



Phostech Lithium



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PRESS RELEASE

The Federal Court of Canada has issued its decision in the litigation between Valence Technology Inc. and Phostech Lithium Inc. (Court number T-219-07).

This decision is partially favorable for Valence Technology Inc. The Court ordered us to stop the production and selling of lithium iron phosphate under the currently practiced P1 production process in St-Bruno, QC, Canada with immediate effect. Phostech Lithium Inc. is working on minimizing the impact of the decision.

The Court invalidated Valence Canadian patent 2,483,918.

The construction of the new lithium iron phosphate grade P2 plant in Candiac, QC, Canada will continue as planned. P2 grade material is not affected by the decision.

As soon as we have any new information we will make it available.

Phostech Lithium Inc.

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