

28 May 2025

CHAIRMAN'S ADDRESS – 2025 ANNUAL GENERAL MEETING

Company Highlights

On 22 January 2025, the Company issued its maiden mineral resource estimate of 717,000 tonnes of lithium metal equivalent which computes to approximately 3.8 million tonnes of lithium carbonate equivalent ("LCE"). The brine categorised in capillary and free flow zones was 173,000 tonnes of LCE. This result along with the elevated grades of lithium assayed in the brines across the four wells drilled and lined, and the pumping test results of up to 3,500L per hour cemented the merits of the project.

Our milestones going forward for 2025 are:

- Complete the NMR gamma surveys on wells 1,3 and 4 and upgrade the MRE using this continuous porosity survey data.
- Drill well five (the pad and sump wells have been prepared) to 600m.
- Complete the scoping study for Formentera/Cilon.
- Complete the Ekosolve™ application for a 1,000 tonne plant.
- Finalise the waste brine study.

Commodity Overview

The lithium price has remained in a trading band of US\$9,000 to US\$10,750 per tonne for battery grade lithium carbonate for the past 12 months. In November 2024, it peaked at 80,000CNY or US\$11,000 per tonne. However, the recent introduction of significant tariffs on Chinese imports by the Trump government has created two markets - USA and the rest of the world. The USA National Energy Dominance Council (NEDC) and US Customs are investigating application of Section 232 to possibly exempt or reduce tariffs for lithium producers importing into the USA.

Lithium carbonate prices fell to 66,650 CNY or US\$9,220 per tonne, their lowest in over four years, as supply continued to outpace demand. Sales of new energy vehicles in China rose by 38% year-on-year (YoY) to 991,000 units in March according to the China Passenger Car Association, but missed the entity's expectations of 1,000,000 units despite ongoing government subsidies that promote vehicle exchanges and energy transition technologies.

Q1 2025 EV sales numbers showed the strength of the U.S. electric vehicle market during the slowest months of the year for car buying:

- U.S. EV market share was 7.5% in Q1 2025, up year-on-year but down from 8.7% the previous quarter.
- EV sales volume was **up 11.4% year-over-year**, totalling 294,250 units in the first quarter.
- Tesla's U.S. EV market share held steady at 43.4%, but sales are down 9% year-on-year.
- General Motors doubled EV sales since Q1 2024, while Ford's EV sales were up slightly.
- Stellantis, Honda and Volkswagen Group gained EV market share in the first quarter as new models began to sell in volume.

Capital structure

119.4m - PL3 shares
14.6m - PL3O quoted options
13.2m - unquoted options
2.0m - unquoted performance rights

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Board

Phil Thomas - Exec Chair
Rick Anthon - NED
Pablo Tarantini - NED
Jarek Kopias - Co Sec

Rare earth prices followed the lithium price trend. Neodymium prices dropped to 517,500 RMB (\$71,576 per tonne) after reaching a peak of 562,000 RMB, following China's latest export restrictions, which notably excluded neodymium and praseodymium. Meanwhile, Kazakhstan discovered a significant rare earth reserve at Zhana Kazakhstan, with over 20 million metric tons, potentially becoming the third-largest globally. Despite the exclusion of neodymium from restrictions, seven other rare earths, including samarium and dysprosium, were added to the export control list, disrupting global supply chains.

Niobium remained flat in an otherwise depressed steel and nickel market during 2024 only increasing by 9.7% YoY. Brazil accounts for 89% of the world's niobium production mostly coming from our next door neighbour. We have staked adjacent to one of the largest niobium mines in Brazil (CMOC) which is part of the Catalão I carbonatite rare earth complex. Catalão is part of the Alto Paranaíba igneous province in the Goiás Province of Brazil.

Patagonia Milestones Achievements

Key milestones achieved since last year were:

- Completing our maiden resource estimate of 3.8 million tonnes LCE equivalent, assaying **591 ppm of lithium** from well 1 and achieving a pump rate of 3,500L an hour from well 4. These can be considered world class project statistics.
- Granted 41,409 Hectares of ground in Brazil in 5 areas exploring for rare earths, both in ionic clays and carbonatites/monazites, niobium in alkaline rocks and phosphates, and lithium in pegmatites.
- Our preferred lithium DLE extraction system Ekosolve™ was able to extract 92% of the lithium from sub surface brines which was a great result. Preparations are underway to test the best methods of disposing of the waste brine to report to the mines department secretary in Jujuy. These include waste brine evaporation ponds, pumping into the Jama lagoon, reinjection into neutralised zones and a solar powered desalination plant.
- Director Sam Qi resigned and Pablo Tarantini was appointed. Pablo represents our largest shareholder, Dr Jose Luis Manzano who has supported the project and underwritten our latest capital raise. In March 2025, the Company raised \$3.5m at 8 cents per share.
- Our Argentinian team, led by Rosario Mariotti, has worked tirelessly to achieve our milestones and the board thanks her and team for their efforts. Our two geologists have done a great job identifying drill well locations, working with me on MT geophysics surveys, and testing and QA/QC on sampling brine and drill hole core as well as detailed mapping, packer testing and lining wells.
- Congratulations to our Australian accountant Greg Hammond for his detailed work consolidating our two foreign subsidiaries and managing our audit.

Our ESG governance is continually monitored in Argentina and is a priority for us. We did not record any accidents or near misses which reflects our disciplined approach to safe exploration practices. Our objective is to have a zero carbon footprint when we go into production.

On behalf of the board, I would like to thank all our staff, contractors and shareholders for their contribution and support during the year.

Phillip Thomas
Executive Chairman

This announcement has been authorised for release to the ASX by the Board of the Company.

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

The Company confirms it is not aware of any new information or data that materially affects the information cross referenced in this announcement and all material assumptions and technical parameters underpinning the MRE (lodged on 22 January 2025 as “Maiden Lithium Mineral Resource Presentation”) continue to apply and have not materially changes. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original announcements.

The Inferred Mineral Resource Estimate was announced on 22 January 2025 as “Significant Maiden Lithium Mineral Resource”. The reported Mineral Resource Estimate (MRE) of insitu 3,816,000 tonnes of Lithium Carbonate Equivalent (LCE) based on an insitu lithium metal resource of 717,000 tonnes defined at the Formentera Lithium Brine Project (lithium metal to lithium carbonate factor is x 5.323).

Further results reported above can be sourced from “92% Lithium Extraction from Formentera Brines” released on 12 September 2023 and “Outstanding Assay Results from First Drilling in Argentina” released on 3 May 2024.