

11 December 2023

PANTERA ACQUIRES 100% OF DAYTONA LITHIUM IN ARKANSAS' SMACKOVER LITHIUM FIELD

HIGHLIGHTS

- **Pantera to acquire 100% of Daytona Lithium, located in Southwest Arkansas, the epicentre of the USA lithium brine industry.**
- **Binding Implementation Agreement executed for the purchase of 100% of the issued share capital in Daytona Lithium.**
- **Mr Tim Goldsmith appointed as Strategic Advisor, Mr. Goldsmith was the CEO of Rincon Mining Pty Limited (11.77 million tonnes Lithium Carbonate Equivalent) acquired by Rio Tinto for US\$825m¹ and will assist Pantera in developing its lithium brine potential.**
- **Acquisition strengthens Pantera's dominant acreage across Arkansas' 'Smackover Formation', with 10,319 acres under lease, and a further 9,000 acres under negotiation.²**
- **The 'Smackover Formation' is recognised as a globally significant lithium region, featuring prominent participants in the lithium brine industry, with major lithium brine players including Exxon Mobil (NYSE: XOM), Standard Lithium (NYSE: SLI) and Albemarle Corporation (NYSE: ALB) holding projects adjacent to Pantera.**
- **Importantly, Southwest Arkansas is home to the only large-scale, continuously operating Direct Lithium Extraction (DLE) plant in North America,³ boosted by the entrance of Exxon Mobil, US\$394B market capitalisation. The Exxon Mobil project is directly adjacent to Pantera's lithium brine acreage, with Exxon Mobil announcing their plans for first lithium production by 2027, and to produce enough lithium to supply the manufacturing needs of well over one million EVs per year.⁴**
- **Pantera will use conventional oil and gas drilling methods to access lithium rich brine from the 'Smackover Formation', approximately 11,000 feet underground.**
- **Pantera plans to use DLE, a more sustainable and lower carbon intensive method of production than hard rock lithium mining, to extract lithium from its 'Smackover' lithium brine acreage.**

¹ Source: Rio Tinto completes acquisition of Rincon Lithium Project, 29 March 2022.

² Daytona Lithium have sent formal mineral lease offers to landholders or have signed commitments by landowners to deliver owned acreage.

³ Source: Standard Lithium Provides Comprehensive Results of Its Fully Optimized and Proven DLE Process, November 2023.

⁴ Source: Exxon Mobil Drilling First Lithium Well in Arkansas, Aims to Be a Leading Supplier for Electric Vehicles by 2030, November 2023.

- **Acquisition supported by a two tranche Placement of 40,000,000 shares at A\$0.05 per share to raise \$2 million, with an attaching option on a 1-for-2 basis, at a strike price of A\$0.10, with a 3-year term, to fund the Superbird Lithium Project's continued acreage acquisition, project exploration and development as well as its current projects.**

Commenting on the acquisition, Pantera CEO Matt Hansen:

"The acquisition of Daytona Lithium marks an important milestone for the Company. For over 100 years, the Smackover Formation in Southern-USA has played an important role in America's conventional energy economy, moreover, its well-known geology, straightforward permitting and existing infrastructure make it a prime area for Pantera to develop its lithium brine project.

With the US turning its attention to the region to produce the critical minerals needed for the EV and battery revolution through production of its lithium rich saltwater brine, the Company is walking in the valley of giants, directly competing with Exxon Mobil, Standard Lithium and Albemarle for access to the best ground in the region.

In the near-term we look forward to drilling wells and gathering samples to produce a Resource and develop our knowledge of the extensive, porous, and permeable limestone aquifer, which is host to the lithium rich brine.

Longer term, the Company has access to the technology that can extract lithium with fewer carbon emissions forming part of the industry that will strengthen supply security for the companies investing in EV and battery manufacturing facilities in North America.

The Company also warmly welcomes Mr. Tim Goldsmith to the project team, Tim was the CEO of Rincon Mining Pty Limited, one of the most advanced DLE lithium-brine companies globally and was responsible for the sale of Rincon to Rio Tinto for US\$825 million. He also undertook a complete review of available DLE technology and was instrumental in directing Rincon's Project Development Team."



Figure 1 - Superbird Lithium Project location within the 'Smackover Formation'

NEXT STEPS AND NEWS FLOW

- Transaction completion, including Pantera and Daytona Lithium shareholder approval.
- Releasing of lithium exploration target.
- Re-entry of an identified well, located within the Superbird Project's area of interest, to test brine grade, permeability, and porosity from the Smackover.
- DLE (Direct Lithium Extraction) test of re-entry well sample by two highly regarded DLE technology providers.
- Acquisition of existing 2D Seismic data, to facilitate subsurface modelling of the Superbird Project's area of interest. This modelling will provide Pantera with clear drilling locations for the first resource definition wells.
- Continued acquisition of additional project acreage.

For further information please contact:

Matt Hansen
Chief Executive Officer
E: matthansen@panteraminerals.com
P: +61 (0) 401 499 379

Barnaby Egerton-Warburton
Non-Executive Chairman
E: bew@panteraminerals.com
P: +61 (0) 437 291 155

Pantera Minerals Limited (**ASX:PFE**) ("**Pantera**" or the "**Company**") is pleased to announce that the Company has entered into Binding Implementation Agreement with Daytona Lithium Pty Ltd ("**Daytona Lithium**" or the "**Seller**") for the purchase of 100% of the issued shares in Daytona Lithium ("**Transaction**") for a total consideration value of \$6,384,000 ("**Agreement**"). The consideration will be paid via the issue of fully paid ordinary shares in the capital of the Company ("**Shares**"), with part of the consideration to be issued upon settlement of the Transaction, and part to be issued upon the satisfaction of highly value accretive milestones ("**Consideration Shares**"). The Company currently has the right to acquire up to a 35% interest in the issued share capital of the Seller pursuant to a \$2 million Convertible Note Facility, however it has not converted any of the convertible notes into shares in Daytona Lithium at this time.⁵

TRANSACTION DETAILS

The details of the Consideration Shares to be issued to the Daytona Lithium shareholders in consideration for the Transaction is set out below. The issue of the Consideration Shares is subject to the Company obtaining shareholder approval at an Extraordinary General Meeting to be held on or around early-February 2024 ("**General Meeting**"):

1. Initial Consideration Shares

- a. a total of 106,400,000 Shares to be issued to the Daytona Lithium shareholders upon settlement of the Transaction which is expected to occur in the first quarter of 2024 (**Settlement Date**);

2. Deferred Consideration Shares

A total of 22,405,600 Shares to be issued to the Daytona Lithium shareholders upon the satisfaction of the following milestones:

- a. Tranche 1: 6,535,200 Shares (at a deemed issue price of \$0.06 per Share) upon the Superbird Lithium Project consisting of leased acreage totalling more than 20,000 (net) leased brine acres, on or before the date that is 12 months from the Settlement Date;
- b. Tranche 2: 6,535,200 Shares (at a deemed issue price of \$0.06 per Share) upon the Superbird Lithium Project achieving a JORC compliant Mineral Resource (inferred) of a minimum of 1 million tonnes ("**Mt**") of lithium carbonate equivalent ("**LCE**"), on or before the date that is 12 months from the Settlement Date; and
- c. Tranche 3: 9,335,200 Shares (at a deemed issue price of \$0.06 per Share) upon the Superbird Lithium Project achieving a JORC compliant Mineral Resource (inferred) of a minimum of 5Mt of lithium LCE, on or before the date that is 24 months from the Settlement Date.

⁵ See ASX PFE Announcement: 'Pantera Enters Fast Emerging US Lithium Brine Play', 24 August 2023.

Settlement under the Implementation Agreement is conditional on:

3. **ASX Waiver:** the Company having been granted a waiver from ASX Listing Rule 7.3.4 to allow the Company to issue the Deferred Consideration Shares to the Daytona shareholders outside the date that is three months from the date of the General Meeting;
4. **Shareholder approvals:** resolutions being passed at the General Meeting to obtain all shareholder approvals that are required to give effect to the Transaction, including approval for the purposes of authorising:
 - a. the issue of the Initial Consideration Shares and Deferred Consideration Shares to the Daytona Lithium shareholders (or their nominees);
 - b. the issue of the second tranche of shares issued under the Placement to subscribers in the Placement; and
5. **Acceptance of offers:** the Daytona Lithium shareholders accepting the offers made by the Company under the Implementation Agreement to acquire their respective Shares in Daytona Lithium (achieved).

A summary of the material terms of the Implementation Agreement are detailed in Annexure A to this Announcement.

PLACEMENT

Pantera is pleased to advise that it has received firm commitments to raise \$2 million (before costs) via a two-tranche placement for the issue of 40,000,000 new Shares at an issue price of \$0.05, with an attaching option on a 1-for-2 basis, at a strike price of \$0.10, with a 3-year term ("**Attaching Option**") to professional and sophisticated investors ("**Placement**").

The Placement will be completed in two tranches with 24,000,000 Shares being issued under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A and the balance of 16,000,000 Shares and the Attaching Options being subject to shareholder approval at the General Meeting.

PAC Partners Securities Pty Ltd ("**PAC**") is acting as Lead Manager to the Placement. Fees to PAC include a selling fee of 4% and a 2% management fee of the funds raised under the Placement. In addition, the Company has agreed to issue PAC 9,000,000 options with an exercise price of \$0.25, expiring on 1 May 2026. The issue of the options to PAC will be subject to shareholder approval at the General Meeting.

The Company is expecting to release a Notice of General Meeting for the requisite approvals in the coming weeks.

APPOINTMENT OF STRATEGIC ADVISOR - MR. TIM GOLDSMITH

Pantera is excited to announce a significant development in the Superbird Lithium Project team, the engagement of Mr. Tim Goldsmith as a strategic advisor. In this pivotal role, Tim will play a key part in guiding and advising Pantera to prosecute its leasing, exploration, and development plans at the Superbird Lithium Project.

Tim was the CEO of Rincon Mining Pty Limited (“**Rincon**”) until the Rincon asset was sold to Rio Tinto for US\$825 million in March 2022.⁶ Rincon is a large lithium brine asset in Salta Province, Argentina. During Tim’s tenure as CEO, Rincon significantly increased its resource (to exceed 11 Mt of LCE), changed its DLE process, successfully constructed and operated a DLE pilot plant on site, prepared a Pre-Feasibility Study and ultimately concluded a sales process that led to Rio Tinto being the successful acquirer.

Tim’s appointment underscores Pantera’s commitment to seek out the best talent to drive the Superbird Lithium Project.

SUPERBIRD LITHIUM PROJECT EXPLORATION PROGRAM

12-Month Exploration Program

Following completion of the Transaction, Pantera will execute the following 12-month exploration program in relation to the Superbird Lithium Project:

1. Continue to increase landholding;
2. Re-entry of an existing well, located within the project’s area of interest. The estimated timing for this well re-entry is Q1 2024 (subject to successful negotiations with the well owner, permitting and the availability of equipment) (“**Well Re-Entry**”). The Well Re-Entry will allow Pantera to test the lithium brine concentration, porosity, permeability, and potential flow rates. The extracted brine will also be sent to several DLE providers for testing; and
3. The purchase of existing 2D Seismic data, 2D Seismic data exists over the project area, enabling the purchase and licensing of this existing data. Pantera will use the available 2D Seismic data to complete subsurface modelling of the target area. This modelling will provide Pantera with a clear drilling location for the first resource definition well.

A summary 12-month budget regarding the Superbird Lithium Project and Pantera’s existing projects can be found in Annexure B to this Announcement.

Post 12-Month Exploration Program

Following a successful lithium brine concentration analysis (and post the initial 12-month exploration program), Pantera is likely to undertake the following lithium brine exploration activities:

1. Drilling of a resource definition well/s. A resource definition well/s will yield additional data, including lithium brine concentration grades, brine production rates (barrels per day/litres per day), true permeability, and porosity data; and
2. Operating an on-site DLE pilot plant. A 5–6 week pilot plant test is expected, providing vital information for a Definitive Feasibility Study (DFS). This approach is similar to what other lithium brine explorers and proposed producers have undertaken, to gather integral data for modelling lithium brine production scenarios.

⁶ Source: *Rio Tinto completes acquisition of Rincon Lithium Project, 29 March 2022.*

ABOUT THE SUPERBIRD LITHIUM BRINE PROJECT

Since Pantera's initial investment, the Superbird Project has increased materially to now cover a land position of 10,319 leased acres in the 'Smackover Formation', a known high grade brine formation, with a further 9,000 acres under negotiation.⁷

Daytona Lithium will continue to increase the project's land position, post transaction completion Pantera will continue the leasing strategy and keep shareholders informed on material increases in project's acreage.

The 'Smackover Formation' is host to several lithium brine explorers and producers, with the Superbird Project in proximity to the following lithium projects:

EXXON MOBIL LITHIUM BRINE PROJECT (NYSE:XOM – US\$390B market capitalisation)

- Project (120k acres) acquired in May 2023 reportedly for >US\$100m.⁸
- Targeting Production of 75,000-100,000 tonnes per annum ("tpa") of LCE⁹ by 2027.¹⁰

STANDARD LITHIUM (NYSE:SLI – US\$350m market capitalisation)

- Lanxess (Southern Arkansas) Project - 150k acres across southern Arkansas. A recently released Definitive Feasibility Study¹¹ has first production expected in 2026 with an initial average annual production of 5,700 tonnes, and an average annual production of 5,400 tonnes over a 25-year minimum operating life.
- Lanxess has proven and probable Reserves of 208 Kt LCE at an average concentration of 217 mg/L to support up to 40 years of operations.
- Strong projected project economics, after-tax NPV US\$550 million and IRR of 24% assuming discount rate of 8% and a long-term price of US\$30,000/t for LCE.
- Operating costs reflect first step to commercial production. Average annual operating costs of US\$6,810/t of LCE over the 25-year operating life, with a CAPEX of US\$365 million including a 15% contingency.
- SLI also has its South-West Arkansas Project, 36k acres across southern Arkansas.
- Exercised Option Agreement for lithium rights over 27,000 net acres of brine leases with Tetra Technologies.¹²

TETRA TECHNOLOGIES' (NYSE: TTI – US\$560m market capitalisation)

- 5,100 acres.

⁷ Formal mineral lease offers have been sent to landholders or have signed commitments by landowners to deliver owned acreage.

⁸ Source: Wall Street Journal 'Exxon Joins Hunt for Lithium in Bet on EV Boom', 21 May 2023.

⁹ Source: Wall Street Journal 'This Arkansas Town Could Become the Epicentre of a U.S. Lithium Boom', 20 July 2023.

¹⁰ Source: Exxon Mobil Drilling First Lithium Well in Arkansas, Aims to Be a Leading Supplier for Electric Vehicles by 2030, November 2023.

¹¹ Standard Lithium Files Definitive Study for its First Commercial Lithium Extraction Plant – Phase 1A, 18 October 2023.

¹² Standard Lithium Exercises Option Agreement on South West Arkansas Project, Solidifying Path Forward Following Positive Feasibility Study and Rising Regional Interest, 31 October 2023.

- Option Agreement (now exercised) with SLI for lithium rights within SLI’s South-West Arkansas Project.

ALBEMARLE CORPORATION (NYSE: ALB – USD\$15B market capitalisation)

- Magnolia Project, US\$540m investment to build a DLE test facility in Magnolia, Arkansas.¹³
- Produces Bromine currently from ‘Smackover Formation’ brines, at its Magnolia Arkansas Bromine facility.

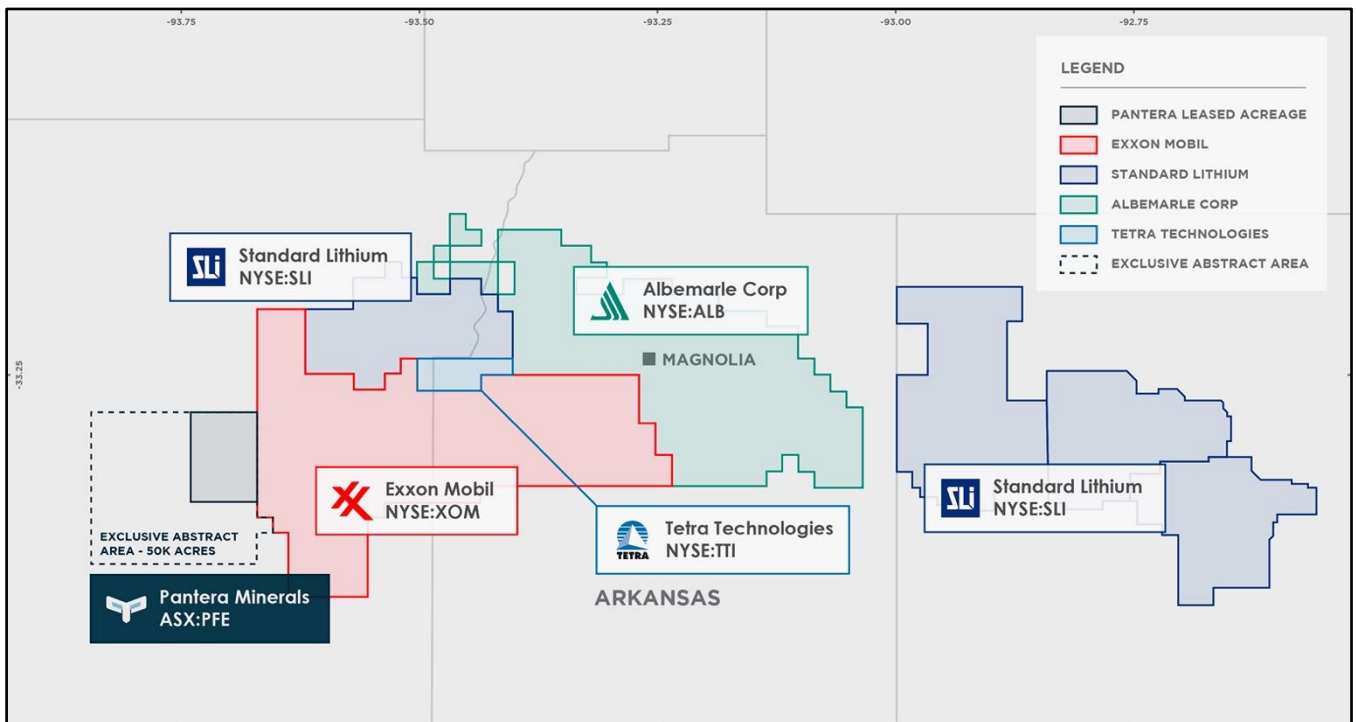


Figure 2 - Superbird Project location showing proximity to adjacent lithium brine projects

DAYTONA LITHIUM

Daytona Lithium is an Australian private company and together with its founding shareholder 2CP Resources Limited (“2CP”), is an entity that has:

- Extensive experience managing North American land acquisition programs;
- Participated in global leasing programs for various independent operators; and
- Delivered leasing programs of over 1.68m acres (50,000 individual leases) across multiple basins and operators.

Daytona Lithium compiled a proprietary data base which comprises both public & private data and data samples, which has identified several lithium brine rich target areas in the ‘Smackover Formation’, Arkansas. This

¹³ Source: Reuters ‘Albemarle jumps into global race reinvent lithium products’, 3 August 2023.

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proprietary database (“IP”) was developed by 2CP over the period spanning their significant leasing activity across multiple basins.

Pantera engaged an independent expert, Matrix Solutions, to complete a review of Daytona Lithium’s IP, at a high level to ensure sufficient data has been provided for regional geological interpretations, reservoir, and basin architecture as well as to refine volumetric assessment and calculations in the Arkansas prospect area.

DAYTONA LITHIUM’S LEASING STRATEGY

Daytona Lithium’s lease strategy has been to leverage its IP to acquire brine mineral leases (allowing for the extraction and processing of the lithium brine) in the target area, while simultaneously performing scoping work across the southern extension of the ‘Smackover Formation’.

Daytona Lithium deployed a two-phase leasing strategy, targeting a collective project area of ~60,000 leased acres (“Project Area”):

Phase I Leasing Program - ‘First Target Area’

- Targeting ~6,400 acres which is nearing completion – currently they have 6,304 leased acres in this area.

Phase II Leasing Program – ‘Second Target Area’

- Targeting up to ~50,000 acres, supported by the exclusive agreement entered for the provision of mineral ownership abstract services, an essential process in identifying owners of the lithium brine rights; and
- Currently they have 4,015 leased acres in this area.

The Phase I & II Leasing Program has delivered a combined land position of 10,319 leased acres, with a further 9,000 acres under negotiation.¹⁴

EXCLUSIVE ABSTRACT SERVICES

As part of the Phase II Leasing Program, Daytona Lithium entered into an exclusive agreement with a commercial abstract company, being the only company that provides the mineral ownership abstract information for the Project Area. The **understanding of the mineral ownership is the key pathway of obtaining lithium brine leases.**

This is a key commercial advantage for the Superbird Project, confirming the mineral ownership and ensuring that leases entered are with the correct mineral owners (mineral rights can be severed from surface rights in the US and records dating back to the 1800’s must be examined to ensure correct mineral right ownership).

¹⁴ Daytona Lithium have sent formal mineral lease offers to landholders or have signed commitments by landowners to deliver owned acreage.

This provides a key advantage as the project is able to acquire the required accurate mineral ownership information for the Project Area more quickly than our competitors. Although this information can be obtained from public records, it is a timely and labour intensive process.

- END -

ANNEXURE A – MATERIAL TERMS OF THE IMPLEMENTATION AGREEMENT

Parties	<p>Daytona Lithium Pty Ltd ("Daytona Lithium")</p> <p>AND</p> <p>Pantera Minerals Limited ("Company")</p> <p>AND</p> <p>Shareholders of Daytona ("Sellers")</p>
Consideration	<p>The Company is to acquire 100% of the issued share capital (336 shares) in Daytona Lithium from the Sellers ("Transaction"), for the following consideration:</p> <ol style="list-style-type: none"> 1 <u>Initial Consideration Shares</u> <p>A total of 106,400,000 Shares to be issued to the Sellers upon settlement of the Transaction which is expected to occur in the first quarter of 2024 ("Settlement Date").</p> 2 <u>Deferred Consideration Shares</u> <p>A total of 22,405,600 Shares to be issued to the Sellers upon the satisfaction of the following milestones:</p> <ol style="list-style-type: none"> a. Tranche 1: 6,535,200 Shares (at a deemed issue price of \$0.06 per Share) upon the Superbird Lithium Project consisting of leased acreage totalling more than 20,000 (net) leased brine acres, on or before the date that is 12 months from the Settlement Date; b. Tranche 2: 6,535,200 Shares (at a deemed issue price of \$0.06 per Share) upon the Superbird Lithium Project achieving a JORC compliant Mineral Resource (inferred) of a minimum of 1 million tonnes ("Mt") of lithium carbonate equivalent ("LCE"), on or before the date that is 12 months from the Settlement Date; and c. Tranche 3: 9,335,200 Shares (at a deemed issue price of \$0.06 per Share) upon the Superbird Lithium Project achieving a JORC compliant Mineral Resource (inferred) of a minimum of 5Mt of lithium LCE, on or before the date that is 24 months from the Settlement Date.

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	(together the " Consideration Shares ").
Escrow	1. 50,333,333 of the Initial Consideration Shares, being those Company Shares distributed to the founders of Daytona Lithium (" Founders ") are subject to voluntary escrow for a period of 12 months, beginning from the Settlement Date. The Company and the Founders will enter into voluntary escrow agreements for the escrowed Initial Consideration Shares.
Condition Precedent	<p>The Transaction is subject to and conditional on the satisfaction (or wavier of) the following conditions:</p> <ol style="list-style-type: none"> 1. (ASX Waiver): the Company having been granted a waiver from ASX Listing Rule 7.3.4 to allow the Company to issue the Deferred Consideration Shares to the Sellers outside the date that is three months from the date of the General Meeting; 2. (Shareholder approvals): resolutions being passed at the General Meeting to obtain all shareholder approvals that are required to give effect to the Acquisition, including approval for the purposes of authorising: <ol style="list-style-type: none"> a. the issue of the Initial Consideration Shares and Deferred Consideration Shares to the Sellers (or their nominees); b. the issue of the second tranche of Placement Shares and attaching options to subscribers in the Placement; and 4. (Acceptance of Offers): the Sellers accepting the offer made by the Company to acquire the respective shares in Daytona Lithium from the Sellers (achieved).
No disclosure document	Daytona Lithium and the Sellers acknowledge and agree that the Initial Consideration Shares and Deferred Consideration Shares (subject to the achievement of the relevant milestones) will be issued by the Company to the Sellers located in Australia without a disclosure document (as defined in the Corporations Act) in reliance on section 708 of the Corporations Act.
Other Terms	Customary terms for agreements of this nature, including in relation to representations & warranties and dispute resolutions.

ANNEXURE B –PANTERA 12-MONTH BUDGET

Subject to land access, exploration results and analysis, the Company intends to apply the funds raised under the Placement and the Company's existing cash towards:

Use of Funds	\$2 million raise
Yampi Projects	\$150,000
Weelarrana Manganese / Iron Project	\$200,000
Hellcat Polymetallic Project	\$150,000
Superbird Lithium Project	\$2,000,000
Working Capital	\$500,000
Total (includes existing cash)	\$3,000,000

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