radius in the horizontal plane and 5 m in the vertical direction; Indicated Mineral Resources are in blocks estimated using at least two drill holes and six to eighteen samples within a 483 m search radius in the horizontal plane and 5 m in the vertical direction; and Inferred Mineral Resources are blocks estimated with at least two drill holes and three to six samples within a search radius of 722 m in the horizontal plane and 5 m in the vertical plane.
9. Tonnages and grades have been rounded to accuracy levels deemed appropriate by the QP. Summation errors due to rounding may exist.

- 4: **Thacker Pass Mineral Reserve Estimate as of 2 November 2022.** Source LAC ²

| Category | Tonnage (Mt) | Average Li (ppm) | Lithium Carbonate Equivalent (Mt) |
|---------------------------|--------------|------------------|-----------------------------------|
| Proven | 192.9 | 3,180 | 3.3 |
| Probable | 24.4 | 3,010 | 0.4 |
| Total Proven and Probable | 217.3 | 3,160 | 3.7 |

Notes for the November 2, 2022 Mineral Reserve:

1. The Qualified Person who supervised the preparation of and approved disclosure for the estimate is Kevin Bahe, P.E., SME-RM.
2. Mineral Reserves have been converted from measured and indicated Mineral Resources within the feasibility study and have demonstrated economic viability.
3. Reserves presented at an 85% maximum ash content and 1.533 kilogram of lithium recovered per run of mine feed cut-off grade. A sales price of US\$5,400/t of Li₂CO₃ was utilised in the pit optimization resulting in the generation of the reserve pit shell in 2019. Overall slope of 27 degrees was applied. For bedrock material pit slope was set at 47 degrees. Mining and processing cost of US\$57.80 per tonne of ROM feed, a processing recovery factor of 84%, and royalty cost of 1.75% were additional inputs into the pit optimisation.
4. A LOM plan was developed based on equipment selection, equipment rates, labour rates, and plant feed and reagent parameters. All Mineral Reserves are within the LOM plan. The LOM plan is the basis for the economic assessment within the NI 43-101 technical report titled "Feasibility Study, National Instrument 43-101 Technical Report for the Thacker Pass Project Humboldt County, Nevada, USA" with an effective date of November 2, 2022 (the "**Technical Report**"), which is used to show economic viability of the Mineral Reserves.
5. Applied density for the ore is 1.79 t/m³.
6. Lithium Carbonate Equivalent is based on in-situ LCE tonnes with 95% recovery factor.
7. Tonnages and grades have been rounded to accuracy levels deemed appropriate by the QP. Summation errors due to rounding may exist.
8. The reference point at which the Mineral Reserves are defined is at the point where the ore is delivered to the run-of-mine feeder.

Competent Person's Statement

The technical information contained in this disclosure has been read and approved by MNick O'Reilly (MSc, DIC, MAusIMM, MIMMM, FGS), who is a qualified geologist and acts as the Competent Person under the AIM Rules - Note for Mining and Oil & Gas Companies. Mr O'Reilly is a Principal Consultant working for Mining Analyst Consulting Ltd which has been retained by Trident to provide technical support.

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About Trident

Trident is a growth-focused diversified mining royalty and streaming company, providing investors with exposure to a mix of base battery, precious, and bulk metals.

Key highlights of Trident's strategy include:

- Building upon a royalty and streaming portfolio which broadly mirrors the commodity exposure of the global mining sector (excluding fossil fuels) with a bias towards production or near-production assets, differentiating Trident from the majority of peers which are exclusively, or heavily weighted, to precious metals;
- Acquiring royalties and streams in resource-friendly jurisdictions worldwide, while most competitors have portfolios focused on North and South America;
- Targeting attractive small-to-mid size transactions which are often ignored in a sector dominated by large players;
- Active deal-sourcing which, in addition to writing new royalties and streams, will focus on the acquisition of assets held by natural sellers such as: closed-end funds, prospect generators, junior and mid-tier miners holding royalties as non-core assets, and counterparties seeking to monetise packages of royalties and streams which are otherwise undervalued by the market;
- Maintaining a low-overhead model which is capable of supporting a larger scale business without a commensurate increase in operating costs; and
- Leveraging the experience of management, the board of directors, and Trident's adviser team, all of whom have deep industry connections and strong transactional experience across multiple commodities and jurisdictions.

The acquisition and aggregation of individual royalties and streams is expected to deliver strong returns for shareholders as assets are acquired on terms reflective of single asset risk compared with the lower risk profile of a diversified, larger scale portfolio. Further value is expected to be delivered by the introduction of conservative levels of leverage through debt. Once scale has been achieved, strong cash generation is expected to support an attractive dividend policy, providing investors with a desirable mix of inflation protection, growth and income.

Forward-looking Statements

This news release contains forward-looking information. The statements are based on reasonable assumptions and expectations of management and Trident provides no assurance that actual events will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Although Trident believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those projected. Mining exploration and development is an inherently risky business. In addition, factors that could cause actual events to differ materially from the forward-looking information stated herein include any factors which affect decisions to pursue mineral exploration on the relevant property and the ultimate exercise of option rights, which may include changes in market conditions, changes in metal prices, general economic and political conditions, environmental risks, and community and non-governmental actions. Such factors will also affect whether Trident will ultimately receive the benefits anticipated pursuant to relevant agreements. This list is not exhaustive of the factors that may affect any of the forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on forward-looking information.

Third Party Information

As a royalty and streaming company, Trident often has limited, if any, access to non-public scientific and technical information in respect of the properties underlying its portfolio of royalties and investments, or such information is subject to confidentiality provisions. As such, in preparing this announcement, the Company often largely relies upon information provided by or the public disclosures of the owners and operators of the properties underlying its portfolio of royalties, as available at the date of this announcement.

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