

2 April 2025

ASX Limited - Company Announcements Platform

RAPID LITHIUM LIMITED (ASX: RLL)

EXECUTION OF PURCHASE AND SALE AGREEMENT TO ACQUIRE THE HIGHLY PROSPECTIVE PROPHET RIVER GALLIUM-GERMANIUM PROJECT

Rapid Lithium Limited ('**Rapid Lithium**' or '**Company**') is pleased to announce, further to its recent announcements to the ASX dated 20 December 2024, 17 February 2025 and 27 February 2025, that it has executed a Purchase and Sale Agreement ('**Agreement**') with Broadstone Resources Inc. ('**Broadstone**') to acquire certain mineral claims that comprise the Prophet River Gallium-Germanium Project ('**Mineral Claims**') located in British Columbia, Canada ('**Transaction**').

Overview of the Gallium Market

Gallium continues to grab news headlines around the world due to the dominance of China in the global gallium market, in which China controls 98% of global gallium production. Gallium is on the critical mineral list for Europe, America and Australia and, with the growth of electronics, semi-conductors and solar panels, it is anticipated the gallium market will grow significantly from US\$2.45B in 2024 to US\$21.53B by 2034¹.

Beyond China, production alternatives are limited. Russia ranks as the second-largest producer globally, however, only represents 0.81% of global production—its output is negligible compared to China's dominance. No other countries are significant producers of primary gallium, creating a near-monopoly situation that heightens supply risk for importing nations.

The demand for gallium has expanded dramatically across numerous high-tech sectors, contributing significantly to the upward pressure on prices. The global gallium market is projected to grow from \$2.32 billion in 2024 to \$2.91 billion in 2025, representing a compound annual growth rate CAGR of 25.4%. More aggressive forecasts suggest the

¹ [https://www.factmr.com/report/gallium-market#:~:text=Gallium%20Market%20Outlook%20\(2024%20to%202034\)&text=The%20market%20has%20been%20forecasted,element%20with%20atomic%20number%2031](https://www.factmr.com/report/gallium-market#:~:text=Gallium%20Market%20Outlook%20(2024%20to%202034)&text=The%20market%20has%20been%20forecasted,element%20with%20atomic%20number%2031)

market could reach \$17.0 billion by 2032, expanding at a CAGR of 24.5%. Upward price pressures are likely to persist as demand continues to expand across the semiconductor, telecommunications, defense, and renewable energy sectors.

The most significant factor driving recent price increases has been China's strategic export restrictions. Beijing implemented initial controls on gallium exports in August 2023, which immediately disrupted global supply chains and pushed prices higher. By December 2024, China had escalated these measures, announcing a comprehensive ban on gallium exports to the United States, further intensifying market pressures. Since China accounts for approximately 98% of global gallium production, these export restrictions have had outsized impacts on global availability and pricing.

China's production advantage stems from its integration of gallium recovery with its massive aluminum industry, as gallium is typically extracted from the alumina processing stream.

Most of the world's gallium is produced as a byproduct of aluminum and zinc refining.

About the Prophet River Project

The Prophet River project (the **Project**) is comprised of ten (10) granted mineral claims located in British Columbia, Canada and covers an area of 2,110 Ha (21km²) covering the historic Cay Mine and surrounding prospective areas.

Access to the Project is facilitated through a network of exploration trails into the main workings of the Project, including the historic Cay Mine. Access to established infrastructure including power and main roads is also in close proximity to the Project as well as large gauge rail lines which link the project area to the deepwater ports of Vancouver and Prince Rupert.

Previous exploration at the Project has demonstrated a number of high-grade zinc, germanium and gallium mineralised zones with mineralisation being identified across twenty-one (21) previous drill holes.

In addition to previous drilling, at the Wolverine Zone, a bulk sample collected assayed 6.28% Zn, 0.36% Pb, 400ppm Ge, 30ppm Ga over a 2.1m interval. At the Nose Zone, a bulk sample collected assayed 22.69% Zn, 1,500ppm Ge, 40ppm Ga over 1.3m interval.

The Nose Zone sample reported some of the highest germanium values recorded globally, underpinning the key strategic value of the project.

The mineral claims cover the main workings of the Cay Mine as well as those areas north and south of the Cay Mine, including the historical workings at the Alpha Zone covering those extensions of the main Dunedin Contact which is interpreted to be the main mineralising conduit depositing zinc, germanium, gallium and lead along that contact.

The total strike length of the Dunedin Contact on the Prophet River claims exceeds 6km remaining open to the south-east.

Importantly, there is interpreted to be two parallel units of the Dunedin Contact, both of which are mineralised.

An overview of the previous exploration undertaken at the Prophet River project is outlined below in **Figure 1**.

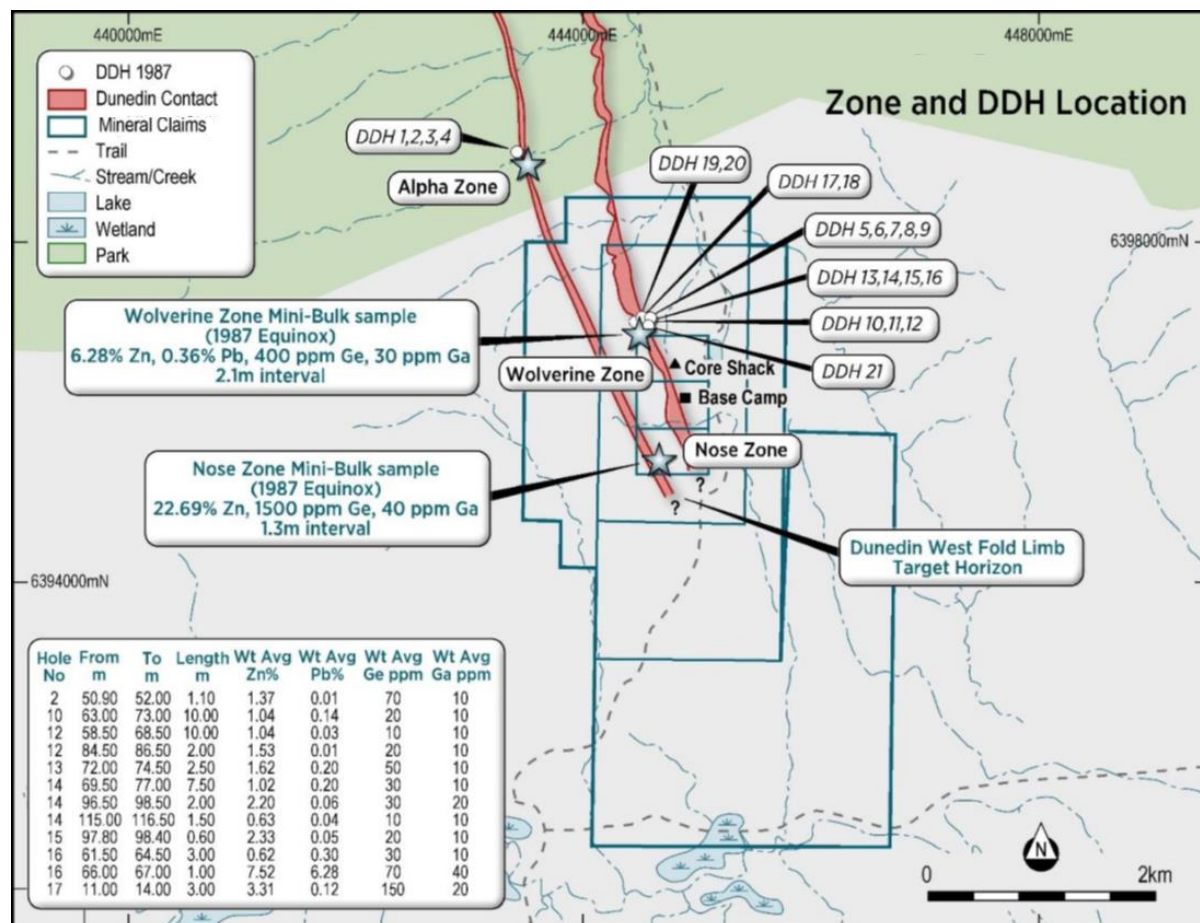


Figure 1: Prophet River, British Columbia. Map illustrates the previous exploration work undertaken at the Prophet River project including drilling and bulk sampling. The interpreted parallel units of the Dunedin Contact are also shown with a strike of 6 km across the project claims which remains open to the south-east. Broadstone also owns the mineral claims north of the historic Cay Mine including the historic workings at the Alpha Zone.

Exploration in this area is targeting the Robb Lake Belt Zn – Pb mineralised formation in Siluro-Devonian carbonate rocks. The germanium and gallium mineralisation is associated with sulphides facies that may be amenable to flotation, suggesting a low-cost processing route for the concentrated product of germanium and gallium, respectively.

At the Prophet River project, gallium and germanium are concentrated in carbonaceous (semi bituminous) lenses. Previous work has led to the discovery of high copper and low lead in a ruby red sphalerite in association with high zinc.

The Company will undertake an initial exploration campaign as soon as the field season allows access to the Project area. To date, the Company has consolidated all previous exploration data into a single database and has digitised and geo-referenced the location and results of historical information. This will be utilised by the Company to guide future exploration campaigns.

Transaction Overview

Under the terms of the Transaction, the consideration payable by the Company to acquire the Mineral Claims is as follows:

- CAD\$130,000 payable to Broadstone (or its nominee) within 5 days of completion of the Transaction;
 - the issue by the Company to Broadstone (or its nominee) 133,333,334 shares in the Company ('**Consideration Shares**'); and
 - the issue by the Company to Broadstone (or its nominee) of 40,000,000 options in the Company ('**Consideration Options**'), which will be exercisable at \$0.015 each and have an expiry date that is 3 years from the date of such issue.
- the Consideration Shares issued will be subject to escrow arrangements for varying periods of up to 10 months;
 - the Transaction is subject to customary conditions, including:
 - the Company passing at its Annual General Meeting ('**AGM**') resolutions to authorise the Company to complete the Transaction in accordance with the Corporations Act and the Listing Rules, including the issue of the Consideration Shares and Consideration Options;
 - there being no breach of any representation or warranty or other provision of the Agreement; and
 - there being no occurrence of a material adverse effect on the Mineral Claims or the ability of a party to complete the Transaction.

Shareholders will be advised of further details in the Notice of AGM which will be despatched to shareholders in mid-April with the AGM scheduled to be held on 28 May 2025.

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

-ENDS-

For further information, please contact:

Martin C Holland – Managing Director

Rapid Lithium Limited

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

This document contains forward-looking statements concerning Rapid Lithium Limited. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward-looking statements in this document are based on the Company's beliefs, opinions and estimates of Rapid Lithium Limited as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Competent Persons Statement

The information in this announcement that relates to exploration results is based on information compiled by Mr. Zhonghua Pan, a Competent Person and a member of Engineers and Geoscientists British Columbia, Canada (Registration number: 62496). Mr. Pan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012). Mr. Pan is the principal geologist and director at JP-Ant Geoconsulting Ltd.

Mr. Pan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ASX Compliance

In preparing this announcement, the Company has relied on information previously disclosed to ASX, namely ASX announcement dated 20 December 2024, 17 February 2025 and 27 February 2025. The Company confirms that it is not aware of any new information or data that materially affects those announcements previously made, or that would materially affect the Company from relying on those announcements for the purpose of this announcement.