



23 November 2023

ASX Limited - Company Announcements Platform

**ARMADA METALS LIMITED (ASX: AMM)**

## **ARMADA TO ACQUIRE LITHIUM EXPLORATION PROJECTS IN BRAZIL**

**ARMADA METALS LIMITED** (ACN 649 292 080) (**'Armada'** or **'Company'**) is pleased to announce the signing of a Binding Term Sheet (**Term Sheet**) with Antares Minerais Estratégicos Ltda. (**Antares Minerais**), a Brazilian exploration company, to acquire legal ownership and title over certain Exploration Permits and Applications for Exploration covering an area of 16,750.28 hectares in the eastern portion of Minas Gerais State, Brazil.

The acquisition consists of 14 mineral rights ("the **Permits**") divided into 4 blocks, namely (i) the Agua Boa Project, where pegmatite bodies have been observed (ii) the Rio Doce Project, (iii) the Resplendor Project, and (iv) the Mendes Pimentel Project.

The Projects are accessible and can be reached via State paved roads and well-maintained farm roads. The Projects are also served by high voltage power lines, a nearby railway directly to the Tubarão Port at Vitoria, the capital city of Espirito Santos State, as well as airport infrastructure at Governador Valadares.

### **Rick Anthon, non-Executive Chairman of Armada commented:**

*"This is an exciting transaction for Armada as we diversify both geographically and into lithium, while remaining in the critical metals space. This area in Brazil is attracting significant exploration attention for the potential discovery of lithium-bearing pegmatites, with a number of other operators in the region and known occurrences. We can also call upon our in-house experience with lithium and the South American continent. This new planned acquisition, along with our nickel projects in Africa, especially the Bend Nickel Project in Zimbabwe where we are currently drilling and results are expected soon, offers exciting new opportunity to Armada and its shareholders."*



## Term Sheet

Key terms of the Binding Term Sheet include:

- Payment by Armada of a deposit equivalent to AUD\$50,000 on execution of the Binding Term Sheet to secure exclusivity;
- Payment of a commitment fee equivalent to AUD\$100,000 (**Commitment Fee**) following completion of satisfactory due diligence (**DD**) by Armada and execution of a Long Form Definitive Agreement (**Definitive Agreement**) within 45 days of execution of the Binding Term Sheet;
- Subject to the completion of satisfactory DD, the issue of 26,000,000 (twenty-six million) fully paid ordinary shares in Armada to Antares Minerais. at transaction completion. The new shares will be escrowed for various periods up to 9 months following payment of the Commitment Fee;
- Armada committing to invest a minimum of AUD\$500,000 on exploration works on the Permits during the first year;
- Payment of the deposit and Commitment Fee will be out of existing cash reserves and, in the event the Company proceeds to completion, consideration will be given at that time to various options for funding the ongoing exploration commitments; and
- Transaction completion is conditional on various conditions being satisfied, including:
  - receipt by Armada of all third party and other regulatory approvals necessary to complete the transaction; and
  - grant of the Permits and transfer of legal title in the Permits to Armada.

The Term Sheet includes, and the Definitive Agreement will also include, other terms customary to a transaction of this nature.

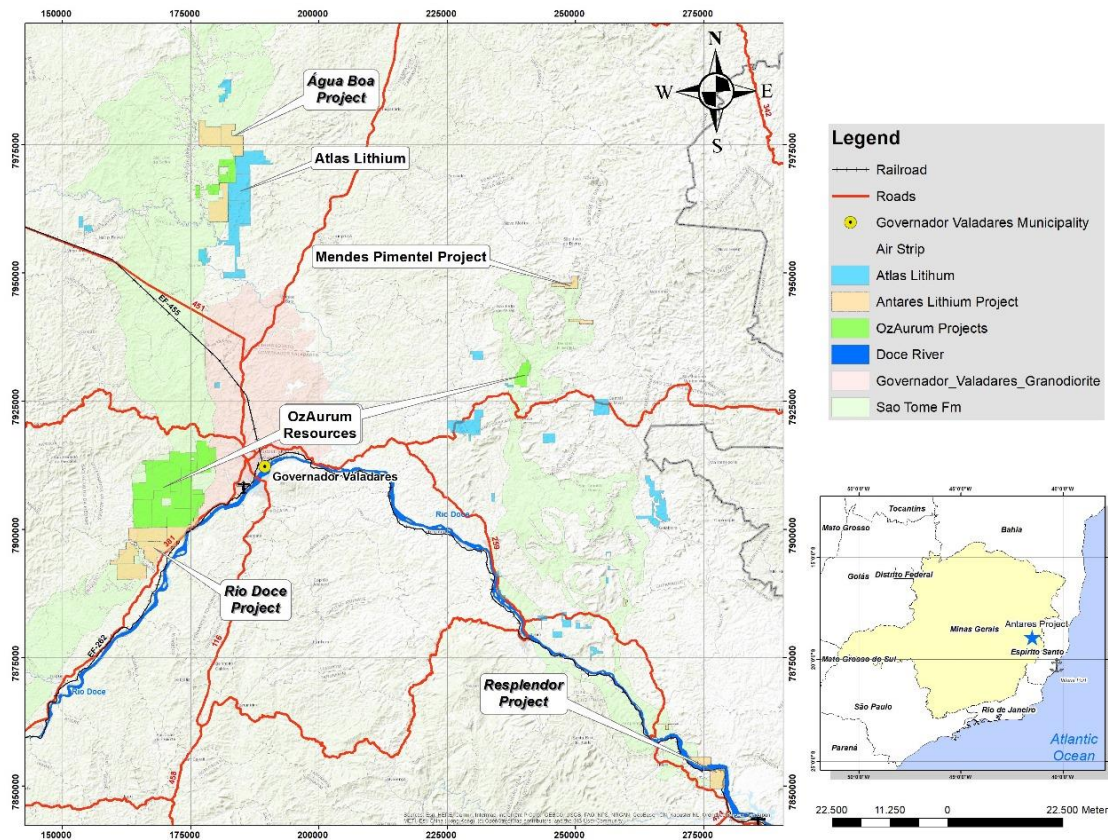


Figure 1. Project locations. Map coordinates in UTM Zone24 S, SAD69.

### The Projects (refer to Figure 1 and Table 1)

- The Água Boa Project is located in the municipalities of Itambacuri, São José da Safira and Frei Inocência, north of Governador Valadares, and consists of 3 Permits totaling 5,699.52 hectares.
- The Rio Doce Project is located close to the municipality of Governador Valadares and consists of 5 Permits totaling 8,302.72 hectares.
- The Mendes Pimentel Project is located close to the municipality of the same name and consists of 2 Permits totaling 918.90 hectares.
- The Resplendor Project is located close to the municipality of Resplendor and consists of 4 Permits totaling 1,829.14 hectares.



Table 1. Projects, Permits and Mineral Process numbers.

Project	AMM Process	Area (ha)	Status	Title Holders	Mineral
Agua Boa	831.239/2023	1,808.24	Exploration Permit	Antares Minerais Energeticos LTDA	Lithium
Agua Boa	831.240/2023	1,915.12	Exploration Permit	Antares Minerais Energeticos LTDA	Lithium
Agua Boa	831.241/2023	1,976.16	Exploration Permit	Antares Minerais Energeticos LTDA	Lithium
Rio Doce	832.733/2023	1,988.47	Application for Exploration	Antares Minerais Energeticos LTDA	Lithium
Rio Doce	832.735/2023	1,292.49	Application for Exploration	Antares Minerais Energeticos LTDA	Lithium
Rio Doce	832.736/2023	1,984.31	Application for Exploration	Antares Minerais Energeticos LTDA	Lithium
Rio Doce	832.737/2023	1,710.06	Application for Exploration	Antares Minerais Energeticos LTDA	Lithium
Rio Doce	832.734/2023	1,327.39	Application for Exploration	Antares Minerais Energeticos LTDA	Lithium
Mendes Pimental	832.730/2023	297.92	Application for Exploration	Antares Minerais Energeticos LTDA	Lithium
Mendes Pimental	832.731/2023	620.98	Application for Exploration	Antares Minerais Energeticos LTDA	Lithium
Resplendor	832.732/2023	80.11	Application for Exploration	Antares Minerais Energeticos LTDA	Lithium
Resplendor	832.727/2023	495.27	Application for Exploration	Antares Minerais Energeticos LTDA	Lithium
Resplendor	832.728/2023	116.28	Application for Exploration	Antares Minerais Energeticos LTDA	Lithium
Resplendor	832.729/2023	1,137.48	Application for Exploration	Antares Minerais Energeticos LTDA	Lithium
		<b>16,750.28</b>			

## Geology

Regionally, each Project is geologically part of the Araçuaí Belt, a mobile/fold belt developed on the eastern edge of the Archean and Proterozoic São Francisco Cráton. Sediments were deposited on this continental margin, with later west to east subduction and generation of a magmatic arc. A series of intrusive supersuites were subsequently emplaced into these sediments. The S4 supersuite stage between approximately 530 and 500 million years ago is associated with lithium pegmatites in the Araçuaí Belt.

The occurrence of pegmatitic rocks is historically known within the Governador Valadares region, within the Araçuaí Belt. These pegmatites are known to contain spodumene (lithium-bearing pyroxene and the principal hard rock lithium mineral). In addition, pegmatites in the region also contain gemstones.

Studies carried out by CPRM (the Brazilian Geological Survey), confirm the presence of lithium-bearing pegmatites in this eastern region of Minas Gerais, emplaced in schists and granitoids, in particular, tonalites, which are found within the Permits. This is considered by CPRM to be the premier belt for lithium pegmatites in Brazil.

In the pegmatite belt, the pegmatite bodies found at surface are in a highly weathered environment and have lensoid shapes and are distributed within the mostly biotite-quartz-schist and granitoids such as tonalites. The tonalite is also subjected to weathering and essentially composed of quartz, biotite/muscovite, feldspars, and other accessory minerals. Pegmatites occur at a range of scales, with spodumene crystals of up to approximately meter-size identified in pegmatites by CPRM (refer to Informe de Recursos Minerais, Programa Geologia do Brasil, Serie Minerais Estrategico No. 03, 2016). The tonalites are commonly correlated with the schistosity of the host rock (when schists), although they may be random (when in granitoids).



Near the Agua Boa and Rio Doce Projects there are historic artisanal mining occurrences, with tourmalines, aquamarine, beryl and kunzite (gem quality spodumene), in the same geological environment found within the Project areas. Additionally, meter-wide pegmatite bodies were identified within the Agua Boa Project's perimeter, confirming the exploration potential.

This belt of pegmatites has been relatively unexplored for lithium, and similarly to previous "rushes" of interest in lithium pegmatites in Western Australia, Quebec and Ontario the potential of this belt is only now being appreciated and explored.

### **Executive Appointment**

In undertaking the DD and ongoing exploration program, the Company will be able to draw upon the valuable experience of its directors in particular, Martin Holland and Rick Anthon who have both had significant experience in the lithium space and with developing projects in South America.

The Company is also pleased to advise that Martin Holland will move to the role of Executive Director and assume primary carriage of the Brazilian Projects on behalf of Armada. Mr Holland has signed an initial 6-month consultancy agreement with Armada which includes payment of a consultancy fee of AUD\$10,000 per month and the granting of options, with the approval and terms subject to shareholder approval which will be sought at the Company's next meeting of shareholders and outlined in the Notice of Meeting therein.

This announcement has been authorised on behalf of the Armada Metals Limited Board by: Dr Ross McGowan, Managing Director & CEO.

-ENDS-

### **For further information, please contact:**

**Dr Ross McGowan – Managing Director & CEO**

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