30 July 2026

PATAGONIA LITHIUM

Suite 66, 1st Floor, 2-4 Cochranes Road, Moorabbin VIC 3189 phil@patagonialithium.com.au Ph 0433 747 380

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 30 JUNE 2026

Patagonia Lithium Limited (**Patagonia** or **Company**) (**ASX:PL3**) presents its Quarterly Report for the three months ended 30 June 2026. **ASX:PL3**

Issued capital
Shares
241,065,540
Options unquoted
29,425,000
Rights unquoted
25,000,000

Directors
Phillip Thomas
Rick Anthon
Pablo Tarantini

Company Secretary
Jarek Kopias

Projects
Formentera/Cilon
Tomas III
Brazil Nb REE

Next Milestones
Formentera/Cilon
- Cilon Well 8, 600m
- DLE tests
- Formentera MRE estimate update

Office
Suite 66, 2-4 Cochranes Road, Moorabbin VIC 3189

Highlights
Argentina

Our milestones for the quarter were:
* BMR Gamma porosity survey on well JAM26-06, JAM 26-07
* 7km Passive Seismic survey.
* Commencement of drilling JAM26-07, JAM26-08.
* Packer tests and assays from JAM 26-07.
* Conduct 72 hr pumping tests with 1" hose on wells 2,3,6
* Mineral Resource Estimate leapfrog model update from Atacama Water Consultants.
* Conduct shaker tests for test brines with Sulzer Singapore as a precursor to pilot plant tests for the 1,000 tonne Lithium Carbonate demonstration plant Ekosolve™ solvent exchange columns.

All the above milestones were completed or progressed substantially.

EXPLORATION ACTIVITIES

Formentera/Cilon – Jujuy Province

The Company's concession covers 1,751 hectares (Has) or approx. 17.5 km^2. 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.

Well eight location was a superior target in the main aquifer region and selected on the very low resistivity from the MT survey.

- On 26 May 2026 a 72 hour pump test recorded flows on JAM 26-06 as follows:
  Total extracted volume in 72 hours: 285,950 L (35.74 pools filled)

  Average filling time per 8,000 L pool: 2.0 hours
  FLOW RATE: 4,000.0 L/h
  Brine Parameters (#35 pool)
  Density: 1.108 g/cm³
  EC: 171.2 mS/cm
  pH: 11.43
  TDS: 85.86 ppt
  This was an outstanding result.

- **A passive seismic survey** to delineate the basement under the aquifers commenced during the quarter and was completed on 16 April 2026. The outcome was a more detailed understanding of where the aquifer basement is across the Formentera concession. ASX Release 28 May 2026 "**Passive seismic survey shows deeper basement".**

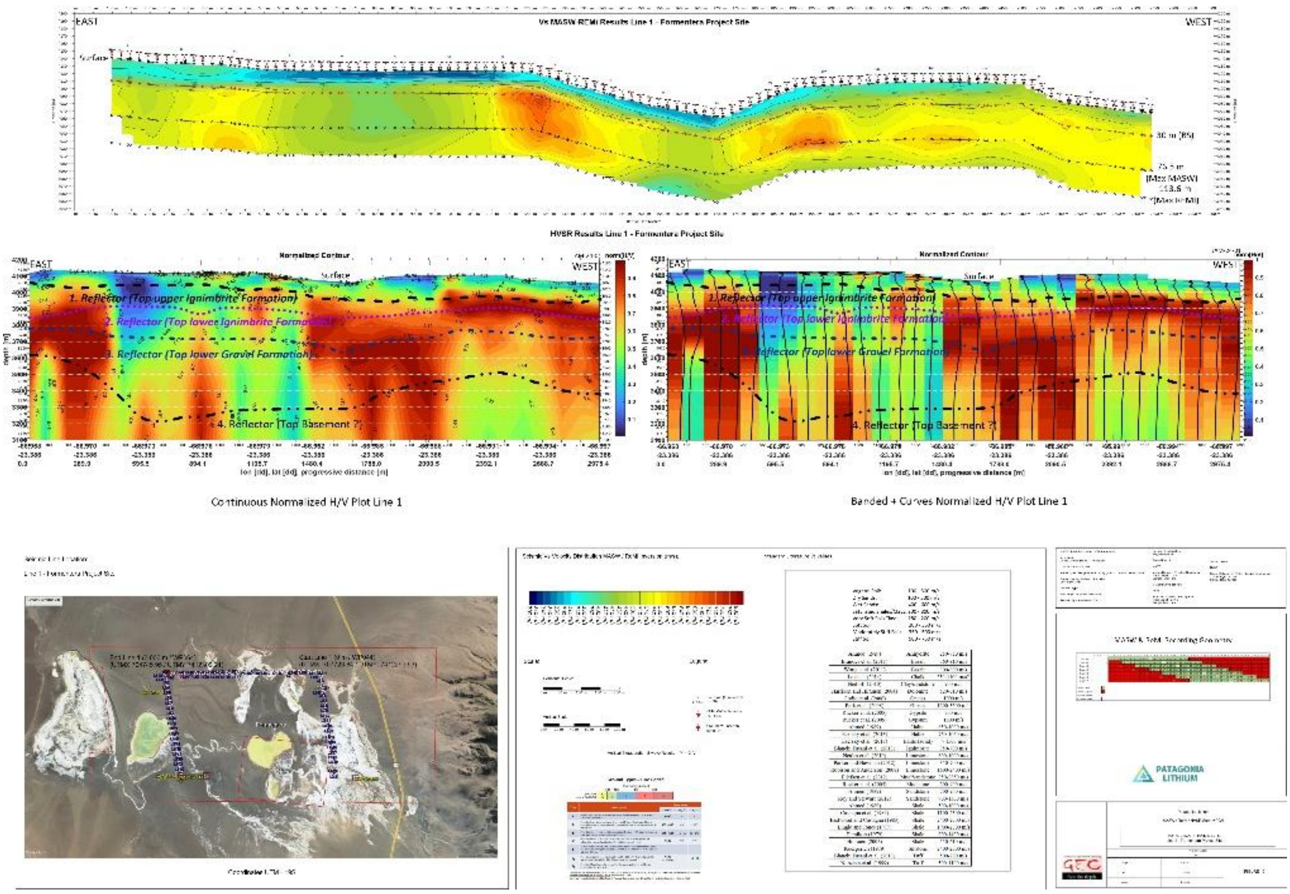

Figure 1. Passive seismic survey showing reflector basement and different lithologies and location map.

- 26-07 drill hole was completed. An assay test from the **282m depth** packer test assayed **270ppm Lithium, just 20ppm less than the four well average.** The end of the hole was called at 476m as we intercepted the clay basement as was expected.

- **JAM 26-08 on Cilon concession** was initiated on 6 July 2026 after a delay maintaining the rig. It is currently at 276m depth and the first assays from the nine packer tests will be sent to the lab on 31 July for assay.

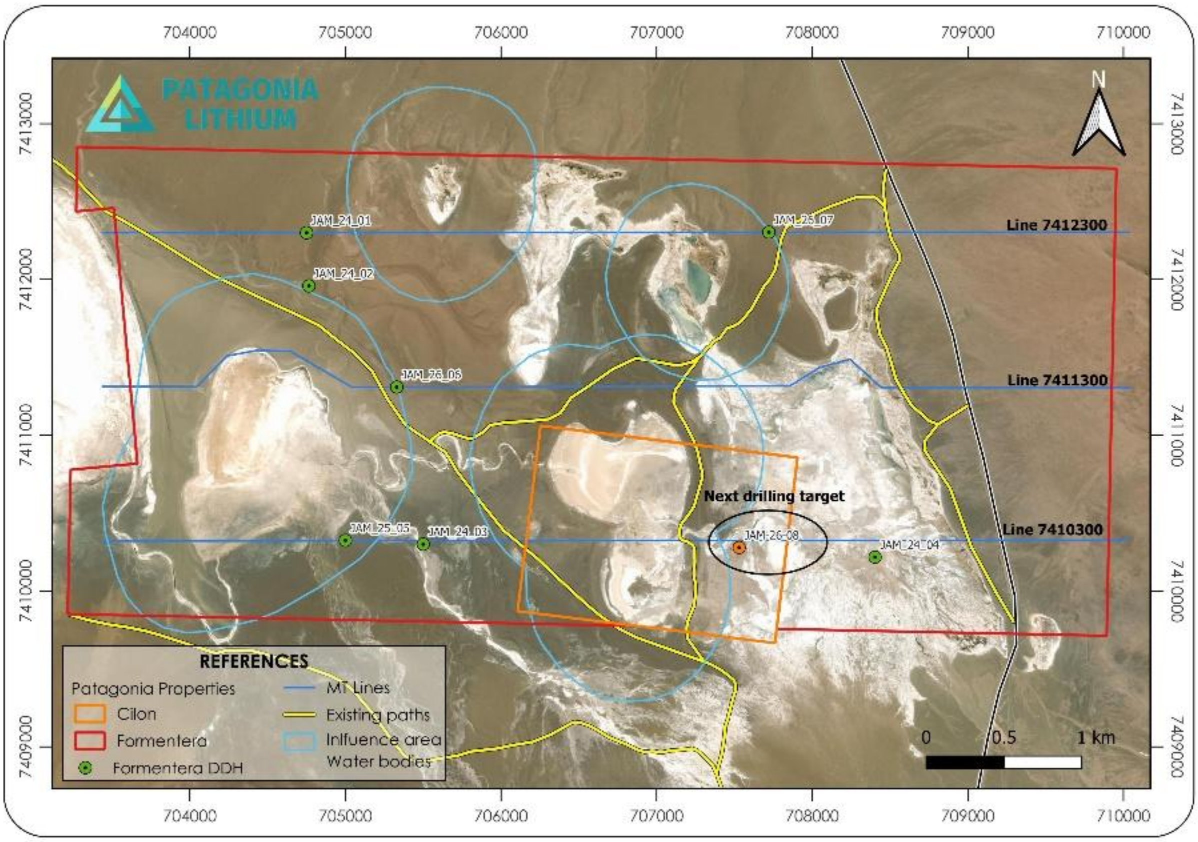

Figure 2. Location map for well JAM 26-08

The **72 hour pumping tests** on wells 2, 3, and 6 showed a dramatic increase in flow rate per hour with the increase of the pump hose to 25.4mm. Well 2 achieved a 36% increase in flow rate and 4,029L/Hr which was the practical maximum.

	3/4 inch pipe			1inch pipe		Increase
well No	total volume 72 hours	Litres/hour	well No	total volume 72 hours	Litres/hour	
2	28 hrs - 72,000 L	2548.67	2	290,000	4,029.30	36.7%
3	176,000	2466.37	3	220,000	3,026.96	18.5%
6	225,350	3107.34	6	285,950	4,000.00	22.3%

- A substantial amount of work has been done on the Mineral Resource Estimate.
- Substantial amount of work has been done on the bi-annual **Environmental Impact Statement** and was submitted for approval.
- Further demonstration lithium carbonate plant chemical engineering work has been done with **Ekosolve** Pty Ltd in Argentina and Singapore. Sulzer Corporation has been conducting shaker tests on 200L of brine sent to their pilot plant facility. The results will be used to delineate the parameters for the pilot plant work. This work will provide the scale up of processing capacity from 1,000 tonnes to 10,000 tonnes of lithium carbonate.

Brazil

- We have engaged with a geophysics firm to identify augur sampling locations on concession 830164/165, our first priority rare earth and niobium phosphate targets. This work is currently being processed.
- We have requested a ground magnetic survey tender and a soil sampling tender for 830164/165 concessions.

Corporate

- Cash balance at 30 June 2026 was $9.3 million
- Number of shares on issue are 241,065,540, and the top 20 shareholders account for 90.09% of shares on issue.
- Cygnet Capital supported the company with a successful capital raise of $3.4m in June and $8m in August 2026 subject to shareholder approval at the general meeting.

SUMMARY

Executive Chairman Phillip Thomas on the **progress achieved** this quarter:
"This was another strong quarter for Patagonia Lithium, marked by meaningful progress hitting all our milestones. In well porosity and lithium assays, pump tests, permitting and further work on the 1,000 tonne lithium carbonate demonstration plant we made substantial progress. I was delighted with the way the team are operating in Argentina and we have a world class team operating our project. With a successful capital raise and workstreams well advanced, we remain firmly on track for the MRE upgrade in H2 2026. Atacama Water has made significant progress and well 8 is nearly halfway to its target depth. Importantly, we continue to plan the location of production wells as data comes to hand and I visited the plant location site will in Jama, Argentina. While the lithium carbonate price retraced some of its gains recently the lithium carbonate price is still at US$21,565 as at 28 July 2026."

Upcoming Milestones

We have some significant milestones planned in the next quarter:

- Complete well JAM 26-08 and packer assays.
- Complete Mineral Resource Estimate
- Hold UGAMP community/Jujuy mines dept expert meeting in **San Salvador de Jujuy** when permit provisionally approved for lithium carbonate plant.

Tomas III – Incahuasi Salar

No further work was completed over the summer with attention on the Formentera Project.

Exploration In Brazil

The Company continues to plan its geophysics and soil sampling exploration efforts on our 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. No work was completed this quarter in the field.

CORPORATE

The attached Appendix 5B sets out the expenditure for the quarter. The amount of $1,594k in exploration expenditure during the quarter was spent on drilling, seismic survey and supplies. There were no exploration activities undertaken in Brazil during the quarter. The amount of $117k in items 6.1 and 6.2 of the Appendix 5B represents director fees of $115k paid to entities nominated by relevant directors, $1k in rent and $1k in exploration work paid to a director related entity.

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	Joaíma, 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
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. There were no changes to tenements during the quarter.

Exploration related announcements during the June 2026 quarter (and up to the date of this report):

Formentera Strong Flow Pump Test Results	1 April 2026
Formentera Lithium Well 5 Porosity Results	7 April 2026
Outstanding Porosity Results from Formentera Lithium Well 6	9 April 2026
Formentera Lithium Well 7 Environmental Study Completed	5 May 2026
Formentera Advanced Environmental Reports Submitted	7 May 2026
Outstanding Core Porosity Results from Well 6 at Formentera	12 May 2026
Excellent Brine Extraction from Formentera Lithium Well 7	21 May 2026
Formentera Seismic Survey Shows Deeper Basement	28 May 2026
Significant Assays from Formentera Well 7	17 June 2026
58% Increase in Pumping Rate from Well 2	30 June 2026
Lithium Drilling Commences at Well 8	6 July 2026
Positive Drilling Progress at Cilon Lithium Well 8	8 July 2026
Positive Drilling Progress Continues at Cilon Well 8	17 July 2026
Positive Drilling Progress Continues at Cilon Well 8 Update	21 July 2026
Outstanding Packer Flow Rates at Cilon Well 8	27 July 2026

Authorised for release by the Board of Patagonia Lithium Limited.

For further information please contact:

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

Additional information is available at www.patagonialithium.com.au, x.com, linkedin, instagram and facebook as well as updates on Youtube.

About Patagonia Lithium Ltd

Patagonia Lithium has **two major lithium brine projects** – Formentera/Cilon in Salar de Jama, Jujuy province covering 19,500 has and Tomas III at Incahuasi Salar covering 580 Has in Salta Province of northern Argentina in the declared lithium triangle. In Brazil the Company has been granted five exploration concession packages **41,746 ha** of concessions where the company is exploring for **ionic REE clays, Niobium, Antimony and Lithium in pegmatites**. The Company has staked next door to the largest Niobium producer (CMOC) in Brazil in Goiás state with 10,024 tonnes per annum of Niobium production.

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 Lithium 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 14 July 2025 an upgraded Mineral Resource Estimate was released with **551,000 tonnes LCE.**

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 on 14 July 2025 as "Lithium Carbonate Mineral Resource increased by 319%") continue to apply and have not materially changed. The LCE MRE of 551,400t LCE @ 294mg/L is comprised of 14,800t LCE @ 393mg/L Indicated MRE and 536,600t LCE @ 292mg/L Inferred MRE. 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.

Appendix 5B

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

Name of entity

Patagonia Lithium Limited

ABN	Quarter ended ("current quarter")
37 654 004 403	30 June 2026

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (6 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	(131)	(253)
	(e) administration and corporate costs	(145)	(528)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	24	44
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other - payment of indirect tax in Argentina mainly from exploration costs	(356)	(356)
1.9	**Net cash from / (used in) operating activities**	**(608)**	**(1,093)**

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	(1,594)	(1,851)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,594)**	**(1,851)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,400	6,195
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(246)	(422)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other - subscriptions received*	5,000	5,000
3.10	**Net cash from / (used in) financing activities**	**8,154**	**10,773**

* includes $5,000,000 received in the quarter in relation to placement shares that had not been issued at 30 June 2026. The placement is subject the shareholder approval at a meeting to be held on 3 August 2026.

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,428	1,552
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(608)	(1,093)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,594)	(1,851)

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,154	10,773
4.5	Effect of movement in exchange rates on cash held	(78)	(79)
4.6	**Cash and cash equivalents at end of period**	**9,302**	**9,302**

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	9,302	3,428
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)**	**9,302**	**3,428**

The cash balance includes $5,000,000 received in the quarter in relation to shares that had not been issued at 30 June 2026. The issue of shares is subject the shareholder approval at a meeting to be held on 3 August 2026.

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	116
6.2	Aggregate amount of payments to related parties and their associates included in item 2	1

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.

6.1 Relates to payment of directors' fees totalling $115,000 and rent paid to a director related entity totalling $1,000.

6.2 Relates to exploration work performed by an entity related to a director.

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
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.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(608)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,594)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,202)
8.4	Cash and cash equivalents at quarter end (item 4.6)	9,302
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	9,302
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	4.2

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.

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?

Answer: N/A

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: N/A

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: N/A

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 July 2026

Authorised by: 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.