

ASX ANNOUNCEMENT

10 October 2024

ASX: PAT

OPTION TO ACQUIRE THE KATWARO COPPER PROJECT IN ZAMBIA

Battery metals explorer, Patriot Lithium Limited ("**Patriot**", "**PAT**" or the "**Company**"), is pleased to announce that the Company has entered into a binding option agreement (**Option Agreement**) with Array Metals and Natural Resources Limited (a company incorporated in Zambia) (**Array Metals**) pursuant to which it has the option to acquire an 80% interest in the Katwaro Copper Project, located in Zambia.



Figure 1: Historical Open Pit Workings at the Katwaro Copper Project

Executive Chairman Hugh Warner commented:

The Company is a battery metals company. The Company's principal assets include the high grade Gorman lithium project in Canada and the Tinton and Keystone lithium projects within the historic lithium producing area of the Black Hills, USA.

The Company has been exploring for lithium in North America for more than 2 years, culminating in the discovery at the Gorman lithium project of a:

- 5.2km-long, spodumene-bearing LCT pegmatite trend made up of 4 key pegmatite outcrops;
- Including:
 - rock chip samples from each of the main pegmatite outcrops in excess of 3% Li₂O, including a result 3.71% Li₂O; and
 - continuous high-grade mineralisation from sawn channel sampling, including 5.0 metres @ 1.7% Li₂O (G0 pegmatite), 12.8 metres @ 1.3% Li₂O (G1 pegmatite) and 5.0 metres @ 2.0% Li₂O (G2 pegmatite).¹

As previously announced, the Company was forced to cancel its maiden drilling program at the Gorman lithium project due to a last minute decision from a First Nation Band to refuse land access. The Company continues to negotiate land access.

The Gorman lithium project is along strike from Frontier Lithium's ("**Frontier**") (TSXV:FL) PAK-Spark lithium project, which is one of North America's largest and highest-grade lithium deposits with announced intercepts of up to 398m @ 1.88% Li₂O² and a resource of 58.5mt³.

As we have previously announced, the prospectivity of the region hosting the Gorman lithium project is now starting to be recognised by major industry players, with Frontier announcing a joint venture over its PAK-Spark lithium project with Mitsubishi Corporation ("**Mitsubishi**") (Tokyo Stock Exchange: 8058:JP) to advance the first fully integrated lithium operation in Ontario, Canada.⁴

Patriot sees the initial investment by Mitsubishi of C\$25m for 7.5% of the PAK / Spark lithium development project (valuing the project at some C\$330m) as third-party validation by a significant industry player that the region has the potential to become one of the leading lithium exploration and production districts in North America.

Whilst negotiations to drill at the Gorman lithium project continue, the board has decided to expand its project portfolio into other jurisdictions, commencing with the acquisition of the option to acquire an 80% interest in the Katwaro Copper Project. Copper, like lithium, is an essential ingredient in the battery metals complex and for many other industrial uses.

Zambia is host to a significant share of the global copper resource. It is an established mining jurisdiction, with a history of supporting mineral exploration, mining and product export.

Subject to completion of further due diligence during the option period, the Company believes that the Katwaro Copper Project will complement our lithium assets and provide jurisdictional diversity, with respect to native title/sovereign risk and alternative weather windows for exploration.

¹ Refer to Patriot Lithium ASX announcements dated 10 October 2023 and 31 July 2023

² Refer to Frontier Lithium TSX Release dated 8 February 2023

³ 22 mt (Probable) of 1.55% Li₂O Reserves • 26 mt (M&I) of 1.6% Li₂O and 32.5 mt (Inferred) of 1.4% Li₂O Resource (https://www.frontierlithium.com/_files/ugd/dec7de_0a0fc75a8a9b45d798d7560f71f93e57.pdf)

⁴ Refer to Frontier Lithium TSX Release dated 4 March 2024

KATWARO COPPER PROJECT BACKGROUND

The Katwaro Copper Project is located approximately 10km North-East from the town of Mumbwa and approximately 200km West of Lusaka, within the central province of Zambia. It covers approximately 400 hectares under small scale mining license 28424-HQ-SML (see Figure 2). Within the tenement there is a historical open pit mine (see Figure 1) exposing copper-bearing metasediments along 100m strike and is open ended. Regionally, polymetallic sulphide occurrences in the area have been known for centuries, but more recent geophysical and geochemical investigations led to the discovery of a copper-rich hydrothermal system, mostly associated with late-stage syenite intrusions of the Hook Batholith.

The Company is of the view that these exposed host rocks, and the known history of the area are grounds for consideration and assessment during the due diligence phase to determine if the Company should proceed with the acquisition and to invest funds into exploration programmes on the Project.

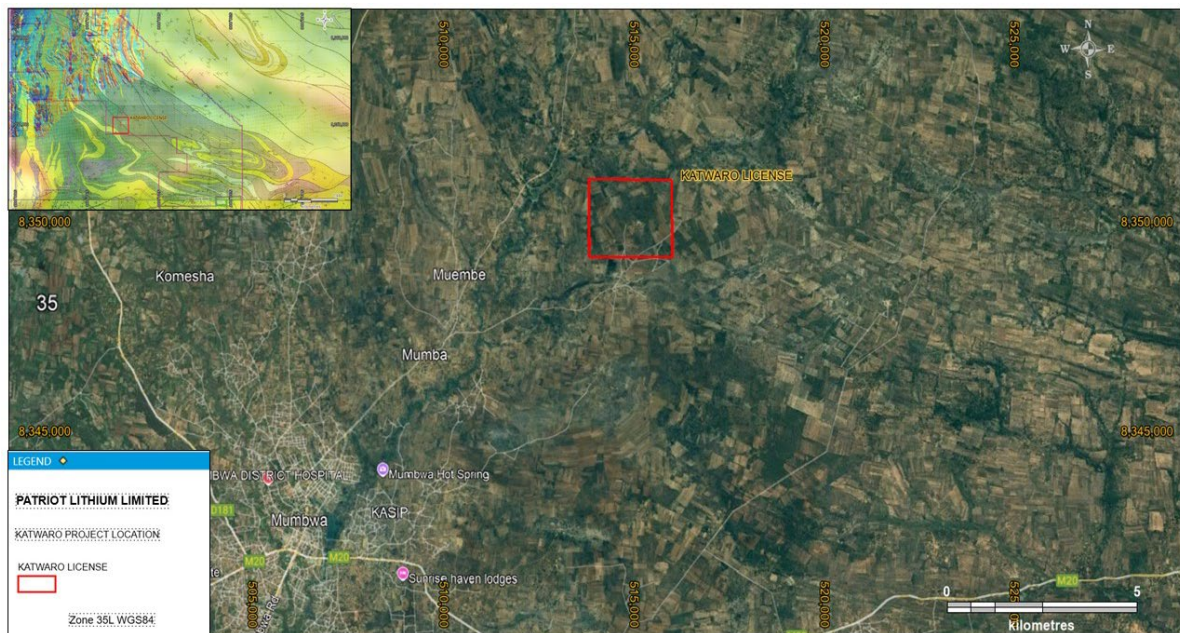


Figure 2: Location of Katwaro Project

GEOLOGICAL SETTING

The Katwaro Project is hosted by Neoproterozoic to early Paleozoic metasedimentary rocks of the Katanga Supergroup in the vicinity of late-tectonic syenite plutons. Sulphide mineralisation occurs along regional-scale lineaments, following a NNW-SSE trend defined by the Mumbwa fault Zone. The Hook Granitoid Suite intrudes a sequence of carbonates and calcarenites interlayered with shales and siltstones of the Katanga Supergroup. In addition to copper, zinc silicates, iron enrichments, minor gold and silver occurrences have been reported.

LOOKING FORWARD Q4, 2024

Katwaro Copper Project

- Reviewing historical and current exploration data available
- Conduct detailed geological surface mapping
- Conduct geochemical surveys

North American Lithium Assets

Due to the onset of winter in the Northern Hemisphere, limited exploration activity is proposed for the North American assets over Q4, however the Company will continue its negotiations around land access and planning for the re-commencement of activities once the spring season enable ground access.

COMPETENT PERSONS STATEMENT

The information in this announcement that relates to Exploration Targets, has been compiled by Mr Eugene Gatora, a member of The Australasian Institute of Mining and Metallurgy and The South African Institute of Mining and Metallurgy. Mr Gatora is the Company's Senior Geologist and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gatora consents to the inclusion of the information in the form and context in which it appears.

SUMMARY OF MATERIAL TERMS - OPTION AGREEMENT

The Company has entered into a binding option agreement (**Option Agreement**) with Array Metals and Natural Resources Limited (a company incorporated in Zambia) (**Array Metals**) in respect to the Katwaro Project.

Pursuant to the terms of the Option Agreement, in consideration for the Company paying to Array Metals US\$25,000, Array Metals has granted the Company an exclusive 12-month option period (**Option Period**) to:

- (a) conduct due diligence on the Katwaro Project; and
- (b) elect to acquire an 80% interest in the Katwaro Project (**Option**).

If the Company exercises the Option, the parties shall incorporate a special purpose vehicle (**SPV**) and Array Metals shall transfer 100% of the Katwaro Project to the SPV, after which the Company shall pay to Array Metals US\$250,000 cash.

For a period of 48 months from the later of the date of exercise of the Option or the transfer of the Katwaro Project to the SPV (**Initial Period**), the Company shall fund 100% of the exploration and feasibility costs in respect to the Katwaro Project.

If during the Initial Period, the SPV:

- (a) delineates a JORC Indicated Mineral Resource of 5,000,000 tonnes at 2% copper, the Company shall pay to Array Metals US\$400,000; and
- (b) delineates a JORC Indicated Mineral Resource of an additional 5,000,000 tonnes (10,000,000 tonnes in total) at 2% copper, the Company shall pay to Array Metals an additional US\$400,000.

If during the Initial Period of 4 years, a proposal to develop and mine one or more deposits on the Katwaro Project is not made, then the Company shall cause the SPV to transfer its 80% interest in the SPV and all data to Array Metal unless the Company elects, in its absolute discretion to extend the period by 12 months for an additional fee of US\$50,000.

This announcement is authorised for ASX release by Board.

ENDS