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ASX Limited - Company Announcements Platform

RAPID LITHIUM LIMITED (ASX: RLL)

RAPID LITHIUM LIMITED SIGNS BINDING TERM SHEET WITH PATRIOT LITHIUM LIMITED

Highlights:

- A binding agreement has been signed to acquire 100% of the issued capital of New Energy (US) Inc., a subsidiary of ASX-listed Patriot Lithium Limited (ASX: **PAT**).
- New Energy is a mineral explorer, targeting the exploration and development of hard rock lithium projects in the USA.
- On completion, Rapid Lithium will issue Patriot Lithium Limited 59,360,343 ordinary shares in Rapid Lithium.
- The transaction is subject to satisfaction of certain conditions, including execution of long form agreements and the completion of satisfactory legal, financial, tax and technical due diligence by Rapid Lithium.
- The transaction complements the recent acquisition of Midwest Lithium Limited and its core focus on exploration of hard-rock lithium assets in the USA.
- Newly issued shares will be subject to a 12-month escrow period post-issuance to ensure alignment with long-term shareholder value.

Rapid Lithium Limited (formerly Armada Metals Limited) ('**Rapid Lithium**' or '**Company**') is pleased to announce that it has entered into a binding term sheet ('**Term Sheet**') to acquire 100% of the issued capital of New Energy Inc. ('**New Energy**') ('**Proposed Transaction**'). The Term Sheet sets out the agreed framework and key terms under which Rapid Lithium and Patriot Lithium Limited ('**Patriot**') will seek to conclude formal long form agreements to implement the Proposed Transaction.

Commenting on the signing of this Proposed Transaction for Rapid Lithium, Martin Holland, Managing Director, said:

"This acquisition positions the Company as one of the leading strategic landholders in South Dakota, USA and sits adjacent to some of the Company's newly acquired assets. Following the recent presidential victory announcement, the Company anticipates that holding strategic lithium assets within the United States will be increasingly valuable. I am eager to explore these extensive hard rock lithium pegmatites."

Commenting on the signing of this Proposed Transaction for Patriot, Hugh Warner, Chairman said:

"This transaction offers Patriot shareholders a chance to participate in the rollup of lithium acreage in the Black Hills. It has been our stated intention to participate in such a plan and after considering the corporate candidates to lead such an aggregation play, we determined that Rapid Lithium, led by Martin Holland, is best placed."

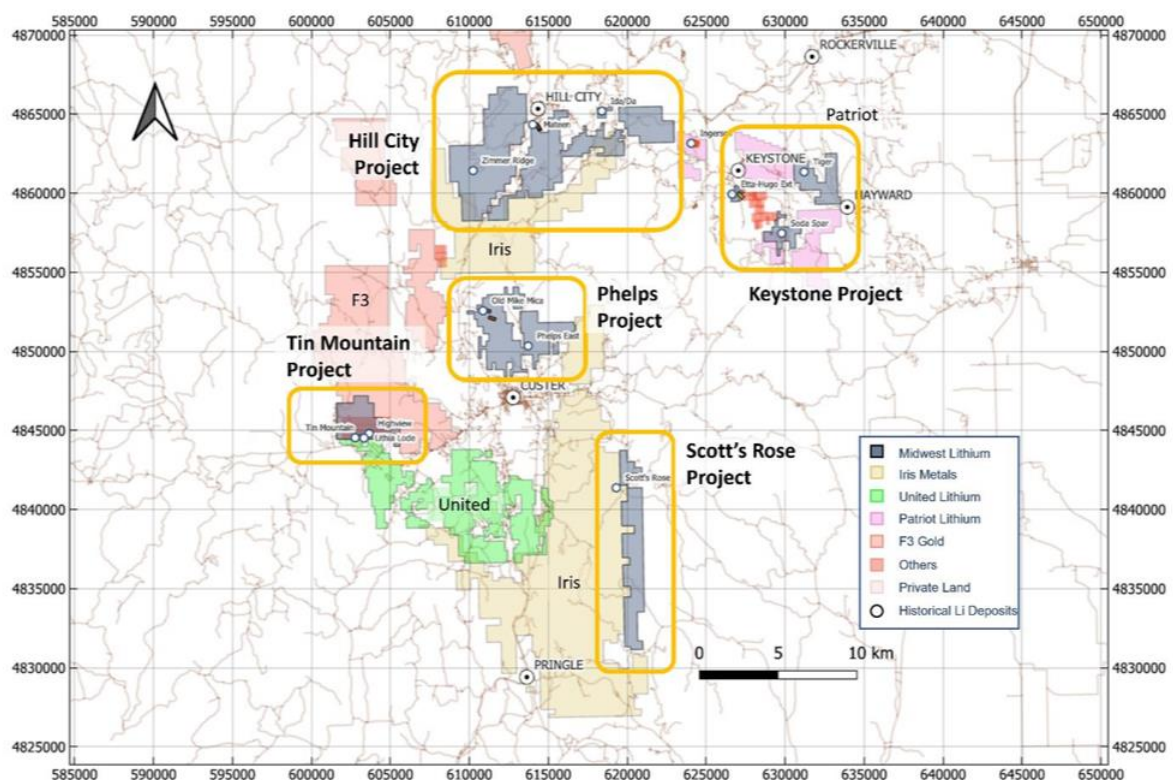


Figure 1: Midwest mining claims, and other regional operators 2, in the Black Hills region, South Dakota, USA (NAD83)

About New Energy:

New Energy holds a 100% interest in the Black Hills Project including the Keystone and Tinton West Projects. The Keystone Project, which is centered around the town of Keystone, a small community in the central-eastern region of the Black Hills, approximately 26 km southwest of Rapid City. This project spans about 413 unpatented claims of lithium-prospective land within the well-known, high-grade Black Hills province. The Keystone Project claim blocks are situated near the historic Etta, Edison, Hugo, and Bob Ingersoll mines, which were among the largest and most productive hard-rock lithium mines in the Black Hills¹. Additionally, Iris Metals' (ASX: IR1) Beecher Project, located nearby, has reported significant drill intercepts of 60m at 1.21% Li₂O and 78m at 1.03% Li₂O².

The Tinton West Project, which straddles the state line between South Dakota and Wyoming, is located ~24km southwest of the city of Spearfish in the northwestern Black Hills region. The project covers 123 unpatented claims of the Tinton Inlier, a small domal uplift of crystalline Black Hills basement surrounded by younger sedimentary rocks. The basement rocks are host to numerous pegmatite occurrences, including the historic Rough & Ready and Giant Volney tin-tantalum and Li mines³.

About Patriot:

Patriot is an ASX listed mineral exploration company with a focus on battery metals. Patriot owns the high grade, Gorman Lithium Project in North America and is in the process of securing a number of copper assets in Zambia.

Transaction Overview:

The Term Sheet sets out the framework and key commercial terms upon which Rapid Lithium and Patriot will seek to pursue the Proposed Transaction. Set out below is a summary of the terms and conditions upon which the transaction is proposed to proceed:

- Rapid Lithium will acquire 100% of the issued capital of New Energy in consideration for the issue of 59,360,343 fully paid ordinary shares in Rapid Lithium ('**Consideration Shares**').

1 Norton and Redden (1990). Relations of zoned pegmatites to other pegmatites, granite, and metamorphic rocks in the southern Black Hills, South Dakota. American Mineralogist, 75, pp. 631-655

2 Iris Metals Limited (ASX: IR1) ASX announcements dated 9 August 2023 and 9 October 2023.

3 Smith and Page (1941). Tin-bearing pegmatites of the Tinton district, Lawrence County, South Dakota, a preliminary report. In: Strategic Minerals Investigations, USGS Bulletin 922-T, pp 595-630.

- The Consideration Shares will be subject to voluntary escrow restrictions for a period of 12 months from their date of issue;
- Completion of the Proposed Transaction will be conditional on:
 - Rapid Lithium completing legal, financial, tax and technical due diligence enquiries to its satisfaction;
 - Rapid Lithium and Patriot negotiating and executing formal long form agreements to fully record the terms of the Proposed Transaction; and
 - Rapid Lithium obtaining all necessary regulatory and third-party approvals, authorisations, consents and confirmations to complete the Proposed Transaction including whether any shareholder approvals are required or whether the Company will use its existing placement capacity under Listing Rule 7.1 to issue the Consideration Shares.
- other customary representations, warranties and undertakings for a transaction of its nature.

The parties have also agreed to mutual exclusivity arrangements for a period of 45 days, to allow the parties to undertake due diligence and progress formal long form agreements.

Indicative Capital Structure and Effect on the Company

The indicative post-transaction capital stature of Rapid Lithium, based on the capital structure at the time of signing the Term Sheet, assuming the Proposed Transaction proceeds on the above basis, is set out below.

	Shares	Options
Current issued capital	732,110,895	209,052,004
Consideration Shares to be issued	59,360,343	-
Total issued capital at completion	791,471,238	209,052,004

Next Steps

The Company will update the market as further information is available. Shareholders should note that there is no certainty that the Proposed Transaction will complete or that it will be on the same terms as presented in the Term Sheet. Shareholders do not need to take any action at this time.

This announcement has been authorised on behalf of the Rapid Lithium Limited Board by: Martin Holland, Managing Director.

-ENDS-

For further information, please contact:

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Rapid Lithium Limited

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