

PURSUIT MINERALS LIMITED | ASX: PUR

QUARTERLY REPORT

March 2024

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ASX RELEASE



31 March 2024

Quarterly Report

Pursuit Minerals is a mineral development company focused on the commercialisation of its flagship Rio Grande Sur Lithium Project in Salta, Argentina.

ASX: PUR

Pursuit Minerals Limited (ASX: PUR) (Pursuit or the Company) is pleased to present its activities report for the quarterly period ended 31 March 2024.

Directors

Peter Wall - Non-Executive Chairman

Aaron Revelle - Managing Director & CEO

Tom Eadie - Non-Executive Director

Senior Management

Vito Interlandi - Company Secretary

Alejandro Rodriguez - Chief Operating Officer

Issued Capital

2,943,971,415 Ordinary Shares

147,500,000 Listed / Unlisted Options

710,016,584 Performance Shares

120,000,000 Performance Rights

Shareholders

6,007 Shareholders

Top 20 Shareholders hold 33.07%.

Cash Balance

As at 31/03/2024, PUR's cash balance was approximately \$1.368 million AUD.

Website

www.pursuitminerals.com.au

HIGHLIGHTS

1. Commencement of Stage 1 Drilling Program at the Rio Grande Sur Lithium Project.

2. Completion of commissioning of Lithium Carbonate Pilot Plant.

3. Discussions underway with provincial Government for evaporation pond environmental permitting.

4. \$1.36 million in cash and equivalents available at quarter end.

PROJECT DEVELOPMENT



During the March 2024 quarter, Pursuit Minerals Ltd (“Pursuit” or “Company”) has continued to advance through numerous engineering and geological studies, permitting approval processes and stakeholder engagement activities at our flagship Rio Grande Sur Lithium Project.

Rio Grande Sur (RGS) Lithium Project Argentina

The Rio Grande Sur Project comprises of 5 tenements prospective for lithium on the Rio Grande Salar in the Salta province of Argentina, in addition to a Lithium Carbonate Pilot Plant located in the city of Salta. The five tenements cover approximately 9,233 hectares (Table 1).

Table 1 – Rio Grande Sur Tenement Schedule

	Tenement	Hectares	File Number
1	Maria Magdalena	73.26	3571
2	Isabel Segunda	59.25	16626
3	Sal Rio 02	298.26	21942
4	Sal Rio 01	142.19	21941
5	Mito	8,660.00	23704
	Total	9,232.96	



Figure 1: RGS Project location in the ‘Lithium Triangle’ Region

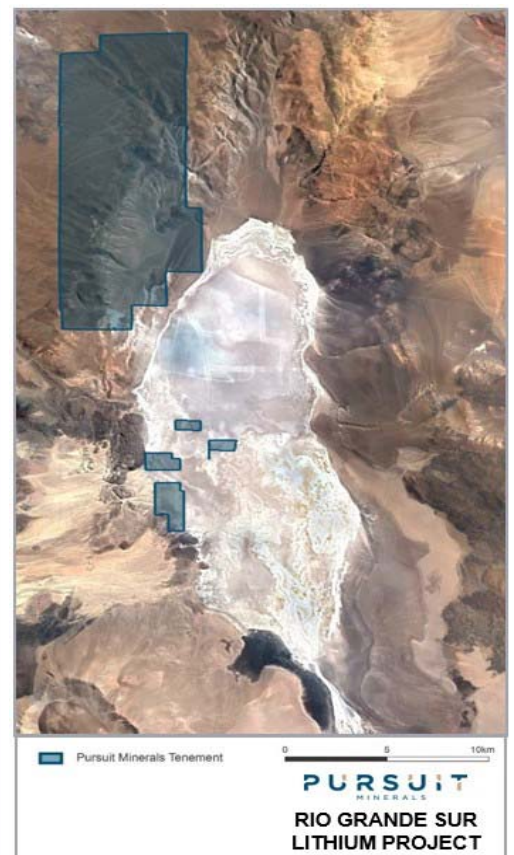


Figure 2: Rio Grande Sur Tenement Map

Rio Grande Sur Stage 1 Drilling Campaign.

During the quarter, Pursuit announced it had commenced its maiden Stage 1 Drilling Campaign following the receipt of environmental permits from the Salta Mining Secretary.

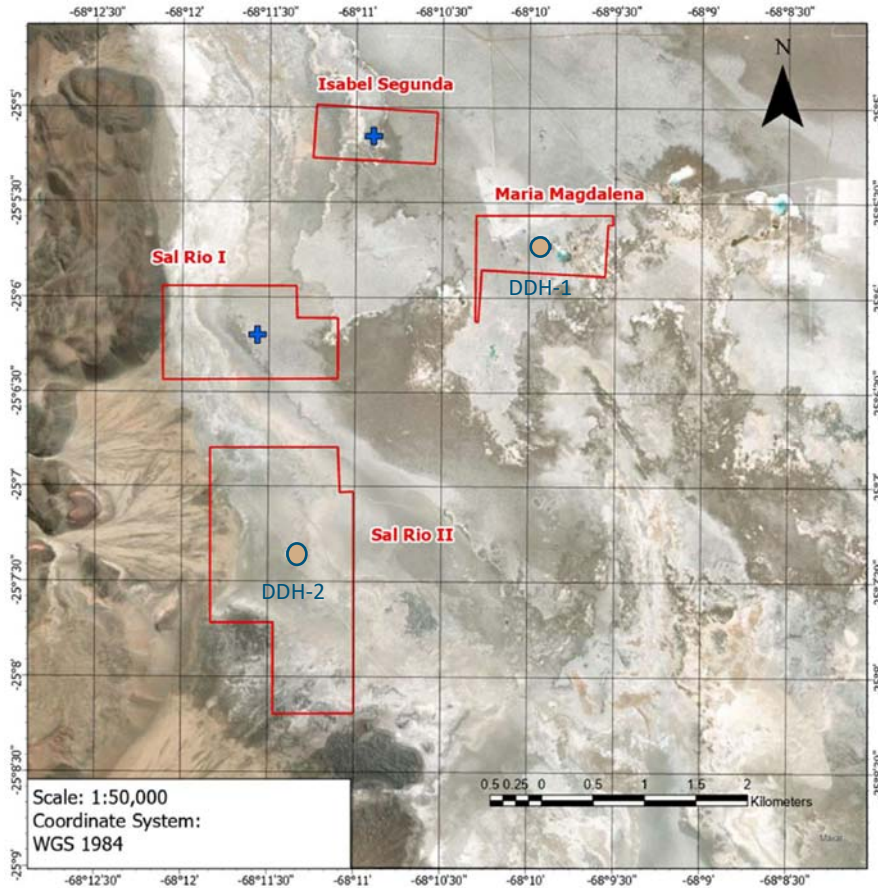


Figure 3: Proposed locations for the Stage 1 Drilling Program.

The maiden drilling program will comprise an initial 4 diamond drill holes on each of the on Salar tenements, with a pumping well to also be drilled following initial results from the first 2 holes to be drilled at Sal Rio II and Maria Magdalena. The drilling is anticipated to reach depths of 500-600m below surface, significantly deeper than the existing defined JORC mineral resource depth.

Each hole is anticipated to take approximately 1 month to complete with the program length dependant on number of rigs operating simultaneously in addition to safety and compliance procedures in adherence of the environmental permits issued by the Salta Mining Secretary.

Pursuit is targeting a material resource upgrade in the 2nd half of 2024 which will build on the recent maiden resource defined at the Rio Grande Sur Project. a Maiden JORC Code 2012 compliant Inferred Mineral Resource Estimate (“MRE” or “Resource”) of 251.3kt LCE at 351mg/Li at the Rio Grande Sur Project in Salta, Argentina¹.

DDH-1 is in close proximity to historical drilling carried out by ADY Resources in 2011 and later audited and re-explored by LSC Lithium Inc in 2018. The drill holes RG-17 and RG-18 yielded results of 395mg/Li and 391mg/Li with the holes drilled to a depth of 50.9m below the surface.

Drilling progress to date has been hindered by extreme weather in addition to multiple audits by the Tolar Grande provincial authorities to check compliance with routine health and safety and environmental requirements causing stoppages often 1 week or longer in duration. In addition, due to the extreme weather the first attempted hole collapsed requiring a recommencement of operations. However, since the recommencement, packer samples yielding lithium brines have been taken up to 100m in depth, with drilling continuing and targeting packer samples to 600m in depth.



Figure 4: Drilling and core retrieval from DDH-1 at the Rio Grande Sur Project



Figure 5: Lithium brine packer samples for testing, collected from DDH-1

The anticipated increase to Rio Grande Sur mineral resource will allow for the support of a larger commercial operation to be anticipated in the project feasibility study which is scheduled for delivery in Q4, 2024.

Further drilling is anticipated following the completion of the Stage 1 program at the Mito tenement located in the north of the Rio Grande Salar. This Stage 2 drilling program is anticipated to occur in the second half of 2024.

Lithium Carbonate Pilot Plant

During the quarter, the Company completed its commissioning and start up works of the Lithium Carbonate Pilot Plant following completion of the relocation of the plant to the new larger purpose processing facility in Salta.



Figure 6: 250tpa Lithium Carbonate Plant at Pursuit's purpose facility in Salta, Argentina

The Pilot Plant operation at the facility in Salta and later at site at Rio Grande is the first significant step in the development of a larger commercial scale operation (circa 15,000-20,000tpa) where Pursuit is targeting continuous production at the Rio Grande Salar. The Pilot Plant allows for the testing of the circuit chemistry in a real time environment seeking to minimise both scalability and quality control issues.

The Pilot Plant will look to produce an initial sample batch using synthetic brine of approximately 50-100kg of product.



Figure 7: 250tpa Lithium Carbonate Plant at Pursuit's purpose facility in Salta, Argentina

Following completion of this milestone, evaporated brine, currently being sourced from the Stage 1 Drilling Program, will be utilised to produce approximately 2 to 10 tonnes of Lithium Carbonate products anticipated to be battery grade product. After this, the Company will consider relocation of the Pilot Plant to site following the completion of construction and filling of evaporation ponds to provide feed for the plant.

The plant has been designed to run for both continuous and batch production for 12 hours per day at a utilisation rate of 91.5% producing Lithium Carbonate at the specification shown in Figure 8.

Lithium Carbonate Product Specs (Battery Grade) ¹		
Composition	Value	Unit
Li ₂ CO ₃	99.5	% w/w
Na	300	ppm max
Fe	5	ppm max
Ca	100	ppm max
SO ₄	375	ppm max
K	30	ppm max
Cl	50	ppm max
Mg	60	ppm max
Cr	5	ppm max
Ni	5	ppm max
Cu	5	ppm max
Pb	5	ppm max
Al	5	ppm max
Zn	5	ppm max
B	10	ppm max
Si	10	ppm max
Mn	10	ppm max
H ₂ O	0.2	% max

Figure 8: Rio Grande Sur Lithium Carbonate Product Specification

Currently, Pursuit's engineering team is developing the final pond layout and design for the 250tpa plant for the environmental permit applications for construction of the evaporation ponds with a preliminary design shown at Figure 9.

The construction of the ponds is anticipated to occur in the second half of 2024 subject to environmental approvals from discussions with the Salta Mining Secretary, other relevant government stakeholders and Pursuit's board approval. The ponds and plant are intended to be located on the Sal Rio 02 tenement where first production of Lithium Carbonate at site could occur in 2025.



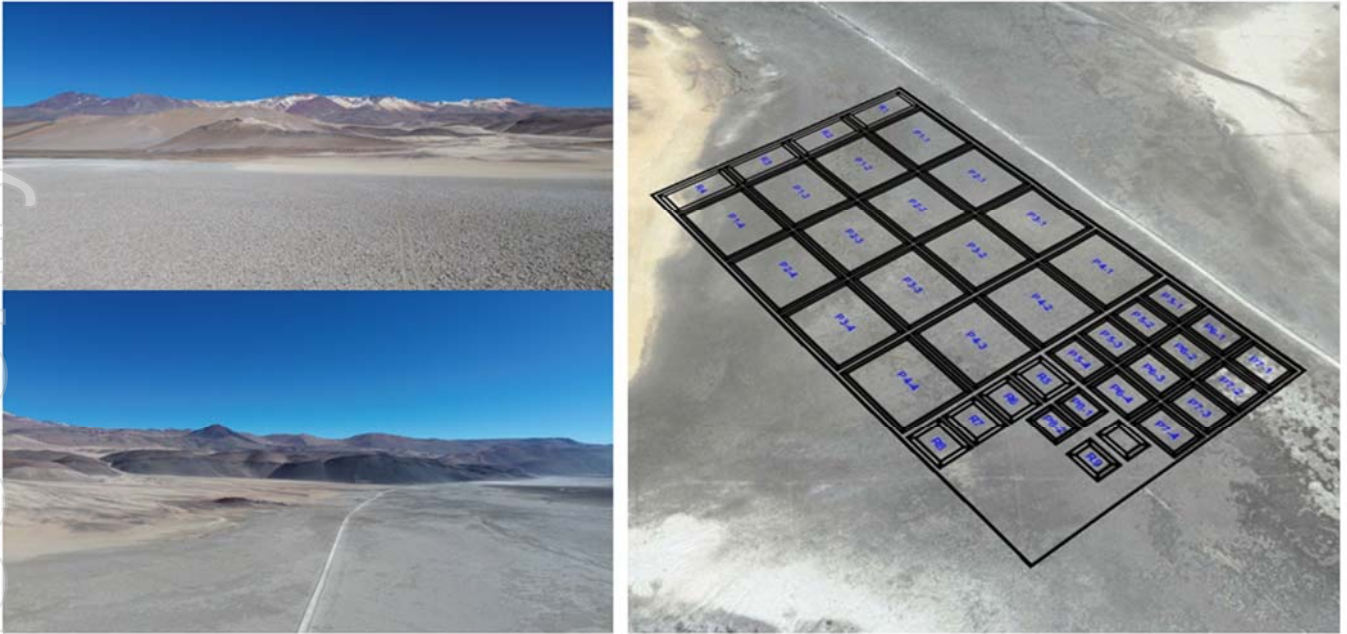


Figure 9: Proposed Pond Location and Layout at Rio Grande Sur

Relocation of the plant to site is expected to occur following completion of the initial circuit testing at the facility in Salta. The relocation of the plant is expected to be straightforward with the equipment packed down and transported to site, where it will be installed in the exact same layout at Rio Grande, in a facility constructed in a similar manner as the facility in Salta which is expected to produce product for preliminary quality testing by end users.

In conjunction with these engineering and construction works, Pursuit is advancing several off-take discussions with a target of executing off-take and counterpart agreements to support continuous production from the 250 tonne per annum plant at the Rio Grande Salar.

WA Project Portfolio

Pursuit has received several third-party expressions of interest to acquire or joint-venture our WA projects, which the board continues to review and evaluate.

CORPORATE



Managing Director & CEO, Mr. Aaron Revelle was a panellist at Fastmarkets Asian Battery Materials Conference 2024 held in Seoul, South Korea. Mr. Revelle was part of the “Securing Stable Lithium Supply for Asia” Panel Discussion, where he was joined by Mr. Chen Dong, Global Marketing Manager of Energy Storage for Albemarle, the world’s largest lithium producer, and Mr. Martim Facada, Managing Director of Lithium Trading at TRAXYS.

Mr. Revelle additionally presented at Market Talk: Developers & Producers Institutional Investor Luncheon. Held in Melbourne showcasing several ASX companies. The event was hosted by Resolve IR and Investibility. Media replays of the presentations are available through each outlet’s social media and distribution channels.

Financial and Cashflow Update for the Quarter

The Company had a cash and equivalents position of \$1.368 Million as of 31 March 2024 with no debt.

In line with its obligations under ASX Listing Rule 4.7C.1, as outlined in the attached Appendix 5B (section 6.1) for the three months ended 31 March 2024, the Company recognised \$79,727 in payments were made to related parties and their associates for director salaries, superannuation, legal services, and consultancy fees associated with services provided from January 2024 to March 2024.

Shareholder Communications

We encourage all shareholders and other interested parties to sign up to our email database to receive updates and announcements direct from the Company. This can be done via the Contact Us page on our website.

June 2024 Quarter Outlook & Focus

Pursuit’s key focus for the June 2024 Quarter is:

- Continuation of maiden drilling program with completion of DDH-1 at Maria Magdalena with DDH-2, 3 and 4 all to commence within the quarter. Resource upgrade targeted by end of Q2 / start of Q3, 2024.
- Commencement of operations at the Lithium Carbonate Pilot Plant with current plans to produce 5-10kg of Lithium Carbonate product.
- Submissions of advanced environmental permits to the Salta Mining Secretary for construction of test ponds as part of the current drilling program, 250tpa evaporation ponds and Stage 2 Drill Program at the Mito tenement.
- Progression of off-take discussions seeking off-take agreement for product produced from the Pilot Plant.
- Continuation of engineering and geological works for project feasibility study targeting release in

INTEREST IN MINING TENEMENTS AT QUARTER END

This section provides information required under ASX listing rule 5.3.3 for mineral exploration entities.

Project	Tenement	Location	Area (km ²)	Expiry Date
Rio Grande Sur	Maria Magdalena	Argentina	0.7326	
Rio Grande Sur	Isabel Segunda	Argentina	0.5925	
Rio Grande Sur	Sal Rio 1	Argentina	2.9826	
Rio Grande Sur	Sal Rio 2	Argentina	1.4219	
Rio Grande Sur	Mito	Argentina	8.660	
Warrior	E70/5392 - Bindi Bindi	WA	94.49	01/12/2025
Warrior	E70/5379 – Calingiri East	WA	179.08	01/12/2025
Warrior	E70/5493 - Wubin	WA	192.98	25/11/2025
Warrior	E70/5678 – Wubin South	WA	53.41	17/01/2026
Commando	E24/199	WA	8.36	15/10/2025
Commando	M 24/282	WA	0.44	28/03/2031
Commando	M24/485	WA	0.10	16/07/2030
Commando	M24/503	WA	4.70	15/07/2030
Commando	M 24/641	WA	1.04	15/07/2030
Commando	P24/4961	WA	0.05	25/08/2024
Commando	P24/4967	WA	2.01	3/11/2023
Commando	P24/5192	WA	0.67	22/10/2025

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NOTICES



Statements contained in this announcement relating to exploration results are based on, and fairly represents, information and supporting documentation prepared by Dr. Brian Luinstra, BSc honours (Geology), PhD (Earth Sciences), MAIG, PGeo (Ontario). Dr Luinstra is a Principal Consultant of SRK Consulting (Australasia) Pty Ltd and a consultant to the Company. Dr. Luinstra has sufficient relevant experience in relation to the mineralisation style being reported on to qualify as a Competent Person for reporting exploration results, as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Luinstra consents to the use of this information in this announcement in the form and context in which it appears. Mr Luinstra confirms that the information in this announcement provided under listing rules 5.12.2 to 5.12.7 is an accurate presentation of the available data and studies for the material mining project.

Forward looking statements

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of Pursuit Minerals Limited's planned work at the Company's projects and the expected results of such work are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/expectations and realize the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties.

This release was approved by the Board of Directors of Pursuit Minerals Limited.

For more information about Pursuit Minerals and its projects, contact:

Aaron Revelle

Managing Director & CEO

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T: + 61 413 275 456

Appendix 5B Mining exploration entity quarterly report

Name of entity

Pursuit Minerals Ltd

ABN

27 128 806 977

Quarter ended ("current quarter")

31/03/24

1. Cash flows from operating activities

- 1.1 Receipts from product sales and related debtors
- 1.2 Payments for
 - (a) exploration and evaluation
 - (b) development
 - (c) production
 - (d) staff costs
 - (e) administration and corporate costs
- 1.3 Dividends received
- 1.4 Interest and other items of a similar nature received
- 1.5 Interest and other costs of finance paid
- 1.6 Income taxes paid
- 1.7 Government Grants and tax incentives
- 1.8 Other Income
- 1.9 **Net cash from / (used in) operating activities**

Current quarter \$A'000	Year to date \$A'000
-	-
-	-
-	-
-	-
(75)	(460)
(147)	(1,368)
-	-
-	-
-	(3)
-	-
-	-
-	-
(222)	(1,831)

2. Cash flows from investing activities

- 2.1 Payments to acquire
 - (a) entities
 - (b) tenements
 - (c) property, plant and equipment
 - (d) exploration & evaluation (if capitalised)
 - (e) investments
 - (f) other non-current assets
- 2.2 Proceeds from sale of:
 - (a) entities
 - (b) tenements
 - (c) property, plant and equipment
 - (d) investments
 - (d) other non-current assets
- 2.3 Cash flow from Loans to other entities
- 2.4 Dividends received (see note 3)
- 2.5 Other - (Provide details if material)
- 2.6 **Net cash from / (used in) investing activities**

-	-
-	-
-	-
(1,098)	(1,664)
-	(939)
-	-
-	-
-	-
-	-
-	-
-	-
(1,098)	(2,603)

3. Cash flows related to financing activities

3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,627
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Cost of Capital	-	(184)
3.6	Repayment of borrowings	(14)	(70)
3.7	Provision of loan	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(14)	3,373

4. Net increase / (decrease) in cash and cash equivalents for the period

4.1	Cash at beginning of period	2,702	8,768
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(222)	(1,831)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,098)	(2,564)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(14)	3,373
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,368	7,746

5. Reconciliation of cash and cash equivalents

	Current Quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,368
5.2	Call deposits	-
5.3	Bank overdrafts	-
5.4	Other (provide details)	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,703

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to the parties included in item 1.2 and 2.1(d)	79
6.2	Aggregate amount of loans to the parties included in item 2.3	-
6.3	Explanation necessary for an understanding of the transactions Payments include consulting fees and directors fees	

Current quarter \$A'000
79
-

7. Financing facilities

7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

7.5 Unused financing facilities available at quarter end

-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

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8. Estimated cash available for future operating activities

- 8.1 Net cash from / (used in) operating activities (Item 1.9)
- 8.2 (Payments for exploration & evaluation classified as investing activities) (Item 2.1(d))
- 8.3 Total relevant outgoings (Item 8.1 + Item 8.2)
- 8.4 Cash and cash equivalents at quarter end (Item 4.6)
- 8.5 Unused finance facilities available at quarter end (Item 7.5)
- 8.6 Total available funding (Item 8.4 + Item 8.5)

\$A'000
(222)
(1,098)
(1,320)
1,368
-
1,368
1.0

8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The Company expects the current level of net operating cash flows to continue for the time being. Net operating cash flows are primarily comprised of exploration expenditure, staff costs and administration expenses.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company is in the process of taking steps to raise capital to secure funding for ongoing operational requirements. The Directors are confident in the Company's ability to raise capital due to its historic experience in securing funding and ongoing communications with funding providers and major shareholders.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company expects to be able to continue operations and meet business objectives. This is on the basis the Directors are confident in the Company's ability to raise capital and manage discretionary spending to ensure that cash is available to meet debts as and when they fall due.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing
- 2 This statement gives a true and fair view of the matters disclosed.

Date:

29/04/2024

Authorised by:

The Board of Directors

(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the ~~name~~ *name of board committee – eg Audit and Risk Committee*". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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