30 January 2026

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QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 31 DECEMBER 2025

Patagonia Lithium Limited (**Patagonia** or **Company**) (**ASX:PL3**) presents its Quarterly Report for the three months ended 31 December 2025.

ASX:PL3

Issued capital
Shares
179,115,540
Options unquoted
6,000,000

Directors
Phillip Thomas
Rick Anthon
Pablo Tarantini

Company Secretary
Jarek Kopias

Projects
Formentera/Cilon
Tomas III
Brazil Nb REE

Next Milestones
Formentera/Cilon
- well 6, BMR
- Seismic survey
- Formentera MRE estimate update

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

Highlights
Argentina

- On 24 November 2025, the Company commenced drilling well five JAM 25-05. The well was stopped at 400m due to a 50m clay interval. The highest assay was 219ppm Lithium.
- On 14 January 2026, well six JAM 26-06 commenced and is currently at 210m depth. Four packer assays have been taken for analysis.
- A BMR gamma survey will be taken once the well is completed to 600m target depth followed by a passive seismic survey to delineate the basement under the aquifers.
- The geological team is investigating the use of 2D seismic to define the basement as the MT survey shows depths of 1,000m and this maybe out of reach for the passive seismic.

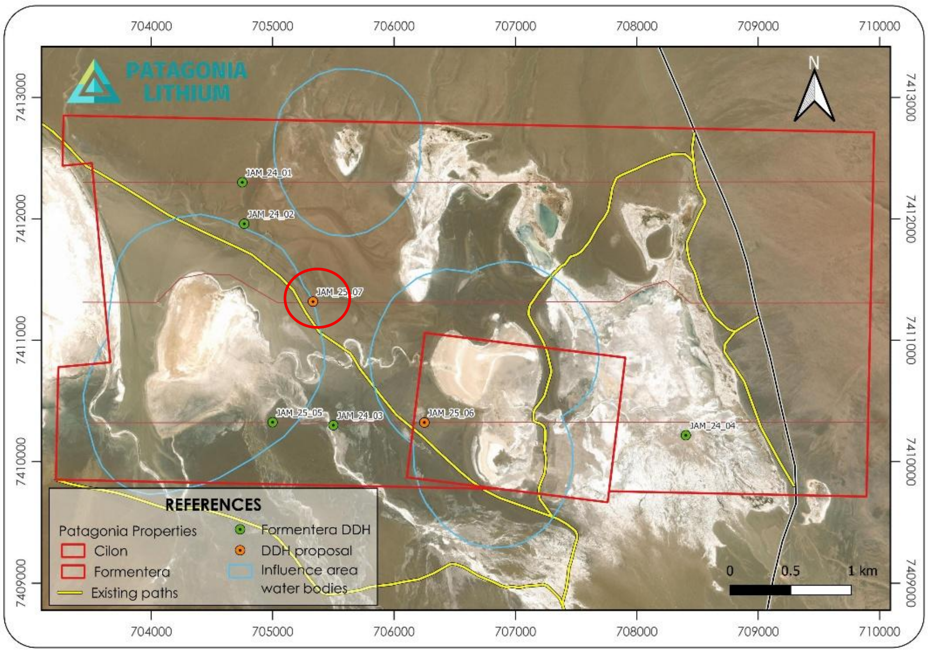

Figure 1. Well JAM 26-06 location.

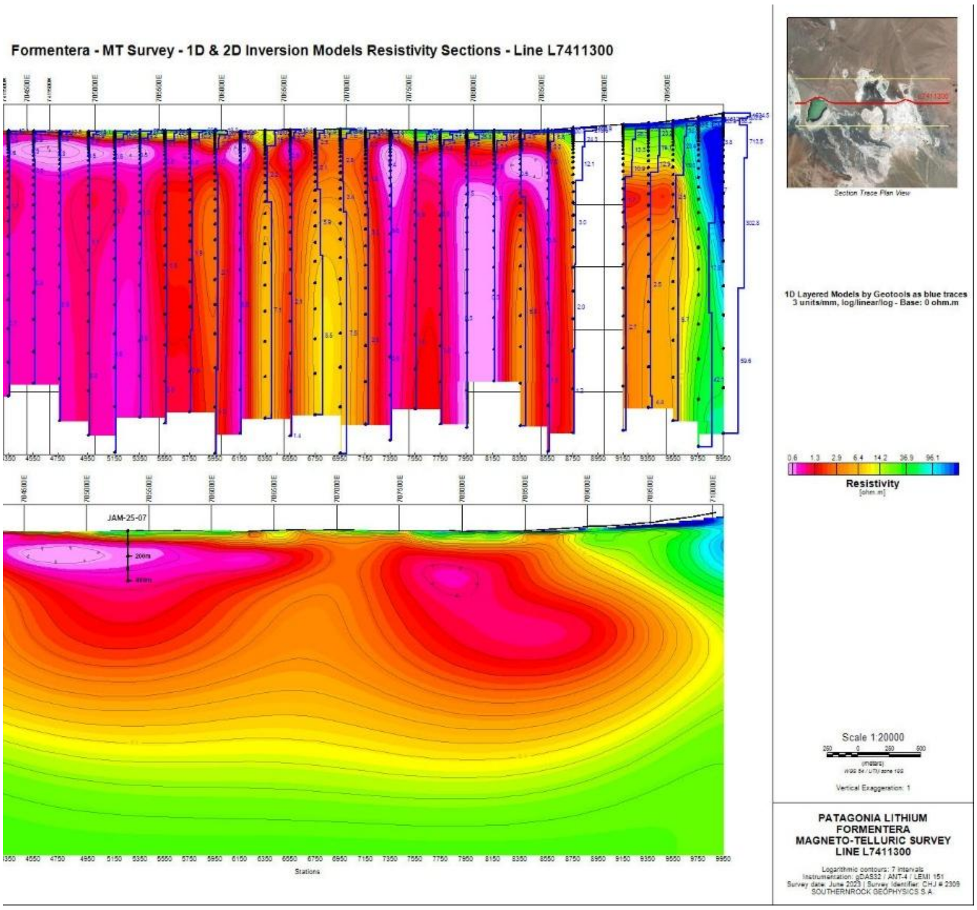

Figure 2. Black well is JAM 26-06. ASX announcement "Prospective drill targets from MT geophysics completed" 15 June 2023.

Brazil

- No work was done in Brazil exploring the rare earth elements identified, being dominated by **Holmium** used in strong magnets, lasers and as a neutron absorber in nuclear reactors, **Lutetium** used in petroleum and laser industries and **Yttrium** oxides used in high performance ceramics and medical industries.
- As of late January 2026, the industrial-grade **holmium oxide (99.5% min)** trading in China for approximately **USD 58.8 – 59.5 per kg**(EXW) (source https://en.institut-seltene-erden.de/aktuelle-preise-von-seltenen-erden 29/01/2026).

Corporate

- Cash balance at 31 December 2026 was $1.55 million
- Drilling costs have been paid for well 5
- Number of shares on issue are 179,115,540 and the top 20 shareholders account for 90.7% of shares on issue.
- Strategic partnership agreement signed with Ameerex Corporation.

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.

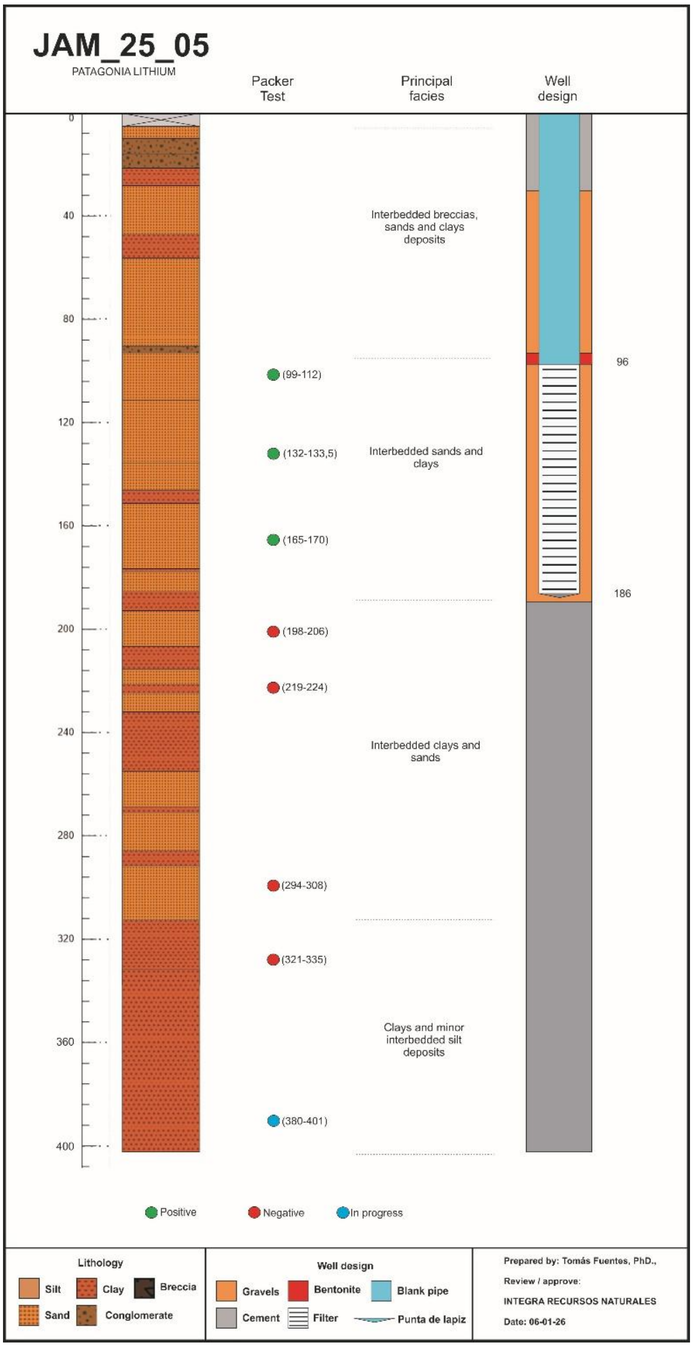

Figure 3. Well five lithology column with three successful packers and five that failed due to the high clay content and compaction at 240m to End of hole (EOH).

Well five location was a superior target and selected on the very low resistivity, on the MT survey however the low resistivity turned out to be a negative charge from the clays that were intercepted at 240m. The assay values for the top 200m of the hole are expected to increase the total resource estimate as they were 165ppm Li to 219ppm lithium (refer ASX announcement 15 January 2026 "Formentera Lithium Drilling Update").

Well six (JAM 26-06) continues to show high porosity from drill core and is currently at 210 metres on 27/1/2026.

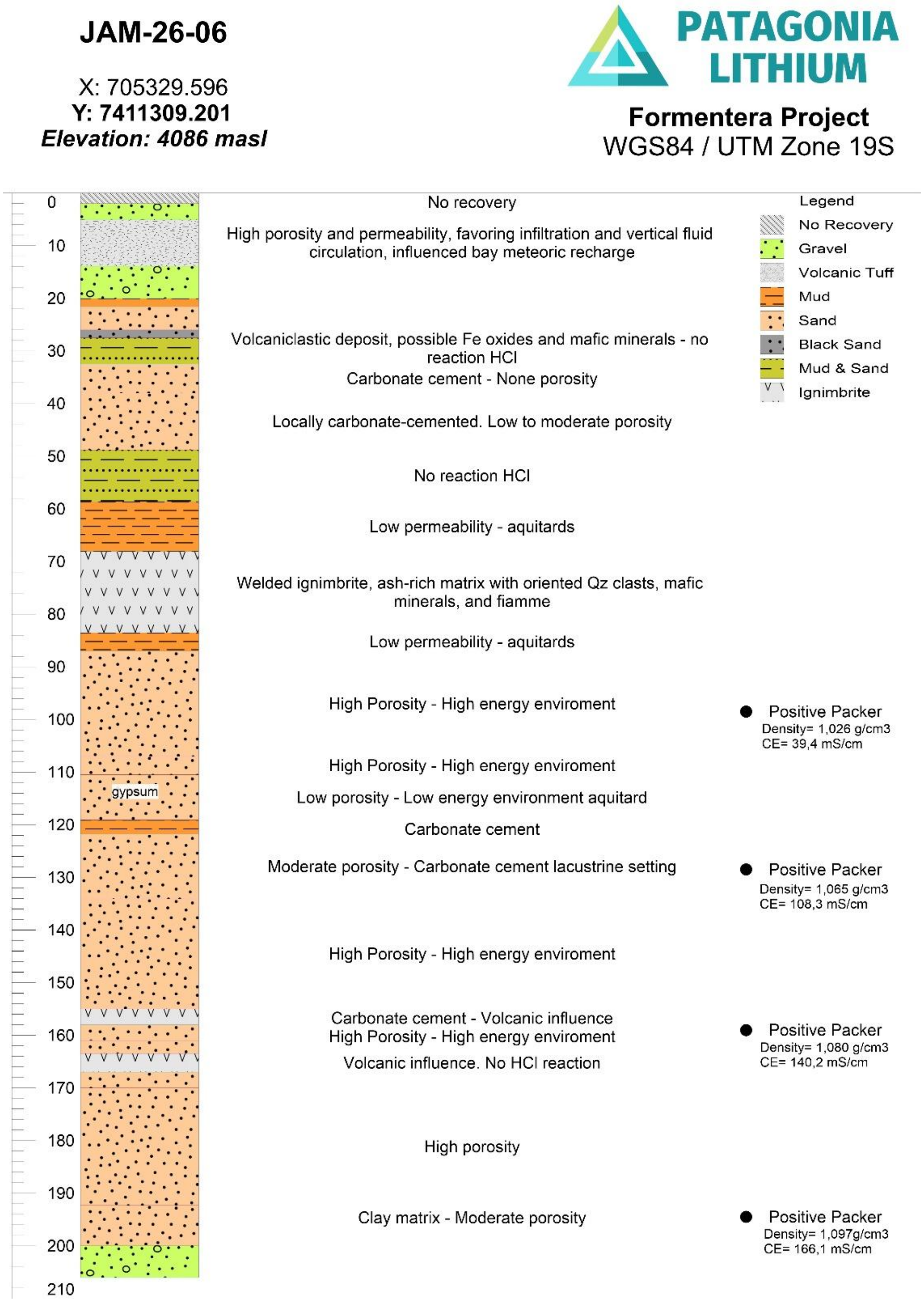

Figure 4. Drill log from well JAM 26-06 showing high porosity lithium intervals and packer intervals successfully tested. As soon as the SG passes 1.15gm/cm will reduce the sampling interval to 20m.

Figure 5. Core from (199,9 - 206 m): Unconsolidated, light brown medium to coarse gravel with medium to coarse sand matrix, matrix-supported, with sub-angular clasts. Moderate-high porosity.

Tomas III – Incahuasi Salar

Reconnaissance work was done during a recent visit to examine surface samples, mapping of the salar and country rock interface and topography for a possible drill program.

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. No work was completed this quarter in the field. December is usually the wettest month in Minas Gerais.

CORPORATE

The Company signed a strategic partnership with Ameerex Corporation to develop funding strategies for the planned production wells and 1st phase plant of 1,000 tonnes of lithium carbonate. Significant work has been undertaken with their Qatar and USA executives. Refer to ASX release "Strategic Partnership Agreement with Ameerex Corporation" on 9 January 2026".

The attached Appendix 5B sets out the expenditure for the quarter. The amount of $492k in exploration expenditure during the quarter was spent on drilling preparation and buying supplies. There were no exploration activities undertaken in Brazil during the quarter. The amount of $114k in item 6.1 of the Appendix 5B represents director fees paid to entities nominated by relevant directors and $4k 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
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 December 2025 quarter (and up to the date of this report):

19/01/2026	Formentera Lithium Drilling Update
15/01/2026	Formentera Lithium Drilling Update
06/01/2026	Formentera Lithium Drilling Reaches 335 metres
02/12/2025	Formentera Lithium Drilling Update
25/11/2025	Lithium Drilling Update
14/10/2025	Argentina Lithium Drilling and Brazil REE Update

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, 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	31 December 2025

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	(103)	(250)
	(e) administration and corporate costs	(278)	(824)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	-	(74)
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	-	(316)
1.9	**Net cash from / (used in) operating activities**	**(379)**	**(1,462)**

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	(492)	(2,300)
	(e) investments	-	-
	(f) other non-current assets	-	-

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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(492)**	**(2,300)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,253
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	(17)	(135)
3.5	Proceeds from borrowings	-	140
3.6	Repayment of borrowings	-	(981)
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**	**(17)**	**5,277**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,441	54
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(379)	(1,462)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(492)	(2,300)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17)	5,277

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	(1)	(17)
4.6	**Cash and cash equivalents at end of period**	**1,552**	**1,552**

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	552	441
5.2	Call deposits	1,000	2,000
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)**	**1,552**	**2,411**

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	110
6.2	Aggregate amount of payments to related parties and their associates included in item 2	4

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.

6.2 Relates to payments for exploration work by a director related entity.

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.		
	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)	(379)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(492)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(871)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,552
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,552
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.78

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: No. The current drill program is almost complete and the level exploration expenditure will be reduced.

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: The Company has entered into a strategic partnership with Ameerex Corporation to provide capital in future raisings.

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 January 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.