

5 April 2024

Completion of first hole to 370 metres at the Formentera Lithium Project in Argentina

Initial results showing strong brine flows, high specific gravity values and low resistivity (indicative of lithium) - 5 samples sent for analysis

Patagonia Lithium Ltd (ASX:PL3, Patagonia or Company) is pleased to advise that its first well, JAM 24-01, was completed at depth of 370m on 3 April 2024.

Highlights from the drilling include:

- Intersection of several porous units including a gravel unit at 330-365m and a high specific gravity brine measuring 1.19mg/cm³ at 320m depth
- Brines with SG range from 1.10 – 1.22mg/cm³ have been field assayed from 100m to 370m depth where the well intersected a clay unit and was terminated
- Porous gravels were intersected at 338.5m which are ideal for brine flow
- Five Packer assays taken from porous sandstone, limestone and clay units with halite borates present showing SG of 1.196 gm/cm³ and rising at depth
- Last packer test at 360m depth covered an interval of 22.5m of brine flow

4 Assays have now been sent to SGS and Alex Stewart labs in Argentina for analysis for lithium. A fifth packer assay is currently being done now at 360m with 200L packer test. 7 cores have also been sent to Core Laboratories WA for porosity testing.

Assay results are expected in approximately 2 weeks.

In general, the well shows very permeable intervals of unconsolidated and semi consolidated sand alternating with less permeable intervals of clayey silt and clay with gravels occurring below 320m.

The drillers are currently widening the well to the final depth and subsequently rods will be lifted until all the pipe (PVC 2" slotted) is in the JAM24-01 well, to avoid entrapment and well collapsing. The well will be conditioned to enable completion of casing. This will allow future pump tests and slim line borehole magnetic resonance tests for porosity.

Capital structure

58.6m - PL3 shares

5.5m - unquoted options

14.6m - PL3O quoted options

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Figure 1. Borate crystals in drill core at 270m depth – indicating presence of boron which is often associated with lithium deposits. Boron forms in small pillow shaped crystal masses.

Cautionary Note: Visual observations relating to the abundance of borate crystals logged in the drill core should not be considered a substitute for a laboratory analysis. Assay results are required to determine the widths and grade of mineralisation identified in geological logging. The Company will update the market when laboratory results become available.



Figure 2. Gravel sequence from 347m to 360m with exceptionally high porosity allowing brines to flow.

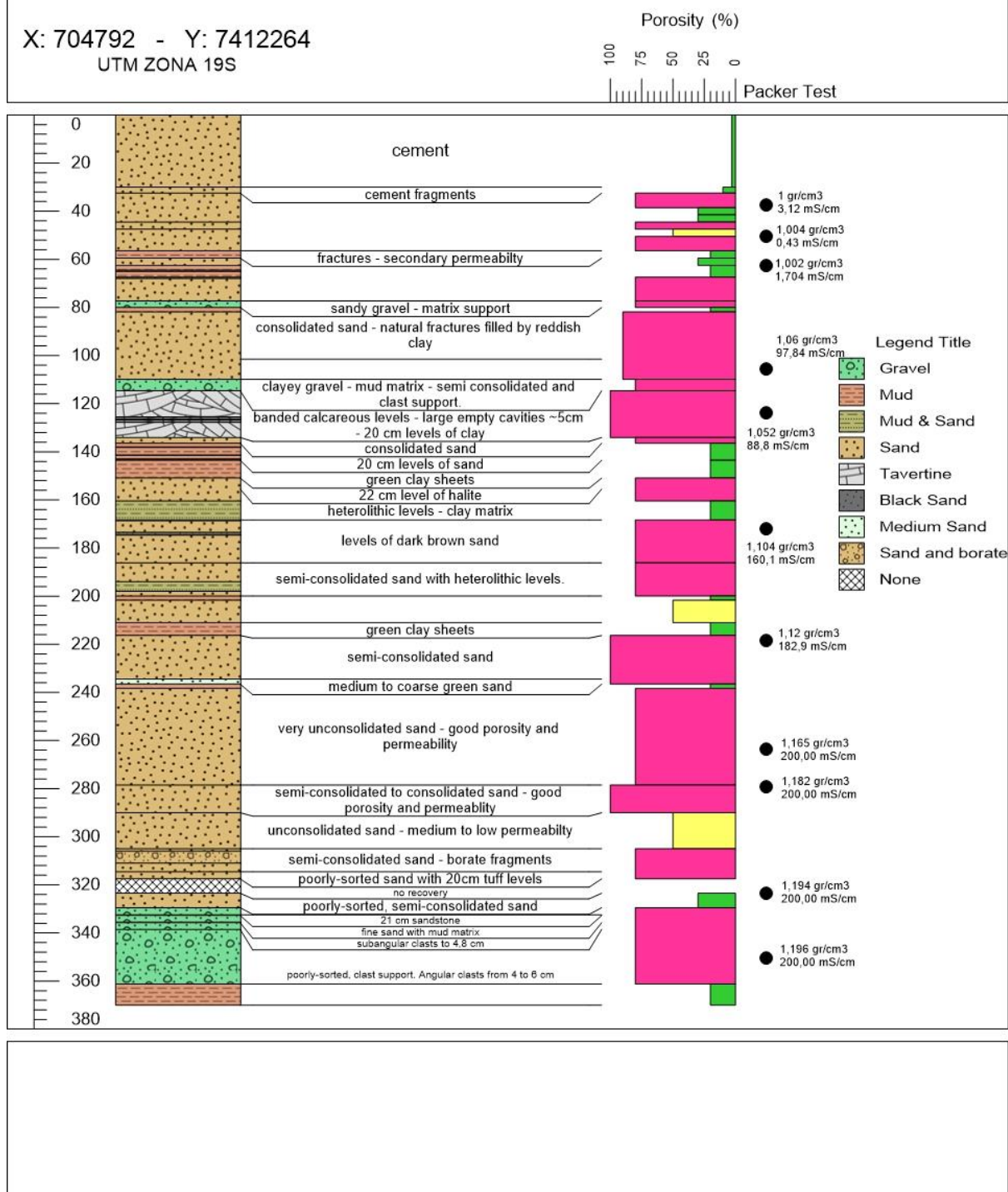


Figure 3. Lithological log section of the well with packer tests and resistivity.

Generally, the drilling program went very well with only two minor interruptions with rod and packer assay management. The operation was run 24/7 with two Patagonia geologist teams working day and night.

The geologist team is now preparing to put blank and sieve pvc down the well to complete a pumping test and prepare for a borehole magnetic resonance test that will be undertaken once more wells are completed.



Figure 4. Porous calcareous units with macropores at 122.50m depth indicative of an aquifer zone with secondary mineralisation indicating evaporites are present concentrating minerals.

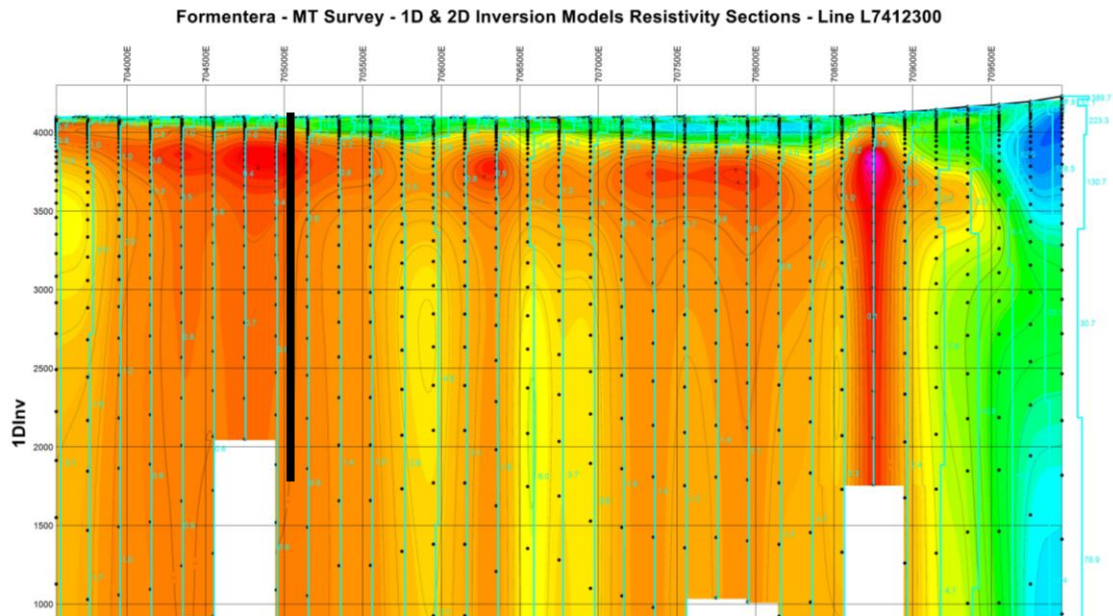


Figure 5. The black line shows the drill hole location – with a significantly lower resistivity at 200-250m indicating a concentration of conductive brines. At 3,600m the resistivity starts to increase again.

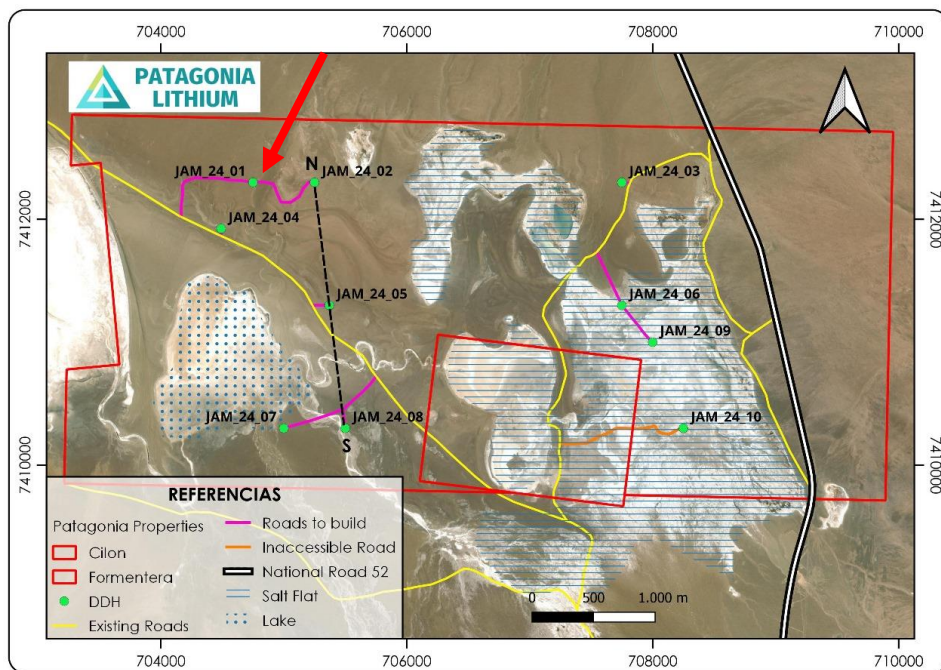


Figure 6: Map of Formentera DDH drill locations, roads. The black dotted line is the proposed aquifer resource section line to measure depths of the aquifers containing lithium.

Drilling JAM 24-02 - Next Well

The next well to be drilled on the section line is JAM 24-02. The drill pad has been prepared and minor roadworks to get the rig to this location approximately 500m from JAM 24-01. This well will commence week beginning 8 April after the rig has been relocated, initial well of 30m drilled and steel pipe cemented into the collar.

Jam 24-05 and JAM 24-08

These wells will follow JAM 24-02 to complete the section line across the concession then JAM 24-10. This will give WSP sufficient data points to calculate a block model resource, however they may require well 06 or 09.

JORC Mineral Resource

WSP Australia have been engaged to produce a block model to calculate an initial measured, indicated and inferred Mineral Resource Estimate. This will involve drill core logging, down hole porosity tests using borehole magnetic resonance, sample drill core porosity testing and aquifer modelling. Assays will be analysed at both SGS and Alex Stewart laboratories for QA/QC.

Authorised for release by the Board of the Company.

For further information please contact:

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Our socials – [twitter@pataLithium](#), [Instagram](#), [facebook](#), [pinterest](#) and [youtube](#)

About Patagonia Lithium Ltd

Patagonia Lithium has two major lithium brine projects – Formentera/Cilon in Salar de Jama, Jujuy province and Tomas III at Incahuasi Salar in Salta Province of northern Argentina in the declared lithium triangle. It has also applied **for 41,746 Has** of concessions exploring for **ionic REE clays, Niobium, and lithium in pegmatites**. The Company has applied for four exploration concession packages.

Since listing on 31 March 2023, recharge water analysis, surface sampling and MT geophysics have been completed in preparation of an upcoming drill program at Formentera, and MT Geophysics at Tomas III that was very prospective. In July 2023, a 13 hole drill program was submitted for approval which was granted in January 2024. Samples as **high as 1,100ppm lithium** (2 June 2023 announcement) were recorded at Formentera and resistivity values as low as 0.3Ω.m were recorded during the MT Geophysics survey at Formentera making the project highly prospective. The Company confirms it is not aware of any new information or data that materially affects the information in this announcement.

It is not possible to determine the potential grade of the lithium in the brine based on visual results or accompanying data, given the concentrations are measured in parts per million and usually less than 1,000.

Well Identification details

Collar: N7412264 E704792 UTM zone 19S

Dip: -90 degrees

Azimuth: 0 degrees

Depth: – 360m

Competent Person Statement

The information in this announcement that relates to exploration results is based on, and fairly represents information compiled by Phillip Thomas, MAIG FAusIMM, Technical Adviser of Patagonia Lithium Ltd and is Executive Chairman, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Thomas has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Thomas consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information	- Diamond drilling was used to drill to 370m. The core recovery was greater than 95%. A Atlas Copco Boyles C5C track-mounted diamond drill drilling HQ diameter and a tri-cone head drilling 6 inch diameter was used. - Five one litre brine samples using a single packer air lift system was used to obtain samples from 5 depths at 120, 170, 220, 280 and 360m across a 5m interval. - Samples were tested for conductance in micro siemens with a YY-1010 meter. The meter was calibrated prior to use with fresh standards. It has a maximum value of 200 ms. - Sediments were logged for fineness and clay content. No target minerals were encountered such as lithium carbonate or lithium chloride crystals. - All holes were drilled vertically and had an azimuth of zero. - An EC-PCTestr35 was used to measure pH, conductivity and temperature for comparison purposes. - Packer testing was able to extract more than 5 litres of brine at each point in the well, and the low pressure created by the well evidenced brines flowing into the well from surrounding lithologies as described in the sectional well log.
Drilling techniques	Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	An 83mm bit (HQ) was used with triple tube to drill the well and 3 metre long rods. A packer tool was lowered and samples taken at the nominated intervals.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- Brine samples were collected at each point relative to the porosity of the lithological unit intercepted and flow of brines when core was extracted. Two A samples were taken and stored, two B samples stored securely and one back up sample retained. - Brine quality is not related to the quality of core samples. The porosity, transmissivity and permeability of the lithologies where samples are taken influences the rate of brine inflow and brine characteristics. - Drilling is required to determine the flow characteristics of the underlying aquifers, whereas interpolated ICP analysis tests for lithium concentrations from the brine samples.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and	- All core was logged by two geologists and the CP geologist. - The sediments were analysed for grain size where they were sandstone,

Criteria	JORC Code explanation	Commentary
	<i>metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i>	consolidated and unconsolidated clays, limestone units that showed some secondary crystallisation, and the lower conglomerate/gravel units. • 100% of the core retrieved was logged. On the 370m depth well approximately 5% was lost to brine flow was unconsolidated sediments.
Sub-sampling techniques and sample preparation	• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	• Brine samples were collected by sampling the packer airlift of brine which was approximately 10 litres per lift and bottles A and B were filled from each lift with the objective of getting the brine sample from the same aquifer region in the well to avoid sampling systemic error. • Duplicate sampling is undertaken for quality control purposes. Five duplicates were taken, and a blank (distilled water and two standards were also provided to SGS laboratories/Alex Stewart laboratories for analysis. The lithium standards were C100 – 100ppm lithium and C300 – 254ppm lithium in solution.
	• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	• The SGS laboratory was used for analyses and is also certified for ISO/IEC Standard 17025:2017. Alex Stewart is also certified for ISO/IEC Standard 17025:2017 • Security control was kept with each bottle being taped closed and contained in a locked chest which was opened by SGS staff/Alex Stewart staff on delivery as part of the chain of custody protocol.
Verification of sampling and assaying	• <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i>	• Field duplicates, standards and blanks are used to monitor potential contamination of samples and the repeatability of analyses.
Location of data points	• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i>	• The survey locations were located using handheld GPS with an accuracy of +/- 5m. • The grid System used is POSGAR 94, Argentina Zone 3 • Topographic control was obtained by handheld GPS

Criteria	JORC Code explanation	Commentary
	Quality and adequacy of topographic control.	The topography is flat.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- Brine samples were collected within the hole based upon the depth required to access brines. - The wells proposed in the next stage of drilling are all with 500m of each other. Block modelling to measured resource estimate given these are basin flat lysing sediments can be approximately 1km apart.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	- The brine concentrations being explored for generally occur as sub-horizontal layers and lenses hosted by conglomerate, sand, halites, silt and/or clay. Vertical diamond drilling is ideal for understanding this horizontal stratigraphy and the nature of the sub-surface brine bearing aquifers. - Surface sampling allows us to determine the presence of lithium and other minerals such as boron and presence of anions eg. Ca, Mg - The orientation was vertical for the drill, but brine was sampled not sediments.
Sample security	The measures taken to ensure sample security.	- Data was recorded and processed by employees, consultants and contractors to the Company and overseen by senior management on-site. - Samples were transported from the drill site to secure storage at the camp on a daily basis. - Samples were then courier by the senior Geologist to the laboratory on her shift rotation.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits or reviews have been conducted to date. The sampling is at a very early stage however the Company's independent consultant and Competent Person has approved the procedures to date and were present at sampling.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Formentera/Cilon Lithium Project consists of two tenements located in Jujuy Province, Argentina. The tenement is owned by Patagonia Lithium SA. The Company executed a purchase agreement on 18 December 2022 and paid for it on 19 December 2022.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	- No historical exploration has been undertaken on this licence area - The Cilon concession area has been operated as a borate mine in the past

Criteria	JORC Code explanation	Commentary
		although details of production records have not been available.
Geology	• <i>Deposit type, geological setting and style of mineralisation.</i>	• The Formentera/Cilon licence area covers most of the salar proper with minor alluvial cover to the southwest. The lithium concentrated brine is at depth from MT geophysics sourced data and occurs locally from hot fluids passing through lithium minerals (volcanics) and altered intrusives and is concentrated in brines hosted within basin alluvial sediments and evaporites.
Drill hole Information	• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> ◦ <i>easting and northing of the drill hole collar</i> ◦ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ◦ <i>dip and azimuth of the hole</i> ◦ <i>down hole length and interception depth</i> ◦ <i>hole length</i> ◦ <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case</i>	• See the Figure 3 in the release for northing and eastings. Dip is vertical, elevation is 4,110m ASL, depth of well is 370m.
Data aggregation methods	• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	• Assay results will be derived by SGS/Alex Stewart method using ICP-OES and interpolation to correct for errors. Three measurements will be taken from each brine sample and averaged. Lithium values will be reported in ppm or mg/L
Relationship between mineralisation widths and intercept lengths	• <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	• The brine layers are horizontal to sub-horizontal therefore the intercepted thicknesses of brine layers would be true thickness as the sample hole is vertical. • The brine flowed from the walls of the hole in a section accessed by the packer tube from 0.25-3.0m so the intercept width is variable depending on the porosity and transmissivity of the surrounding sands and clays.
Diagrams	• <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view</i>	• Refer to maps in figure 6

Criteria	JORC Code explanation	Commentary
	<i>of drill hole collar locations and appropriate sectional views.</i>	
<i>Balanced reporting</i>	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All assay results will be reported as received from the laboratory.
<i>Other substantive exploration data</i>	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	All meaningful and material information is reported
<i>Further work</i>	- The nature and scale of planned further work (eg; tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	A further four wells are proposed in this stage of the campaign and then the data will be examined for suitability to compute a MRE.