



## Alpha Lithium Files Directors' Circular Recommending Shareholders Reject Tecpetrol's Hostile Stink Bid

### Do Not Tender Your Shares

VANCOUVER, British Columbia, June 23, 2023 – Alpha Lithium Corporation (NEO: ALLI) (OTC: APHLF) (German WKN: A3CUW1) (“Alpha” or the “Company” - <https://www.commodity-tv.com/ondemand/companies/profil/alpha-lithium-corp/>) today announced that the Board of Directors of Alpha (the “Board”), based on the unanimous recommendation of the Special Committee of independent directors, recommends that Alpha shareholders REJECT the hostile offer (the “Hostile Offer”) from TechEnergy Lithium Canada Inc., a recently formed subsidiary of Tecpetrol Investments S.L. (“Tecpetrol”), for the common shares of Alpha (“Common Shares”). The Board unanimously determined that Tecpetrol’s Hostile Offer is not in the best interests of the Company or its shareholders.

The Board provides some context and several reasons to REJECT the inadequate and undervalued Hostile Offer in a Directors’ Circular (the “Circular”) filed today on SEDAR at [www.sedar.com](http://www.sedar.com) and available at [www.ProtectAlphaLithium.com](http://www.ProtectAlphaLithium.com). The Circular is also being mailed to all persons required to be sent a copy under applicable securities laws.

Shareholders are encouraged to visit the Company’s website for up-to-date information relating to the Hostile Bid. To reject the Hostile Offer, you must simply TAKE NO ACTION. If you have tendered your Common Shares and wish to withdraw, please contact your broker or Kingsdale Advisors (see contact information below).

The Circular includes a letter to shareholders from the Board, which summarizes the principal factors and compelling reasons considered by the Board in reaching its unanimous recommendation:

#### **Reason 1 - The Hostile Offer is highly opportunistic and is a “Stink Bid” that does not reflect Alpha’s full and fair value**

Tecpetrol’s offer price is below Alpha’s share price. As at June 20, 2023, the Hostile Offer price of \$1.24 per Common Share was at a 13% discount to the \$1.42 per share volume weighted average price since the Hostile Offer was initially made public. It is clear that shareholders believe the Hostile Offer is inadequate.

Additionally, the Hostile Offer, when evaluated on an enterprise value to lithium resources basis, is at a significant discount to the most comparable precedent sale transactions involving Argentine lithium brine projects since October 2021. At a price of \$1.24 per Common Share, it is significantly below the target Common Share price from the independent research analyst that provides equity research coverage of Alpha, who has described the Hostile Offer as “not compelling” and “Still a Stink Bid, In Our View.”



Adjusting for the Company's cash balance, Tecpetrol values the Tolillar project at \$150 million (which, as described above, is significantly below precedent transaction multiples), and appears to assign no value to the Hombre Muerto project (to which an equity research analyst assigned a "nominal [value of] US\$75M" prior to results from initial drilling).

On multiple occasions, Tecpetrol has indicated that it has "an ability to improve the financial terms" of its offer. However, despite admitting the offer could be improved, Tecpetrol instead elected to proceed with its "Stink Bid."

### **Reason 2 – Alpha has received an inadequacy opinion from PI Financial Corp. ("PI Financial")**

PI Financial has delivered a written opinion to the Special Committee that, as of June 21, 2023, the consideration offered to Alpha shareholders under the Hostile Offer is inadequate, from a financial point of view, to Alpha shareholders. Tecpetrol is not a shareholder of Alpha and has elected NOT to become an Alpha Lithium shareholder, as of June 22, 2023.

### **Reason 3 – Tecpetrol is attempting to subvert an active and ongoing Strategic Review**

The Board, through the Special Committee and consistent with its fiduciary duties, is evaluating a broad range of options as part of an expanded strategic review, including continuing with the active and ongoing sale process for its Tolillar asset, which began on December 1, 2022 (the "Sale Process"). Additionally, Alpha is exploring a possible corporate transaction (collectively, the "Strategic Review").

Alpha has attempted, unsuccessfully, to engage with Tecpetrol within the Sale Process, based on market-standard practices and agreements; even seeking to accommodate Tecpetrol's desire to acquire the entire Company. Tecpetrol repeatedly refused to engage constructively. By launching the Hostile Offer, Tecpetrol is attempting to disrupt the ongoing Sale Process and acquire Alpha at the lowest price possible, frustrating the efforts of the Company to obtain appropriate value for Alpha shareholders.

In connection with the Strategic Review, the Company has recently begun to explore interest with various parties in a corporate-level transaction and will consider various strategic alternatives, which may include, but are not limited to, possible change of control transactions or asset sales with one or more third parties (including a spin-off of certain assets or the separate sale of core assets), partnerships with strategic or financial partners or remaining independent and pursuing Alpha's existing strategy as a stand-alone entity. The Board believes that Alpha is well-positioned and its unique lithium assets are highly attractive to other parties in addition to Tecpetrol.

### **Reason 4 – The Hostile Offer is highly conditional**

The Hostile Offer is highly conditional, effectively providing Tecpetrol with an unfair option to withdraw or proceed with its offer in its sole discretion. The Hostile Offer contains over 25 subjective conditions and sub-conditions which must be satisfied or waived before Tecpetrol is obligated to take up and pay for any Common Shares deposited under the Hostile Offer. Certain of the conditions and sub-conditions provide broad discretion in favour of Tecpetrol, a number of which are not subject to any



materiality thresholds or other objective criteria, and include language such as “the Offeror having determined, in its sole judgment”, which appears to be limited only by its reasonable judgment. These conditions, in effect, could provide Tecpetrol with an unfair option to withdraw or proceed with the Hostile Offer and Alpha shareholders bear a risk of non-completion.

### **Take No Action**

The Board and management of Alpha will not tender to the Tecpetrol bid. For the reasons fully described in our Directors’ Circular, Alpha recommends that shareholders **REJECT** the undervalued and opportunistic Hostile Offer. **To reject, shareholders simply need to do nothing.** If you have already tendered your Common Shares and wish to withdraw, simply ask your broker or contact Kingsdale Advisors (by phone at 1-800-749-9197 (toll-free in North America) or 647-251-9740 (for collect calls outside North America) or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com)) to assist you with this process. For more information, please go to [www.ProtectAlphaLithium.com](http://www.ProtectAlphaLithium.com).



### **Advisors**

Credit Suisse Securities (USA) LLC is serving as the Company’s financial advisor, Cozen O’Connor LLP is serving as the Company’s legal advisor and McMillan LLP is serving as the Special Committee’s legal advisor. PI Financial has been appointed independent financial advisor to the Special Committee. Longview Communications & Public Affairs is serving as government and public relations advisor and Kingsdale Advisors is serving as strategic shareholder and communications advisor.

### **ON BEHALF OF THE BOARD OF ALPHA LITHIUM CORPORATION**

*“Brad Nichol”*

Brad Nichol  
President, CEO and Director

### **For more information:**

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**About Alpha Lithium (NEO: ALLI) (OTC: APHLF) (German WKN: A3CUW1)**

Alpha Lithium is a team of industry professionals and experienced stakeholders focused on the development of the Tolillar and Hombre Muerto Salars. In Tolillar, we have assembled 100% ownership of what may be one of Argentina's last undeveloped lithium salars, encompassing 27,500 hectares (67,954 acres), neighboring multi-billion-dollar lithium players in the heart of the renowned "Lithium Triangle". In Hombre Muerto, we continue to expand our 5,000+ hectare (12,570 acres) foothold in one of the world's highest quality, longest producing, lithium salars. Other companies in the area exploring for lithium brines or currently in production include Allkem Ltd., Livent Corporation, and POSCO in Salar del Hombre Muerto; Orocobre in Salar Olaroz; Eramine SudAmerica S.A. in Salar de Centenario; and Gangfeng and Lithium Americas in Salar de Cauchari.

**Forward-Looking Statements**

This news release contains forward-looking statements and other statements that are not historical facts, including statements concerning the Hostile Offer, the Sale Process and the Strategic Review and the possible results thereof. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this news release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include the results of further discussions, if any, between the Company, Tecpetrol and other third parties, the ability of the Company to successfully complete the Sale Process or the Strategic Review or to do so on a timely basis, global economic conditions and other risks detailed from time to time in the filings made by the Company with securities regulators. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, include numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of



preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements as expressly required by applicable law.

No securities regulatory authority has reviewed nor accepts responsibility for the adequacy or accuracy of the content of this news release.