

ASX ANNOUNCEMENT

16 December 2024

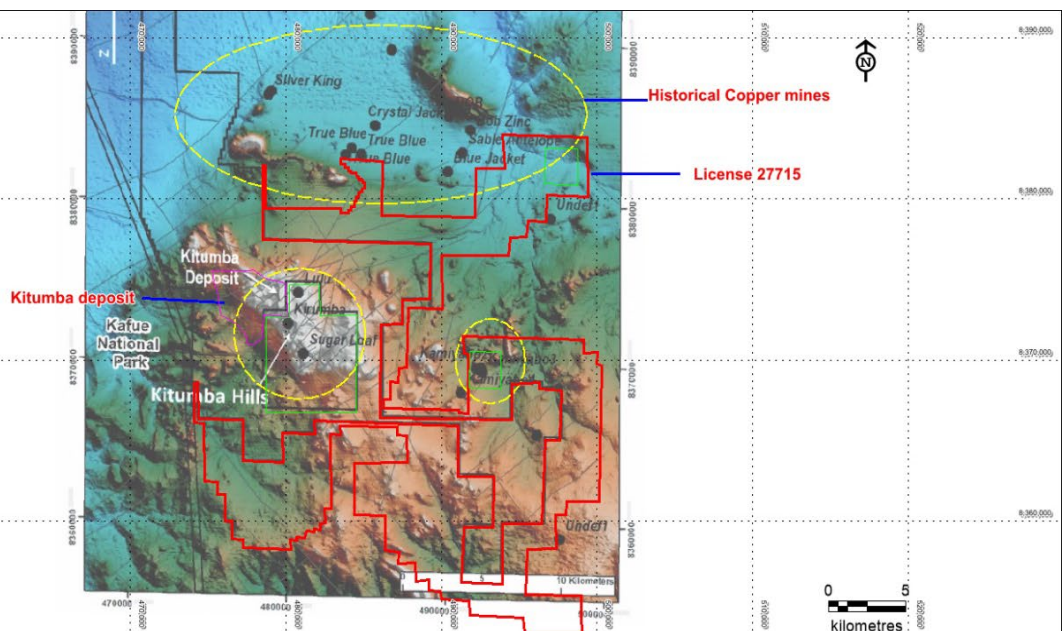
ASX: PAT

BINDING HEADS OF AGREEMENT TO ACQUIRE THE KITUMBA COPPER LICENCE 27715 IN ZAMBIA

Patriot Lithium Limited (“Patriot”, “PAT” or the “Company”), is pleased to announce that it has negotiated a binding heads of agreement (**Agreement**) with Newlight Nominees Zambia Limited (Newlight) to acquire an 80% joint venture interest in the Kitumba Copper Large Scale Exploration Licence 27715 (**Kitumba 27715**), located north west of Mumbwa, Central Province, Zambia. (Please refer to Patriot’s previous announcement regarding Kitumba 27715, dated 3 December 2024.)

Kitumba 27715 covers 255km². It sits within the heart of Zambia’s first copper district. The district has been known for its copper potential for hundreds of years (Cikin and Drysdall, 1971; Robertson, 2013). The northern portion Kitumba 27715 licence is less than 2kms south of Zambia’s first commercial copper mines at Sable Antelope and Hippo. These date back to 1897 and mark the beginning of commercial copper mining in Zambia. The mining rush between 1906 and 1923 led to the discovery of several other base metal occurrences throughout an area now known as ‘The Big Concession’ (Cikin and Drysdall, 1971), with copper as the main commodity. Historical copper mines include Silver King, Crystal Jacket, Sable Antelope, Blue Jacket, True Blue, Kamiyobo, Lou Lou, Sugar Loaf/Copper Queen, and Maurice Gifford and North Star. (See Figure 1 below.)

Figure 1: Location of Kitumba license 27715 relative to Kitumba deposit and historical copper mines



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Kitumba 27715 surrounds the Kitumba Copper Deposit to the South, East and North which is owned by Sinomine Kitumba Minerals Company Limited (Sinomine). On 22 August 2024, the President of Zambia officiated a ground breaking ceremony at the Kitumba Coper Project, whereby Sinomine announced an investment of some US\$600m to bring the mine into operation with an expected annual production rate of 50,000 metric tonnes of copper per year ¹. Sinomine is well known to the Patriot directors and we look forward to cooperating with their operation.

With the discovery of the Zambian Copperbelt to the north, little activity occurred in the region until the 1990s. Sinomine's Kitumba Copper Deposit is expected to be one of the first new, large scale, mines in the area for many decades.

Kitumba 27715 Project Background

The project is located 13km north-west of Mumbwa town, and approximately 150km north west of Lusaka, Zambia. The large-scale exploration license covers approximately **25,511 Ha** (255km²) under tenement number 27715-HQ-LEL.

The license is prospectively located within the Kitumba Iron Oxide Copper Gold formation (IOCG), seating contiguous to the Kitumba mining license 19820-HQ-LML owned by Sinomine. Regionally the area has a rich exploration history dating as far as 1890s. The Kitumba deposit is located within a giant iron oxide alteration system which is developed along a 26km long north-northwest to south-southeast trending structural corridor referred to as the Kitumba Fault Zone (KFZ). Apart from the Kitumba fault zone KFZ, the region is dominated by northwest and northeast trending conjugate fault set which offsets the KFZ in a number of places creating further conduits for copper-gold mineralisation.

As at 25 September, 2014 Sinomine's Kitumba copper deposit had a mineral reserve estimate of 31.5 Mt grading 2.04% Cu total.²

Geological Setting

The project is located within the extreme southern portion of the Neoproterozoic Lufilian Arc which comprise of metasedimentary rocks of the middle to lower Kundelungu Group. These comprise carbonates and calcarenites interlayered with shales and siltstones, which are intruded by the large syn- to post-tectonic 566-533 Ma Hook Granitoid Suite and by younger post-tectonic syenites, porphyry granites, granites, diorites, and gabbros.

Copper-gold mineralisation is directly related to the 26 km long north-northwest to south-southeast trending structural corridor referred to as the Kitumba Fault Zone (KFZ). The Kitumba copper deposit is hosted within a hematite-dominated breccia system which is developed along the KFZ and which outcrops as a prominent north-south trending ridges forming part of the Kitumba Hills.

Competent Persons Statement

The technical information in this announcement has been compiled by Mr Eugene Gotora, a member of The Australasian Institute of Mining and Metallurgy and The South African Institute of Mining and Metallurgy. Mr Gotora 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 Gotora consents to the inclusion of the information in the form and context in which it appears.

1 <https://www.pdu.gov.zm/blog/a-transformational-600-million-investment-in-kitumba-mine>

2 Waller, C.G., Robertson, M.J., Witley, J.C., Carthew, G.H. and Morgan, D.J.T., 2014 - Kitumba copper project, optimised pre-feasibility study, NI 43-101 Technical Report, prepared for Intrepid Mines Limited by Lycopodium Minerals Pty Ltd, 279p."

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SUMMARY OF MATERIAL TERMS – BINDING HEADS OF AGREEMENT

Heads of Agreement

Patriot has entered into a binding heads of agreement (**Agreement**) with Newlight Nominees Zambia Limited (a company incorporated in Zambia) (**Newlight**) in respect to the Kitumba Copper Project. The material terms of the Agreement are set out below:

Transaction	The Parties agree to establish a joint venture for the purposes of exploring, evaluating and, if warranted, developing Kitumba 27715 (Joint Venture) via the creation of a newly incorporated special purpose vehicle (SPV). The SPV will be the 100% owner of Kitumba 27715, and each Party will hold their respective Joint Venture interests through the SPV.
Consideration	Patriot agrees to: <ul style="list-style-type: none"> a) pay US\$50,000 to Newlight's nominated bank (Cash Consideration); and b) as soon as reasonably practicable, issue 2,000,000 fully paid ordinary shares in Patriot to Newlight (or its nominee), subject to shareholder approval (Share Consideration). as consideration for the acquisition of an 80% interest in the SPV.
Conditions Precedent	Completion of the Agreement is subject to and conditional upon the satisfaction or waiver of the following conditions precedent: <ul style="list-style-type: none"> a) due diligence, to the satisfaction of Patriot in its sole and absolute discretion; b) incorporation of the SPV; c) Newlight transferring the Licence and all mining information to the SPV; d) the Parties agreeing to the terms of a shareholders agreement in respect of the SPV reflecting the Parties' interests in and intentions with respect to the Joint Venture; and e) the Parties obtaining all necessary shareholder and regulatory approvals or waivers (as required) pursuant to the ASX Listing Rules, Corporations Act, any regulatory or government approvals required in Zambian or any other law to allow the Parties to lawfully complete the matters set out in this Agreement, (together, the Conditions). <p>If the Conditions are not satisfied (or waived) on the date that is three months from the execution date (or such later date as agreed between the parties in writing), then either Party may terminate the Agreement by notice in writing.</p>
Interests in SPV	The Parties initial interests in the SPV shall be as follows: <ul style="list-style-type: none"> (a) 80% Patriot; and (b) 20% Newlight
Free Carry Period.	<ul style="list-style-type: none"> a) From completion, Newlights' 20% interest in the Joint Venture shall be free carried by Patriot until a decision to mine. b) Following the Free Carried Period the SPV shall be funded proportionally by the Parties.
Initial Period	<ul style="list-style-type: none"> a) If a development proposal is not made within the 60 month period from the execution date (Deadline), then Patriot shall cause the SPV to transfer Patriot's equity interest in the SPV and all exploration data and drill core to Newlight. b) Patriot may, in its absolute discretion, elect to extend the Deadline for a subsequent twelve (12) months (Extension). c) In consideration for each Extension, Patriot agrees to pay US\$20,000 to Newlight.

**Pre-Emptive
Rights & Takeover
Offer**

- a) Following formation of the Joint Venture, where a Party proposes to sell, transfer or assign all or any of its interest the SPV to a third party and is in receipt of an offer, it will first offer the right to acquire that interest to the other Party on the same terms and conditions as being offered to the third party.
- b) The Shareholders Agreement will include customary drag and tag along provisions for bona fide third party offers. The drag threshold will be available where the dragging joint venturer holds at least 75% of the shares (or interest) in the SPV in the joint venture.
- c) In the event that Patriot receives a takeover offer and it becomes unconditional, or Patriot receives and accepts an offer to acquire its interest in the SPV and such offer is accepted, then Drag Along and Tag Along Rights shall apply whereby Patriot may acquire (Drag) or Newlight may sell (Tag) Newlight's JV Interest based on an independent valuation of the price of Newlight's SPV shares (which will be in determined in accordance with the Valmin Code) to Patriot.

The Agreement otherwise contains standard terms for an agreement of this nature.

This announcement is authorised for ASX release by Board.

ENDS