



PATAGONIA LITHIUM

30 January 2025

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QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 31 DECEMBER 2024

Patagonia Lithium Limited (**Patagonia** or **Company**) (**ASX:PL3**) presents its Quarterly Report for the three months ended 31 December 2024.

ASX:PL3
Options:PL3O

Issued capital
Shares
74,837,252
Options quoted
14,641,250 (\$0.30)
Options unquoted
13,169,904
Rights
2,000,000

Directors
Phillip Thomas
Rick Anthon
Sam Qi
Pablo Tarantini

Company Secretary
Jarek Kopias

Projects
Formentera/Cilon
Tomas III

Next Milestones
Formentera/Cilon
• Cilon well 5
• BMR Surveys
• Formentera
MRE estimate

Office
Level 6, 505 Little Collins Street,
Melbourne 3000

Highlights Argentina

- In November 2024, the Company completed well four to 407m depth and the assays were very encouraging. The results from the 72 hour pump test were exceptional at 3,551L per hour, 40% higher than well three.

JAM24-04													
Alex Stewart	Sample No	from	to	Interval	SG	Lithium	SGS Lithium	Magnesium	Mg:Li ratio	Potassium	Conductivity	pH	
Assay - Zone		M	M	M	g/ML	ppm		ppm		ppm	uS/cm		
Standard 400ppm	S	Standard C-3001 (Li 400)				1.212	397		1475	3.72	3156	287.29	<1.0
	7	251.50	263.50	12.00	1.060	152		855	5.63	1409	99.65	7	
	D	duplicate for 7				1.081	197	(9) 174	834	4.23	1947	128.18	7.2
sands	8	288.00	300.00	12.00	1.063	152		815	5.36	1425	104.35	7.3	
	9	324.79	332.50	7.71	1.073	174	177.00	883	5.07	1704	117.84	7.3	
	D	duplicate for 9				1.072	173	173.00	885	5.12	1636	117.84	7.3
	10	354.79	362.50	7.71	1.079	186	193.00	921	4.95	1758	124.73	7.2	
	11	384.79	392.50	7.71	1.081	200	203.00	849	4.25	1904	127.89	7.2	

Figure 1. Packer assays from Well JAM 24-04, with 203ppm Li at 392m depth.

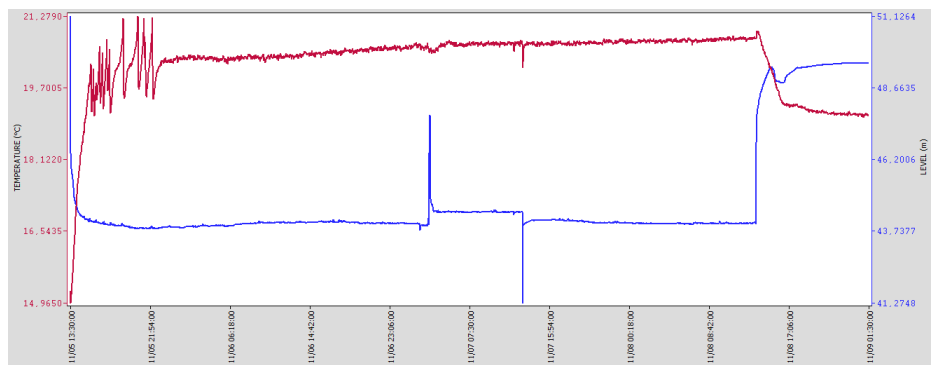


Figure 2. The above graph shows temperature (red line) and depth of brine in well (blue line) – the brine level drops 4.73m when pumping commences and stays at this level for 72 hours until pumping stops. The brine inflow refills the well to the static level in five hours.

- Tests on 3 cores selected from well 4 showed outstanding total porosity in two units at 151m and 390m supporting the lithological analysis of a deep aquifer.

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- Patagonia surveyed and located the well to be drilled on the Cilon concession which is planned for after the Mineral Resource Estimate completion in mid-January 2025.
- Work continued on the Production EIR Ekosolve demonstration plant application, and it was upgraded to 1,000 tonnes capacity of lithium carbonate with testing on reinjection of waste brines from the proposed Ekosolve Plant into barren areas, and evaporating in the lagoon and ponds.
- On 22 January 2025, the inferred mineral resource estimate was released of **insitu 717,000 tonnes of lithium metal** or if multiplied by 5.32 equates to approximately **3.8 million tonnes of LCE**. The extractable brine from the free flow and capillary zones was 173,000 tonnes of LCE.

Brazil

- The Company has been granted all 25 exploration concessions it applied for in the states of Minas Gerais, Goias and Mato Grosso, Brazil.
- Reconnaissance work is being planned for the Goais concessions 830164/165 as a priority.

Corporate

- The Company is in advanced negotiations to raise further funds to achieve its business objectives for 2025 which includes an upgrade of the Mineral Resource Estimate (MRE) by completing a 600m deep well at Cilon, four BMR surveys and a scoping study to be followed by a feasibility study based on the 1,000 tonne Ekosolve DLE demonstration plant application.
- Dialogue continues with our main institutional investor and continued dialogue with other investors with signed applications for placements.
- Cash balance at 31 December 2024 was \$54,000.

Patagonia Lithium Limited (**ASX:PL3**) is a focussed lithium brine, ionic clay Rare Earth, explorer. The Company is pleased to provide the following update on its activities for the quarter ended 31 December 2024.

Patagonia has two highly prospective projects in the lithium triangle in Argentina, Formentera/Cilon concessions in the Paso Salar, Jujuy Province and the Tomas III concession in the Incahuasi Salar in Salta Province, Northern Argentina. The Company has 22 granted concessions in Mato Grosso, Minas Gerais and Goias states in Brazil.

EXPLORATION ACTIVITIES

Formentera/Cilon – Jujuy Province

The Company's concession covers 1,752 hectares (Has) or approx 17.5 km². Cilon covers 200 Has and operated in the past as a borate mine where ulexite was mined. Sealed road access is excellent and there is a large lagoon to the west in the concession. The 52 National sealed highway runs past the project and the town of Jama is 10km away and Susques is 104km away.

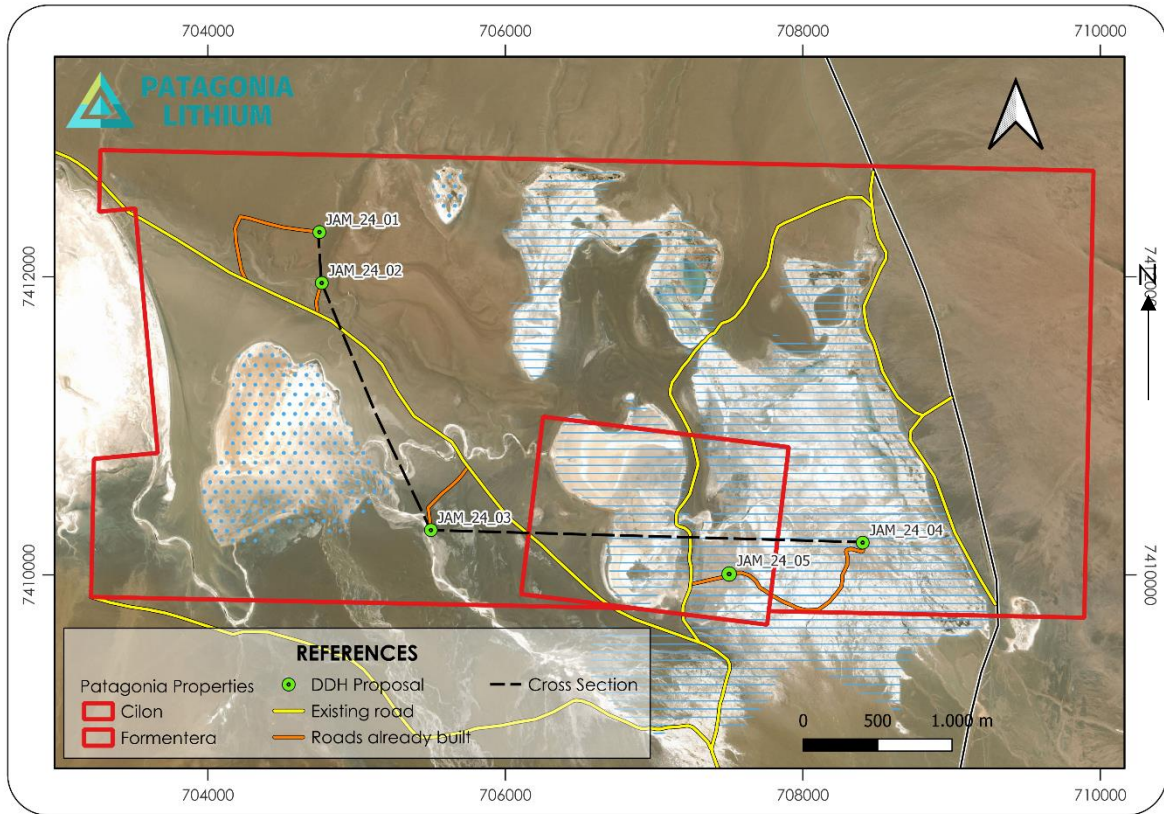


Figure 3. Shows updated plan view of completed drill holes (in green) JAM 24-01, JAM 24-02, JAM 24-03, JAM 24-04 and the fifth well on the Cilon concession JAM 24-05.

Maiden Mineral Resource Estimate

Domain	Sediment Volume (m ³)	Specific Yield (%)	Brine Volume (L)	Li Grade (mg/L) ¹	Li Metal (kt) ²	Li Yield (kt)	LCE (kt) ³	Mg Grade (mg/L) ¹	Mg Metal (kt)	Mg Yield (kt)
Inferred Resources										
High Porosity Salar	90,262,500	13	11,734,125,000	461.6	42	5	29	945.7	85	11
Salar	3,059,125,000	4	122,365,000,000	220.7	675	27	144	854.5	2,614	105
Total Inferred Resources	3,149,387,500		134,099,125,000	234.7	717	32	173	857.4	2,699	116

Table 1. MRE estimate in kilo tonnes (KT)

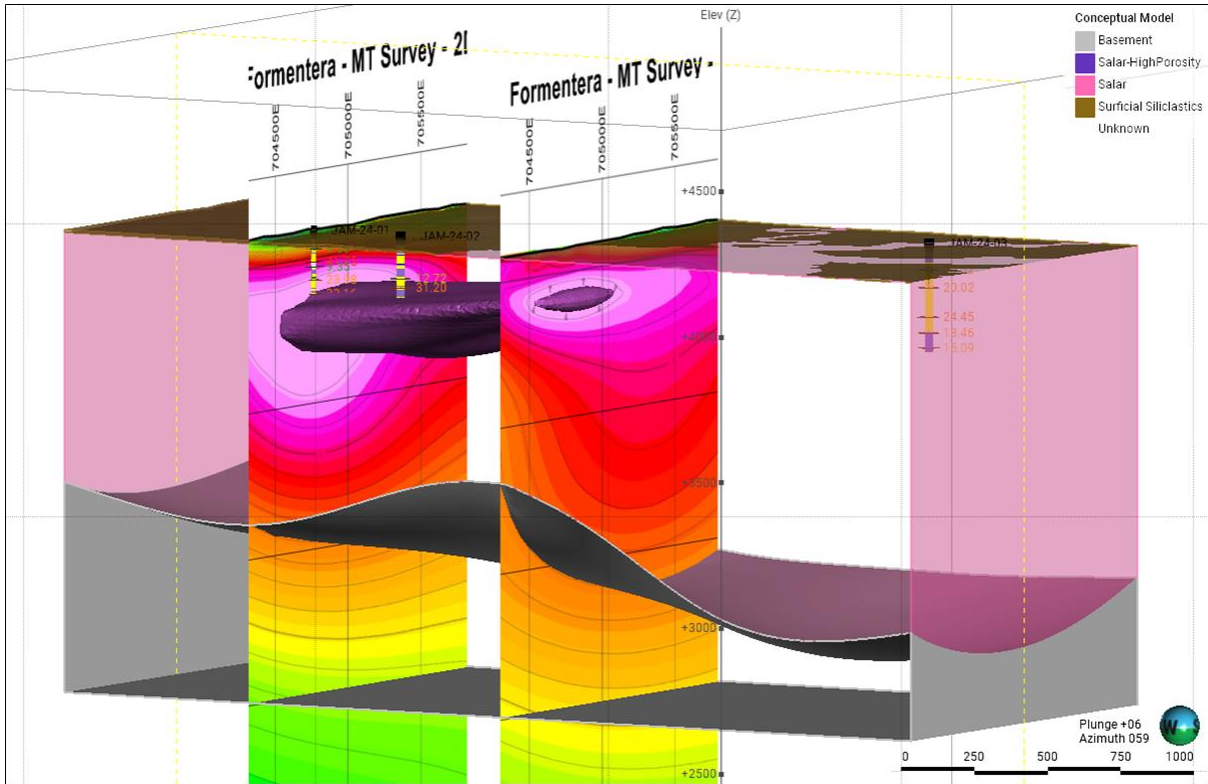


Figure 4. Section showing the modelled high porosity zone (purple zone) with 2D MT survey sections.

Further BMR surveys will provide more data to delineate the high porosity zones seen on the MT surveys

Exploration In Brazil

The Company continues its exploration efforts on recently granted concessions with the key focus on 830/164-165 being the area closely located to Araxá rare earth anomaly. The **Araxá** apatite-niobium deposit, that is hosted by the Barreiro carbonatite-alkaline igneous complex, is situated ~6 km south of the city of Araxá, ~300 km west of Belo Horizonte in Minas Gerais, 410 km SSE of Brasilia the national capital.

CORPORATE

Drilling and associated exploration activities in Argentina consumed most of the cash reserves to the end of December 2024. This planned expenditure was funded via a placement, convertible note and loan. The Offer was partially completed with committed support from our major shareholders. As outlined in the attached Appendix 5B, approximately \$61,000 in payments were made to related parties and their associates for director salaries, superannuation and consultancy fees associated with services provided to 31 December 2024.

The Company spent \$1,139,000 in relation to exploration activities primarily related to drilling in Formentera, tenement administration and fees, environmental and legal representation related to the granting of Cilon and operations of the Brazilian subsidiary. There were no exploration activities undertaken in Brazil during the quarter.

Pursuant to ASX listing rule 5.3.4, the Company advises the proposed use of funds contained in section 4.11 of the Company's Supplementary Prospectus in comparison to the actual use of funds following admission to the official list of the ASX. The expenditure has exceeded the IPO prospectus use of funds, with additional exploration expenditure related to drilling and associated costs incurred on the Company's exploration assets in Argentina and Brazil.

Use of funds	Prospectus use of funds (\$'000)	Actual to Dec-24 (\$'000)	Remaining balance (\$'000)
Expenses of the offer	812	875	(63)
Project Vendor payments	3,765	3,735	30
Exploration	1,725	4,207	(2,482)
Working capital	2,298	1,835	463
Total expenditure	8,600	10,652	(2,052)

TENEMENTS

Name	Location - Argentina	File No	Area Has
Formentera	Jujuy province	518 P2016	1752
Cilon	Jujuy Province	121 I 1993	199
Tomas III	Salta Province	24142	591

Location - Brazil

ID	CONCESSION	TITLE HOLDER	AREA (ha)	PHASE	DISTRICT	STATE
1	830151/2024	PI3 Brazil Mineracao Ltda	1.949,67	Granted	Ponto Dos Volantes, Monte Formoso	MG
2	830152/2024	PI3 Brazil Mineracao Ltda	1.955,16	Granted	Monte Formoso	MG
3	830153/2024	PI3 Brazil Mineracao Ltda	729,53	Granted	Monte Formoso	MG
4	830154/2024	PI3 Brazil Mineracao Ltda	1.981,26	Granted*	Monte Formoso	MG
5	830155/2024	PI3 Brazil Mineracao Ltda	1.986,53	Granted	Joáima, Monte Formoso	MG
6	830156/2024	PI3 Brazil Mineracao Ltda	1.602,09	Granted	Monte Formoso	MG
7	830157/2024	PI3 Brazil Mineracao Ltda	1.957,42	Granted	Monte Formoso	MG
8	830167/2024	PI3 Brazil Mineracao Ltda	606,89	Granted	Simonésia	MG
9	830169/2024	PI3 Brazil Mineracao Ltda	1.455,07	Granted	Santana Do Manhuaçu	MG
10	830170/2024	PI3 Brazil Mineracao Ltda	933,64	Granted	Santana Do Manhuaçu	MG
11	830171/2024	PI3 Brazil Mineracao Ltda	1.934,15	Granted	Teófilo Otoni	MG
12	830172/2024	PI3 Brazil Mineracao Ltda	1.780,24	Granted	Teófilo Otoni	MG
13	830173/2024	PI3 Brazil Mineracao Ltda	1.878,62	Granted	Teófilo Otoni	MG
14	830174/2024	PI3 Brazil Mineracao Ltda	1.971,27	Granted	Teófilo Otoni	MG
15	830176/2024	PI3 Brazil Mineracao Ltda	1.636,94	Granted	Teófilo Otoni	MG
16	830177/2024	PI3 Brazil Mineracao Ltda	1.087,78	Granted	Teófilo Otoni	MG
17	830178/2024	PI3 Brazil Mineracao Ltda	1.739,15	Granted	Água Boa	MG

ID	CONCESSION	TITLE HOLDER	AREA (ha)	PHASE	DISTRICT	STATE
18	830179/2024	PI3 Brazil Mineracao Ltda	1.913,61	Granted	Água Boa	MG
19	830.192/2024	PI3 Brazil Mineracao Ltda	1.910,28	Granted	Água Boa	MG
20	830.193/2024	PI3 Brazil Mineracao Ltda	1.910,28	Granted	Água Boa	MG
21	830.194/2024	PI3 Brazil Mineracao Ltda	1.916,94	Granted	Água Boa	MG
22	830.195/2024	PI3 Brazil Mineracao Ltda	1.684,16	Granted	Água Boa	MG
23	830.196/2024	PI3 Brazil Mineracao Ltda	1.963,49	Granted	Água Boa	MG
24	860.164/2024	PI3 Brazil Mineracao Ltda	1.997,03	Granted	Catalão e Ouvidor	GO
25	860.165/2024	PI3 Brazil Mineracao Ltda	1.265,20	Granted	Catalão e Ouvidor	GO

The Company's tenements are all 100% owned. *One licence application was granted during the quarter in Brazil.

The Company confirms it is not aware of any new information or data that materially affects the information cross referenced in this announcement and all material assumptions and technical parameters underpinning the MRE (lodged as "Maiden Lithium Mineral Resource Presentation" lodged on 22 January 2025) continue to apply and have not materially changes. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.

Exploration related announcements during the December 2024 quarter (and up to the date of this report):

High Priority REE and Lithium Concession Granted in Brazil	9 October 2024
Well Four Completed at Formentera	17 October 2024
Outstanding Results from Well 4 Pump Test	18 November 2024
Excellent Result achieved from Well Three Porosity Core Test	3 December 2024
Two Concessions Prospective for REE granted in Goias Brazil	4 December 2024
Outstanding Borehole Porosity Test Results at Formentera	5 December 2024
Outstanding Porosity Result from Well 4 Pump Test	18 December 2024
Significant Maiden Lithium Mineral Resource	22 December 2024
Maiden Lithium Mineral Resource Presentation	22 January 2025

Authorised for release by the Board of Patagonia Lithium Limited.

For further information please contact:

Phillip Thomas
 Executive Chairman
Patagonia Lithium Ltd
 E: phil@patagonialithium.com.au

Additional information is available at www.patagonialithium.com.au.

About Patagonia Lithium Ltd

Patagonia Lithium has **two major lithium brine projects** – Formentera/Cilon in Salar de Jama, Jujuy province and Tomas III at Incahuasi Salar in Salta Province of northern Argentina in the declared lithium triangle. It has been granted **41,746 ha** of concessions where the company is exploring for **ionic REE clays, Niobium, Antimony and lithium in pegmatites**. The Company has been granted five exploration concession packages.

Since listing on 31 March 2023, surface sampling and MT geophysics have been completed, drill holes JAM-24-01, JAM-24-02, JAM-24-03 and JAM-24-04 completed. Progress to date has been exceptional as measured by lithium assays and pump tests. The MT Geophysics at Tomas III on Incahuasi salar is very prospective. In July 2023, a 10 drill hole drill program was approved for Formentera and a three drill hole program for Cilon. Samples as **high as 1,122 ppm Li** (2 June 2023 announcement) were recorded at Formentera and a Li value of **591 ppm in drill hole JAM-24-01** (Outstanding Assay Results from First Drilling in Argentina released on 3 May 2024). Very low resistivities were recorded to more than 1 km depth during the MT Geophysics survey at Formentera. On 22 January 2025 a maiden Mineral Resource estimate was released with 717,000 tonnes of lithium metal equivalent and 173,000 tonnes of extractable lithium carbonate equivalent. The insitu lithium carbonate equivalent of the Formentera project was 3.8 million tonnes.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Patagonia Lithium Limited

ABN

37 654 004 403

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(55)	(199)
(e) administration and corporate costs	(282)	(820)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	31
1.5 Interest and other costs of finance paid	(12)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(349)	(1,000)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(1,139)	(3,738)
(e) investments	(6)	(6)
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	30
2.6	Net cash from / (used in) investing activities	(1,145)	(3,714)
3. Cash flows from financing activities			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,360	1,399
3.2	Proceeds from issue of convertible debt securities	-	400
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(114)	(158)
3.5	Proceeds from borrowings	200	506
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,446	2,147
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	106	2,651
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(349)	(1,000)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,145)	(3,714)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,446	2,147
4.5	Effect of movement in exchange rates on cash held	(4)	(30)
4.6	Cash and cash equivalents at end of period	54	54

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	54	106
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)	54	106

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	60
6.2	Aggregate amount of payments to related parties and their associates included in item 2	1
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
6.1 Includes payments of directors fees		
6.2 Includes exploration consulting services provided by a director		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	506	506
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	335	335
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.		
<p>The company has convertible notes with an issue price of \$335,000 with a conversion price of \$0.09 that expire on 10 January 2025.</p> <p>During the year the company also raised \$505,974 from short-term funding. These amounts are due for repayment on 14 January 2025.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(349)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,139)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,488)
8.4 Cash and cash equivalents at quarter end (item 4.6)	54
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	54
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.04
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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?	
<p>Answer: Yes. Exploration activity is planned to continue, primarily in Argentina.</p>	

8.8.2 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: On 18 December 2024, the Company announced it had received a commitment to raise \$1.85 million before cost upon the issue of 18,500,000 fully paid ordinary shares. The placement was arranged with Hiro Corporation, a listed US entity. The funding mechanism they were intending to put in place has been subject to listing rules and other considerations incurring delays and is being worked through by their CFO to resolve as soon as possible.

On 2 July 2024 Southeast Mingqing Supply Chain (Fuyang) Co Ltd signed a binding Commitment Deed to underwrite any shortfall on the entitlement issue for \$1.65m which, at closing, had a shortfall of \$1.64m. The main reason for the inability to transfer the funds was time taken to receive Overseas Funds transfer approval. Fuyang continues to update us on progress and advised it intends to complete a subscription of funds.

On 16 December 2024, ability to issue shortfall under the Company's entitlement issue to Fuyang Mingjin New Energy Development Co Ltd ("Fuyang") and Southeast Mingqing Supply Chain (Fuyang) Co Ltd ("Mingqing") whereby they were entitled to subscribe for \$412,500 in shares at 9 cents per share has expired.

Dr Jose Manzano, a senior business executive with numerous large business interests in Argentina and USA subscribed for \$1,343,920 at 9 cent shares. Subsequent to the investment Pablo Tarantini, a senior executive in the Integra group was appointed to the board and strategy discussions are on foot for assistance in funding the next stage of development.

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

Answer: Yes. The Company expects to be able to continue its operations and to meet its business objectives following fundraising activities as detailed above. If funding support is not sufficient to meet planned expenditures, the Company will reduce corporate expenditure and other activities as required.

One of the Company's major shareholders is seeking government permission to transfer funds from China to complete a binding obligation to subscribe for the shortfall on our recent entitlement issue up to an amount of \$1.65m.

The Company intends to spend approximately \$600,000 on BMR surveys and drill another well at Cilon to meet its business objective of upgrading the current mineral resource estimate.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

Authorised by: the Board
Phillip Thomas
Executive Chairman
(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 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.