



# PATAGONIA LITHIUM

24 April 2024

Level 6, 505 Little Collins Street, Melbourne VIC 3000 [phil@patagonialithium.com.au](mailto:phil@patagonialithium.com.au) Ph 0433 747 380

## QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 31 MARCH 2024

Patagonia Lithium Limited ("Patagonia" or "Company") (ASX:PL3) presents the following report for the period to 31 March 2024 (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

Rick Anthon

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

#### Argentina

- The Company commenced drilling on 4 March and completed the maiden well JAM 24-01 in early April to a depth of 370m. The core showed excellent porosity characteristics (for pumping brines) and specific gravity increased to 1.196 gm/cm<sup>3</sup> at 360m depth indicating an increase in mineral concentration in the brines. The samples taken have been sent to laboratory for testing for lithium.
- The Company completed an environmental monitoring survey and the results were sent to the mines department where there is a new mining secretary and Mining director appointed. Good progress is being made in obtaining approval for the three wells planned on the Cilon concession.
- WSP Australia JORC competent person, geologist and hydrologist Jason Van Akker visited the site and inspected the drilling of well JAM 24-01 which is a pre-requisite for writing a mineral resource estimate.

#### Brazil

- The company PL3 Brazil Mineracao Ltda was incorporated and an application was submitted in February 2024 for 25 explorator concessions in the states of Minas Gerais, Goais and Mato Grosso.
- One concession 830178/2024 has been granted covering 1734.22 ha 6km from the town of Agua Boa and covers the Serrc Negra Group granites targeting Ionic clay rare earth elements in the state of Mato Grosso, Brazil.
- REE ionic clays and carbonatites and pegmatites targets have been identified and prioritised for the next stage of soil sampling
- Cash balance at 31 March 2024 was AU\$2,131,000.

Focused lithium brine, ionic clay and carbonatite Rare Earth, Niobium and pegmatite spodumene explorer Patagonia Lithium is pleased to provide the following update on its activities for the quarter ended 31 March 2024. Patagonia has two highly prospective projects in the lithium triangle in Argentina, Formentera/Cilon concession in the Paso Salar, Jujuy Province and the Tomas III concession in the Incahuasi Salar in Salta Province Northern Argentina. It also has once concession in Mato Grosso state and 24 applications pending in Minas Gerais and Goias states Brazil.

## EXPLORATION ACTIVITIES

### Formentera/Cilon – Jujuy Province

The Company's concession covers 1,752 hectares or approx 17.5 km<sup>2</sup>. 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.

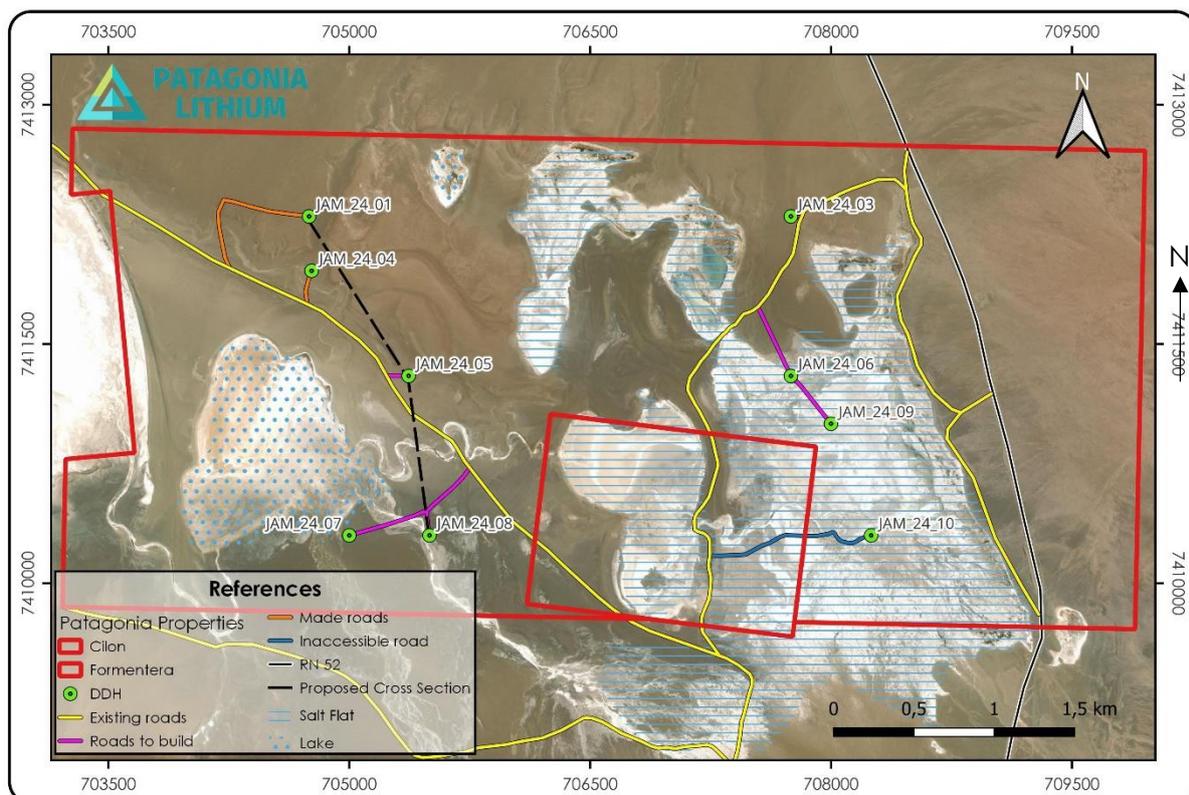


Figure 1. Shows updated plan view of proposed drill holes (in green) JAM 24-01 drilled and 24-04 started.

The HQ3 drill core intersected highly porous limestone, sandstone and aggregates with the specific gravity increasing with depth and the porosity increasing as the well intersected a gravel unit.

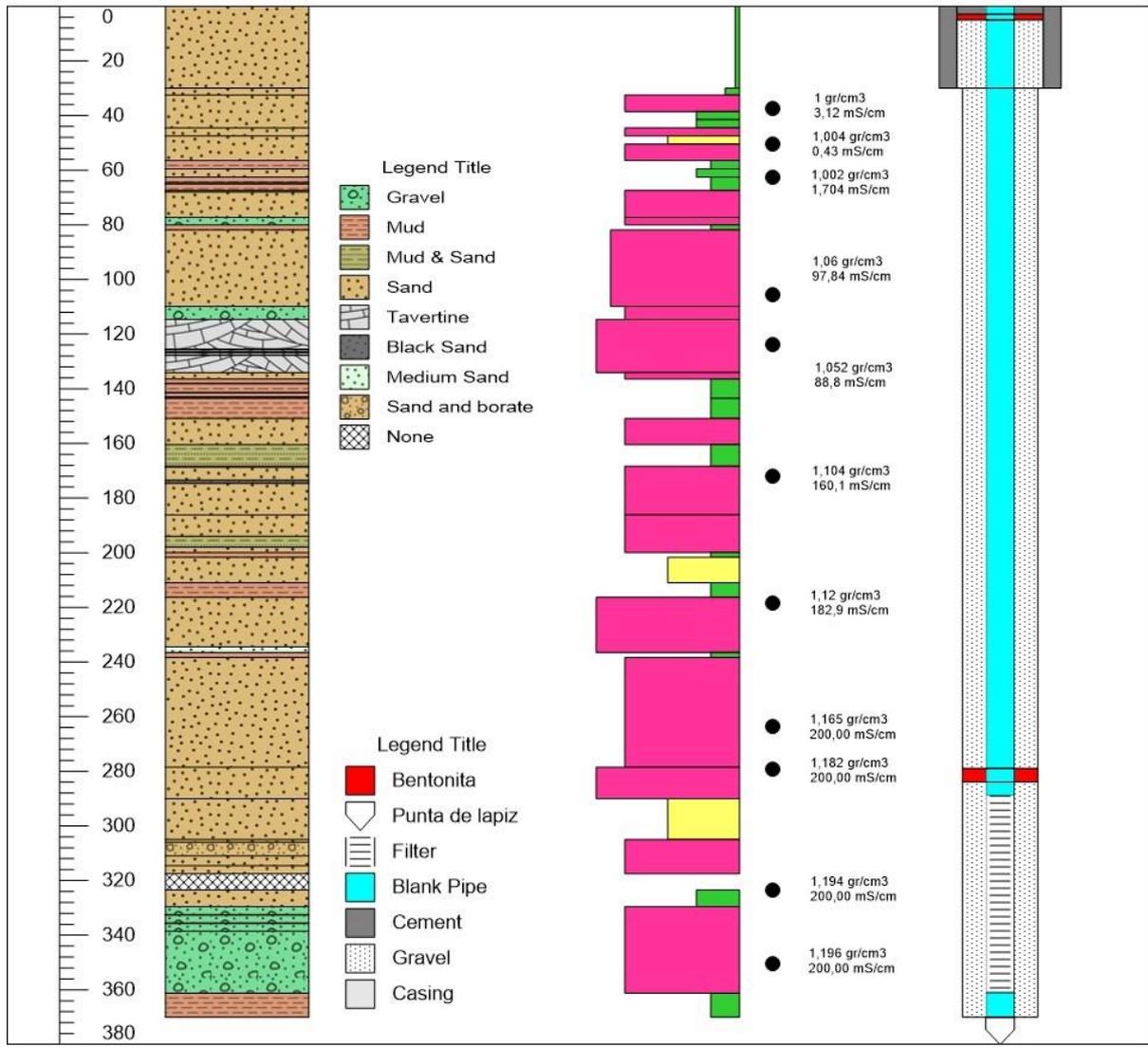
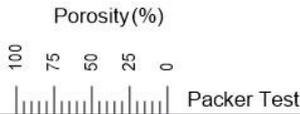


Figure 2. Porous sands and gravels were intercepted from 150 to 360m. PVC slotted area for pumping is from 280m to 360m. The high proportion of porous lithologies (pink blocks) is exceptional. The black dots represent the field assays for conductivity and specific gravity. The maximum value the meter reads is 200mS/cm. High conductivity means high concentration of conductive elements such as Lithium and potassium. Conductivity measurements from brine samples taken from packer testing from 280m to 360m exceeded the 200 milli-siemens/cm limits of the field recording instrument whilst high specific gravity was recorded at 1.196 gm/cm<sup>3</sup>.

## Exploration In Brazil

- Interpolation of radiometric data for mineral tenement: Ternary.
- Areas of interest.



Figure 3. Shows the three zones in the Goais project we have targeted, zone 1 in south with strong radiometric anomaly and system of faults.

The project is easily accessible and has the infrastructure of the adjacent niobium mine. The town of Agua Goa is only 6km away. We will initiate this exploration once the permit is granted.

The Company is arranging for a field crew to spend 5 days soil and rock chip sampling and mapping the faults at a finer scale. They will identify and describe rock outcrops, analysing the local geomorphology, and observing and describing the weathering mantle. A pan concentrate survey is planned, to identify heavy REE-bearing minerals, such as monazite, xenothermite and bastnasite.

### Prioritisation of Concessions for Exploration

The concession will be explored for lithium in the order below:

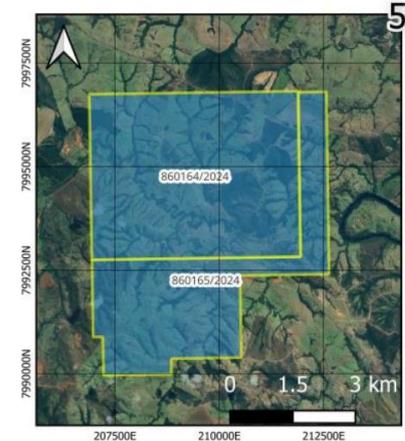
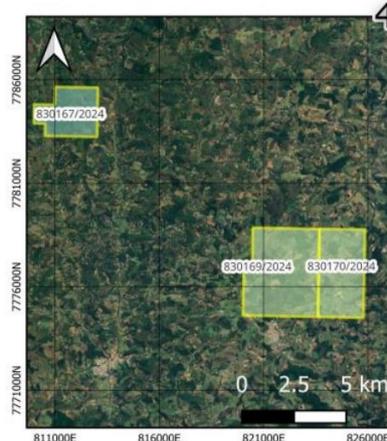
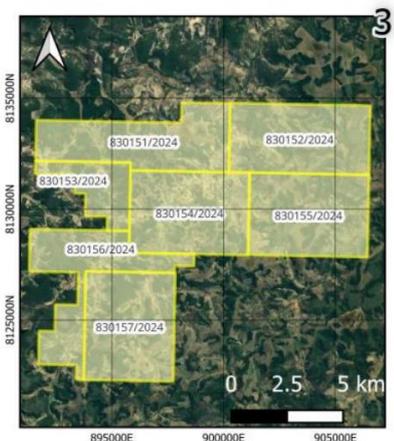
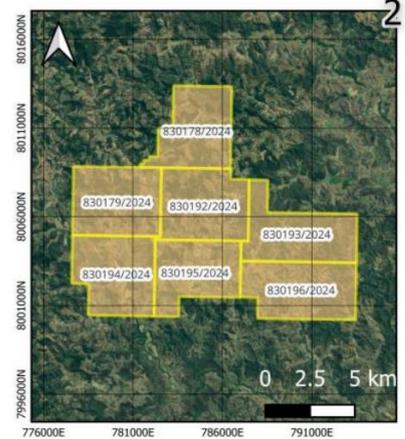
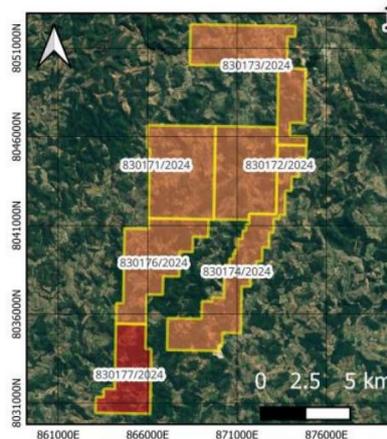
#### LCT Pegmatites – lithium hard rock

State	Mineral Tenement	Ranking Pegmatites	Parameters
MG	830.177/2024	1	Partially embedded within the context of lithium mineralisation (metasediments), the targeting results exhibiting the highest similarity values align with the NE-SW trend in proximity to the area, but not inserted in the tenement. The ternary geophysical pattern, F factor, and U/Th ratio serve as characteristic indicators for lithium mineralisation.
MG	830.172/2024 830.174/2024 830.171/2024	2	Partially integrated within the context of lithium mineralisation in both metasediments and leucogranites, the ternary geophysical pattern

State	Mineral Tenement	Ranking Pegmatites	Parameters
	830.173/2024 830.176/2024 830.178/2024		appears anomalous but distant from lithium occurrences. It exhibits areas of potassic alteration enhancement and is proximal to the trend of targeting similarity.
MG	830.179/2024 830.192/2024 830.193/2024 830.194/2024 830.195/2024 830.196/2024	3	Embedded within ancient volcano-sedimentary rocks of the Archean era, predating the formation of metasediments, it showcases a pattern of low similarity with lithium occurrences identified through targeting. The ternary geophysical pattern appears diffuse, featuring restricted zones with elevated F parameter values. While geographically close, they do not share the same mineralisation context (metasediments).

### Concessions ranked for LCT Pegmatites

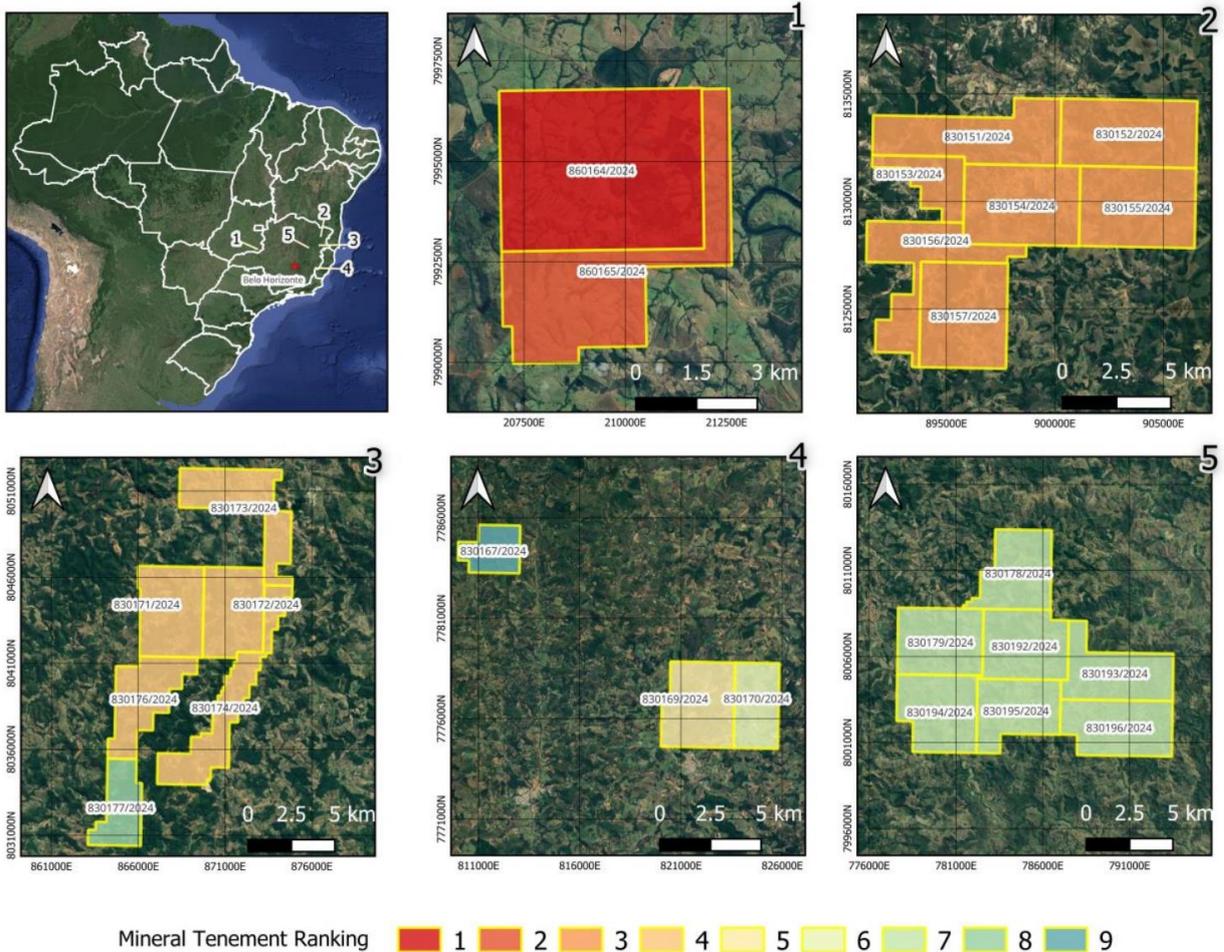
#### LCT Pegmatites Ranking



Mineral Tenement Ranking      1   2   3   4   5   6   7

## Concessions ranked for Rare Earth Elements

State	Mineral Tenement	Ranking	Parameters
GO	860.164/2024	1	It is situated within the local anomaly of Uranium and Thorium. This anomaly encompasses the metasomatic zone identified through ternary geophysical interpretation based on MVI, ASA, and DZ, as well as the theoretical model derived from the proportions observed in Araxá - MG. The local anomaly can be divided into two parts. The first, of greater magnitude, aligns with the 125 AZ alignment and coincides with the confluence of the drainage network in a topographic low, suggesting a potential accumulation of radioactive minerals rich in Rare Earth Elements (REE). The second anomaly, located to the northwest of the area, also enriched in Uranium and Thorium, sits atop a topographic high. This anomaly may represent an anomalous finitized zone, when associated with the context of the host rock (schist).
GO	860.165/2024	2	It is situated within the regional Uranium and Thorium anomaly, bordering the Catalão I carbonatite. The anomaly's pattern is concentric to the core of the carbonatite. This anomaly encompasses the zones of silification and metasomatism identified through MVI, ASA, and DZ analyses, as well as those derived from the theoretical model based on the proportions observed in Araxá-MG.
MG	830.153/2024 830.156/2024 830.152/2024 830.155/2024 830.151/2024 830.154/2024 830.157/2024	3	It is located within two Cambrian granite suites: the Faísca Suite, composed of leucocratic S-type granites, and the Aimorés Suite, consisting of Type I or C granites characterized by high-K calc-alkaline composition. The ternary geophysical pattern reveals enrichment in Uranium, Thorium, and Potassium. Differentiated granites, especially those abundant in REE, have the capacity to generate ionic adsorption clay deposits through weathering processes.



## CORPORATE

During the quarter directors Paul Boyatzis and Gino D'Anna resigned from the Board. Rick Anthon was appointed as non-executive director during the quarter.

The Company maintained a strong cash position ending the quarter with a balance of \$2.13 million as at 31 March 2024. As outlined in the attached Appendix 5B, approximately \$76,000 in payments were made to related parties and their associates for director salaries, superannuation and consultancy fees associated with services provided to March 2024.

The Company spent \$300,000 in relation to exploration activities primarily related to drilling in Formentera, environmental and legal representation related to the establishment of the Brazilian subsidiary and application for concessions.

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.

Use of funds	Prospectus use of funds (\$'000)	Actual to Mar-24 (\$'000)	Remaining balance (\$'000)
Expenses of the offer	812	875	(63)
Project Vendor payments	3,765	3,735	30
Exploration	1,725	769	956
Working capital	2,298	1,100	1,198
<b>Total expenditure</b>	<b>8,600</b>	<b>6,479</b>	<b>2,121</b>

## 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

The Company's tenements are all 100% owned. There have been no changes to the Company's tenements during the quarter. Brazil 830176/2024 was granted on 3 April 2024 and will be included the tenement table in the next quarterly report.

Patagonia confirms that the Company is not aware of any new information or data that materially affects the results listed in this announcement:

### Press Releases During the March 2024 Quarter (and up to the date of this report)

29 Jan-24	Exploration Initiated for Lithium Niobium and REE in Brazil
7 Feb-24	Exploration Applications Completed in Brazil
8 Feb-24	Drilling to Commence at Formentera
23 Feb-24	Rare Earths, Ionic Clays, Lithium and Niobium Exploration
5 Mar-24	Drilling Commences at the Formentera Lithium Project in Argentina
6 Mar-24	Brazil Exploration Update
5 Apr-24	Completion of First Hole at Formentera Lithium Project
9 Apr-24	Exploration Application Granted for REE Project Updated
10 Apr-24	Significant Geophysics REE Anomaly in Brazilian Application
16 Apr-24	Completion of First Hole at the Formentera Lithium Project

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](mailto:phil@patagonialithium.com.au)

Additional information is available at [www.patagonialithium.com.au](http://www.patagonialithium.com.au).

### **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. It has also applied **for 41,746 Has** of concessions exploring for **ionic REE clays, Niobium, and lithium in pegmatites**. Four exploration concession packages have been applied for - 830178/2024 has been granted.

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, where the first well JAM 24-01 has been completed with MT Geophysics at Tomas III showing low resistivity and very prospective. In July 2023, a 13 hole drill program was submitted for approval which was granted in January 2024. 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. It is focused on the systematic exploration and development of its projects and contemplates using the Ekosolve™ Direct lithium extraction process to minimise fresh water usage and maximise recovery. Mr Phillip Thomas is a Director and Shareholder of Ekosolve Ltd.

## 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 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. 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	(65)	(65)
(e) administration and corporate costs	(221)	(221)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	21	21
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(265)</b>	<b>(265)</b>

<b>2. 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	(300)	(300)
(e) investments	-	-
(f) other non-current assets	-	-

## 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 (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)	30	30
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(270)</b>	<b>(270)</b>
<b>3. Cash flows from financing activities</b>			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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 (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>			
4.1	Cash and cash equivalents at beginning of period	2,651	2,651
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(265)	(265)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(270)	(270)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	15	15
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,131</b>	<b>2,131</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,110	651
5.2	Call deposits	1,021	2,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,131</b>	<b>2,651</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	65
6.2	Aggregate amount of payments to related parties and their associates included in item 2	11
<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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</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>		
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(265)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(300)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(565)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,131
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,131
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3.7
<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 2024

Authorised by: 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.