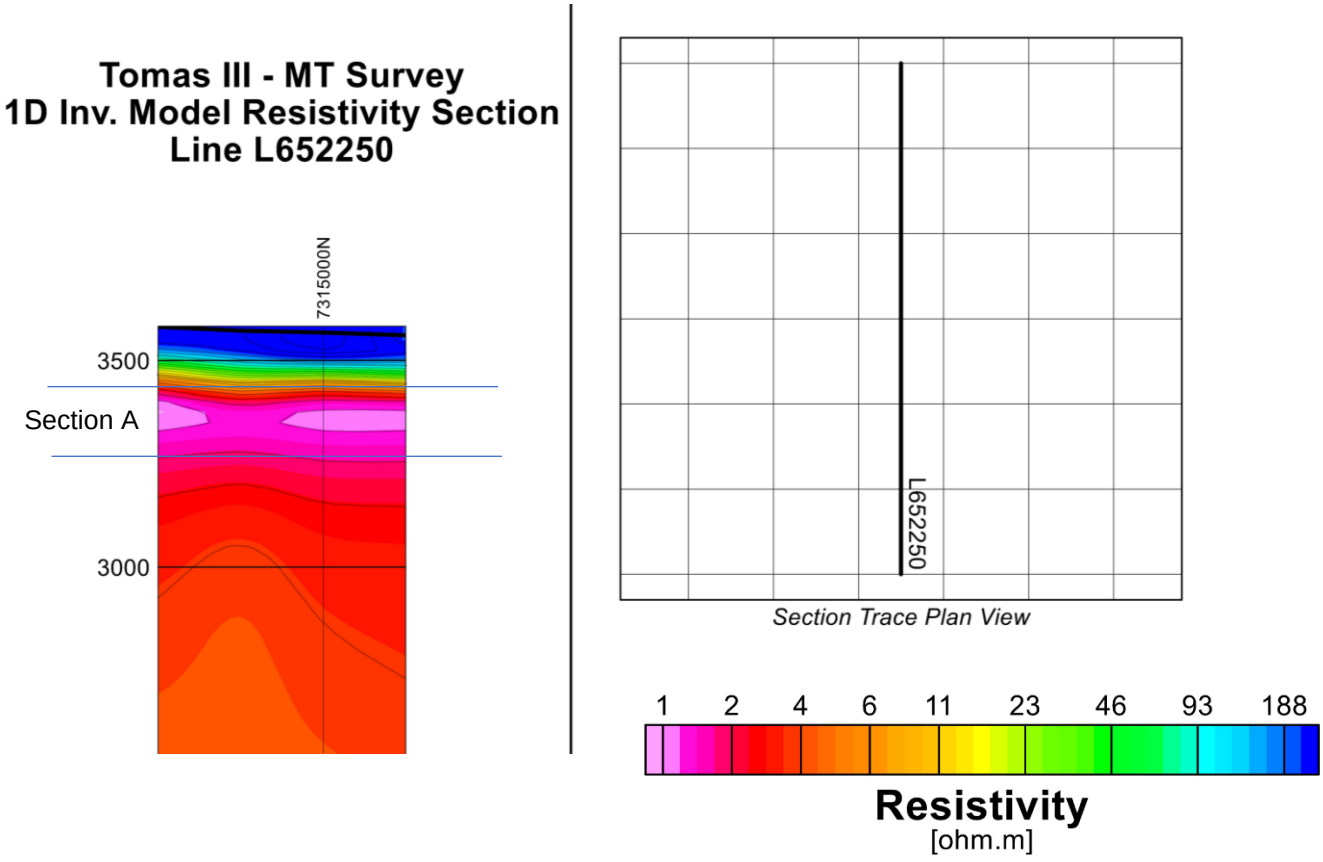
29 May 2023

Patagonia Lithium detects 200m low resistivity unit in geophysics survey on Tomas III concession

Highlights

- Two lines for a total of 2.6km was surveyed across the Tomas III concession parallel to the edge of the Incahuasi salar.
- A very low resistivity unit (section A) was detected close to the surface on the initial 1D inversion processing of the resistivity data implying a presence of conductive brines in this geological unit.
- The depth of the low resistivity unit was approximately 200m, 100m below the surface and the survey achieved a depth of 4,000m.
- 2D and 3D inversions are yet to be processed to enable detailed interpretation of the lithological units and additional mapping and sampling will be completed before a drill program commences.

Patagonia Lithium Ltd (ASX:PL3 or **Company**) is pleased to announce that it has completed the magnetotelleric resistivity survey on its Tomas III concession at Incahuasi salar. The survey was a great success penetrating 4,000m to -500m ASL.



Capital structure
58.6m - PL3 shares
5.5m - unquoted options

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Board
Phil Thomas - Exec Chair
Paul Boyatzis - NED
Gino D'Anna - NED
Jarek Kopias - Co Sec

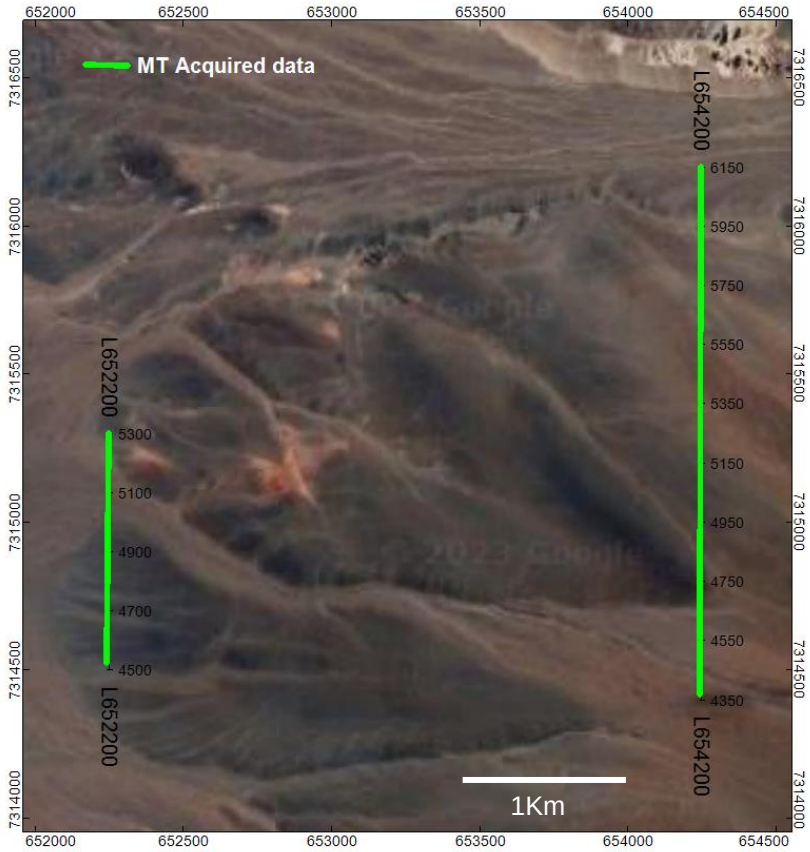

Figure 2. Google earth photo of the southern section of the Tomas III concession at Incahuasi Salar with MT geophysics lines drawn where data was collected.

The Board is delighted with the outcome of this first interpretation and looks forward to the results of more detailed processing.

Formentera Cilon

The geophysics team is now at the Formentera/Cilon salar and running three lines across the salar for a total of approximately 19km.

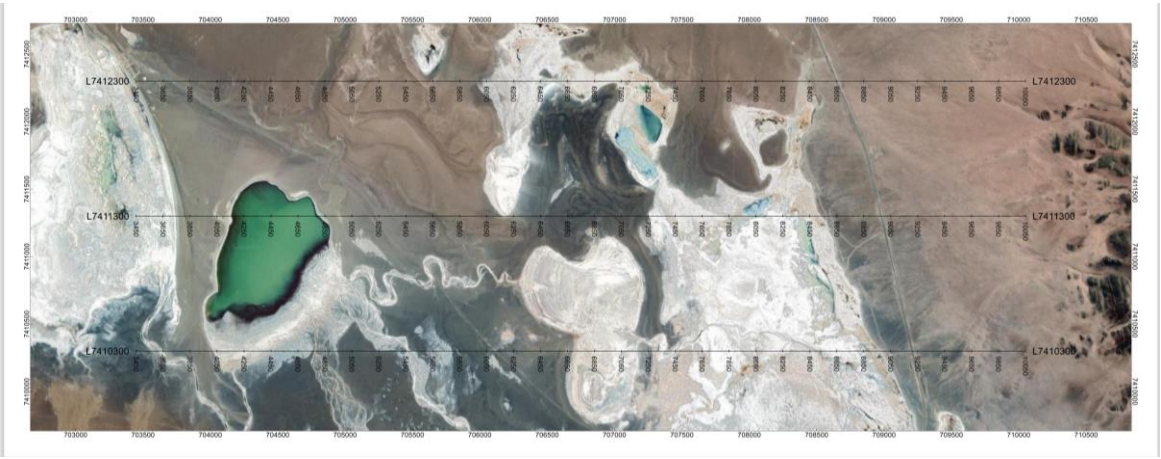

Figure 3. Map showing proposed MT geophysics lines at Formentera/Cilon

Authorised for release by the Board of the Company.

For further information please contact:

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Competent Person Statement

The information in this announcement that relates to the Argentine Lithium Brine project 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 (lithium brines) 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 – Tomas III File 24,142

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*	• Not Applicable (NA) – no drilling or sampling is being reported. Geophysics is being reported • The magnetotelleric geophysical survey defined the distribution of the resistivity parameter with respect to depth in the proposed area (as per figure 2 map on press release) in order to characterize the conductivity-thickness of the sedimentary sequence in the corresponding salar environment and in particular to use the parameter as a proxy to define potential hyper conductive brine layers within the subsurface sequence. The surveying used is broadband remote referenced EMAP style Magnetotellurics with data acquisition overnight for the bandwidth of interest (0.01 – 10,000 Hz), to ensure an adequate depth of investigation given the likely highly conductive saline ground water (brines). • Survey specifications are: **Array configuration**: Contiguous Ex-field (200m length) with sparse (every 600m) Ey-field dipoles and sparse local Hx- and Hy-field induction coils. A remote reference site comprised of Hx- and Hy-field coils will be maintained throughout the survey. **R-X Contacts**: Porous-pot electrodes (Cu-CuSO4) or stainless-steel electrodes in small hand dug pits. **Data Acquisition**: Predominantly nocturnal Time series data acquired. gDAS32 sampling rates (Fs) of 128Hz, 2kHz, 32kHz with time series records of 2 22 samples for each repeated at least twice in the acquisition schedule except for Fs=32Hz. Timing provided by internal GPS.
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).*	• **Geophysical Receivers** - AGT / gDAS32 with 2 channels each, see http://www.zonge.us/www.adgeotec.com for technical specifications. • **Induction Coils** - Zonge / ANT-4/6, see www.zonge.us for technical specifications

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.*	• No drilling has been undertaken. • **Geophysics Output -** EDI standard data files 1D, 2D and 3D (optional) Inversion models of resistivity presented as sections, plan maps and/or 3D visualizations as appropriate. Software: GeoTools, Geosoft. • A 1D inversion has been produced to date.
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.*	• No drilling has been undertaken. See 1D inversion results in announcement. Section A is defined as low resistivity <1.0 ohm/m.
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.*	• No drilling has been undertaken.
	• *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*	• No drilling has been undertaken.

	levels of accuracy (ie lack of bias) and precision have been established.	
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.* • *Discuss any adjustment to assay data.*	• Data is stored on the Virtual Cloud and at various locations including locally, Chile, & Melbourne, VIC. It is regularly backed-up
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.*	• Navigation was controlled by an integrated GPS-PPPl Measurement System with Magnetic Heading Sensors. Topographic control was obtained by handheld GPS. • The topography survey has a rise of 250m. • Grid system used is the 19S UTM Argentine datum WGS84
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.*	• 15 magnetotelluric (MT) stations conducted on a two lines as shown on the map – co-ordinates • DATUM: WWGS84, UTM 19S Line 652200 4500.00 652250.00 7314500.00 4700.00 652250.00 7314700.00 4900.00 652250.00 7314900.00 5100.00 652250.00 7315100.00 5300.00 652250.00 7315300.00 Line 654200 4350.00 654250.00 7314400.00 4550.00 654250.00 7314600.00 4750.00 654250.00 7314800.00 4950.00 654250.00 7315000.00 5150.00 654250.00 7315200.00 5350.00 654250.00 7315400.00 5550.00 654250.00 7315600.00 5750.00 654250.00 7315800.00 5950.00 654250.00 7316000.00 6150.00 654250.00 7316200.00
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. Magnetotelleric geophysics shows low resistivity horizontal stratigraphy and the lithological nature of the sub-surface brine bearing aquifers. • While the geophysics was on a slight incline there is no effect to results due to the signals vertical orientation.
Sample security	• *The measures taken to ensure sample security.*	• No drilling was undertaken
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No drilling was undertaken.

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 Tomas III mina exploration concession was acquired on 8 December 2022. A drilling permit was granted on 11 May 2023. File number is 24,142. The area is 571.54 hectares.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No historical exploration has been undertaken on this licence area.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The salt flats of Incahuasi have edges in which alluvial deposits predominate and central areas on the salar have evaporitic deposits. Under these alluvial deposits are halites and aquifer extensions from the centre of the salar. In the area where the mine is located we can sample tuffs, ignimbrites, andesites, dacitic domes and outcrops, rhyolitics north of the Salar de Arizaro, between the Salar de Incahuasi, reaching to the east the plain of Portomán. The volcanic rocks would be located in the area of the Incahuasi plain or southeast of it, covered by the Chivinar and Guanaquero volcanoes. • Between the Salar de Incahuasi and the Salar de Arizaro there are andesitic flows that precede the volcanic activity represented by the Guanaquero and Chivinar hills. They form little thick mantles of black color, disaggregated into blocks and affected by tectonics. A radiometric dating carried out on one of the outcropping flows on the road to the La Frontera mine gave a K/Ar value of 11 ± 1 Ma, by which this sequence is assigned to the middle Miocene. • The alluvial cones, when reaching the margins of the salt flats, act as flow regulators to the extent that the evaporation loss is verified. The underground contribution to the salt

		flats is evidenced by showing a water table close to the surface. In the Salar de Incahuasi the water table is between 1 and 1.50 m deep.
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*	• No drilling was undertaken
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 metal equivalent values should be clearly stated.*	• Not Applicable (NA) – no drilling or sampling is being reported.
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').*	• Not Applicable (NA) – no drilling or sampling is being reported.

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.*	• Geophysical figures are provided in the ASX release at an appropriate scale and depict the key results to date from the detailed magnetotelluric survey.
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.*	• Not Applicable (NA) – no drilling or sampling is being reported.
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 2D and 3D inversion image will be created for both lines. Sampling and mapping will be conducted and a drill program developed and recommended by staff geologists.