

24 August 2023

PANTERA ENTERS FAST EMERGING US LITHIUM BRINE PLAY

HIGHLIGHTS

- Pantera Minerals (ASX:PFE) enters the lithium-rich Arkansas 'Smackover Formation', USA, with an investment into Daytona Lithium Pty Ltd (Daytona).
- The 'Smackover Formation' is considered to be one of the significant lithium regions globally, with other major brine players including Exxon (NYSE:XOM), Standard Lithium (NYSE:SLI) and Albemarle Corporation (NYSE:ALB) in adjacent projects.
- Daytona control 5,325 private leased acres directly abutting Exxon's Arkansas lithium brine project.
- Daytona have multiple significant additional lease offers out to mineral owners in the play.

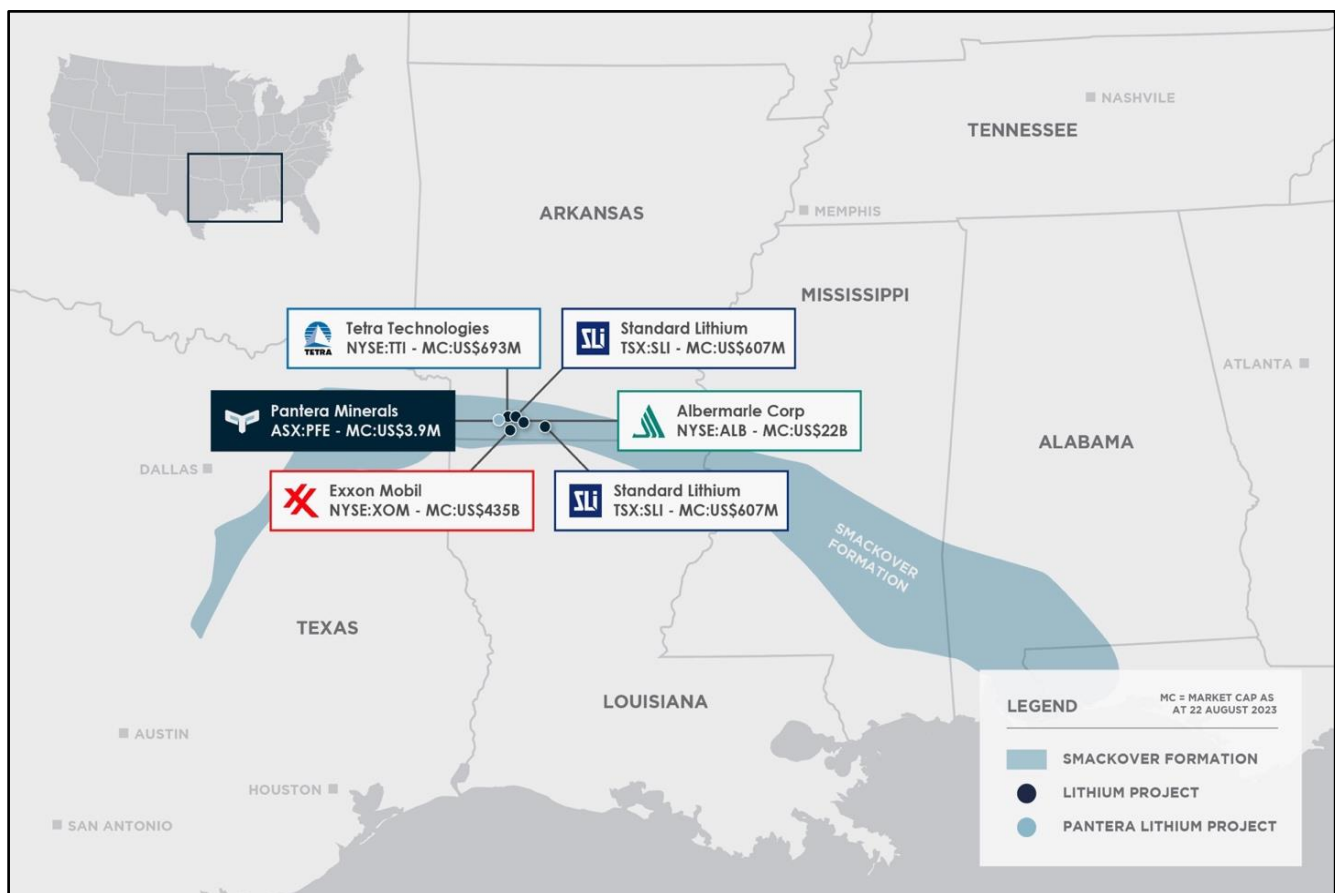


Figure 1 - Superbird Project location within the 'Smackover Formation'

- Exxon, the first oil & gas super major to move into the lithium brine sector, recently acquired Arkansas 'Smackover Formation' brine acreage for reportedly >US\$100m,¹ with plans to produce 75,000-100,000 metric tons of lithium carbonate annually, equalling 15% of the world's current lithium production.²
- The 'Smackover Formation', in Arkansas, already home to a large-scale commercial bromine brine processing industry and 100 years of oil and gas operations, is now experiencing a land rush.
- Brine operations are also supported by world-class oil and gas infrastructure, including:
 - Direct Lithium Extraction (DLE) technology companies;
 - Access to oilfield service companies for well construction, reservoir assessment, completions, production and integrated services;
 - Development friendly Arkansas Oil and Gas Commission, seeking to support brine development in the region; and
 - Integrated investment opportunities from large USA private equity and family offices seeking oil and gas-style lithium exposure.
- Daytona will continue its aggressive acreage leasing strategy funded by the \$2m investment from Pantera.
- The 35% project interest is secured via a \$2m convertible note facility into Daytona, supported by a two-tranche Placement of 28,571,429 shares at A\$0.07 per share to raise the \$2m to fund the convertible note facility.
- Understanding of the mineral ownership is the key element of obtaining lithium brine leases, Daytona has entered into an exclusive agreement with a commercial leasing abstract company, the only such provider for the area of interest, to provide a further 50,000 acres of lease abstract services, an essential service in the lease acquisition process where lithium brine owners rights are accurately identified. This arrangement allows Daytona to quickly make leasing offers to mineral owners– a key commercial advantage.

NEXT STEPS AND NEWS FLOW

- Acquisition of additional acreage, Pantera will update shareholders regarding material increases in landholding.

¹Source: Wall Street Journal 'This Arkansas Town Could Become the Epicentre of a U.S. Lithium Boom' 20 July 2023

²IBID

- **Work underway to ascertain the possibility of generating a lithium Exploration Target from the advanced geological and petrophysical data that is available from historical oil and gas exploration and production previously conducted within the Daytona controlled leased acreage.**
- **Secure brine samples for further analysis and pilot plant DLE testing.**

Pantera CEO, Matt Hansen, commented:

“With Pantera’s 35% investment into Daytona Lithium, the Company enters one of the most significant and emerging brine plays in the USA. Daytona holds highly prospective lithium brine leases in the Smackover Play located in Arkansas, USA.

Daytona’s project area directly abuts Exxon’s Smackover Lithium Brine Project, Standard Lithium’s (NYSE:SLI) Lanxess & South West Arkansas Project and Albemarle Corporation’s (NYSE:ALB) Lithium-Bromine Brine Project. Confirming the Smackover’s tier-1 lithium brine status, was Exxon’s entrance into the region, marked by a reported >US\$100m acquisition of over 100,000 acres of private leases and their subsequent agreement with Tetra Technologies Inc (NYSE:TTI) to develop a further 6,000 lithium-rich acres in Arkansas to produce 75,000-100,000 metric tons annually, equalling 15% of the world’s lithium production last year.

The Smackover Play is fast becoming recognised as a leading play globally for lithium brine production with a long-established bromine brine extraction industry and a 100 years of oil and gas well data available. We look forward to working with the Daytona team with the aim of increasing the leased area and generating a lithium exploration target in the short term and creating value by providing shareholders with exploration exposure to this exciting battery metals project.”

Pantera Minerals Limited (ASX:PFE) (“**Pantera**” or the “**Company**”) is pleased to announce that the Company has entered into a \$2 million convertible note facility (“**Convertible Note**”) with Daytona Lithium Pty Ltd (“**Daytona**”), for a 35% interest in their lithium brine project, located in the ‘Smackover Formation’, Arkansas, USA (“**Superbird Project**”), a known high grade lithium brine formation, and a region that is home to a large-scale commercial brine processing industry and a 100 years of oil & gas operations.

SUPERBIRD PROJECT

The Superbird Project covers a land position of 5,325 leased acres of lithium brine prospective ground in the ‘Smackover Formation’, a known high grade brine formation, with a further 7,000 acres under negotiation.³ Daytona will continue to increase their land position and Pantera looks forward to updating shareholders with increased project acreage.

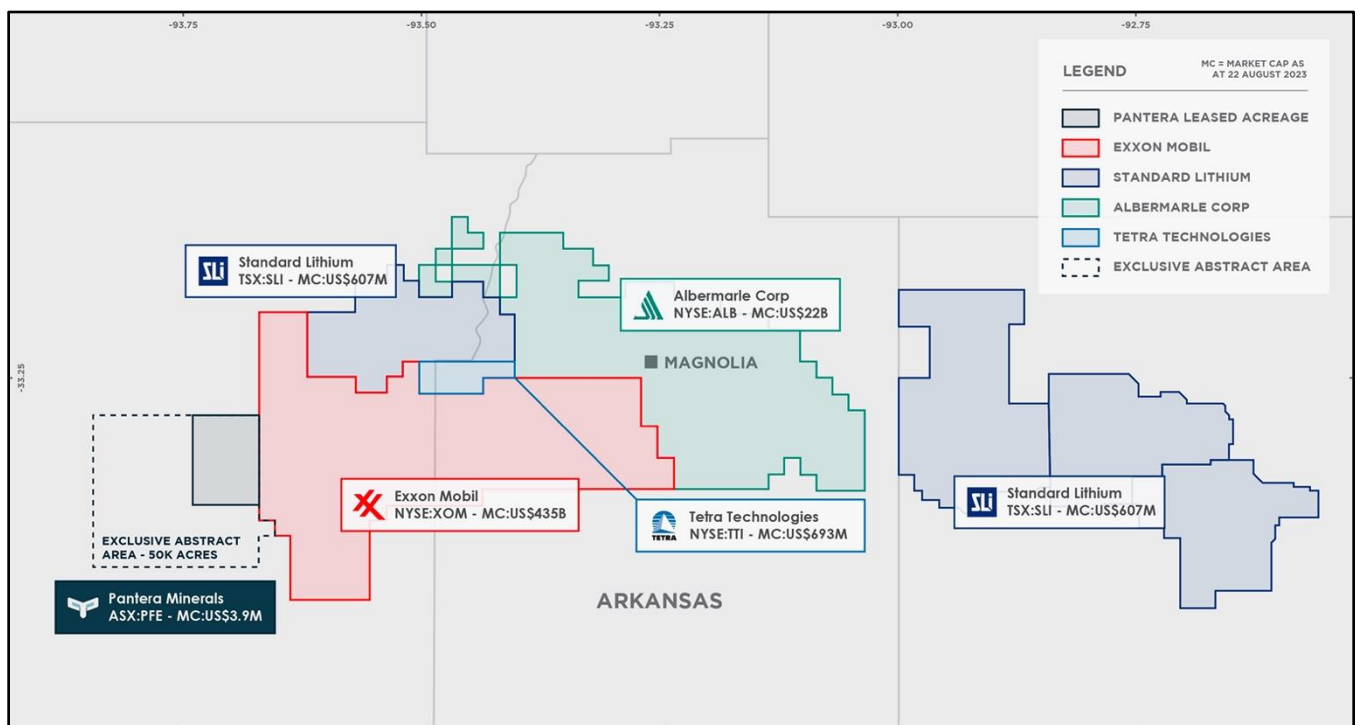


Figure 2 - Superbird Project location showing proximity to adjacent lithium brine projects

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

EXXON LITHIUM BRINE PROJECT (NYSE:XOM – US\$430B market capitalisation)

- Project acquired in May 2023 reportedly for >US\$100m⁴
- 120k acres across southern Arkansas

STANDARD LITHIUM (NYSE:SLI, TSXV:SLI - US\$607M market capitalisation)

³ Daytona have sent formal mineral lease offers to landholders or have signed commitments by landowners to deliver owned acreage.

⁴ Source: Wall Street Journal ‘Exxon Joins Hunt for Lithium in Bet on EV Boom’ 21 May 2023

- *Lanxess (Southern Arkansas) Project - 150k acres across southern Arkansas⁵*
- *South-West Arkansas Project - 36k acres across southern Arkansas⁶*

TETRA TECHNOLOGIES' (NYSE:TTI - US\$693M market capitalisation)

- 5,100 acres
- Option Agreement with Standard Lithium for lithium rights within Standard Lithium's South-West Arkansas Project⁷

ALBERMARLE CORPORATION (NYSE:ALB – US\$22B market capitalisation)

- Magnolia Project, US\$540m investment to build a DLE test facility in Magnolia, Arkansas⁸
- Produces Bromine currently from Smackover brines at its Magnolia Arkansas Bromine facility

DAYTONA

Daytona is an Australia 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 has 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 proprietary database ("IP") was developed by 2CP over the period spanning their significant leasing activity across multiple basins. Daytona retains the exclusive rights to this IP for the state of Arkansas.

Pantera engaged an independent expert, Matrix Solutions, to complete a review of Daytona'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'S LEASING STRATEGY

Daytona's strategy has been to leverage its IP to acquire 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'.

⁵ Source Standard Lithium www.standardlithium.com).

⁶Source Standard Lithium (www.standardlithium.com).

⁷ Tetra Technologies, S-K 1300 Technical Report, 'Maiden Inferred Bromine-And Lithium-Brine Resource Estimations For Tetra Technologies, Inc.'s Tetra Property In Arkansas, United States, 15 September 2022.

⁸Source: Reuters 'Albermarle jumps into global race reinvent lithium products' 3 August 2023.

Daytona has 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 (25km²) which is nearing completion – 5,325 leased acres; and
- 7,000 acres under negotiation.⁹

Phase II Leasing Program – ‘Second Target Area’

- Leasing up to 50,000 acres supported by the exclusive agreement reached for the provision of land abstract services, an essential process in identifying owners of the lithium brine rights; and
- Initial lease offers made.

EXCLUSIVE ABSTRACT SERVICES

As part of the Phase II Leasing Program, Daytona has 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. Importantly, **understanding of the mineral ownership is the key element of obtaining lithium brine leases.**

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

The exclusive agreement is for a term of 6-months and contains an option to extend for a further two 6-month terms.

This provides a key advantage in that Daytona will be able to acquire the required accurate mineral ownership information from the Project Area more quickly than its competitors. Although this information can be obtained from public records, it is a timely and labour some process.

CONVERTIBLE NOTE

Pantera has the right to acquire a 35% interest in Daytona by way of a Convertible Note facility, the key terms of which are as follows:

- Pantera to subscribe for \$2m worth of convertible notes;
- Convertible notes will be convertible into fully paid ordinary shares in Daytona at a conversion price of \$11,000 per share; and

⁹ Daytona have sent formal mineral lease offers to landholders or have signed commitments by landowners to deliver owned acreage.

- Upon conversion of all the convertible notes, Pantera will hold approximately 35% of the issued share capital in Daytona, placing the current valuation of Daytona at \$3.69m.

The proceeds of the Convertible Note facility will be applied by Daytona towards their continued leasing strategy of acreage in Arkansas.

Pantera will have the right to appoint a director to the board of Daytona, in order to exercise a commensurate degree of control over the day-to-day affairs of Daytona.

PLACEMENT DETAILS

Pantera is please to advise that it has received firm commitments to raise \$2m (before costs) via a two-tranche placement with the issue of 28,571,429 new Shares at an issue price of \$0.07 to professional and sophisticated investors ("**Placement**").

The Placement will be completed in two tranches with 19,525,168 Shares being issued under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A and the balance of 9,046,261 Shares being subject to shareholder approval at an Extraordinary General Meeting to be held on or around mid-October 2023 (**General Meeting**).

The Placement was oversubscribed with Pantera receiving strong support from a range of local and overseas institutions, sophisticated and professional investors.

PAC Partners Securities Pty Ltd ("**PAC**") is acting as Lead Manager to the Placement. Fees to PAC include a selling fee of 4% of the funds raised under the Placement and management fee of 2% of the funds raised under the Placement. In addition, the Company has agreed to issue PAC 2,000,000 options with an exercise price of \$0.25 and expiry date of 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.

SMACKOVER FORMATION

The lithium rich brine Project Area identified by Daytona (based on their IP) is located within the 'Smackover Formation', a well-known and documented oil and gas producing formation that has a high water content (brine) and has been drilled and produced oil & gas for 100 years.

The 'Smackover Formation' is an extensive, porous, and permeable limestone aquifer extending from central Texas to the Florida panhandle. With 100 years of oil and gas resource development, 60+ years of commercial brine operations for bromine production, and some of the highest reported lithium brine values in North America makes the 'Smackover Formation' a promising lithium production opportunity.

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This release is authorised by the Board of Directors of Pantera Minerals Limited.

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