



PATAGONIA LITHIUM

30 July 2025

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QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 30 JUNE 2025

Patagonia Lithium Limited (**Patagonia** or **Company**) (**ASX:PL3**) presents its Quarterly Report for the three months ended 30 June 2025.

ASX:PL3 Options:PL3O

Issued capital

Shares

119,410,360

Options quoted

14,641,250 (\$0.30)

Options unquoted

14,169,904

Directors

Phillip Thomas

Rick Anthon

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

- On 14 July 2025, the Company released an inferred and indicated Mineral Resource Estimate (MRE) of **103,000 tonnes of lithium metal** equivalent (or if multiplied by 5.323) equating to approximately **551,000 tonnes of lithium carbonate equivalent "LCE"**. This resource estimate was computed after the borehole magnetic resonance ("BMR") surveys were completed for wells 1, 3 and 4 during May 2025.
- The key indicator improvements from the January 2025 mineral resource estimate were:
 - * Lithium metal resource of 103,000 tonnes (T) increased significantly by **319%**.
 - * Specific Yield increased by **248%** to **11.85%** compared to 4.78%
 - * The average lithium concentration increased from 264ppm to **294ppm** an increase of **11%**.
 - * **The indicated resource estimate** was computed around wells one and two and was estimated at **14,800 tonne of LCE**
 - * A 100 ppm lithium (Li) cut-off grade (COG) was applied to the mineral resource estimate.
 - * Three major domains were identified on basis of specific yield

Table 1. MRE with a 100 ppm Li cut-off grade (COG) applied.

June 2025 MRE above 100 mg/L Li COG Mineral Resource Classification	Sediment Volume (M m ³)	Specific Yield (%)	Brine Volume (M L)	Li Grade (mg/L)	Li Metal (kt) ³	LCE (kt) ⁴	Mg Grade (mg/L)	Mg Metal (kt)
Indicated	61.9	11.46	7,090.7	393	2.8	14.8	894	6.3
Inferred	2,912.5	11.86	345,521.4	292	100.9	536.6	894	309.0
Total Mineral Resources	2,974.3	11.85	352,612.1	294	103.7	551.4	894	315.3

MRE Notes:

- 1) m^3 = cubic metres, L = litres, mg/L = milligrams per litre, t = tonnes, M=million.
- 2) Li Metal, Lithium Carbonate Equivalent (LCE) and Magnesium (Mg) Mg Metal are rounded to the nearest 1,000 t. Extractable LCE(173,000 tonnes). Grade values are the average estimated value for the domain in the Maptek Vulcan™ Block Model.
- 3) Total in-situ brine contained lithium metal.
- 4) $LCE = Li \times 5.32$.
- 5) No recovery, dilution or other similar mining parameters have been applied.
- 6) Although the Mineral Resources presented in this report are believed to have a reasonable expectation of being extracted economically, they are not Mineral Reserves. Estimation of Mineral Reserves requires the application of modifying factors and a minimum of a Pre-feasibility Study (PFS). The modifying factors include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, and governmental factors.
- 7) Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. There is no certainty that any or all of the mineral resources can be converted into mineral reserve after application of the modifying factors.

The WSP June 2025 MRE report made a number of recommendations which are currently being implemented:

- Additional deep diamond drilling be completed to increase geological confidence and confirm basement contacts – Cilon well 5 is planned as soon as a rig is secured
- Future sampling should be completed on regular intervals, with consistent screen/sample lengths (i.e. double packer brine sampling).
- Continue to undertake downhole geophysical surveys, specifically Borehole Magnetic Resonance (BMR) and Gamma to provide further understanding of the porosity and geological continuity of the salar.
- Develop a comprehensive geophysical investigation program (2D seismic) to delineate hydro-stratigraphy, faulting and basement contacts – this and reprocessing MT survey data is being planned.

The Company has decided to secure a rig for the Cilon well 5 drill program as soon as its available and is planning to drill well five to 600m and then conduct a BMR survey on this well.

The drill pad has been prepared for well 5.

- The Mines Dept of Jujuy attended the Formentera lithium project and completed testing over a 48 hour period as part

of our six monthly environmental review - drill hole rehabilitation has also been signed off.

Brazil

- The Company has renewed all 25 exploration concessions it was granted for in the states of Minas Gerais, Goiás and Mato Grosso, Brazil.
- Reconnaissance work is being planned for the Goiás concessions 830164/165 as a priority.
- Further desktop research is being planned for presence of niobium and antimony on the concessions.

Corporate

- Cash balance at 30 June 2025 was \$126,000.
- A fully underwritten entitlement offer has been announced seeking to raise AUD\$2.68m.

SUMMARY

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.

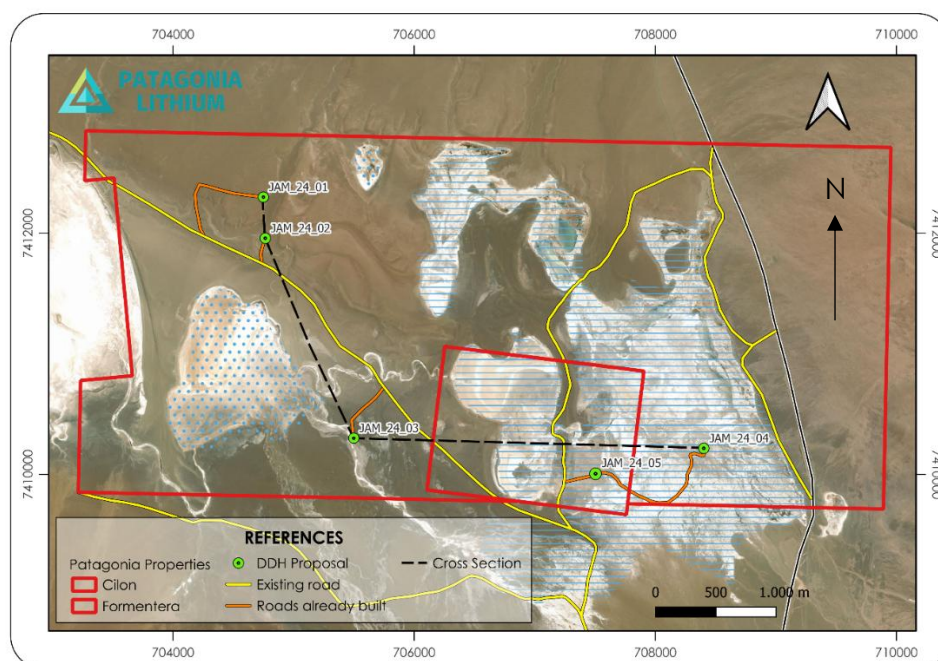


Figure 1. Shows updated plan view of completed drill holes (in green) JAM 24-01, JAM 24-02, JAM 24-03, JAM 24-04 and the fifth well on the Cilon concession JAM 24-05.



Figure 2. Location of drill hole JAM-24-05 on the Cilon concession of the Paso Salar. Weathered volcanics in background on the ridge.

The model of the concession with three domains is shown below:

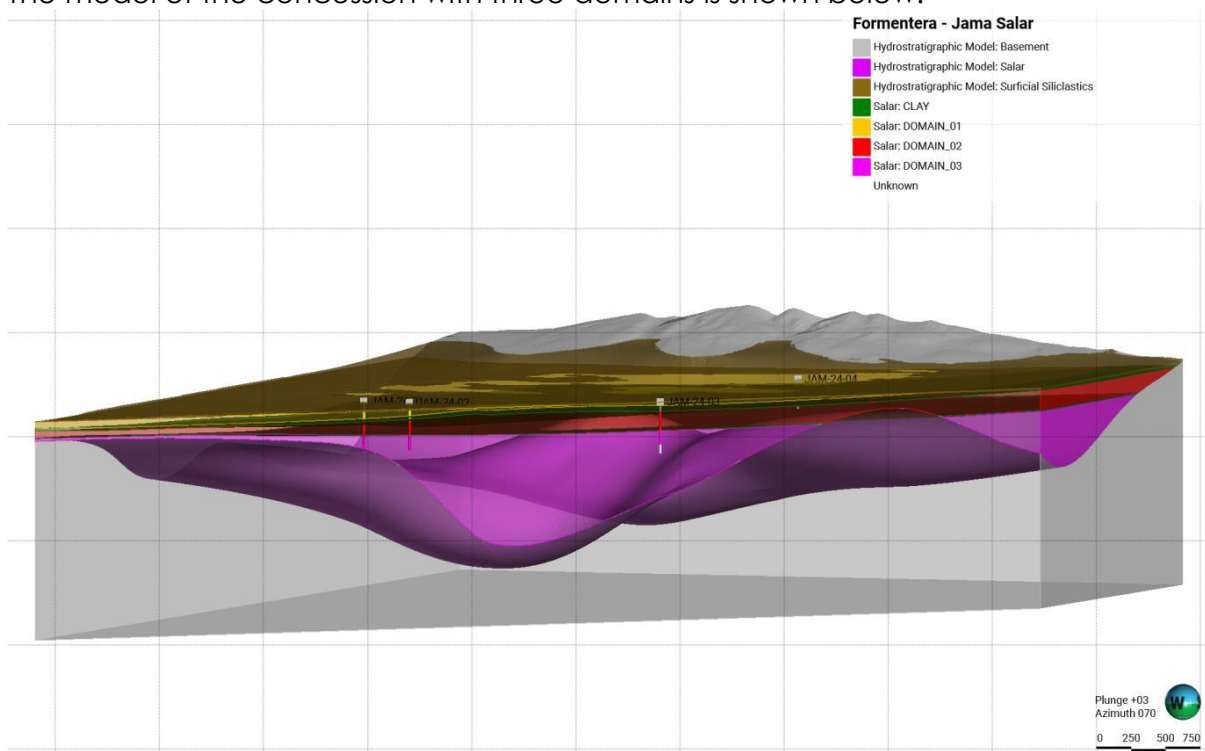


Figure 3. North-west/south-east section through the hydro-stratigraphic model, showing modelled continuity.

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 Brasília the national capital.

CORPORATE

Geophysics and associated exploration activities in Argentina continued during the June 2025 quarter. The Company finalised payments for drilling services, PVC pipe, assays and related services. Three BMR surveys were conducted and WSP were engaged to finalise the Mineral Resource Estimate. The Company retains a team of two geologists and six staff covering administration, accounting, legal and engineering. The attached Appendix 5B sets out the expenditure for the quarter. There were no exploration activities undertaken in Brazil during the quarter. The amount of \$95k in item 6.1 of the Appendix 5B represents director fees paid to entities nominated by relevant directors and \$12k in item 6.2 represents payments for exploration work by 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

ID	CONCESSION	TITLE HOLDER	AREA (ha)	PHASE	DISTRICT	STATE
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.

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 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.

The January 2025 inferred MRE (announced on 22 January 2025 as "Significant Maiden Lithium Mineral Resource" is comprised of in-situ 3,816,000 tonnes of Lithium Carbonate Equivalent (LCE) based on an in-situ lithium metal resource of 717,000 tonnes defined at the Formentera Lithium Brine Project (lithium metal to lithium carbonate factor is x 5.323).

Exploration related announcements during the June 2025 quarter (and up to the date of this report):

Borehole Porosity Tests to Upgrade Resource at Formentera	1 May 2025
Outstanding 40% Maximum NMR and Yield Results in Well Four	5 May 2025
Outstanding 44% NMR and Specific Yield Results in Well One	15 May 2025
Outstanding 44% NMR and Specific Yield Update for Well One	16 May 2025
Prospective 41% NMR and Specific Yield Results in Well Three	22 May 2025
Lithium Carbonate Mineral Resource Increased by 319%	14 July 2025
PL3 Presentation Update	21 July 2025

Authorised for release by the Board of Patagonia Lithium Limited.

For further information please contact:

Phillip Thomas

Executive Chairman

Patagonia Lithium Ltd

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

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")

30 June 2025

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	(105)	(105)
(e) administration and corporate costs	(242)	(349)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(73)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(316)	(316)
1.9 Net cash from / (used in) operating activities	(663)	(843)

1.8 Other relates to payment of indirect tax in Argentina mainly from exploration costs.

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	(1,643)	(1,732)
(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	(1,643)	(1,732)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,566
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	(41)	(71)
3.5	Proceeds from borrowings	-	80
3.6	Repayment of borrowings	-	(921)
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	(41)	2,654
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,486	54
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(663)	(843)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,643)	(1,732)

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 (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(41)	2,654
4.5	Effect of movement in exchange rates on cash held	(13)	(7)
4.6	Cash and cash equivalents at end of period	126	126

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	126	2,486
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)	126	2,486

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	95
6.2	Aggregate amount of payments to related parties and their associates included in item 2	12
<p><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></p> <p>6.1 Relates to payment of directors' fees.</p> <p>6.2 Relates to payments for exploration work by a director related entity.</p>		

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

7. Financing facilities <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>	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.		
All borrowings and convertible notes were repaid during the quarter.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(663)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,643)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,306)
8.4 Cash and cash equivalents at quarter end (item 4.6)	126
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	126
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.05
<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?	
Answer: Yes. Exploration activity is planned to continue, primarily in Argentina.	
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 29 July 2025, the Company announced a 1 for 2 entitlement offer to raise \$2.68 million before costs. As the offer is fully underwritten, the Company has confidence that the offer will be successful in funding its ongoing operations.	

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

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.

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 2025

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.