Li-Metal Provides Operational Update on Anode Production

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Facility increases lithium metal anode material production by 200%

TORONTO, October 11, 2022 - Li-Metal Corp. (CSE:LIM)(OTCQB:LIMFF)(FSE:5ZO) ("Li-Metal" or "the Company"), a leading developer of lithium metal anodes and lithium metal technologies critical for next-generation batteries, is pleased to provide an operational update for its roll-to-roll anode pilot plant in Rochester, New York ("the Facility").

Since its commissioning earlier this year, the Facility has been steadily ramping up production of its high-performance, low-cost lithium metal anode sample materials using Li-Metal's roll-to-roll physical vapor deposition ("PVD") process.

Anode Production Milestones

In the year-to-date, the Facility has produced more than 3,000 metres of sample lithium metal anode material for both internal and customer use. This throughput reflects more than three times the Company's total volume of sample material delivered in 2021. In addition, the Facility has proven its ability to produce lithium metal anode products with lithium thickness between three and 25 micrometres as the Company continues to customize its offerings to meet the unique needs of perspective customers.

New Product Line Development

Li-Metal has completed proof-of-concept testing of silicon anode pre-lithiation using its PVD equipment. When successfully expanded to commercial scale pre-lithiation of silicon anodes, Li-Metal will be able to serve a broader customer base with multiple next-generation battery anode technologies, significantly expanding the addressable market for the Company's offerings.

"Silicon anodes are an exciting next-generation battery technology that is being commercialized in parallel with lithium metal-based batteries," said Dr. Jonathan Goodman, Li-Metal's Chief Scientist. "A key challenge with many silicon anodes is that they experience a significant loss of battery capacity in the first charge-discharge cycle. Our silicon pre-lithiation work holds substantial promise as a cost-effective and performance enhancing technology to overcome this challenge."

PVD Process Improvement

The Li-Metal team continues to make significant anode production improvements both in product quality and process productivity. Recent Company actions have allowed process throughput to reach 140% of equipment nameplate capacity and 70% of commercial-scale, production intensity targets. The team is currently implementing a quality management system to improve daily throughput and product consistency as production rates increase.

"I'm extremely proud of our team - our U.S. pilot plant continues to hit key benchmarks and technical milestones, and the team has proven that they can overcome the expected challenges in ramping up new equipment," said Maciej Jastrzebski, co-founder and CEO of Li-Metal. "The process productivity increases we have achieved this year are very significant, because they play a big part in determining production economics. We have demonstrated high-rate deposition and to our knowledge, we are operating the highest intensity PVD lithium deposition process in the world. We have high confidence that the additional improvements to both process and equipment we have in the pipeline will help push the envelope even

further."

Commercial Scale Anode Plant

Li-Metal has recently completed an engineering scoping study for the development and build-out of a small commercial-scale anode production facility ("Anode Demo Plant"). The envisioned plant will demonstrate a PVD lithium anode production line at full-scale, while supplying up to a million metres per year (approximately 200-250 MWh) of large-format anodes for advanced product qualification and early-stage production to battery makers on a commercial basis - a key step on Li-Metal's roadmap to anode product commercialization.

"As our customers increase the scale of piloting activities for their next-generation batteries, we are advancing our scale-up efforts in lockstep with demand so that we are in a leading position to support the advancement of these technologies," commented Li-Metal CEO, Maciej Jastrzebski. "In addition to maturing our processes, the team is focused over the coming year on securing partnerships and material orders to secure offtake for the Anode Demo Plant."

Marketing Agreement

Li-Metal signed a marketing agreement on September 15, 2022, retaining Blender Media Inc. ("Blender") to provide marketing services (the "Services") to the Company. Blender has been engaged to heighten market awareness for the Company by providing digital marketing and lead generation services in Canada and the United States.

Blender provides its services directly to the Company and is contractually bound to comply with all applicable securities laws and the policies of the Canadian Securities Exchange (the "CSE") in providing the Services.

Blender has been engaged by the Company for an initial period of three months (the "Initial Term"), and may be renewed thereafter, unless terminated by the Company. Blender will be paid $32,000 for the three-month period, plus applicable taxes and ad spend. None of Blender or its principals have an interest, directly or indirectly in the Company or its securities, and act at arm's length to the Company.

On behalf of the Board

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About Li-Metal Corp.

Li-Metal is a Canadian-based company developing lithium metal anodes and lithium metal production technologies for use in next-generation batteries. Our production methods are significantly more sustainable than existing products and offer lighter, more energy-dense and safer batteries that are critical to tomorrow's electric vehicles. For more information, visit: www.li-metal.com.

Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws relating to the Company. Any such forward-looking statements may be identified by words such as "expects", "anticipates", "believes", "projects", "plans" and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements. Statements about, among other things, the Company's strategic plans are forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by

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