

25 July 2019

Quarterly Activities Report – Three months to 30 June 2019

Highlights

- Metallurgical test work on vanadium mineralisation from the Airijoki Project in Sweden and the Koitelainen Project in Finland delivered substantial increases to the mass recovery and overall recovery of vanadium into vanadium magnetite concentrates
- Scoping Studies for the Airijoki (Sweden) and Koitelainen (Finland) Vanadium Projects confirmed the potential of the projects to deliver significant value for shareholders¹
- The Scoping Studies assessed the potential for both Airijoki and Koitelainen to be initially developed as mining operations producing high-grade vanadium magnetite concentrates for sale to global markets (Phase One)
- The project development approach of a Phase One project producing vanadium magnetite concentrate has the advantage of significantly lower initial pre-production capital expenditure requirements and decreasing time frames to production
- Both Airijoki and Koitelainen have the potential to be financially robust as operations initially producing high-grade vanadium magnetite concentrates
- Further upside to Pursuit's vanadium portfolio may come from a second phase of development involving construction of a centralised vanadium magnetite concentrate processing facility to produce V₂O₅ flake (Phase Two)
- Discussions are ongoing with potential strategic partners to assist in the assessment and potential development of the Airijoki and Koitelainen Projects
- A cost reduction program was implemented with expected cost savings of \$150,000 per quarter
- On 3 July 2019, the Company announced it would raise up to \$1.63 million, consisting of a \$0.89 million two tranche placement and a non-renounceable \$0.74 million rights issue

¹ Cautionary Statements regarding Scoping Studies

The Scoping Studies referred to in this announcement have been conducted for the purpose of assessing the economics of producing high-grade vanadium magnetite concentrates and then selling those concentrates to global markets. They are preliminary technical and economic studies of the potential viability of the Airijoki and Koitelainen Projects. They are based on low level technical and economic assessments that are not sufficient to support the estimation of ore reserves. Further exploration and evaluation studies are required before Pursuit will be in a position to estimate any ore reserves or to provide any assurance of an economic development.

The Scoping Studies are based on the Inferred Mineral Resources for the Airijoki and Koitelainen Projects. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration will result in the determination of Indicated or Measured Mineral Resources in accordance with JORC (2012).

For further information regarding the Scoping Studies, refer to the ASX Announcement dated 8 May 2019. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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Figure 1 - Pursuit Project Locations in Finland and Sweden



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Finland Vanadium Projects

Pursuit holds extensive Mineral Reservations and two Exploration Licences covering the Koitelainen, Karhujupukka and Ala Postojoki Vanadium Projects in northern Finland.

The Koitelainen Project is comprised of two reservations - Koitelainen UC and Koitelainen Vosa - covering 130km². The Karhujupukka Project reservation covers 398km², within which are two granted Exploration Licences covering 6.5km². The Ala Postojoki Project comprises a reservation in Northern Finland covering an area of 50km².

Koitelainen Vosa Prospect

During the quarter, Pursuit received very encouraging results from a Scoping Study of the Koitelainen vanadium project in Finland. The scoping study was based on the Inferred Mineral Resource declared for the Koitelainen project in February 2019². The Resource totals 116.4Mt, at in-situ grade of 0.3% V₂O₅, containing 5.8 million tonnes of magnetite @ 2.3% V₂O₅ (in magnetite concentrate), for 131,000 tonnes of V₂O₅ based on 5.0% Mass Recovery of magnetite concentrate and a cut-off of 0.5% V₂O₅.

Pursuit's Scoping Study of the Koitelainen Project was supported by:

- ALS Metallurgical Services (ALS), who was retained to undertake metallurgical tests of samples with the objective of determining ways to further increase the mass recovery and overall recovery of vanadium into a vanadium magnetite concentrate.
- SRK Consulting (Australasia) Pty Ltd (SRK), who was retained to undertake Order of Magnitude (OoM) study incorporating mine optimisation, scenario assessment, capital and operating cost estimation, techno-economic modelling and sensitivity analysis.

Metallurgical test work completed to date showed mass recoveries increased significantly by simply increasing the crushing size of the ore to 355 microns from 106 microns. For three holes tested from the Koitelainen Project, the average mass recovery was increased from 5.3% to 8.8%, indicating substantial upside for the Koitelainen Mineral Resource³.

The Scoping Study focussed on mining vanadium mineralisation hosted in a magnetite gabbro unit from Zones C and D of the Koitelainen Inferred Mineral Resource (Figure Two). The Scoping Study confirmed that mining could potentially be based upon bulk mining techniques using standard drill and blast, load, haul and crusher feed, followed by magnetic separation to produce a vanadium magnetite concentrate. Lower grade material would be stockpiled. Waste material would be stockpiled adjacent to the planned open pits and tailings would be contained within a tailing's management facility.

The Koitelainen Scoping Study was based on following parameters:

Item	Value
Target average grade of vanadium magnetite concentrate	2.5% V ₂ O ₅
Magnetite concentrate mass recovery rate	8%
Royalty	0.15% of revenue to the landowner

²See Pursuit Minerals ASX Announcement 6 February 2019. ³See Pursuit Minerals ASX Announcement 9 April 2019. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcements and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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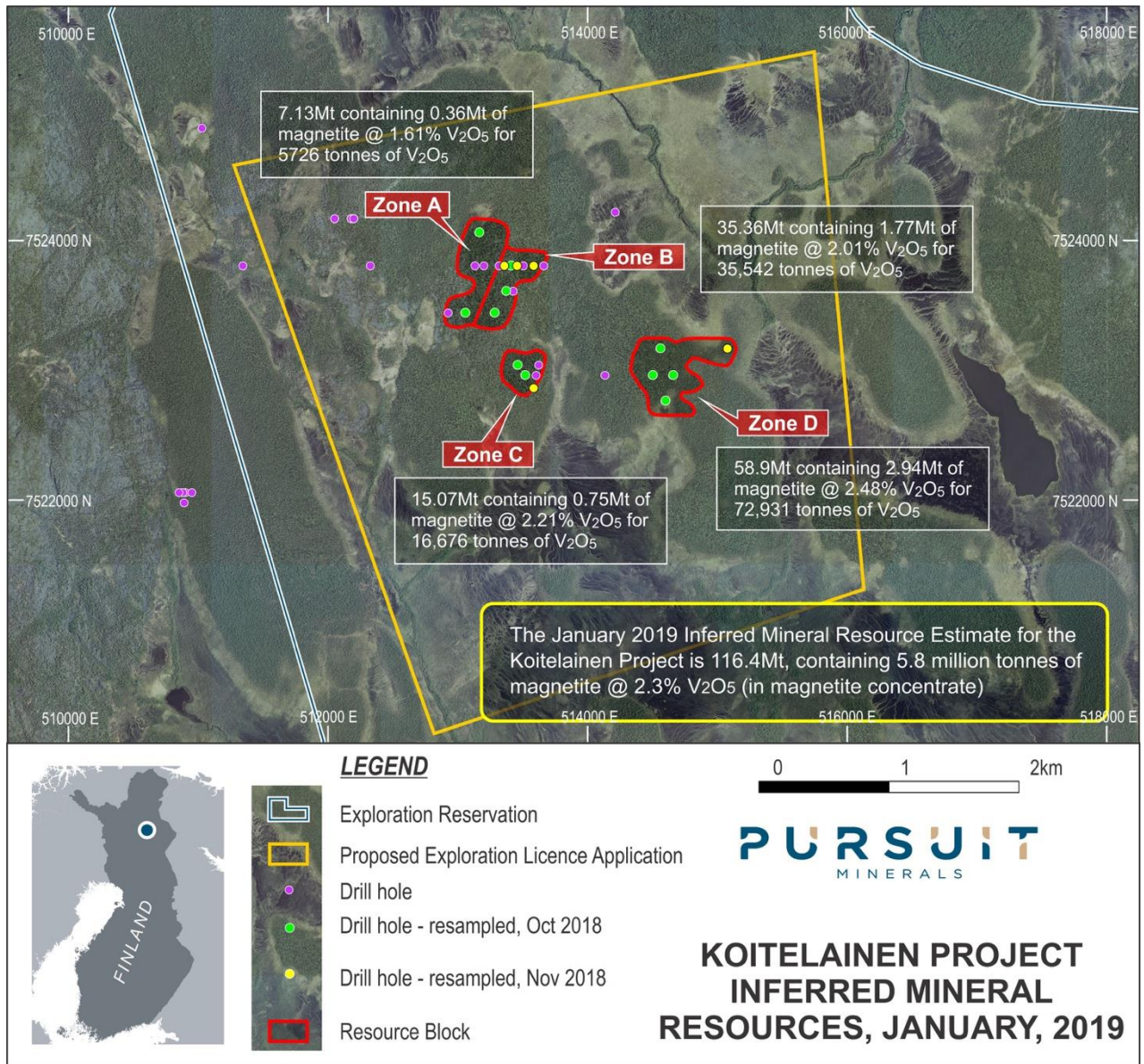
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Figure 2 – Koitelainen Project Inferred Mineral Resources



The Koitelainen Mineral Resource is secured by the Koitelainen A Reservation, which covers an area of 44km² and is valid until 29/3/2020. Only non-ground disturbing work can be conducted on the Koitelainen A Reservation. In October 2018, Pursuit submitted an application for a three-year Exploration Licence to cover the Koitelainen Inferred Mineral Resource. If granted, the Exploration Licence will allow drilling activities to be conducted and the exploration licence will be valid for three two years.

The Koitelainen Reservation A is located within a Natura2000 region. In order for the Koitelainen Exploration Licence to be granted, a Natura2000 environmental impact assessment had to be completed. This report was submitted to the relevant Finnish government authorities (TUKES and ELY

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Centre) in April 2019, who have 6 months to review the report and determine any additional environmental requirements upon grant of the Exploration Licence. Pursuit has reviewed the environmental conditions attached to existing Exploration Licences, in close proximity to the Koitelainen Project, and considers that these conditions (namely drilling must be completed during the winter time when the ground is frozen and there is snow on the ground), will not be a major impediment to the continued assessment of the Koitelainen Project. Subsequent to the submittal of the Natura2000 report, Pursuit has provided additional information to ELY Centre regarding the Company's plans for the first drilling program to be undertaken at Koitelainen. Pursuit now awaits the ELY Centre to conclude their assessment of the Koitelainen Natura2000 assessment report prior to 1 October 2019.

Ala Postojoki Project

Pursuit has been granted a Mineral Reservation covering the Ala Postojoki vanadium project in northern Finland. The Reservation covers an area of 50km². The project is close to the west of Pursuit's Koitelainen vanadium project. The project contains confirmed vanadium mineralisation associated with a magnetic anomaly 3.5km in strike length. Only two holes have previously been drilled at the Ala Postojoki project, approximately 600m apart (Figure Three), suggesting there is significant potential to expand the known vanadium mineralisation.

No work was undertaken on the Ala Postojoki Project during quarter.

Karhujupukka Project

The Karhujupukka Project is in north-western Finland, close to the Swedish border and the transport corridor which runs down the western Finland border. Vanadium mineralisation was discovered at Karhujupukka by the Geological Survey of Finland (GTK) in 1988, which led to GTK reporting an historical mineral resource estimate based on 30 drill holes (3453m). The strike length of the mineralisation is over 5km and remains open. The Karhujupukka Project covers 398km² and contains a historical mineral resource estimate of 5.2Mt @ 0.24% V (0.43% V₂O₅), 32% Fe, 6.2% Ti and 0.02% Co⁴.

⁴The historical mineral estimate for the Karhujupukka Project is an historical estimate and is not reported in accordance with the JORC Code. A Competent Person has not done sufficient work to classify the historical estimate as Mineral Resources in accordance with the JORC Code. It is uncertain that following evaluation and/or further valuation work that the historical estimate will be able to be reported as Mineral Resources in accordance with the JORC code.

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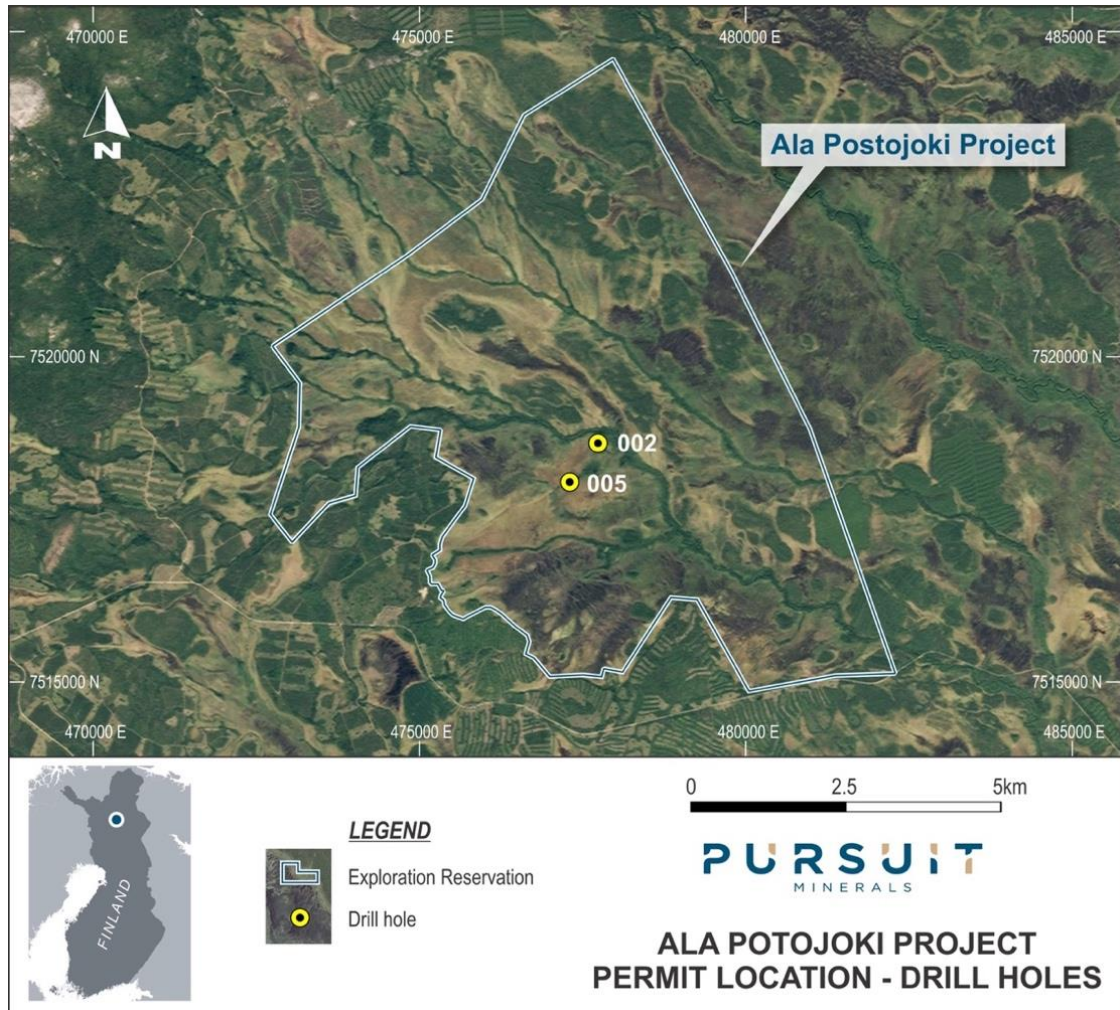
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Figure 3 - Ala Postojoki Project Historical Drill Hole Locations



Pursuit has been granted two exploration licences within the area of Pursuit's Karhujupukka Reservation covering a total of approximately 6.5km².

No work was undertaken on the Karhujupukka Project during quarter.

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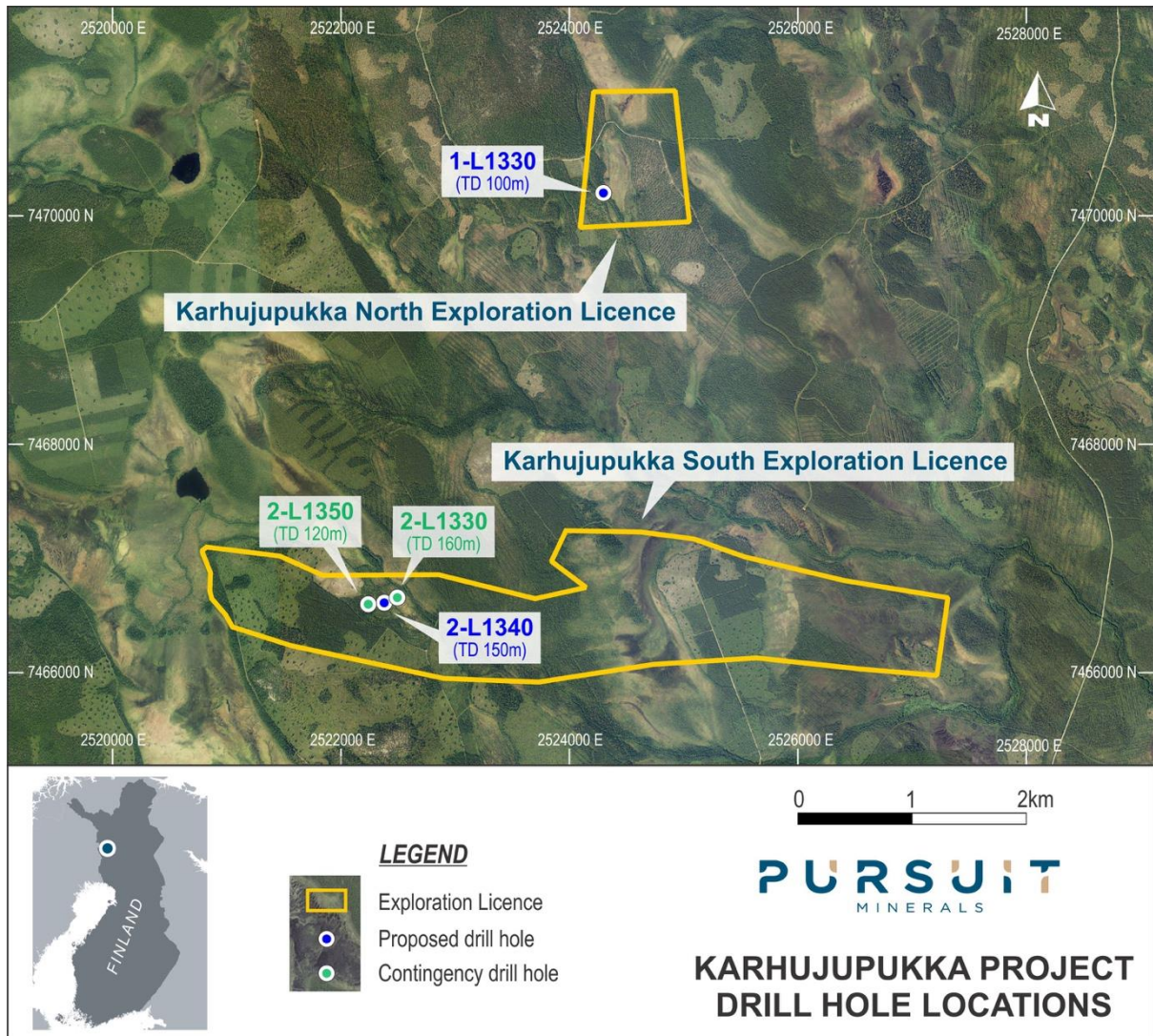
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Figure 4 – Karhujupukka South Drill Hole Locations



Sweden Vanadium Projects

Pursuit holds the Airijoki Project in northern Sweden, made up of four Exploration Licences covering a total 32km². The Company also holds exploration licences covering four project areas in central Sweden (Sumåssjön, Kramsta, Simesvallen and Storåsen). Mineral Exploration Licences, granted for three years until June 2012, allow the company to undertake exploration activities including geophysical surveys, mapping, sampling and drilling, subject to the relevant County Administration Boards approving work plans.

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Airijoki Project

During the quarter, the Company completed a Scoping Study for the Airijoki Project. The Scoping Study determined that the project has the potential to generate excellent returns from the planned mining project. The conceptual modelling for the Airijoki project assumed four open pits would produce high-grade vanadium magnetite concentrate, which would be transported to Rotterdam for sale to international markets.

The Scoping Study was based on the Inferred Mineral Resource announced for the Airijoki project in March 2019. The Resource consists of four Zones (A to D) and totalled 44.3 million tonnes, at in-situ grade of 0.4% V₂O₅, containing 5.9 million tonnes of magnetite @ 1.7% V₂O₅ (in magnetite concentrate), for 100,800 tonnes of V₂O₅ based on 13.3% mass recovery of magnetite concentrate and a cut-off of 0.7% V⁵.

Pursuit's Scoping Study of the Airijoki Project was supported by:

- ALS Metallurgical Services (ALS), who was retained to undertake metallurgical tests of samples with the objective of determining ways to further increase the mass recovery and overall recovery of vanadium into a vanadium magnetite concentrate.
- SRK Consulting (Australasia) Pty Ltd (SRK), who was retained to undertake Order of Magnitude (OoM) study incorporating mine optimisation, scenario assessment, capital and operating cost estimation, techno-economic modelling and sensitivity analysis.

The metallurgical test work increased mass recoveries significantly by simply increasing the crushing size of the ore to 355 microns from 106 microns. For three holes tested from the Airijoki Project, the average mass recovery was increased from 13% to 18.3%. Additional metallurgical test work has since been conducted involving Low Intensity Magnetic Separation (LIMS) which further increased the average mass recovery to 22.2%. These results were incorporated into the Scoping Study.

The Scoping Study focussed on mining vanadium mineralisation hosted in a meta-dolerite unit from four open pits on Zones 1 – 4 of the Airijoki Inferred Mineral Resource (Figure 5). The Scoping Study confirmed that mining could potentially be based upon bulk open pit mining techniques using standard drill and blast, load, haul and crusher feed, followed by magnetic separation to produce a vanadium magnetite concentrate.

Lower grade material would be stockpiled. Waste material would be stockpiled adjacent to the planned open pits and tailings would be contained within a tailing management facility.

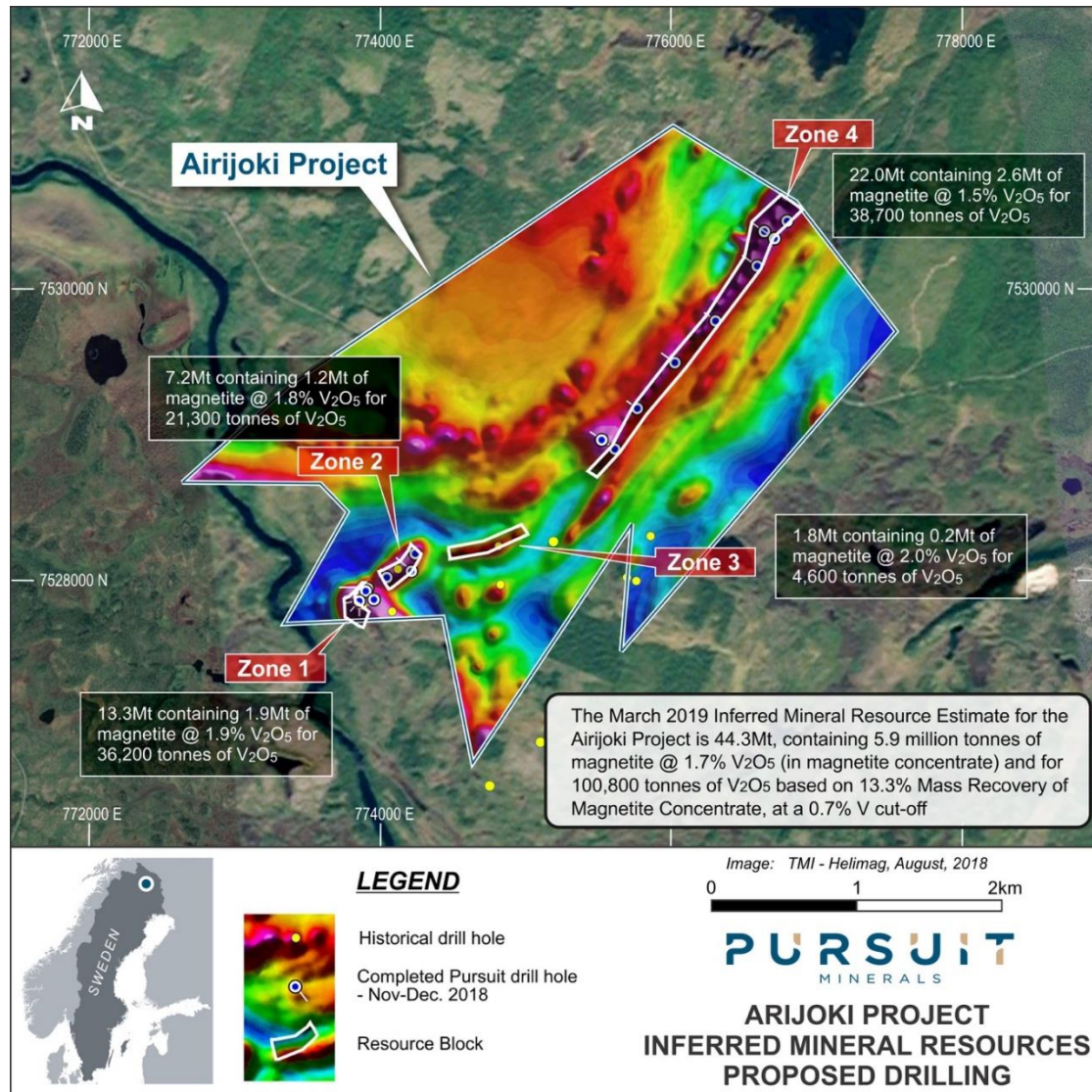
Pre-production capital costs were estimated by benchmarking the Airijoki project against similar projects globally from SRK's database of recent project work.

The Airijoki Scoping Study was based on following parameters:

Item	Value
Target average grade of vanadium magnetite concentrate	1.6% V ₂ O ₅
Magnetite concentrate mass recovery rate	21%
Royalty	0.15% of revenue to the landowner, 0.05% of revenue to the government

⁵See Pursuit Minerals ASX Announcement 8 March 2019. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Figure 5 – Airijoki Project Inferred Mineral Resources



On 21 May 2019, the Company announced that further metallurgical test work had achieved significant increases in vanadium recovery rates and delivered further improvements in potential economic returns at the high grade Airijoki project in northern Sweden⁶. The improvements were achieved through metallurgical test work conducted on three holes from Airijoki, which focussed on methods to increase the mass recovery of the vanadium magnetite concentrate and lift the overall recovery of vanadium.

The metallurgical test work was able to increase the average mass recovery to 22% from an initial 13.3% - an overall increase of 65%. The average recovery of vanadium into a vanadium magnetite concentrate is in excess of 70%.

⁶See Pursuit Minerals ASX Announcement 21 May 2019. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcements

These substantial improvements were achieved through use of Low Intensity Magnetic Separation (LIMS) and using a coarser 355-micron grind size, instead of the previous 106-micron grind size, and without the need for additional WHIMS processing.

The Airijoki Inferred Mineral Resources are contained within Exploration Licence Airijoki Nr 100 which is valid until 20 June 2021 and can be renewed for a further 3 years.

Kullberget-Storassen Project

The Kullberget - Storassen magnetic anomaly is 6km long and is divided into a western section (Kullberget) and an eastern section (Storassen). At Kullberget, outcropping vanadium mineralisation returned values of 20%Fe and 0.9% V₂O₅ in historical samples. At Storassen, historical rock samples from a minor trial mine returned values of 12-20% Fe and 0.11-0.2% V₂O₅.⁷

A low level heli-magnetic survey and rock chip sampling program was conducted at the Kullberget project during the September 2018 quarter which identified two prominent, intense magnetic anomalies associated with outcropping vanadium mineralisation.⁸

No work was conducted at the project in the quarter.

Simesvallen Project

Pursuit has re-examined two historical drill holes from the Simesvallen Project (Figure 6) in central Sweden which previously returned encouraging widths and grades of vanadium mineralisation⁹.

Historical drill hole SIM82003 returned a highly encouraging result of;

- 24m @ 0.4% V₂O₅ (whole rock), 1.63% V₂O₅ (magnetite concentrate) from 22m, including;
- 9m @ 0.43% V₂O₅ (whole rock), 1.90% V₂O₅ (magnetite concentrate) from 37m

Historical drill hole SIM82001 also delivered an encouraging intersection of;

- 10.9m @ 0.4% V₂O₅ (whole rock), 1.63% V₂O₅ (magnetite concentrate) from 39m; and
- 7m @ 0.24% V₂O₅ (whole rock), 1.55% V₂O₅ (magnetite concentrate) from 23m

Drill holes SIM82001 and SIM82003 intersect the source of a large, high amplitude aeromagnetic anomaly, directly associated with the vanadium mineralisation, which is approximately 1.5km in strike length. The highest-grade vanadium mineralisation was intersected in hole SIM82003 with the mineralisation being open to the east.

The widths and grades of the vanadium mineralisation intersected at Simesvallen are similar to the Northeast Magnetic Zone on the Airijoki Project in northern Sweden.

⁷ See Pursuit Minerals ASX Announcement dated 3 September 2018.

⁸ See Pursuit Minerals ASX Announcement dated 2 October 2018.

⁹ See Pursuit Minerals ASX Announcement dated 29 October 2018.

The Company is not aware of any new information or data that materially affects the information contained in the referenced announcements.

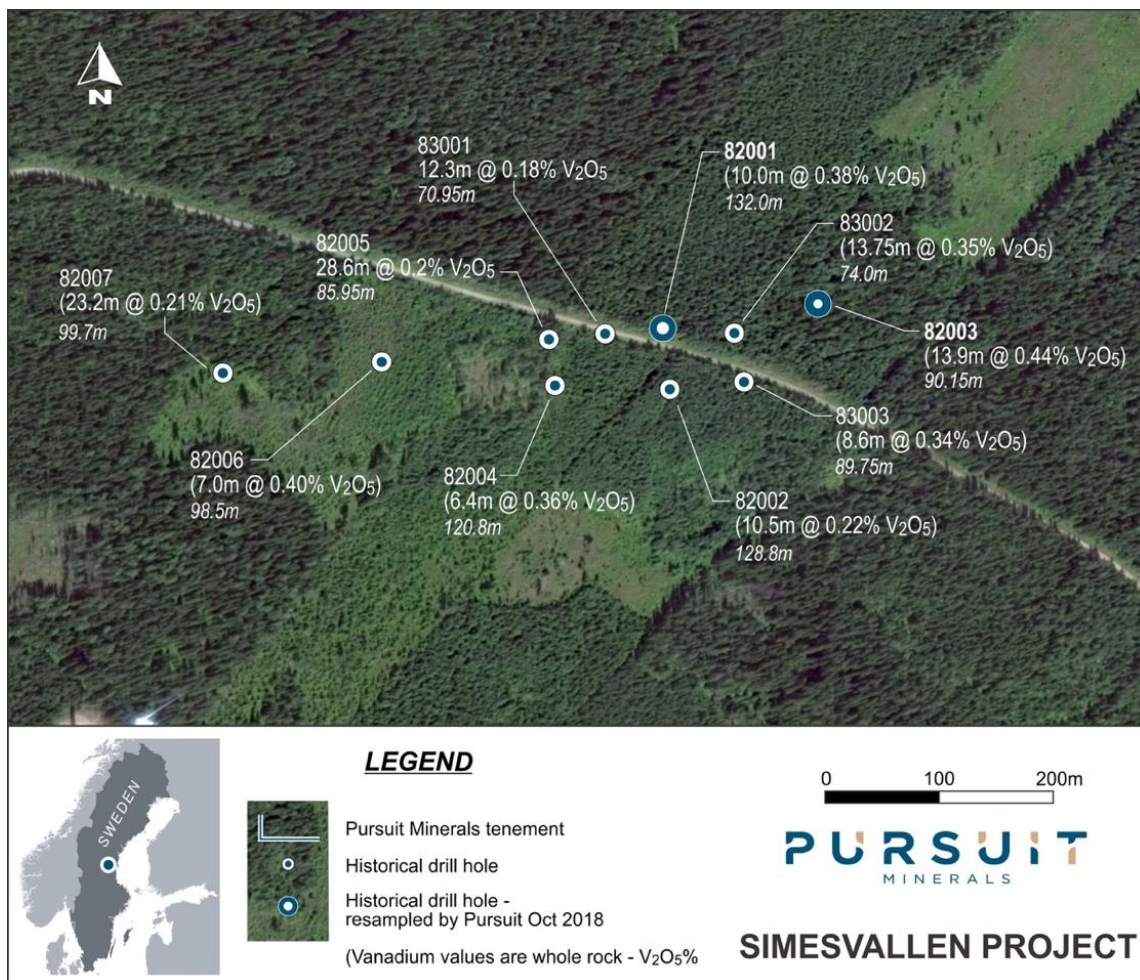
In order to further investigate the potential of the Simesvallen vanadium mineralisation to deliver a JORC compliant Mineral Resource, Pursuit commenced compiling and analysing the historical vanadium drill intersections from all ten historical drill holes at Simesvallen. It is expected the results of this analysis will be reported in the September Quarter.

Sumåssjön Project

The Sumåssjön project area contains vanadium mineral occurrences and areas of historic mining activity. Seven historical drill holes have been previously drilled intersecting vanadium mineralisation over a strike length of 200m.

No work was conducted at Sumåssjön during the quarter.

Figure 6 – Simesvallen Project Historical Vanadium Intersections



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Kramsta Project

An historical Exploration Target of 10-12Mt @ 0.1-0.25% V, 3-5 % Ti and 15-25% Fe has been estimated at the Kramsta Project.¹⁰

Pursuit's initial objective at the Kramsta Project will be to estimate a Mineral Resource in accordance with JORC (2012) and to ascertain the size of the mineralisation.

No work was conducted at Kramsta during the quarter.

¹⁰ Refer ASX Announcement dated 12 April 2018. The Company is not aware of any new information or data that materially affects the information contained in that announcement as it relates to the referenced tenements.

The historical Exploration Target reported for the Kramsta Project is conceptual in nature and there has been insufficient exploration work completed to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

Queensland Exploration Projects

Paperbark Project

The Paperbark Project is located approximately 215km north-northwest of Mount Isa and 25km southeast of the Century Mine in north-west Queensland. It occurs within the Lawn Hill Platform of the Western Succession of the Mt Isa Province (Figure 7).

The project consists of one exploration permit, EPM 14309, covering an area of approximately 70km². Exploration by previous companies focused on the JB Zone, where a Mineral Resource of 10.4Mt @ 2.7% Zn, 0.2% Pb, 1g/t Ag at 1.5% Zn cut-off grade and classified as Inferred in accordance with the JORC Code (2012) has been defined.¹¹

¹¹ Refer ASX Announcement dated 24 April 2017. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcements and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

No work was conducted on the Paperbark Project during the quarter.

Bluebush Project

The Bluebush Project is located approximately 280km north-northwest of Mount Isa and 72km northeast of the Century Mine in northwest Queensland and occurs within the Lawn Hill Platform of the Western Succession of the Mt. Isa Province (Figure 7).

The project consists of two exploration permits (EPM's 8454 and 8937) covering an area of approximately 214km². Previous drilling has intersected zinc mineralisation over an area of 120km² making Bluebush one of the largest areas of zinc mineralisation in Australia.

A drill program of four holes for 1669m was completed last year, intersecting broad intervals of zinc-lead sulphide mineralisation.

No work was conducted on the project during the quarter.

South Australia Lithium Brine Projects

The Company holds three Exploration Licences covering a combined area of 1831km² in central and northern South Australia. The exploration targets are brines enriched in lithium associated with the large salt lakes in this region of South Australia (Figure 8).

No work was completed on the project during the quarter.

Corporate

Cash position and financing activities

As at 30 June 2019, Pursuit had cash reserves of \$0.54 million.

On 3 July 2019, Pursuit announced it had received firm acceptances from sophisticated investors for approximately 89 million fully paid ordinary shares at a price of A\$0.01 per share to raise \$0.89 million before costs via a two-tranche placement led by EverBlu Capital Pty Ltd. Tranche 1 which involved the issue of 44.5 million shares at \$0.01 per Share completed on 10 July 2019. Completion of Tranche 2 is subject to shareholder approval at a general meeting of shareholders which will be convened prior to 31 August 2019.

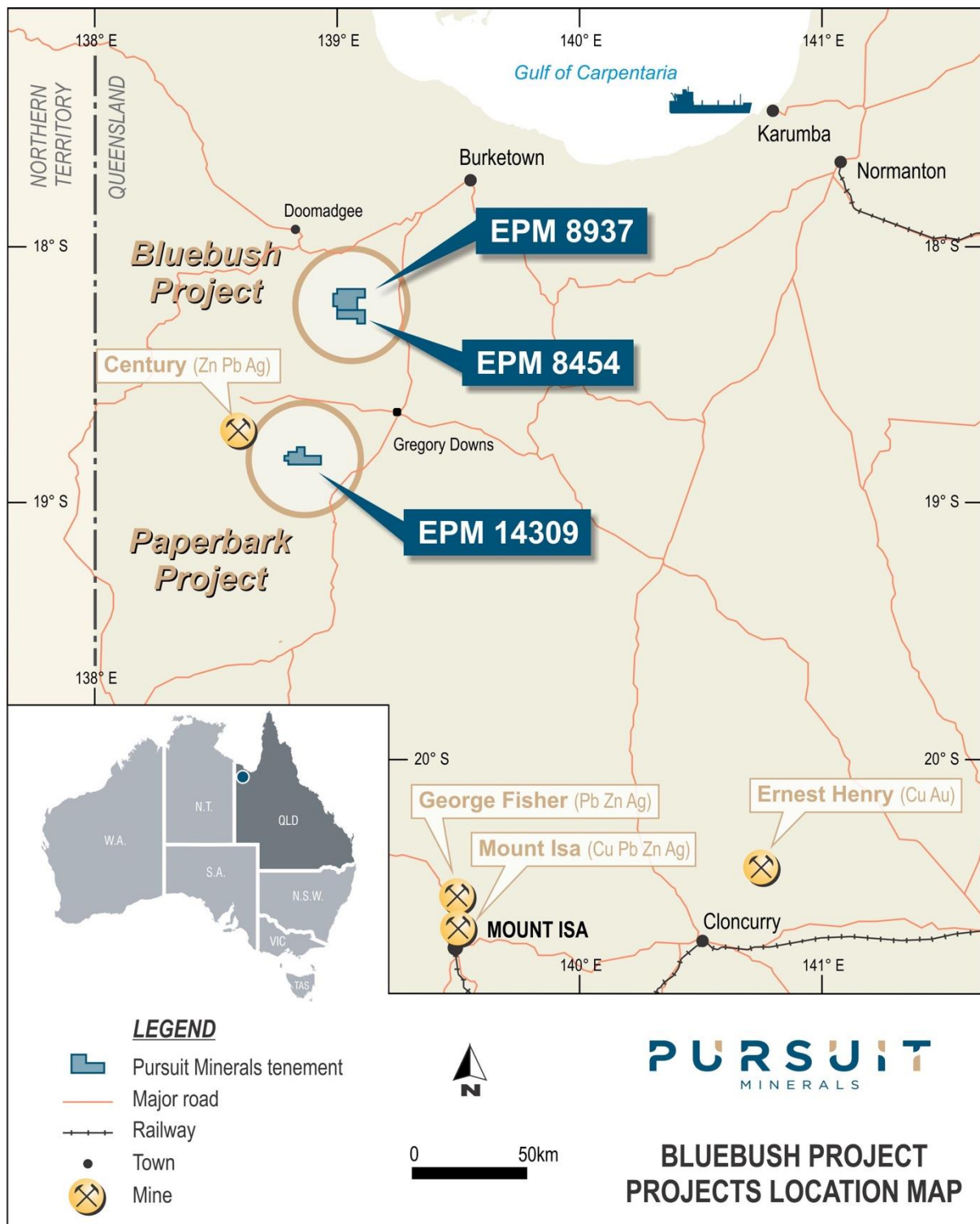
On 3 July 2019, Pursuit also announced that it will undertake a non-renounceable pro-rata entitlement offer to raise up to an additional \$0.74 million (before costs), whereby Eligible Shareholders (will be offered the opportunity to acquire one (1) new fully paid ordinary share in Pursuit for every three (3) fully paid ordinary shares in Pursuit held as at the Record Date at an issue price of \$0.01 per share. Full details of the Entitlement Offer are included in the Entitlement Offer Prospectus dated 8 July 2019.

Management restructure and cost reduction program

On 27 June 2019, Pursuit advised that it had implemented a management restructure and cost reduction program with the objective of significantly reducing the Company's running costs pending the return of more favourable market conditions for the financing of the Company's highly prospective portfolio of Scandinavian vanadium projects. The most significant impacts of the management restructure and cost reduction program are:

- Pursuit estimates that the cost reduction program when fully implemented will result in a reduction of approximately \$150,000 per quarter in personnel and corporate cost related cash expenditure.

Figure 7 – Queensland Zinc Project Locations



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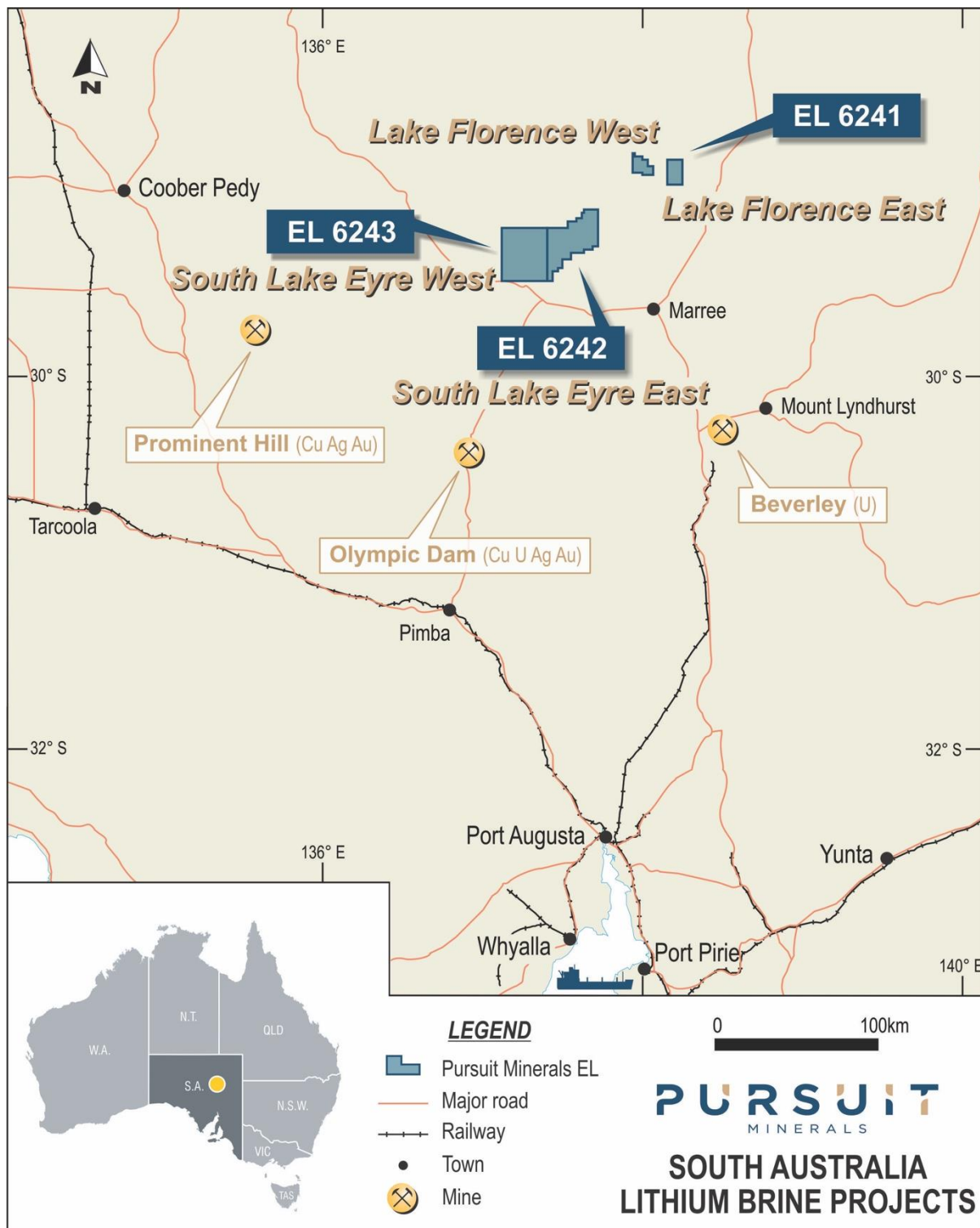
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Figure 8 – South Australia Lithium Projects



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- The contract of Mr Jeremy Read, the Company's Managing Director, will expire on 23 August 2019 and, by mutual agreement, will not be renewed. Mr Read and the Company are in discussions regarding Mr Read continuing to provide consultancy services to the Company in relation to the assessment of new opportunities and the financing and development of the Company's vanadium projects on terms to be agreed. The Company has commenced a search for a Managing Director to replace Mr Read on the expiry of his contract in August.
- Mr Ian Wallace, an Executive Director of the Company and who also provides services to the Company under a consultancy agreement, stepped down as Executive Director on 3 July 2019 and will cease to provide consultancy services to the Company effective 26 July 2019.

The Company is continuing discussions with potential strategic partners who have the capability to provide technical and financial resources to progress the Airijoki and Koitelainen projects through their next stages of development.

Finally, the Company is also considering acquisition and joint venture opportunities in relation to other mineral resource projects and will provide further updates in due course.

Tenement Listing

As at 30 June 2019, the Company had a 100% ownership interest in tenements shown in Table 1.

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Table 1 – Tenement listing at 30 June 2019

Project	Tenement	Location	Area (km ²)	Expiry Date
Paperbark	EPM 14309	Queensland	75	12/9/2022
Bluebush	EPM 8937	Queensland	144	6/9/2019
Bluebush	EPM 8454	Queensland	70	11/11/2019
Karhujupukka	Karhujupukka - Reservation	Finland	399	29/3/2020
Karhujupukka	Karhujupukka North – Exploration Licence ML2018:0068	Finland	1	10/7/2022
Karhujupukka	Karhujupukka South – Exploration Licence ML2018:0069	Finland	5.5	10/7/2022
Koitelainen	Koitelainen A	Finland	44	29/3/2020
Koitelainen	Koitelainen B	Finland	86	29/3/2020
Ala Postojoki	Ala Postojoki - Reservation	Finland	50	7/8/2020
Simesvallen	Simesvallen nr 100	Sweden	63	20/6/2021
Kullberget	Kullberget nr 100	Sweden	81	20/6/2021
Kramsta	Kramsta nr 100	Sweden	16	20/6/2021
Sumåsjön	Sumåsjön nr 1	Sweden	37	21/6/2021
Sumåsjön	Sumåsjön nr 2	Sweden	5	21/6/2021
Airijoki	Airijoki nr 100	Sweden	9.6	27/6/2021
Airijoki	Airijoki nr 101	Sweden	4.8	25/11/2021
Airijoki	Airijoki nr 102	Sweden	13.5	25/11/2021
Airijoki	Airijoki nr 103	Sweden	4.1	26/11/2021
SA Lithium	EL6241	South Australia	255	6/9/2020
SA Lithium	EL6242	South Australia	712	6/9/2020
SA Lithium	EL6243	South Australia	864	6/9/2020

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About Pursuit Minerals

Pursuit Minerals (ASX: PUR) listed on the ASX in August 2017 following the completion of acquisition of a portfolio of projects from Teck Australia Pty Ltd, which remains Pursuit's largest shareholder. Led by a Board and Management team with a wealth of experience in minerals transactions, Pursuit understands how to generate and capture the full value of resource projects. From local issues to global dynamics, Pursuit Minerals knows how to navigate project development and deliver returns to shareholders and broader stakeholders. Pursuit's project portfolio is focussed on the emerging energy metal, vanadium. In 2018, through compilation and interpretation of historical data, Pursuit applied for and was subsequently granted Exploration Tenements in Sweden and Project Reservations in Finland, covering projects with historical deposits of vanadium and extensive confirmed areas of vanadium mineralisation. Finland has in the past produced up to 10% of the world's vanadium and is currently rated the number one jurisdiction globally for developing mineral projects.

Sweden has a long mining history and culture and was the second country in the world where vanadium was recognised as a metal. With its Sweden and Finland projects very well placed to take advantage of Scandinavia's world-class infrastructure, cost effective power and stable legislative frameworks, Pursuit is looking to accelerate assessment and potential development of its quality vanadium project portfolio. With Europe rapidly transforming its energy grid to renewables, which will require large increases in battery storage, Pursuit's projects are well positioned to participate in the energy revolution underway.

For more information about Pursuit Minerals and its projects, visit:

www.pursuitminerals.com.au

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Competent Person's Statement

Statements contained in this announcement relating to historical exploration results, historical estimates of mineralisation and Exploration targets are based on, and fairly represents, information and supporting documentation prepared by Mr. Jeremy Read, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 224610.

The historical mineral estimates for the Karhujupukka and Koitelainen magnetite-ilmenite-vanadium mineralisation, are historical estimates and are not reported in accordance with the JORC Code. The Competent Person has not done sufficient work to classify the historical estimate as a Mineral Resource in accordance with the JORC Code, due to the unavailability of sufficient data. The historical mineral estimates for the Karhujupukka and Koitelainen magnetite-ilmenite-vanadium mineralisation have been widely reported in the geological literature and hence are easily accessible by members of the public. However, it is uncertain that following evaluation and/or further valuation work if the historical estimates will be able to be reported as a Mineral Resources in accordance with the JORC code.

Mr. Read is a full-time employee of the Company and has sufficient relevant experience in relation to the mineralisation style being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Read consents to the use of this information in this announcement in the form and context in which it appears.

Statements contained in this announcement relating to the Koitelainen Vosa Prospect Inferred Mineral Resource, are based on, and fairly represents, information and supporting documentation prepared by Mr. Chris Grove, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 310106. Mr Grove is a full-time employee of the mineral resource consulting company "Measured Group", who were contracted by Pursuit Minerals Limited to prepare an estimate of the Inferred Mineral Resource at the Koitelainen Vosa Prospect. Mr Grove has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Grove consents to the use of this information in this announcement in the form and context in which it appears.

Statements contained in this announcement relating to the Airijoki Project Inferred Mineral Resource, are based on, and fairly represents, information and supporting documentation prepared by Mr. Chris Grove, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 310106. Mr Grove is a full-time employee of the mineral resource consulting company "Measured Group", who were contracted by Pursuit Minerals Limited to prepare an estimate of the Inferred Mineral Resource at Airijoki. Mr Grove has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Grove consents to the use of this information in this announcement in the form and context in which it appears.

Forward looking statements

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of Pursuit Minerals Limited's planned work at the Company's projects and the expected results of such work are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties

Pursuit Minerals Limited

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which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/expectations and realize the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties.

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

PURSUIT MINERALS LIMITED

ABN

27 128 806 977

Quarter ended ("current quarter")

30 June 2019

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	(647)	(4,268)
(b) development		-
(c) production		-
(d) staff costs	(113)	(645)
(e) administration and corporate costs	(103)	(819)
1.3 Dividends received (see note 3)		-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	-	(4)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(862)	(5,730)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(30)
(b) tenements (see item 10)	-	(23)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) 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	-	(53)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	3,948
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(270)
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)	-	-
3.10	Net cash from / (used in) financing activities	-	3,678

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,382	2,624
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(862)	(5,730)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(53)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,678
4.5	Effect of movement in exchange rates on cash held	11	12
4.6	Cash and cash equivalents at end of period	531	531

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	531	1,382
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)	531	1,382

Appendix 5B

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6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	104
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Amounts totalling \$104,000 were paid to Directors during the quarter as payment for Directors fees and salaries.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	18
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

The following amounts were paid during the quarter to entities associated with Directors:

1. Amounts totalling \$18,420 were paid to Steinepreis Paganin for legal services. Peter Wall, the Non-Executive Chairman of the Company is a partner of Steinepreis Paganin.

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/a

Appendix 5B

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9.	Estimated cash outflows for next quarter^{##}	\$A'000
9.1	Exploration and evaluation	146
9.2	Development	-
9.3	Production	-
9.4	Staff costs	60
9.5	Administration and corporate costs	143
9.6	Other – Capital Raising Proceeds	(890)
9.7	Total estimated cash outflows	(541)

Notes:

1. *Forecast Expenditure for the September quarter is reduced compared to expenditure incurred in the June quarter pursuant to the announcement by the Company on 27 June 2019 that it is implementing cost reduction measures anticipated to save up to \$150,000 per Quarter. In addition, the Company has deferred all non-essential exploration expenditure pending a strategic review of its exploration portfolio.*
2. *Pursuit announced on 3 July 2019 that it would raise up to \$1.63 million, consisting of a \$0.89 million two tranche placement and a non-renounceable \$0.74 million rights issue. Only amounts committed pursuant to the two-tranche placement are included above.*

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL5982 Coober Pedy EL5983 Coober Pedy	Exploration licence Exploration licence	100% 100%	Nil Nil
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/a			

Compliance statement

Appendix 5B

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- 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.

Sign here:



Date: 25 July 2019

Company Secretary

Print name: Stephen Kelly

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.