

PURSUIT MINERALS LIMITED | ASX: PUR

QUARTERLY REPORT

December 2023

PURSUIT
MINERALS

ASX RELEASE



31 December 2023 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 December 2023.

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 31/12/2023, PUR's cash balance was approximately \$2.7 million AUD

Website

www.pursuitminerals.com.au

HIGHLIGHTS

1. Maiden Inferred JORC Resource of 251.3kt LCE @ 351mg/Li defined at RGS.

2. Approval of drilling permits to commence Stage 1 Drilling Program at RGS.

3. Completion of relocation of Pilot Plant with startup of commissioning works.

4. Annual General Meeting held with all resolutions passed.

5. \$2.7 million in cash and equivalents available at quarter end.

PROJECT DEVELOPMENT

During the December 2023 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 Maiden Mineral Resource Estimate

During the quarter, Pursuit announced 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.

This strong result was delivered in less than 7 months following Pursuit acquiring the Rio Grande Sur Project in Q1 of 2023, and marked the start of what Pursuit believes will be significant ongoing growth in the project resource ahead of the upcoming drilling campaign.

Table 2 - Maiden JORC Mineral Resource Estimate for Rio Grande Sur Project¹

Resource Category	Tenement	Brine Volume (Mm ³)	Avg. Li Grade (mg/L) ¹	Average Sy	In Situ Li (Kt)	LCE ² (Kt)
Inferred	Maria Magdalena	17.3	382	0.059	6.6	35.2
Inferred	Isabel Segunda	13.5	342	0.057	4.6	24.6
Inferred	Sal Rio 02	68.5	385	0.057	26.4	140.3
Inferred	Sal Rio 01	32.6	295	0.058	9.6	51.2
Total⁵		131.9	351³	0.058⁴	46.3	251.3

Notes:

1. No cut-off grade applied to the Mineral Resource Estimate
2. The conversion for Lithium Carbonate Equivalent (LCE) = Li x 5.3228
3. Weighted average for Lithium Grades used
4. Weighted Average for Specific yield (SY) values used
5. There may be minor discrepancies in the above table due to rounding

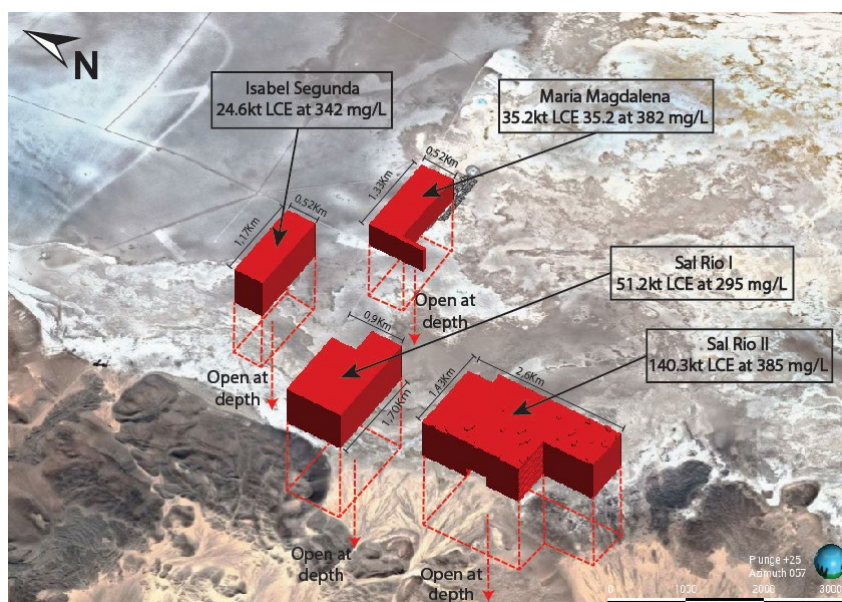


Figure 3: Maiden JORC Mineral Resource Estimate for Rio Grande Sur 3D Model

1. See announcement: Maiden Resource of 251.3kt LCE at 351mg/Li at the Rio Grande Sur Lithium Project released 25 October 2023.

Maiden Drilling Program

After quarter end, the Company confirmed it will commence its highly anticipated maiden drilling campaign following the receipt of advanced exploration environmental permits from the Salta Mining Secretary. These permits were awarded following the completion of various submissions to judiciary authorities which were approved on 29 December 2023 resulting in the drilling permits approval on 4 January 2024.

The maiden drilling program will comprise an initial 4 diamond drill holes on the southern tenements per Figure 4, with a pumping well to also be drilled with its location to be determined following initial results from the first 2 holes to be drilled at the Sal Rio II and Maria Magdalena tenements.

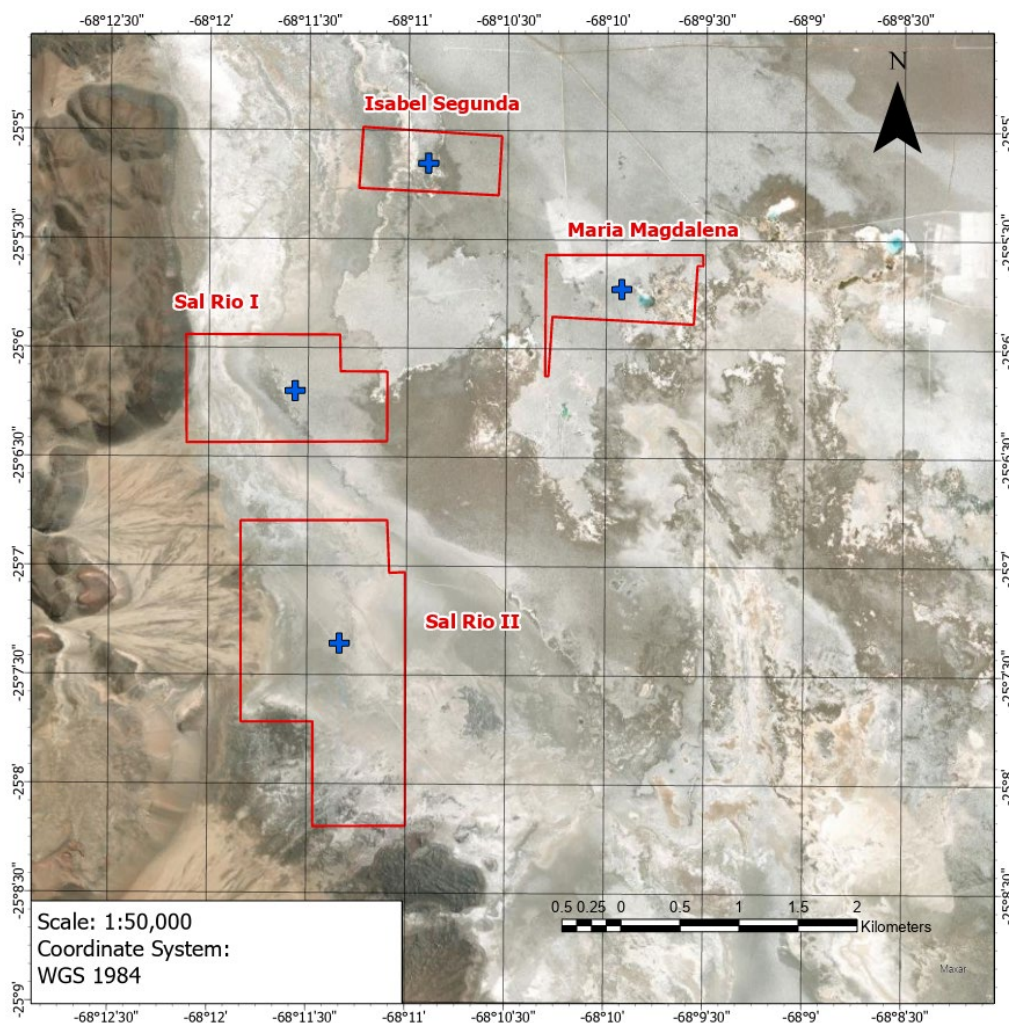


Figure 4 - Proposed locations of Stage 1 Exploration Drilling

The drilling is anticipated to reach depths of 500-600m below surface, significantly deeper than the existing defined JORC mineral resource depth. The drilling contractor, drilling rigs and geological team will begin mobilising over the next week with drilling operations expected to commence towards the end of January / start of February 2024. Each hole is anticipated to take approximately 1 month to complete with the program length dependant on number of rigs operating simultaneously. Pursuit is targeting a material resource upgrade in the 2nd quarter of 2024 which will build on the recent inferred maiden resource.

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.



Figure 5 - Drill rig arriving at the Pursuit Lithium Carbonate Plant preparing for mobilisation to site.

SRK has identified the locations for the proposed Stage 1 drilling program as shown in Figure 4 following the completion of the TEM Survey at the Rio Grande Sur Project.

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 progressed with 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.

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.



Figure 6 - Plant mixing tanks and columns being refurbished at the new Pursuit Lithium Facility in Salta, Argentina.

Building on the previous engineering works, Pursuit's engineering team has carried out a gap analysis of the pilot plant equipment to identify the additional tanks and equipment required to upgrade the plant capacity from its existing 100tpa to 250tpa with the following operations layout designed.

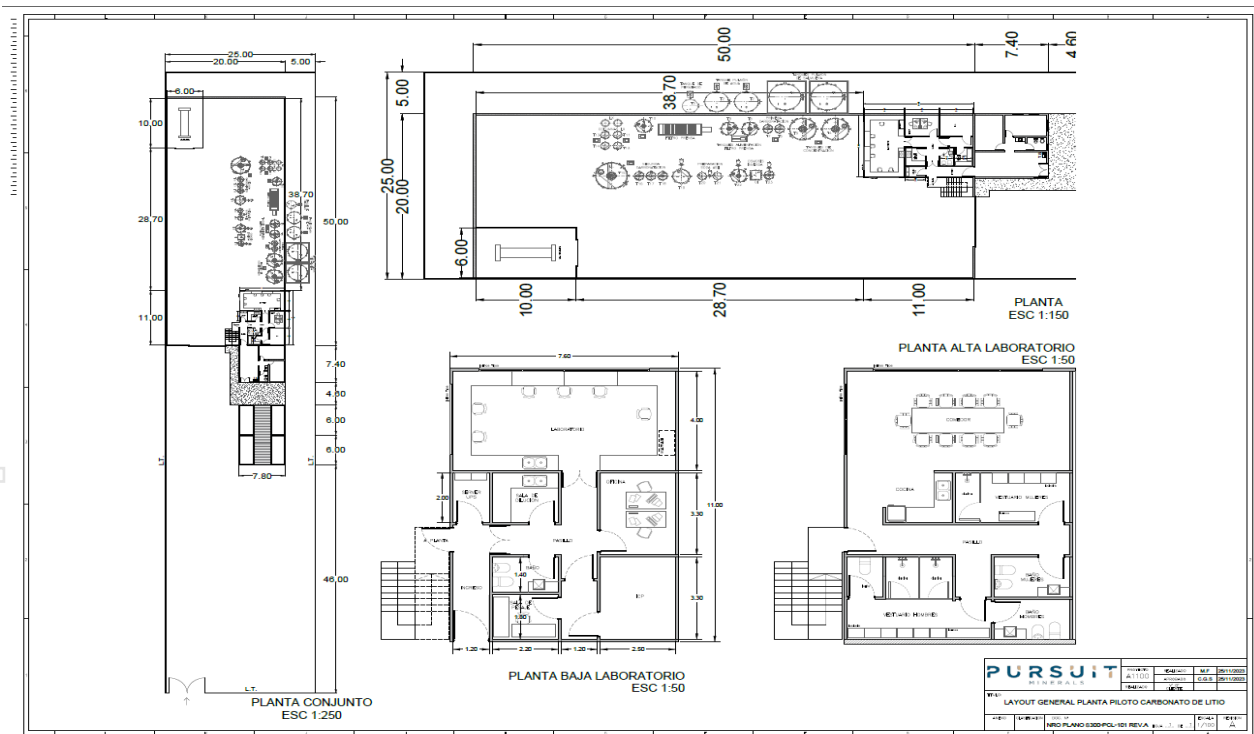


Figure 7 - Pursuit Lithium Carbonate 250tpa Plant Design Layout.

In conjunction with the plant layout, Pursuit's engineering team has developed an upgraded mass balance and plant design for increased capacity to 250tpa.

The plant design has been separated into two stages, the liming plant component, which is intended to be constructed at site upon relocation of the plant to the Salar, and the process circuit, which is currently being commissioned for operation at Pursuit's facility in Salta.

It is expected that the upgraded 250tpa plant will produce a 99.5% battery grade Lithium Carbonate, a product with guaranteed 99.5 wt. % purity and a relatively fine particle size. Battery grade product is a superior purity grade for use as a precursor in making critical battery materials.

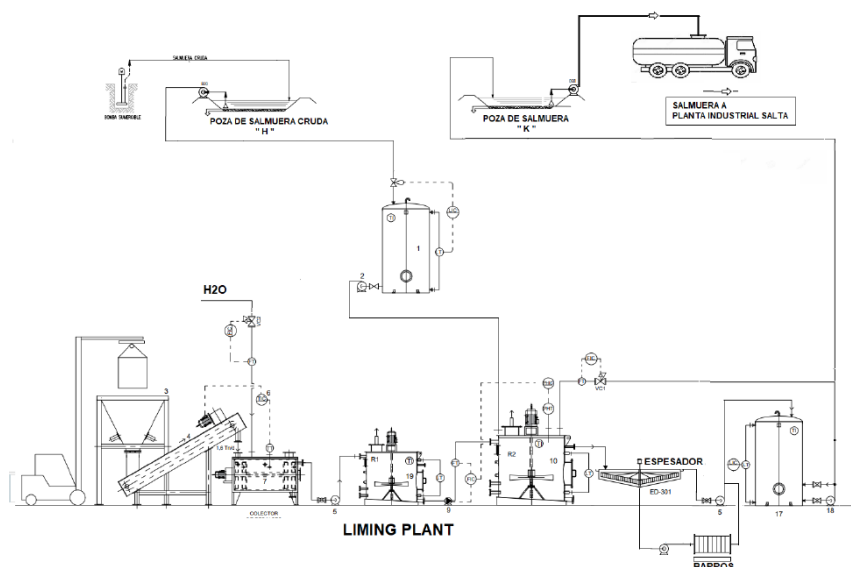


Figure 8 - Liming Plant Engineering Design

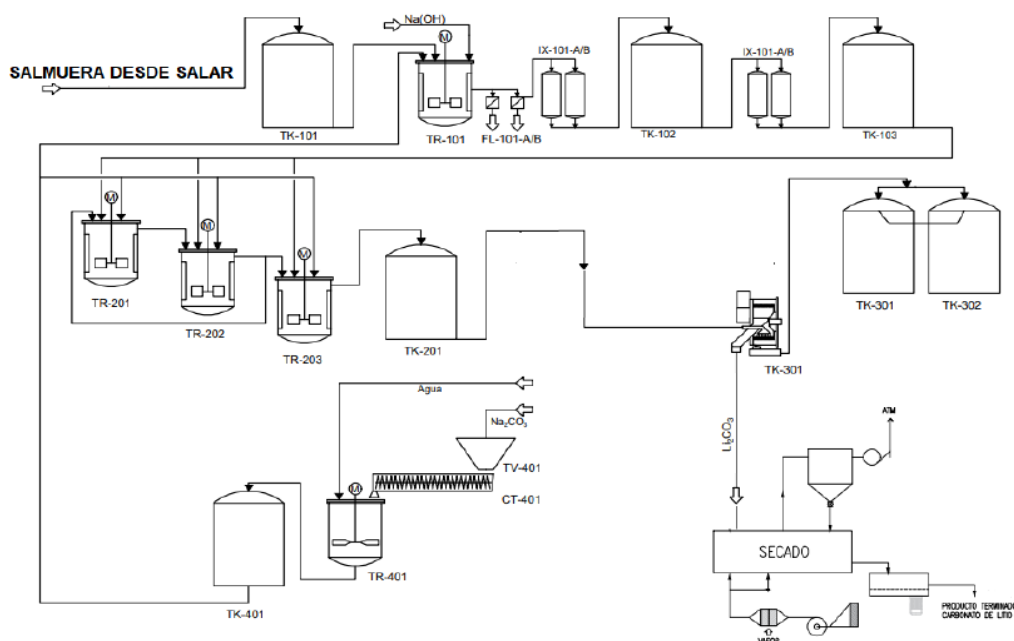


Figure 9 - Lithium Carbonate Plant Engineering Design

It is intended that the plant refurbishment, capacity upgrade and commissioning will be completed in the first half of 2024 where the Pilot Plant will have an operational capacity of 250tpa, upon which Pursuit's engineering team will commence production of Lithium Carbonate from the plant.

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 10.

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.

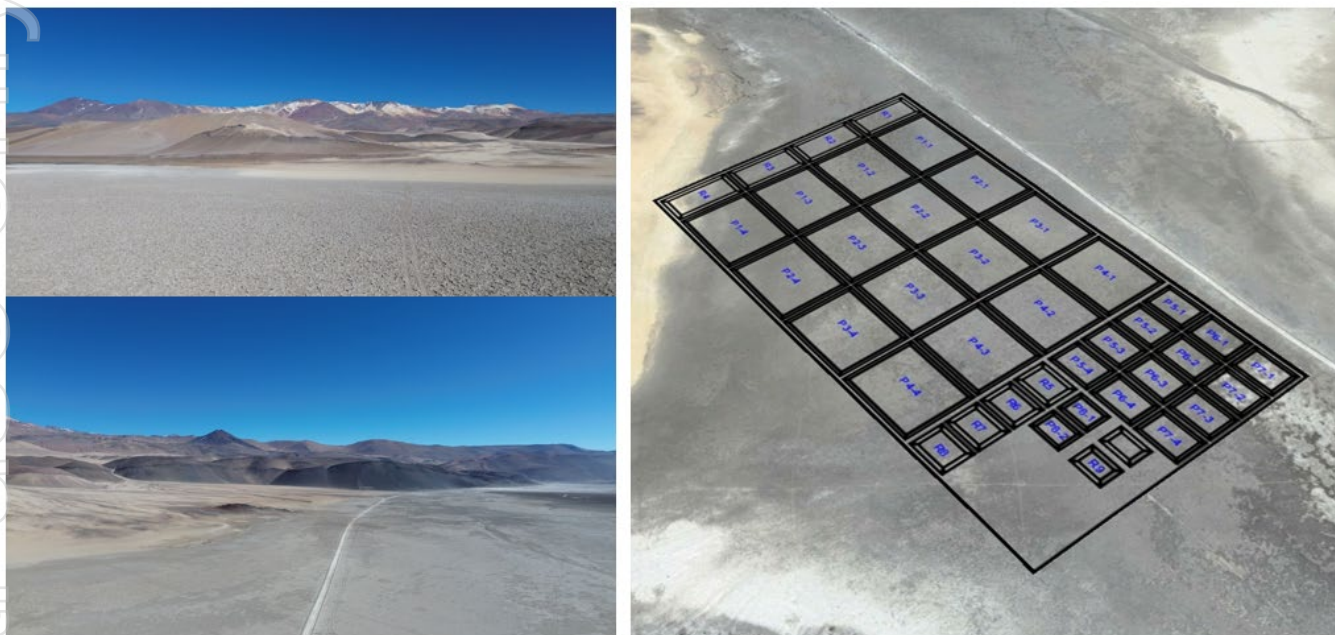


Figure 10 - Proposed Pond Location and Layout at Rio Grande Sur

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 a number of third-party expressions of interest to acquire or joint-venture our WA projects, which the board continues to review and evaluate.

CORPORATE



The Annual General Meeting of the Company was held on Tuesday 28 November 2023 at 11:00am AEDT. All resolutions were passed.

Managing Director & CEO, Mr. Aaron Revelle hosted a webinar presentation and business update on 13 December 2023. The presentation for this webinar was lodged with the ASX and a replay can be viewed on Pursuit's social media channels with access from our website. The webinar additionally included a Q&A session at the conclusion of the presentation.

Financial and Cashflow Update for the Quarter

The Company had a strong cash and equivalents position of \$2.703 Million as of 31 December 2023 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 30 September 2023, the Company recognised \$167,573 in payments were made to related parties and their associates for director salaries, superannuation, legal services and consultancy fees associated with services provided from September 2023 to December 2023.

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.

March 2024 Quarter Outlook & Focus

Pursuit's key focus for the March 2024 Quarter is:

- Commence maiden drilling program with first hole at Maria Magdalena planning to commence in February 2024. Resource upgrade targeted by end of Q2 / start of Q3, 2024.
- Commencement of operations at the Lithium Carbonate Pilot Plant.
- Submission of advanced environmental permits to the Salta Mining Secretary for construction of 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 Q4, 2024.

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

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:

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Managing Director & CEO

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Appendix 5B

Mining exploration entity quarterly report

Name of entity

Pursuit Minerals Ltd

ABN

27 128 806 977

Quarter ended ("current quarter")

31/12/2023

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
-	-
-	-
-	-
-	-
(140)	(385)
(191)	(1,221)
-	-
-	-
-	(3)
-	-
-	-
(331)	(1,609)

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**

-	-
-	-
-	(566)
(635)	(939)
-	-
-	-
-	-
-	-
-	-
-	39
-	-
-	-
-	-
-	-
(635)	(1,466)

3. Cash flows related to financing activities

3.1 Proceeds from issues of equity securities (excluding convertible debt securities)

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

3.6 Repayment of borrowings

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

4.1 Cash at beginning of period

4.2 Net cash from / (used in) operating activities (item 1.9 above)

4.3 Net cash from / (used in) investing activities (item 2.6 above)

4.4 Net cash from / (used in) financing activities (item 3.10 above)

4.5 Effect of movement in exchange rates on cash held

4.6 **Cash and cash equivalents at end of period****5. Reconciliation of cash and cash equivalents**

5.1 Bank balances

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)****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)

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

7. Financing facilities

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities****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.

	-
-	3,627
-	-
-	-
-	-
-	(184)
(5)	(56)
-	-
-	-
-	-
(5)	3,387
	-
	-
3,673	6,065
(331)	(1,609)
(635)	(1,466)
(4)	3,387
-	-
2,703	6,377
Current Quarter	Previous quarter
\$A'000	\$A'000
2,703	3,674
-	-
-	-
-	-
2,703	3,674

Current quarter
\$A'000
167
0

Total facility amount	Amount drawn at
at quarter end	quarter end
\$A'000	\$A'000
14	14
-	-
-	-
14	14

-

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)
- 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:

SA'000
(331)
(635)
(966)
2,703
-
2,703
2.8

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: N/A

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: N/A

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: N/A

Compliance statement

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

Date:

30 January 2024

Authorised by:

The Board of Directors

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

Notes

- 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.

- 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.

- 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.

- 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 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".

- 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.