

Update on Arbitration Award against Poland

GreenX Metals Limited (**GreenX, Claimant or Company**) provides the following update on the international arbitration claims (**Claim**) against the Republic of Poland (**Poland or Respondent**) under both the Australia-Poland Bilateral Investment Treaty (**BIT**) and the Energy Charter Treaty (**ECT**) (together the **Treaties**).

- On 7 October 2024, GreenX was awarded **£252 million (A\$495 million/PLN 1.3 billion) in compensation and interest** after the Tribunal unanimously held that Poland breached its obligations under the Treaties
- Poland has now lodged a request to set-aside the BIT award, seeking to have it set-aside on the basis of jurisdictional aspects of the award and procedural unfairness
- GreenX notes that the Polish Prime Minister, Mr Donald Tusk, recently stated at a press conference that:

“The case is rather hopeless, because a lost arbitration is a lost arbitration. We have two big cases on our shoulders. The PiS government blew this issue.

The Australians, as you know, were promised that their mine would be built there. For years they were misled and later the commitment was withdrawn. It was quite obvious that they would go to arbitration, and it was rather obvious that they would win this arbitration.

Speaking frankly, I would most likely, and I cannot exclude that it will go this way, to find the person directly responsible for Poland now having to pay well over a billion zloty if we do not find a legal solution - which I think has very little probability to set aside the award in this arbitration. So, speaking the truth, I will expect my officers to inform the public in the coming days who made a decision or refrained from making a decision with the consequence of these gigantic losses, that is the compensation that we as the Polish State must pay to the Australians.”¹

- The threshold to succeed on a set-aside motion is very high with vast majority of cases being rejected and interest continuing to accrue at approximately 6% per annum (at today's rates) whilst the set-aside motion is heard
- GreenX is well funded to defend the annulment with over A\$5.5 million in cash reserves

GreenX advises that Poland has lodged a request to set-aside the award with the courts of England and Wales in relation to the BIT claim. Poland is challenging jurisdictional aspects of the award and alleging procedural unfairness, including in the Tribunal's decision on damages.

The award can only be set aside under very limited circumstances which relate to a lack of jurisdiction on the part of the Tribunal or serious irregularities (such as procedural unfairness). These proceedings do not allow the courts to re-examine the Tribunal's decision on the merits of the case.

The threshold to succeed on a set aside motion in the English domestic court is very high, with the courts rejecting set-aside applications in the vast majority of cases.

Commenting on Poland's request to have the BIT award set aside, GreenX Chief Executive Officer, Mr Ben Stoikovich said *“Whilst Poland's actions of lodging a request for a set-aside of the award are not surprising, we note the recent comments made by the new Polish Prime Minister, Mr Tusk, and welcome the opportunity to settle this dispute which will allow both parties to put this unfortunate episode behind us. The Board of GreenX remains committed to obtaining payment of the award and returning capital to shareholders.”*

The Claim was brought under the United Nations Commission on International Trade Law Rules (**UNCITRAL**) and the award is final and binding on the parties. The UNCITRAL Rules do not provide for an appeal procedure i.e., they grant no explicit authority to a panel to reconsider its award. However, either party may ask the Tribunal to correct any computational, clerical or typographical errors in the award, issue an interpretation of the award or render an additional award on any claims omitted from the final award. These procedures do not allow either party to request that the Tribunal reconsider the merits of its decision. As part of its filings, Poland is seeking a correction in the computation of damages for the awards.

The Company expects that Poland will also apply to set-aside the award in relation to the ECT claim in due course and it will continue to update the market, if required, in line with its continuous disclosure requirements.

ENQUIRIES

Ben Stoikovich
Chief Executive Officer
+44 207 478 3900

FURTHER DETAILS OF THE SUCCESSFUL ARBITRATION AWARDS

In October 2024, GreenX reported a successful outcome of the Claim against Poland under both the BIT and the ECT with the Company being awarded:

- approximately **£252m (A\$495m / PLN1.3bn)** in compensation by the Tribunal under the BIT (**BIT Award**) which includes interest compounded at SONIA plus one percentage point (+1%) compounded annually from 31 December 2019 to the date of the award (7 October 2024). Interest will continue to accrue at SONIA +1% compounded annually until full and final payment by the Respondent.
- approximately **£183m (A\$360m / PLN 950m)** in compensation by the Tribunal under the ECT (**ECT Award**), which includes interest compounded at the SONIA overnight rate +1% compounded annually from 31 December 2019. Interest will continue to accrue at SONIA +1% compounded annually until full and final payment by the Respondent.
- Interest continues to accrue at approximately 6% per annum based on today's rates (Sterling Over-Night Interest rate (**SONIA**) plus 1%) until full and final satisfaction of the award by Poland.
- Interest of approximately **£1m (A\$2m / PLN5.2m)** has accrued since the award was made.
- Both Awards are subject to any payments made by the Respondent to the Claimant in the other arbitration such that the Claimant is not entitled to double compensation i.e., any amount paid by Poland in one arbitration (i.e., ECT) is set off against Poland's liability in the other arbitration (i.e., BIT).

The compensation is denominated in British pound sterling. No hedging is in place for the compensation and accordingly is subject to fluctuations in foreign currency.

Each party was ordered to cover its own legal fees, expenses and arbitration costs in relation to the Claim, which in respect of GreenX are costs that have already been fully paid under the Litigation Funding Agreement (**LFA**) with specialist arbitration funder LCM Funding UK Limited (a subsidiary of Litigation Capital Management Ltd) (**LCM**).

The Tribunal unanimously held that Poland had breached its obligations under the Treaties in relation to the Jan Karski project, entitling GreenX to compensation. In respect of the Dębieńsko project, the Tribunal did not uphold the Claim under the Treaties.

All of GreenX's costs associated with the arbitration were funded on a limited basis from LCM. To date, GreenX has drawn down US\$11.2 million (A\$16.2 million at 30 September 2024) (**Outstanding Funding**) from the LFA.

In accordance with the terms of the LFA, once the compensation is received, LCM is entitled to be paid the Outstanding Funding, a multiple of five times the Outstanding Funding (based on the period since entering into the LFA) and from 1 January 2025, interest on the Outstanding Funding at a rate of 30% per annum, compounding monthly.

Net of the payments to LCM, GreenX will pay 6% of the balance to key management directly involved in the case (as previously approved by shareholders on 20 January 2021) and 3% to key legal advisers who assisted with the case on a reduced and fixed fee.

Upon satisfaction of the award, it is GreenX's intention to return the majority of the available cash to shareholders in a timely fashion, after payment of the above costs of the arbitration and applicable taxes (if any).

Forward Looking Statements

This release may include forward-looking statements. These forward-looking statements are based on GreenX's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of GreenX, which could cause actual results to differ materially from such statements. GreenX makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.

This announcement has been authorised for release by the Company's Chief Executive Officer, Mr Ben Stoikovich.

¹ sources: <https://www.gov.pl/web/premier/wsparcie-dla-rodzicow-wczesniakow> (refer to the video (29:45-32:00)), <https://biznes.pap.pl/wiadomosci/firmy/unikniecie-wyplaty-odszkodowania-wynikajacego-z-arbitrazu-greenx-malo>.