

## ASX ANNOUNCEMENT

3 December 2024

ASX: PAT

### OPTION TO ACQUIRE THE KITUMBA COPPER LICENSE 27715 IN ZAMBIA

Patriot Lithium Limited ("**Patriot**", "**PAT**" or the "**Company**"), is pleased to announce that it has entered into a binding option agreement (Option Agreement) with Newlight Nominees Zambia Limited (a company incorporated in Zambia) (Newlight) to acquire a 90% interest in the Kitumba Copper Large Scale Exploration License 27715 (Kitumba 27715), located north west of Mumbwa, Central Province, Zambia.

Kitumba 27715 covers 255km<sup>2</sup>. It surrounds the Kitumba Copper Deposit to the South, East and North which is owned by Sinomine Kitumba Minerals Company Limited (Sinomine). Sinomine is well known to the Patriot directors and we look forward to cooperating with their operation.

On 22 August 2024, the President of Zambia officiated a groundbreaking ceremony at the Kitumba Copper Deposit, 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<sup>1</sup>.

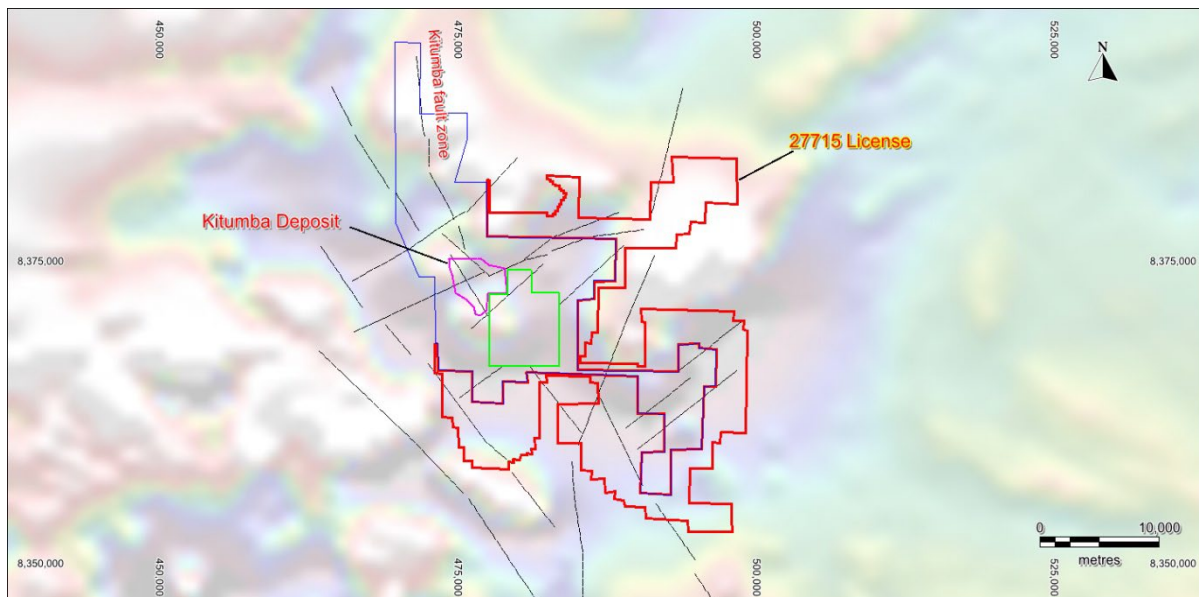


Figure 1: Newlight's Kitumba 27715 license (red polygon) relative to Sinomine's Kitumba Copper Deposit

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

## Kitumba 27715 Project Background

The Kitumba 27715 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 (255km<sup>2</sup>) 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 KFZ, the region is dominated by northwest and northeast trending conjugate fault 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<sup>2</sup>.



Figure 2: Location of Newlight's Kitumba 27715 Project

## Geological Setting

The Kitumba 27715 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.

<sup>2</sup> 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."

## North American Asset - Gorman

The Company has been advised by the Sandy Lake Band that they do not intend to engage in a meeting before the year's end to discuss a pathway to move forward with our exploration. Patriot 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% Li<sub>2</sub>O, including a result 3.71% Li<sub>2</sub>O; and
  - continuous high-grade mineralisation from sawn channel sampling, including 5.0 metres @ 1.7% Li<sub>2</sub>O (G0 pegmatite), 12.8 metres @ 1.3% Li<sub>2</sub>O (G1 pegmatite) and 5.0 metres @ 2.0% Li<sub>2</sub>O (G2 pegmatite).<sup>3</sup>

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 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% Li<sub>2</sub>O<sup>4</sup> and a resource of 58.5mt<sup>5</sup>.

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.<sup>6</sup>

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.

## Competent Persons Statement

The technical information in this announcement 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.

<sup>3</sup> Refer to Patriot Lithium ASX announcements dated 10 October 2023 and 31 July 2023

<sup>4</sup> Refer to Frontier Lithium TSX Release dated 8 February 2023

<sup>5</sup> 22 mt (Probable) of 1.55% Li<sub>2</sub>O Reserves • 26 mt (M&I) of 1.6% Li<sub>2</sub>O and 32.5 mt (Inferred) of 1.4% Li<sub>2</sub>O Resource ([https://www.frontierlithium.com/\\_files/ugd/dec7de\\_0a0fc75a8a9b45d798d7560f71f93e57.pdf](https://www.frontierlithium.com/_files/ugd/dec7de_0a0fc75a8a9b45d798d7560f71f93e57.pdf))

<sup>6</sup> Refer to Frontier Lithium TSX Release dated 4 March 2024

## Summary of Material Terms – Option Agreement

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

<b>Transaction</b>	<p>Pursuant to the terms of the Option Agreement, in consideration for Patriot:</p> <p>(a) paying to Newlight US\$25,000; and</p> <p>(b) Issuing Newlight 1,600,000 Shares.</p> <p>Newlight has granted Patriot an exclusive 12-month option period (<b>Option Period</b>) to:</p> <p>(c) conduct due diligence on the Kitumba Copper Project; and</p> <p>(d) acquire a 90% interest in the Kitumba Copper Project by way of a special purpose vehicle (<b>SPV</b>).</p> <p>If Patriot exercises the Option, the parties shall incorporate a special purpose vehicle (<b>SPV</b>) and Newlight shall transfer 100% of the Kitumba Copper Project to the SPV, after which Patriot shall pay to Newlight US\$35,000 cash.</p>
<b>Interests in SPV</b>	<p>The interest in the SPV shall be allocated below:</p> <p>(a) 90% Patriot; and</p> <p>(b) 10% Newlight</p>
<b>Initial Period</b>	<p>For a period of 48 months from the later of the date of exercise of the Option or the transfer of the Kitumba Copper Project to the SPV (<b>Initial Period</b>), Patriot shall fund 100% of the exploration and feasibility costs in respect to the Kitumba Copper Project</p>
<b>Milestone Payments</b>	<p>(a) If during the Initial Period, the SPV:</p> <p>(i) delineates a JORC Indicated &amp; Measured Mineral Resource at a 1% cut-off of 10,000,000 tonnes at 2.00% copper (with at least 50% of the Mineral Resource being Measured and all the Mineral Resource being capable of being mined by open pit method), Patriot shall pay to Newlight US\$8,000,000 in cash or Shares (at the election of Patriot); and</p> <p>(ii) delineates a JORC Indicated &amp; Measured Mineral Resource of an additional 10,000,000 tonnes (20,000,000 tonnes in total) at 2.00% copper (with at least 50% of the Mineral Resource being Measured and all the Mineral Resource being capable of being mined by open pit method), Patriot shall pay to Newlight an additional US\$8,000,000 (<b>Second Milestone</b>).</p> <p>(b) If within 60 month from the later of the date of exercise of the Option or the transfer of the Kitumba Copper Project to the SPV and where the Second Milestone becomes payable, the SPV delineates a JORC Indicated Mineral Resource of an additional 10,000,000 tonnes (30,000,000 tonnes in total) at 2.00% copper (with all the Mineral Resource being capable of being mined by open pit method), Patriot shall pay to Newlight an additional US\$8,000,000.</p>
<b>Takeover Offer</b>	<p>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, prior to Patriot delineating a Indicated &amp; Measured Resource as per the Milestone Payments (above) then the 10% free carried interest will automatically convert to Shares in Patriot, using an implied value of US\$8,000,000 and a 5-day VWAP over the 5 days immediately prior to Patriot announcing the entry into a binding agreement (related to the above takeover or offer to acquire the SPV) and Patriot will own 100% of the Kitumba Copper Project.</p>
<b>End of Initial Period</b>	<p>If during the Initial Period, a proposal to develop and mine one or more deposits on the Kitumba Copper Project is not made, then Patriot shall cause the SPV to transfer its 90% interest in the SPV and all data to Newlight unless Patriot elects, in its absolute discretion to extend the period by 12 months for an additional fee of US\$20,000 in cash for each extension.</p>

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

This announcement is authorised for ASX release by Board.

**ENDS**