



PATAGONIA LITHIUM

24 April 2025

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QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 31 MARCH 2025

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

ASX:PL3 Options:PL3O

Issued capital

Shares

119,410,360

Options quoted

14,641,250 (\$0.30)

Options unquoted

13,169,904

Rights

2,000,000

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 22 January 2025, the Company released an inferred mineral resource estimate of **insitu 717,000 tonnes of lithium metal** (or if multiplied by 5.323) equating to approximately **3.8 million tonnes of lithium carbonate equivalent "LCE"**. The extractable brine from the free flow and capillary zones was 173,000 tonnes of LCE. This resource estimate will be upgraded after the Borehole magnetic resonance ("BMR") survey is completed for wells 1, 3 and 4. The recommendations made by WSP to complete a topographic survey of the wells is being implemented to supplement porosity data.

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)
Inferred Resources									
High Porosity Salar	90,262,500	13	11,734,125,000	461.6	42	5	29	945.7	85
Salar	3,059,125,000	4	122,365,000,000	220.7	675	27	144	854.5	2,614
Total Inferred Resources	3,149,387,500		134,099,125,000	234.7	717	32	173	857.4	2,699

Notes:

- The average Specific gravity used was 1.10 gm/ml. Values as high as 1.19gm/ml were recorded, higher SG would increase the MRE.
- The porosity used outside of the high porosity zone is 4% which is a function of the density of sampling. Other nearby projects in production have porosity of 6%.
- Grade values are the average estimated value for the domain in the Maptek Vulcan™ Block Model.
- Extractable lithium carbonate is 173,000 tonnes and total in-situ metal is 717,000 tonnes.
- Magnesium is of no interest as PL3 proposes to use Ekosolve DLE which isn't impacted by magnesium but the Mg:Li ratio is 2.04-3.88.

- The WSP MRE report made a number of recommendations which are currently being completed:

- Undertake downhole geophysical surveys, specifically BMR on remaining drill holes to provide a better understanding of the porosity of the salar
- Confirmation of the basement contact, either by intersecting the basement with diamond drilling close to the edge of the salar, or a 2D seismic survey.

The company has decided to conduct three BMR surveys and then drill well five. The survey of the topography and well hole locations using drone GPS equipment is being organised.

- Additional diamond drilling be completed to increase geological confidence.
- Drilling deeper to cover the low resistivity zones identified by the MT survey, as these zones correlate with the higher lithium assays, and higher porosity identified using BMR surveying.

The Company is planning to drill well five to 600m and then conduct a BMR survey on this well.

- 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 been granted all 25 exploration concessions it applied 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.

Corporate

- The underwritten entitlement issue and a share placement was successful raising \$3.56m and issue of 44,573,108 shares at 8 cents per share. We welcomed a new substantial shareholder Magnus Capital.
- The funds will be used to achieve the Company's business objectives for 2025 which includes an upgrade of the Mineral Resource Estimate (MRE) by completing the BMR surveys and then a 600m deep well at Cilon, and a scoping study to be followed by a feasibility study based on the 1,000 tonne Ekosolve DLE demonstration plant application.
- Director Sam Qi resigned in February 2025. The board thanks Sam for his contribution.
- Cash balance at 31 March 2025 was \$2.48 million.

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.

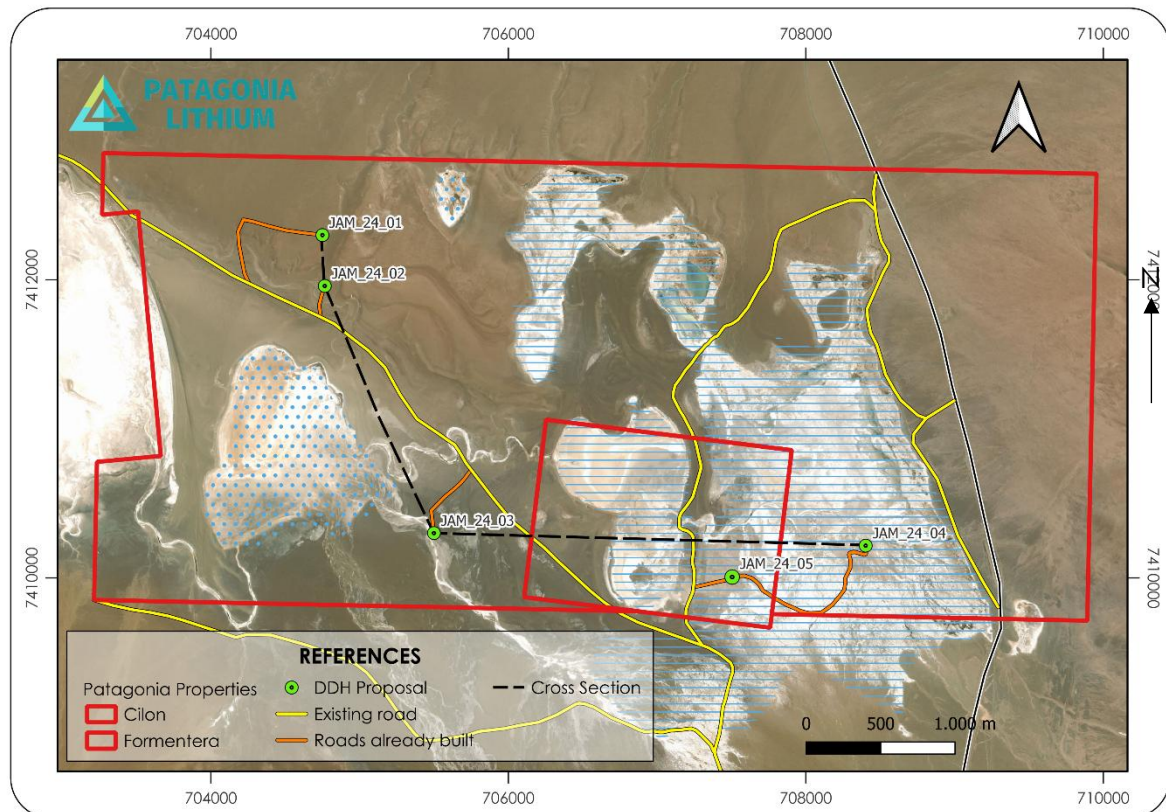


Figure 1. Shows updated plan view of completed drill holes (in green) JAM 24-01, JAM 24-02, JAM 24-03, JAM 24-04 and the fifth well on the Cilon concession JAM 24-05.

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)

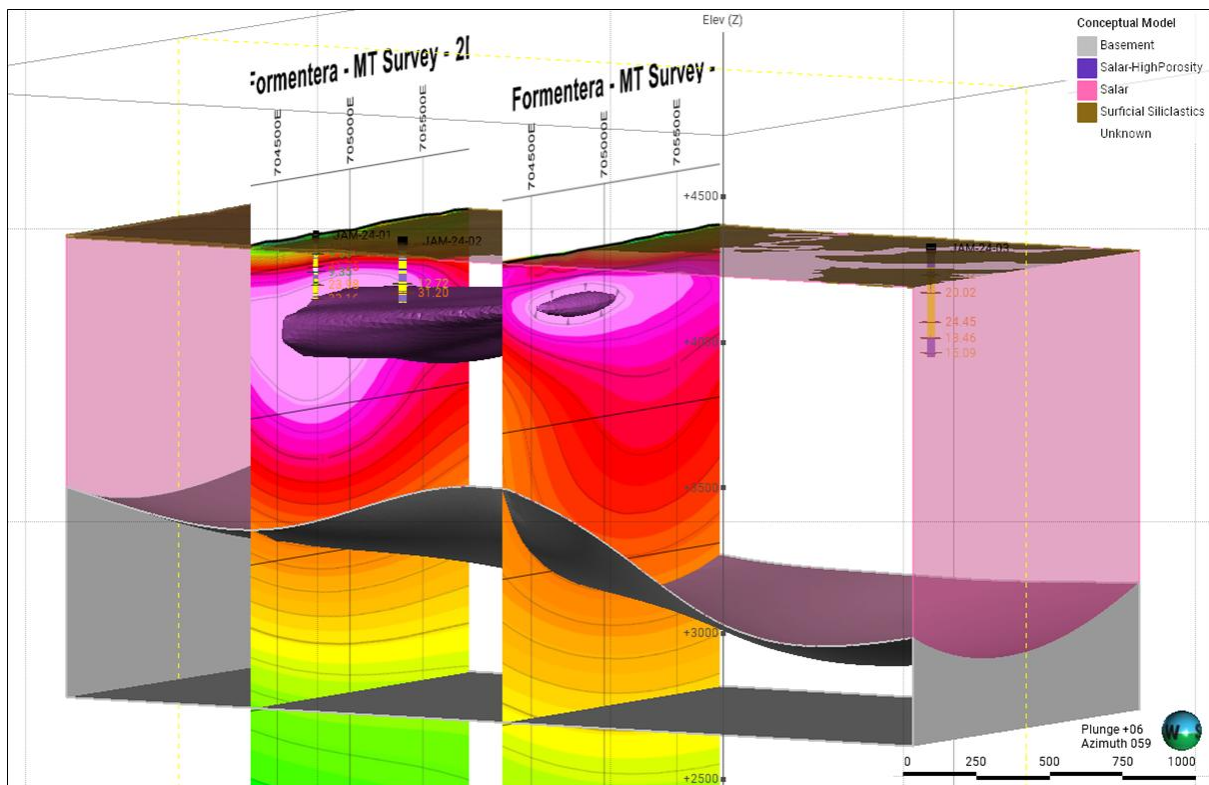


Figure 2. Section showing the modelled high porosity zone (purple zone) with 2D MT survey sections.

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 of \$89k continued during the March 2025 quarter. The attached Appendix 5B sets out the expenditure for the quarter. There were no exploration activities undertaken in Brazil during the quarter.

The Company was able to successfully complete a capital raising at 8 cents a share even though the share price was volatile during this period. The amount of \$40k in item 6.1 of the Appendix 5B represents director fees paid to entities nominated by relevant directors.

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. This is final time the Company is required to make this disclosure.

Use of funds	Prospectus use of funds (\$'000)	Actual to Mar-25 (\$'000)	Remaining balance (\$'000)
Expenses of the offer	812	875	(63)
Project Vendor payments	3,765	3,735	30
Exploration	1,725	4,296	(2,571)
Working capital	2,298	2,015	283
Total expenditure	8,600	10,921	(2,321)

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.

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 22 January 2025 as "Maiden Lithium Mineral Resource Presentation") 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 March 2025 quarter (and up to the date of this report):

Significant Maiden Lithium Mineral Resource	22 January 2025
Maiden Lithium Mineral Resource Presentation	22 January 2025
Drill hole Porosity Analysis and Environmental Testing	25 March 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 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 in-situ lithium carbonate equivalent of the Formentera project was 3.8 million tonnes.

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 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	-	-
	(e) administration and corporate costs	(107)	(107)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(73)	(73)
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	(180)	(180)

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	(89)	(89)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(89)	(89)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,566	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	(30)	(30)
3.5	Proceeds from borrowings	80	80
3.6	Repayment of borrowings	(921)	(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	2,695	2,695
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	54	54
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(180)	(180)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(89)	(89)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,695	2,695
4.5	Effect of movement in exchange rates on cash held	6	6
4.6	Cash and cash equivalents at end of period	2,486	2,486

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	2,486	54
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)	2,486	54

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	40
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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 interest payments on loans and convertible notes to directors and their related entities.		

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)	(180)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(89)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(269)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,486
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,486
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.2
	<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: 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	
	<i>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.</i>	

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: 24 April 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.