

30<sup>th</sup> May 2025

# **AOGC Confirms 2.5% Lithium Royalty Securing Smackover Regulatory Framework**

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## **Key Highlights**

- **Arkansas Oil & Gas Commission (AOGC) approves a 2.5% mineral owner lithium royalty, establishing a clear and balanced precedent for commercial brine development.**
- **This royalty is only payable upon the sale of lithium carbonate or equivalent final product, not at the point of extraction.**
- **The 2.5% rate is competitive and materially lower than royalty structures in other lithium brine jurisdictions enhancing project economics.**
- **Arkansas reinforced as a pro-development, investment-friendly jurisdiction with regulatory certainty, community support, and now a defined fiscal regime.**
- **Pantera's Smackover Project is materially de-risked, enabling detailed economic modelling and enhancing commercial and funding negotiations.**

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Pantera Lithium Ltd (**ASX: PFE**) ("**Pantera**" or the "**Company**") welcomes the 29th of May decision by the Arkansas Oil and Gas Commission (**AOGC**) to approve the state-mandated 2.5% mineral owner minimum lithium royalty structure for brine-based lithium projects within the Smackover Formation.

This royalty—initially applying to the Standard Lithium-Equinor joint venture—sets a critical commercial precedent for all developers in the region, including Pantera. The 2.5% gross royalty is only levied once lithium carbonate, lithium hydroxide, or other lithium product is produced and sold, not at the point of brine extraction—protecting early-stage economics and ensuring downstream margin retention.

Importantly, this royalty level is competitive on a global basis. It is materially lower than recent royalty increases imposed in jurisdictions, where fiscal changes have undermined project economics and investor confidence. In contrast, Arkansas has reinforced its position as a tier-one jurisdiction, offering government support, community backing, and now a clear and predictable fiscal framework that supports responsible critical mineral development.



A large portion of Pantera’s mineral leases are structured to align with the AOGC royalty regime, giving both the Company and its mineral owners certainty, transparency, and a direct line of benefit from future lithium sales.

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## **A Major Regulatory Milestone for Pantera**

Pantera considers this decision a material de-risking event for its Smackover Project. It provides certainty across key commercial dimensions, including feasibility modelling, valuation assumptions, and partner engagement.

Key benefits for Pantera include:

- **Fiscal Clarity:** Resolves uncertainty on royalty treatment, supporting accurate long-range economic forecasting.
  - **Investor Alignment:** Aligns the Company with a royalty framework already tested and adopted by global players.
  - **Project Momentum:** Strengthens Pantera’s position in discussions with infrastructure, offtake, and capital market partners.
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## **Chairman & CEO Comment**

### **Barnaby Egerton-Warburton, Executive Chairman and CEO, commented:**

“The AOGC’s endorsement of a structured lithium royalty is a game-changer for Pantera and all serious developers in the Smackover Basin. We now operate in a regime that offers clarity, fiscal stability, and policy support for lithium as a critical mineral. Combined with the Arkansas State enacting legislation to stimulate the industries growth by offering a temporary severance tax exemption that will mean lithium producers are exempt from the state’s severance tax on saltwater brine from July 1, 2028, through June 30, 2033—a six-year tax holiday that further enhances the economic potential of the Pantera project. This brings us one step closer to commercialisation and strengthens our negotiating position with partners, funders and downstream players.”

Pantera looks forward to continuing its engagement with Arkansas state regulators and stakeholders as it advances toward unlocking the full value of its Smackover asset.

**-ENDS-**

### **Authorised for release by the Board of Pantera Lithium Ltd**

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## **ABOUT PANTERA MINERALS**

Pantera Lithium Limited (ASX: **PFE**) is a forward-looking lithium brine exploration and development company focused on developing high-grade lithium brine resources in the Smackover Formation, Southwest Arkansas. The Company is dedicated to leveraging advanced subsurface modelling and strategic partnerships to establish a leading position in the U.S. lithium supply chain.