



## QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 31 DECEMBER 2023

Patagonia Lithium Limited (Patagonia or Company) (ASX:PL3) presents the following report for the period to 31 December 2023 (the Quarter).

### ASX:PL3

### Options:PL3O

#### Issued capital

Shares

58,565,000

Options

14,641,250 (\$0.30)

5,500,000 (\$0.27)

#### Directors

Phillip Thomas

Gino D'Anna

Sam Qi

#### Company

#### Secretary

Jarek Kopias

#### Projects

Formentera/Cilon

Tomas III

#### Next Milestones

Formentera/Cilon

Paso salar

- Drilling

Formentera

- MRE estimate

#### Office

Level 6, 505 Little

Collins Street

Melbourne

### Highlights

- A preliminary review of our drill permit was undertaken, and the Mining Directorate requested the Company update its monitoring program results for fauna, flora, air quality and water quality which was completed and the results submitted. A revised investment plan for the Cilon exploration licence was completed and three drill holes down to 300m were included in the investment plan plus ancillary costs.
- The Company completed an archaeological report on Formentera and Cilon exploration licences with no significant findings.
- Meetings continued with the Mining Director, Secretary of Mines in Jujuy to progress our drill permit application. This was subsequently approved on 23 January 2024.
- Cash balance at 31 December 2023 was \$2.65 million.

Focussed lithium brine explorer Patagonia Lithium Ltd (ASX: PL3) is pleased to provide the following update on its activities for the quarter ended 31 December 2023. Patagonia has two highly prospective projects in the lithium triangle in Argentina, Formentera/Cilon concession in the Paso Salar, Jujuy Province and Tomas III in the Incahuasi Salar in Salta Province Northern Argentina.

## EXPLORATION ACTIVITIES

### Formentera/Cilon – Jujuy Province

The Company's concession covers 1,752 hectares or approx 17.5 sq kilometres. Cilon was a past 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 highway which is sealed runs past the project and the town of Jama is 10km away, and Susques is 104km away.

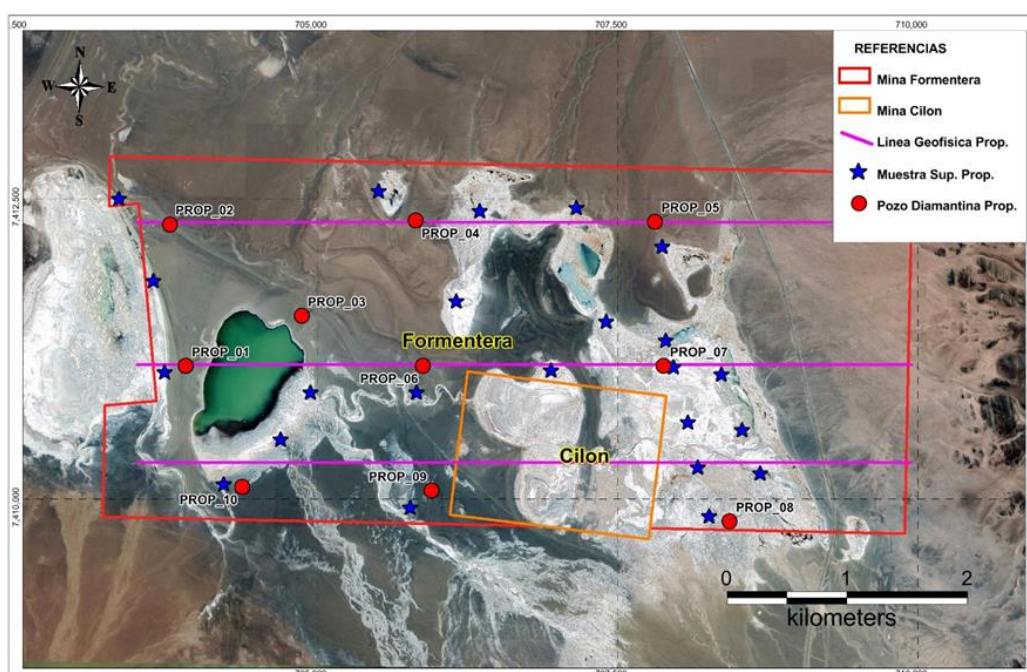


Figure 1 shows sampling and plan view of proposed drill holes (in red) and surface samples blue stars.

At Formentera/Cilon, the drill plan covers 13 drill hole sites that have been located with a proposed drill program of 2,000-3,000m, and drill spacing of less than 2km allowing for an indicated resource to be computed. Accommodation has been located in the township of Jama and there are sufficient 4WD tracks on the concession for drillers to locate the track mounted rig. This information was presented in detail to the Mines department in Jujuy in September 2023 and again in the investment plan submitted for Cilon. The Company has been in constant contact with the mines department from July 2023 when drill plans were finalised, and a drill permit application was submitted. The drilling permit was issued for drilling on Formentera on 23 January 2024.

## CORPORATE

The Company maintained a strong cash position ending the quarter with a balance of \$2.65 million as at 31 December 2023. As outlined in the attached Appendix 5B, approximately \$71k in payments were made to related parties and their associates

for director salaries, superannuation and consultancy fees associated with services provided to December 2023.

The Company spent \$100k in relation to exploration activities primarily related to archaeological report, investment plan, legal representation related to the drill permits and environmental reporting.

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 is materially in line with the IPO prospectus.

<b>Use of funds</b>	<b>Prospectus use of funds (\$'000)</b>	<b>Actual to Dec-23 (\$'000)</b>	<b>Remaining balance (\$'000)</b>
Expenses of the offer	812	875	(63)
Project Vendor payments	3,765	3,735	30
Exploration	1,725	469	1,256
Working capital	2,298	835	1,463
<b>Total expenditure</b>	<b>8,600</b>	<b>5,914</b>	<b>2,686</b>

## TENEMENTS

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

The Company's tenements are all 100% held. There have been no changes to the Company's tenements during the quarter.

## Press Releases During the December 2023 Quarter

9 Oct	Entitlement Offer Oversubscribed
16 Oct	99.9% Lithium Carbonate Produced from Formentera Brines
21 Dec	Environmental Monitoring Completed to Progress Drill Permit

Authorised for release by the Board of Patagonia Lithium Limited.

For further information please contact:

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*Our socials – [twitter@pataLithium](#), [Instagram](#), [facebook](#), [pinterest](#) and [youtube](#)*

### **About Patagonia Lithium Limited**

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. Since listing on 31 March 2023, recharge water analysis, surface sampling and **MT geophysics** have been completed in preparation of an upcoming drill program at Formentera, and MT Geophysics at Tomas III that was very prospective. In July 2023 a 13 hole drill program was submitted for approval. Samples as **high as 1,100ppm lithium** (2 June 2023 announcement) were recorded at Formentera and resistivity values as low as 0.3Ω.m were recorded during the MT Geophysics survey at Formentera making the **project highly prospective**. The Company confirms it is not aware of any new information or data that materially affects the information in this announcement.

## 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 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(55)	(211)
	(e) administration and corporate costs	(159)	(745)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	(13)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(214)</b>	<b>(969)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(100)	(548)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(100)</b>	<b>(548)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	146	4,275
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	(37)	(635)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(94)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>109</b>	<b>3,546</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,880	684
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(214)	(969)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(100)	(548)

## 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)	109	3,546
4.5	Effect of movement in exchange rates on cash held	(25)	(63)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,650</b>	<b>2,650</b>

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	650	2,880
5.2	Call deposits	2,000	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,650</b>	<b>2,880</b>

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	69
6.2	Aggregate amount of payments to related parties and their associates included in item 2	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 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.	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(214)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(100)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(314)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,650
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,650
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	8.4
<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: 25 January 2024

Authorised by: the Board  
(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.