

Lithium One Metals Inc. and Norris Lithium Inc. To Merge To Expand Land Position in James Bay, Quebec

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Vancouver, June 19, 2023 - [Lithium One Metals Inc.](#) (TSXV: LONE) (OTCQB: LOMEF) (FSE: H490) ("Lithium One" or "LONE") and [Norris Lithium Inc.](#) (CSE: CHCK) ("Norris Lithium") have entered into a definitive arrangement agreement dated June 19, 2023 (the "Agreement") pursuant to which Lithium One will acquire all of the issued and outstanding common shares of Norris Lithium (the "Transaction") on the basis of 0.672 common shares of Lithium One for each share of Norris Lithium held, by way of a plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement").

This strategic consolidation represents a significant milestone in both companies' growth trajectories, with Lithium One and Norris Lithium both benefiting from the creation of a large land position in James Bay, Québec, an established presence in Northwestern Ontario in a rapidly emerging lithium district, combined technical expertise, and a joint exploration program already underway. Upon the closing of the Transaction, it is expected that the shareholders of Norris Lithium will hold approximately 35% of the common shares of the combined company, with Dale Ginn being appointed as President & CEO of Lithium One, and Nav Dhaliwal assuming the role of Executive Chair of Lithium One.

Transaction Highlights

- Creating a Leading Land Position in James Bay, Québec. The Transaction will result in the addition of two lithium exploration projects totaling 4,500 ha in the renowned Corvette lithium belt of James Bay, Québec. As a result, Lithium One's total land holdings in the district will total 20,750 ha (Figure 1). Notably, Norris Lithium's Highway property is immediately adjacent to Lithium One's Ferrari property, which through the combination will grow to 9,000 ha. The combined company will have an overall lithium-prospective land position of 23,650 ha in Québec.
- A Platform for Growth in Ontario. Norris Lithium shareholders gain exposure to a portfolio of lithium-prospective exploration properties in Ontario, totalling 26,259 ha, for an overall total of 49,791 ha within the combined entity, creating one of the largest lithium property portfolios in Canada.
- Streamlining Exploration Programs. Both companies were already underway with plans for robust exploration campaigns in 2023. The merger will now allow for streamlined and cost-effective joint exploration programs. Importantly, follow up to the previous pegmatite discoveries on the Highway property will now be expanded to the contiguous Ferrari property.
- Enhanced Leadership and Technical Teams. The combined company's board and management team will draw from the expertise of both companies. This is expected to result in mutually beneficial financial synergies.
- Strengthened Capital Markets Profile. The proposed Transaction will enhance both companies' standing in the capital markets, by virtue of a larger market capitalization, more prominent land position and increased exploration activity.

Nav Dhaliwal, current CEO and Director of Lithium One and proposed Executive Chair of the combined company, commented: "The business combination with Norris Lithium is an exciting transaction that is transformative for both companies and their shareholders. This merger combines two exciting and parallel lithium exploration portfolios, particularly focused on the active and high-profile James Bay lithium belt."

Dale Ginn, current President & CEO, Director of Norris Lithium and proposed President & CEO of the combined company further commented: "We are excited to immediately take advantage of the synergies being provided by combining operations of the two companies in James Bay, and for Norris shareholders, to add diversification into Ontario with the addition of established lithium-prospective properties in what we see as an important emerging lithium district."

Transaction Details

Pursuant to the terms of the Agreement, Lithium One will acquire all of the issued and outstanding common

shares of Norris Lithium on the basis of 0.672 common shares of Lithium One for each share of Norris Lithium held (the "Exchange Ratio"). The Exchange Ratio implies a consideration of C\$0.29 per Norris Lithium Share, based on the volume weighted average price ("VWAP") of Lithium One's common shares on the TSXV over the five trading days ending on June 16, 2023. This consideration represents a premium of 31% to the trailing 5-day VWAP of Norris Lithium's common shares on the CSE. Warrants and options of Norris Lithium will additionally be adjusted or exchanged to become warrants and options, respectively, of Lithium One based on the Exchange Ratio.

Upon closing of the Transaction, Norris Lithium shall be entitled to nominate two directors to the Lithium One board of directors, which are expected to be Dale Ginn and Robert Jewson. Nicholas Watters and Carl Ginn will resign as directors of Lithium One. The board of Lithium One will therefore consist of the following on closing:

R. Dale Ginn, President, CEO and Director
Nav Dhaliwal, Executive Chair and Director
Robert Jewson, Director
James Bahen, Director
Dominic Verdejo, Director
Nathan Tribble, Director

The Arrangement will be carried out by way of a court-approved plan of arrangement under the Business Corporations Act (British Columbia) and is subject to a number of conditions being satisfied or waived by one or both of Lithium One and Norris Lithium at or prior to closing of the Arrangement, including approval of Norris Lithium shareholders, together with any requisite minority approvals, and receipt of all necessary regulatory and court approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature.

It is expected that the special meeting of Norris Lithium shareholders to approve the proposed Arrangement will be held in August 2023 and, if approved at the meeting and all other conditions have been met, it is expected that the Arrangement would close shortly thereafter.

The Agreement includes customary provisions, including non-solicitation, right-to-match and fiduciary out provisions, as well as certain representations, covenants and conditions that are customary for a transaction of this nature. A termination fee may be payable by Norris Lithium in the case of certain terminating events. Details regarding these and other terms of the Transaction are set out in the Agreement, which will be available under the SEDAR profiles of Lithium One and Norris Lithium at www.sedar.com

Further information regarding the Transaction will be contained in a management information circular to be prepared by Norris Lithium and mailed to its shareholders in connection with a special meeting of shareholders to be held by Norris Lithium, to consider the Arrangement and related matters. All shareholders of Norris Lithium are urged to read the information circular once available, as it will contain important additional information concerning the Transaction.

Board Recommendations and Voting Support

The Arrangement has been unanimously approved by the board of directors of both Lithium One and Norris Lithium. The board of directors of Norris Lithium unanimously recommends that Norris Lithium shareholders vote in favour of the Transaction. All of the directors and officers of Norris Lithium have entered into customary voting support agreements agreeing to vote in favour of the Transaction.

Haywood Securities Inc. has provided a verbal fairness opinion to the board of directors of Lithium One that, as of the date hereof, and based upon and subject to the assumptions, limitations and qualifications stated therein, the consideration to be paid by Lithium One to the shareholders of Norris Lithium under the Arrangement is fair, from a financial point of view, to Lithium One.

Red Cloud Securities Inc. has provided a verbal fairness opinion to the special committee of the board of directors of Norris Lithium that, as of the date hereof, and based upon and subject to the assumption, limitations and qualifications stated therein, the consideration to be received by the shareholders of Norris Lithium under the Arrangement is fair, from a financial point of view, to the shareholders of Norris Lithium.

Advisors and Counsel

Haywood Securities Inc. is acting as financial advisor and Cozen O'Connor LLP is acting as legal counsel to Lithium One.

Red Cloud Securities Inc. is acting as financial advisor and Harper Grey LLP is acting as legal counsel to the special committee of the board of directors of Norris Lithium.

About the James Bay Lithium District

Located in Québec, Canada, James Bay is rapidly emerging as a major lithium district, boasting ten advanced-stage projects and numerous early-stage occurrences (Figure 2). Notably, the Whabouchi Mine represents one of the world's largest bulk tonnage lithium deposits, with a Mineral Resource of 36.6 Mt at 1.3% Li₂O, and an estimated mine life of 33 years.^[1] Additionally, the recently approved James Bay Lithium Mine has a Mineral Resource of 40.3 Mt at 1.4% Li₂O and is proposed to produce an annual average of 321 Kt of spodumene concentrate over a 19-year mine life.^[2]

Figure 1. Property map showing the combined land position of Lithium One and Norris Lithium and other properties of interest in the Corvette project area of James Bay, Québec.

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/8381/170508_9a12271f44d12bee_001full.jpg.

Figure 2. Regional map showing the location and combined land position of Lithium One and Norris Lithium in James Bay, Québec.

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/8381/170508_9a12271f44d12bee_002full.jpg.

Qualified Persons

This news release has been reviewed and approved by Carl Ginn, P.Geo., a director of Lithium One and a Qualified Person pursuant to National Instrument 43-101.

About Lithium One

Lithium One Metals is a Canadian exploration company specializing in the acquisition and development of high-potential lithium properties in Ontario and Québec. Our team of experienced geologists and prospectors are at the forefront of the search for the next generation of lithium deposits.

About Norris Lithium

Norris Lithium is engaged in the acquisition, exploration, and development of mineral property assets in Canada. Norris Lithium owns the Highway and Bus Lithium properties in the James Bay region of Québec and holds the Solitude Lake Property located near the Savant Lake area in the Patricia Mining Division, Ontario. Norris Lithium's objectives are to conduct exploration programs on its Solitude Lake Property and Québec lithium properties and to locate and develop other economic mineral properties of merit.

On behalf of the Board of Directors of Lithium One Metals Inc.

Nav Dhaliwal
Chief Executive Officer and Director

On behalf of the Board of Directors of Norris Lithium Inc.

R. Dale Ginn
Chief Executive Officer, President and Director

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Cautionary Statement Regarding Forward-Looking Information

All statements, trend analysis and other information contained in this press release about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding anticipated benefits of the Transaction, the estimated date of the special meeting of Norris shareholders the closing of the Transaction, the assets of Lithium One and Norris Lithium (the "Projects"), including anticipated synergies between the Projects, are forward-looking statements. Although Lithium One and Norris Lithium (the "Companies") believe that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since the Companies can give no assurance that such expectations will prove to be correct. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including the risks, uncertainties and other factors identified in the Companies' periodic filings with Canadian securities regulators, and assumptions made with regard to: the Companies' ability to complete the proposed Transaction; the Companies' ability to secure the necessary shareholder, securityholder, legal and regulatory approvals required to complete the Transaction; the estimated costs associated with the advancement of the Projects; and the Companies' ability to achieve the synergies expected as a result of the Transaction. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Important factors that could cause actual results to differ materially from the Companies' expectations include risks associated with the business of each of Lithium One and Norris Lithium; risks related to the satisfaction or waiver of certain conditions to the closing of the Transaction; non-completion of the Transaction; risks related to reliance on technical information provided by Lithium One and Norris Lithium; risks related to exploration of the Projects; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and first nation groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; and other risk factors as detailed from time to time and additional risks identified in Lithium One and Norris Lithium's filings with Canadian securities regulators on SEDAR in Canada (available at www.sedar.com). Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Neither Lithium One nor Norris Lithium undertakes any obligation to update forward-looking statements except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.

[1] Nemaska Lithium NI 43-101 Technical Report: Report on the Estimate to Complete for the Whabouchi Lithium Mine and Shawinigan Electrochemical Plant, May 31, 2019

[2] Galaxy Lithium Preliminary Economic Assessment, NI 43-101 Technical Report: James Bay Lithium Project Ontario, Canada, March 15, 2021

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