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C$69 MILLION[1] INVESTMENT, OFFTAKE AND STRATEGIC PARTNERSHIP WITH VOLKSWAGEN AND POWERCO TO PROPEL PATRIOT BATTERY METALS TOWARDS PRODUCTION

December 18, 2024 – Vancouver, BC, Canada *December 18, 2024 – Sydney, Australia*

Europe's largest car manufacturer positions Patriot Battery Metals to become a key future supplier of lithium raw materials for the North American and European battery supply chains.

HIGHLIGHTS

- Volkswagen Group, through its holding and financing company, Volkswagen Finance Luxemburg S.A. ("**Volkswagen**"), will invest ~C$69 million[1] to acquire 9.9% of Patriot's issued and outstanding common shares (the "**Common Shares**").
- Subscription price of C$4.42 per share represents a 65% and 35% premium to the 30-day and 90-day volume weighted average price.
- Binding offtake commitment to be entered into with Volkswagen's 100%-owned vertically integrated battery manufacturer, PowerCo SE ("**PowerCo**"), to supply 100,000 tonnes of spodumene concentrate (SC5.5 target) per year over a 10-year term, representing ~25% of the estimated Stage 1 or ~12.5% of combined Stage 1 and Stage 2 production from the Shaakichiuwaanaan Lithium Project in Québec, Canada (the "**Shaakichiuwaanaan Project**").[2]
- Offtake expected to supply PowerCo's cell production activities in Europe and North America, including its battery cell factory in St. Thomas, Canada, with production capacity of up to 90 GWh.
- Memorandum of Understanding ("**MoU**") signed to establish an ongoing strategic relationship between PowerCo and Patriot to jointly explore and collaborate on shared strategic objectives, including opportunities for the future development of the Shaakichiuwaanaan Project centred around establishing a cost-competitive, sustainable and ESG-compliant battery supply chain that will attract government support and incentives and the potential development of a chemical conversion facility.
- Following completion of the feasibility study for the Shaakichiuwaanaan Project, Volkswagen may contribute additional financing to support the Shaakichiuwaanaan Project in return for additional offtake on terms to be mutually agreed.

Vancouver, British Columbia – December 18, 2024 – Patriot Battery Metals Inc. (the "**Company**" or "**Patriot**") (TSX: PMET | ASX: PMT | OTCQX: PMETF | FSE: R9GA) is pleased to announce that it has entered into a subscription agreement with Germany's largest car manufacturer,

[1] Canadian equivalent amount which is based on gross proceeds of US$48 million to be paid at closing and based on a USDCAD exchange rate of 1.4310 as at December 17, 2024. Actual Canadian equivalent amount is subject to prevailing USDCAD exchange rate at closing.

[2] Based on estimated production for Stage 1 and Stage 2 outlined in the Company's "NI 43-101 Technical Report Preliminary Economic Assessment for the Shaakichiuwaanaan Project" dated August 21, 2024 prepared by Todd McCracken, P.Geo., Hugo Latulippe, P.Eng., Shane Ghouralal, P.Eng., MBA, Luciano Piciacchia, P.Eng., Ph.D, Ryan Cunningham, M.Eng., P.Eng. and Nathalie Fortin, P.Eng., M.Env., which is available on SEDAR+.

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Volkswagen, providing for the issue and sale to Volkswagen of 15,557,500 Common Shares at a price of C$4.42 per share (the "**Subscription Price**"), for aggregate gross proceeds of approximately C$69 million[3] to be paid on closing in U.S. Dollars in the amount of US$48 million (the "**Strategic Investment**").

The Subscription Price represents a 65% and 35% premium to the 30-day and 90-day volume weighted average trading price of the Common Shares on the Toronto Stock Exchange ("**TSX**") for the period ending December 17, 2024, the last trading day prior to the announcement of the Strategic Investment.

Upon closing of the Strategic Investment, Volkswagen will own approximately 9.9% of Patriot's issued and outstanding Common Shares on a pro forma non-diluted basis and will be granted certain rights pursuant to an investor rights agreement to be entered into between Volkswagen and the Company (the "**Investor Rights Agreement**").

The proceeds from the Strategic Investment will be used for exploration, development and completion of a feasibility study on the Shaakichiuwaanaan Project, as well as for general and working capital purposes.

As part of the Strategic Investment, Patriot will enter into a binding offtake term sheet (the "**Offtake**") with Volkswagen's wholly-owned and vertically integrated battery manufacturer, PowerCo, for Patriot to supply 100,000 tonnes of spodumene concentrate (SC 5.5 target) per year over a 10-year term.

The Offtake is expected to supply PowerCo's cell production activities in Europe and North America, including its battery cell factory in St. Thomas, Canada. St. Thomas is intended to become PowerCo's largest cell factory with a production capacity of up to 90 GWh, enough to produce over one million electric vehicles a year. Building a North American EV supply chain, from raw materials supply to the construction and operation of Gigafactories, is part of PowerCo's mission.

Volkswagen has become the largest European manufacturer of electric vehicles. The company has made substantial strategic and financial commitments to the EV industry in North America. Among these investments to drive growth include the US$5.8 billion investment in Rivian to jointly develop EV architecture and software, the revival of the Scout brand and its partnership with solid-state cell manufacturer QuantumScape.

Ken Brinsden, Patriot's President, CEO & Managing Director, said: *"We welcome Volkswagen and PowerCo as our strategic partner. This is a pivotal milestone for Patriot as we bring in a long-term strategic partner who is already a major participant in the European and North American battery supply chain as the first customer of the globally significant Shaakichiuwaanaan Project. This investment is consistent with our long-term strategy for Patriot to become a global lithium leader and a key supplier of lithium raw materials to the emerging North American and European battery materials supply chains."*

"The initial investment by PowerCo and Volkswagen validates the world-class nature of the Shaakichiuwaanaan Project and the Offtake cements the Company's future as a major lithium raw materials supplier of choice in their EV supply chain."

[3] Canadian equivalent amount which is based on gross proceeds of US$48 million to be paid at closing and based on a USDCAD exchange rate of 1.4310 as at December 17, 2024. Actual Canadian equivalent amount is subject to prevailing USDCAD exchange rate at closing.

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Thomas Schmall, Volkswagen Group Board Member for Technology, said: *"This investment represents a significant milestone in our journey toward a fully electric future. By collaborating with Patriot Battery Metals, we are not only securing key raw materials for cutting-edge sustainable battery technology but also reinforcing our commitment to North America. Together with partners, we are building a dedicated e-mobility ecosystem in North America, ranging from battery technology to software and specific vehicle architectures."*

Jörg Teichmann, Chief Procurement Officer of PowerCo, said: *"This is an important milestone to becoming one of the leading providers of outstanding battery technology. At the same time, it enables us to fulfil our aspiration of covering relevant steps along the entire value chain – from sourcing of raw materials to the operation of gigafactories. We are very pleased to have found such a partner in Patriot and to support the team in becoming one of the global lithium leaders and key supplier of lithium raw materials to the emerging North American and European battery materials supply chains."*

Offtake

In the Offtake, to be entered into with PowerCo upon closing of the Strategic Investment, PowerCo will be entitled to an annual supply of 100,000 tonnes of spodumene concentrate with a target specification of 5.5% Li_2O for a term of 10 years, with the option to extend for another five years upon mutual agreement of the parties. The offtake pricing mechanism is linked to reported indices for lithium chemicals and spodumene using modifying factors against the indices to derive an adjusted long-term contracted price for spodumene concentrate recognising that PowerCo has provided a strategic investment in the Company. The pricing mechanism is subject to regular price reviews to ensure pricing continues to remain connected to reported prices for spodumene concentrate.

The Offtake is subject to a number of customary terms and conditions reflecting the pre-feasibility status of the Shaakichiuwaanaan Project. The conditions precedent in the Offtake include a final investment decision ("**Project FID**"), obtaining all necessary authorizations and approvals and successful commissioning of Stage 1 of the Shaakichiuwaanaan Project by 30 June 2031.

The parties intend to replace the Offtake term sheet with a more comprehensive offtake agreement following completion of the feasibility study. If a comprehensive offtake agreement has not been entered into within 90 days of the feasibility study (or a later date as agreed by the parties), the binding Offtake term sheet will continue to apply.

Investor Rights Agreement

The Investor Rights Agreement to be entered into by Patriot and Volkswagen on closing of the Strategic Investment will grant Volkswagen the right to participate in future equity raises by the Company. The Company has also agreed to use commercially reasonable efforts to assist Volkswagen to acquire additional Common Shares at then-current market prices in connection with ordinary course dilution. Volkswagen has agreed in the Investor Rights Agreement to a 24 month standstill on customary terms. Volkswagen has also agreed not to transfer the Common

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Shares acquired in the Strategic Investment for a period of two years, except in certain customary circumstances including takeovers, mergers or plans of arrangement.

Volkswagen and PowerCo will be represented on an advisory technical committee to be formed by Patriot to support the planning and development of the Shaakichiuwaanaan Project.

The Investor Rights Agreement contemplates that following release of the feasibility study for the Shaakichiuwaanaan Project, Volkswagen will have the opportunity to act as a cornerstone investor for Project FID funding in return for additional offtake, in each case on terms to be mutually agreed by the parties. Any such Project funding provided by Volkswagen would form part of the Company's overall funding strategy for the Shaakichiuwaanaan Project.

MoU

As part of the Strategic Investment, Patriot and PowerCo have entered into a non-binding and non-exclusive MoU to be effective on closing of the Strategic Investment for a 24 month term. In the MoU, the parties have agreed to jointly explore opportunities for collaboration on shared strategic objectives relating to the Shaakichiuwaanaan Project including:

- providing assistance and support for the future development of the Shaakichiuwaanaan Project including broadening the Shaakichiuwaanaan Project's exposure to a wider range of investors, financiers and other commercial or strategic partners who can assist with the funding and development of the Shaakichiuwaanaan Project;
- exploring potential downstream partnership opportunities for the development of a chemical conversion facility at a location to be determined;
- exploring midstream opportunities to produce an intermediary product at the mine to lower transport costs and carbon intensity;
- achieving industry-best ESG standards;
- collaborating on tolling opportunities;
- targeting partnerships with proven chemical conversion knowhow and technology partners; and
- leveraging existing relationships toward government support, incentives and funding.

Timing

The Strategic Investment is subject to TSX approval and other customary closing conditions and is expected to close on or before mid-January, 2025. The Common Shares issued to Volkswagen will be issued under the Company's existing ASX Listing Rule 7.1 capacity without shareholder approval.

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws and may not be offered or sold within the United States or to U.S. Persons absent registration under, or an applicable exemption from the registration requirements of, the U.S. Securities Act and applicable state securities laws.*

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Advisors

Macquarie Capital is acting as financial advisor to Patriot. Patriot is represented by Davies Ward Phillips & Vineberg LLP in Canada and Allens in Australia.

About Patriot Battery Metals Inc.

Patriot Battery Metals Inc. is a hard-rock lithium exploration company focused on advancing its district-scale 100%-owned Shaakichiuwaanaan Property (formerly known as Corvette) located in the Eeyou Istchee James Bay region of Québec, Canada, which is accessible year-round by all-season road and is proximal to regional powerline infrastructure. The Shaakichiuwaanaan Mineral Resource[4], which includes the CV5 & CV13 spodumene pegmatites, totals 80.1 Mt at 1.44% Li2O Indicated, and 62.5 Mt at 1.31% Li2O Inferred, and ranks as the largest lithium pegmatite resource in the Americas, and the 8th largest lithium pegmatite resource in the world. Additionally, the Shaakichiuwaanaan Property hosts multiple other spodumene pegmatite clusters that remain to be drill tested, as well as significant areas of prospective trend that remain to be assessed.

About PowerCo SE and Volkswagen AG

PowerCo's parent company, Volkswagen AG, also known as the Volkswagen Group, manufactures and sells automobiles in Germany, other European countries, North America, South America, the Asia-Pacific, and internationally. The company operates through four segments: Passenger Cars and Light Commercial Vehicles, Commercial Vehicles, Power Engineering, and Financial Services. From battery management to cell production and recycling – the Volkswagen Group is evolving into a profitable expert throughout the entire lifecycle of the key component, the battery. In the process, battery-cell technology will become one of the company's core areas of expertise. Volkswagen AG's subsidiary, PowerCo SE, was established in 2022 and focuses on developing battery cells.

This news release has been approved by the Board of Directors of the Company.

"KEN BRINSDEN"

Kenneth Brinsden, President, CEO & Managing Director

Forward-Looking Information

This news release contains "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws and other statements that are not historical facts. Forward-looking statements are included to provide information about management's current expectations and plans that allows investors and others to have a better understanding of the Company's business plans and financial performance and condition. All statements included in this news release regarding the Company's strategy, future operations, financial position, prospects, plans and objectives of management are forward-looking statements that involve risks and uncertainties. Forward-looking statements are typically identified by words such as "plan", "expect", "estimate", "anticipate", "believe", "may", "could", "would", "achieve", "explore", "develop", "establish" or "will". In particular and without limitation, this news release contains forward-looking statements pertaining to the closing of the Strategic Investment, the expected use of proceeds derived from the Strategic Investment, the entering into of the Offtake and Investor

[4] Shaakichiuwaanaan (CV5 & CV13) Mineral Resource Estimate (80.1 Mt at 1.44% Li2O and 163 ppm Ta2O5 Indicated, and 62.5 Mt at 1.31% Li2O and 147 ppm Ta2O5 ppm Inferred) is reported at a cut-off grade of 0.40% Li2O (open-pit), 0.60% Li2O (underground CV5), and 0.80% Li2O (underground CV13) with an Effective Date of August 21, 2024 (through drill hole CV24-526). Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability.

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Rights Agreement on closing of the Strategic Investment, the expectation that the Company will complete a feasibility study for the Shaakichiuwaanaan Project, the potential that Volkswagen may agree to provide additional financing to the Company in the future in return for additional offtake on terms to be agreed, the satisfaction of the conditions precedent in the Offtake, the entering into by the Company and PowerCo of a comprehensive offtake agreement, and the potential for Volkswagen and PowerCo to collaborate on certain shared strategic objectives identified in the MoU.

Forward-looking information is based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such information or statements. There can be no assurance that such information or statements will prove to be accurate. Key assumptions upon which the Company's forward-looking information is based include the ability of the Company to satisfy all closing conditions of the Strategic Investment and the total funding required and timeline to complete the feasibility study for the Shaakichiuwaanaan Project, the Canadian dollar equivalent of the gross proceeds of the Strategic Investment which will be received in U.S. Dollars, the ability of the Company to achieve Project FID, the economic feasibility of the Shaakichiuwaanaan Project, the ability of the Company to finance the development of the Shaakichiuwaanaan Project on commercially viable terms, receipt of all permits necessary to construct and operate the Shaakichiuwaanaan Project, and the ability of the Company to produce lithium at the Shaakichiuwaanaan Project to satisfy its obligations under the Offtake. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions considered by the Company.

Forward-looking statements are also subject to risks and uncertainties facing the Company's business, any of which could have a material adverse effect on the Company's business, financial condition, results of operations and growth prospects. Some of the risks and the uncertainties that could cause the Company's actual results to differ materially from those expressed in the forward-looking statements include, among others, the Company's ability to satisfy all the closing conditions to the Strategic Investment, the ability of the Company to satisfy the conditions precedent in the Offtake, the commercial terms set forth in the Offtake given the early stage of the Shaakichiuwaanaan Project, the development of the Shaakichiuwaanaan Project, currency exchange rates and the ability of the Company to satisfy its contractual obligations. In addition, readers are directed to carefully review the detailed risk discussion in the Company's most recent Annual Information Form filed on SEDAR+, which discussion is incorporated by reference in this news release, for a fuller understanding of the risks and uncertainties that affect the Company's business and operations.

Although the Company believes its expectations are based upon reasonable assumptions and has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be factors unknown to the Company that could cause events or results to differ from management's expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. If any of these risks or uncertainties materialize, actual results may vary materially from those anticipated in the forward-looking statements referenced herein. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, readers should not place undue reliance on forward-looking statements.

Forward-looking statements referenced herein are presented for the purpose of assisting investors in understanding the Company's business plans, financial performance and condition and may not be appropriate for other purposes. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable law. The Company qualifies all of the forward-looking statements in this news release by reference to these cautionary statements.

Competent Person Statement (ASX Listing Rule 5.23)

The mineral resource estimate in this release was reported by the Company in accordance with ASX Listing Rule 5.8 on August 5, 2024. The Company confirms that, as of the date of this announcement, it is not aware of any new information or data verified by the competent person that materially affects the information included in the announcement and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed. The Company confirms that, as at the date of this announcement, the form and context in which the competent person's findings are presented have not been materially modified from the original market announcement.

The production target referred to in this release was reported by the Company in accordance with ASX Listing Rule 5.16 on August 21, 2024. The Company confirms that, as of the date of this announcement, all material assumptions and technical parameters underpinning the production target in the original announcement continue to apply and have not materially changed.

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