3 May 2024

OUTSTANDING ASSAY RESULTS FROM FIRST DRILL WELL AT FORMENTERA, NORTHERN ARGENTINA

- **591ppm Lithium Assay** in 21m aquifer zone at Formentera Lithium Project, Northern Argentina
- **From 170m to 370m assays exceeded 235ppm –** an outstanding 200m aquifer interval
- **Very low levels of deleterious ions (Mg:Li 1.49 at 591ppm Li, boron 522ppm, Calcium 358ppm)**

Patagonia Lithium Ltd (ASX:PL3, Patagonia or **Company)** is pleased to announce the receipt of outstanding assays from the 200L packer tests conducted on its maiden well JAM24-01. The summary table below shows the key element values.

Zone	Sample No	from	to	Interval	SG	Lithium	Magnesium	Mg:Li ratio	Boron	Potassium	Conductivity	pH	TDS	Flow rate
		M	M	M	g/ML	ppm	ppm		ppm	ppm	uS/cm		mg/L	L/Min
ground water	1	30.00	44.5	14.5	0.999	**<10**	<10	1.00	13	40	4,501	6.8	1,767	1.66
	2	44.50	56.5	12.0	0.999	**<10**	<10	1.00	<10	<10	439	7.7	667.0	8.0
	3	56.50	68.5	12.0	0.999	**<10**	<10	1.00	<10	24	4,659	7.6	1,133	11.76
	4	Blank - distilled water			0.999	**<10**	<10	1.00	<10	<10	261	8.7	400	
transition zone	5	104.5	106.7	2.2	1.053	**110**	682	6.20	279	1,292	91,670	7.3	75,267	14.28
	6	122.5	124.7	2.2	1.075	**99**	594	6.00	256	1,226	69,200	6.9	66,833	11.11
sands, gravels	7	170.5	173.5	3.0	1.094	**237**	842	3.55	354	2,906	149,800	7.1	139,250	5.71
aquifer zone	8	duplicate of 7		3.0	1.094	**235**	832	3.54	353	2,880	149,600	7.1	137,250	
	9	215.5	221.5	6.0	1.114	**316**	927	2.93	372	3,221	170,400	7	165,900	3.44
	10	260.5	266.5	6.0	1.159	**485**	923	1.90	460	4,144	205,700	7	237,450	2.38
	11	278.5	279.7	1.2	1.172	**502**	910	1.81	488	4,398	209,600	6.9	258,150	3.9
	12	Standard - A300			1.219	**94**	592	6.30	590	1,593	290,900	1	315,500	
lower aquifer	13	317	329.5	12.0	1.188	**539**	964	1.79	525	4,452	213,300	6.8	277,200	7.14
gravels, sands	14	339.5	361.2	21.7	1.186	**591**	879	1.49	522	4,190	219,500	8.9	281,350	7.4
		EOH	370.0											

Figure 1. Summary table of SGS analysis of well JAM 24-01
TDS= Total Dissolved Solids, SG=Specific Gravity

Phillip Thomas, Executive Chairman commented "I'm overwhelmed with the superb results from this well. An interval of 200m with lithium values over 235ppm is truly an indication of a world class project. Additionally, we have the great brine flow results previously announced. Brine flow is as important as lithium assay values and we have achieved evidence of both parts of the equation for a prospective successful project. The MT geophysics didn't mislead us and we have a strong correlation of 0.3 ohm.m with 300-500ppm lithium. I am looking forward to similar results from drill hole JAM 24-02."

Dr Carlos Sorentino, Chairman and Chief Technical Officer at Ekosolve Limited commented "These are very good results. The chemistry is consistent with the brines we previously processed achieving 92% extraction efficiency and in some elements better than the sub-surface samples. Ekosolve looks forward to working with Patagonia as its DLE partner."

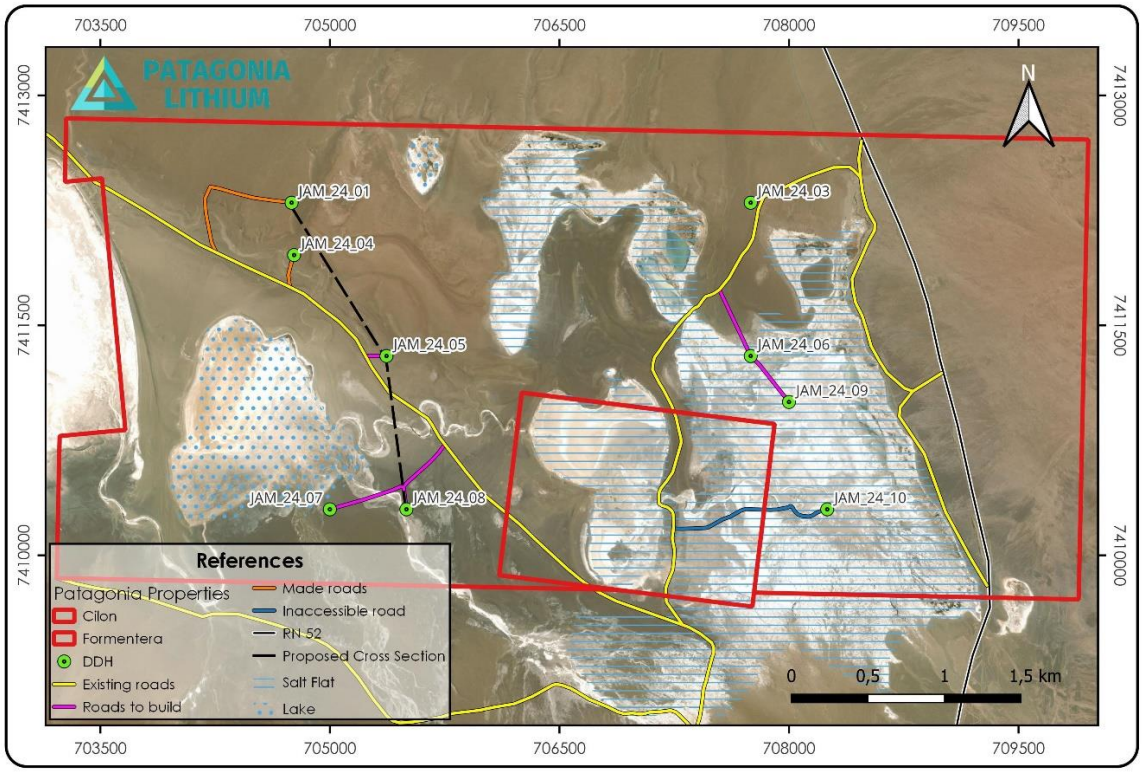

Figure 2. Map location of well JAM 24-01

Authorised for release by the Board of the Company.

For further information please contact:

Phillip Thomas
Executive Chairman
Patagonia Lithium Ltd
M: +61 433 747 380
E: phil@patagonialithium.com.au

Our socials – twitter X @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. Three have been granted to date one in Mato Grosso state and two in the Goais state adjacent to the Catalão rare earth complex.

Since listing on 31 March 2023, surface sampling and MT geophysics have been completed, drill hole JAM24-01 completed and Jam 24-02 is underway. Progress to date has been exceptional as measured by lithium assays. The MT Geophysics at Tomas III on Incahuasi salar is very prospective. In July 2023, a 10 hole drill program was approved for Formentera and a three well program for Cilon is pending. Samples as **high as 1,100ppm lithium** (2 June 2023 announcement) were recorded at Formentera and a Lithium value of **591ppm in well JAM 24-01**. Very low resistivities were recorded to more than a kilometre depth during the MT Geophysics survey at Formentera. The Company confirms it is not aware of any new information or data that materially affects the information in this announcement including "92% Lithium Extraction from Formentera Brines" on 12 September 2023.

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.

Well Identification details

Collar: N7412264 E704792 UTM zone 19S
Dip: -90 degrees
Azimuth: 0 degrees.
Depth: – 360m

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. • 5000L was extracted using a single packer air lift system. 11 200L samples from 11 locations in the well JAM 24-01 were tested for resistivity and Specific gravity and sent for assay at two Laboratories Alex Stewart and SGS. • A distilled water sample and a lithium standard sample A 3001 was supplied to analysis to SGS and C3001 standard was sent to Alex Stewart. • 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. SGS also conducted analysis. • 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. • Pumping was taken over a 24 hour period and the well was pumped dry to 105m and the allowed to refill before the next pumping phase was initiated.
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.

Criteria	JORC Code explanation	Commentary
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 metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All core was logged by two geologists and the CP geologist. • The sediments were analysed for grain size where they were sandstone, 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	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 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. One duplicate was submitted for analysis and the deviation was minor 235ppm vs 237ppm Li. The lithium standards were A3001 – 100ppm lithium and C3001 – 400ppm lithium in solution. • No brine samples from the flow test were sent for assay as they are an average of aquifer flow into the well. The results of field test was 1.172-1.180gm/cm^3 specific gravity and more than 200 mS/cm conductivity.
	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• 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	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Field duplicates, standards and blanks are used to monitor potential contamination of samples and the repeatability of analyses. • It must be noted that each sample is a function of being averaged as approximately 200L of brine is extracted from the interval and then sampled to get an average of the 200L extracted in the

Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	packer test.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• 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. • 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 within 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 couriered 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. • The CP will inspect the SGS and Alex Stewart laboratory to ensure the laboratory contamination is non-existent and discuss and audit handling procedures with the staff.

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 although details of production records have not been available.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• 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	• *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:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length* ○ *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*	• Collar: N7412264 E704792 UTM zone 19S Dip: -90 degrees Azimuth: 0 degrees. Depth: – 360m
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of*	• 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.

Criteria	JORC Code explanation	Commentary
	metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• 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 0.25-21.7m so the intercept width is variable depending on the porosity and transmissivity of the surrounding sands and clays.
Diagrams	• *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 of drill hole collar locations and appropriate sectional views.*	• Refer to maps in figure 4.
Balanced reporting	• *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.
Other substantive exploration data	• *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.
Further work	• *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 three wells are proposed in this stage of the campaign and then the data will be examined for suitability to compute a Mineral Resource Estimate. • A block model is proposed for the resource calculation by WSP Australia.